

Standardized Calculation of Operational Polluting Emissions (SCOPE) Act

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The *SCOPE Act* directs the Environmental Protection Agency (EPA) to establish voluntary guidance for companies to disclose their indirect Scope 3 emissions, ensuring greater and uniform transparency for the public and consumers about a company's environmental footprint.

As climate change increasingly affects our communities, it is essential that companies be transparent with the public about their full environmental impact and work to improve it.

Scope 3 emissions are the result of activities of a company which occur from sources not owned or controlled by that company. This may include extraction and production of purchased materials, transportation of purchased fuels, and use of sold products and services up or downstream from the company's supply chain. Scope 3 emissions account for a majority of a company's total carbon footprint, with estimates ranging from 75 to 90 percent.

The EPA provides reporting and recordkeeping guidance for specific categories of suppliers under the Greenhouse Gas Reporting Program (GHGRP), as previously directed by Congress. However, no official guidance from the EPA currently exists for Scope 3 emissions from direct emitter companies, leaving these companies to determine their own methodologies for calculating and disclosing their indirect emissions. Even worse, EPA under the current administration has proposed rolling back the GHGRP, even though many in the oil and gas industry actually support the program.

The *SCOPE Act* would bolster and improve the GHGRP by encouraging the uniform disclosure of Scope 3 emissions across all industries by directing the EPA to study and publish voluntary guidance for companies to calculate and report their Scope 3 emissions. Specifically, this guidance will include:

- Recommendations on calculation methodologies for Scope 3 emissions
- Best practices for the monitoring of Scope 3 emissions and the quality assurance of data
- Guidance for record keeping and reporting of Scope 3 emissions data

By directing the EPA to provide clear and official guidance for Scope 3 emissions from direct emitter companies, these companies will not be left on their own to determine their methodologies for calculating and disclosing their indirect emissions.