

Thousands of Businesses Unprepared for New Environmental Reporting Scheme

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Sustainability analysis and reporting firm Ecometrica says more than 8,000 businesses face carbon accounting for the first time

Edinburgh, 11 February 2020 - Sustainability accounting experts at Ecometrica (<http://www.ecometrica.com>) are warning that thousands of companies could be caught out by new carbon reporting regulations.

More than 8,000 UK businesses face reporting on carbon emissions as part of their accounts for the first time at the end of their current financial year, and it is unclear how many have made suitable provision.

Gary Davis, CEO of Ecometrica, said listed companies face more onerous reporting requirements, while larger unquoted firms and LLPs would be reporting on emissions for the first time.

“All large unquoted, large LLPs, and quoted companies, as defined by the Companies Act 2006, will have to comply with the new energy and carbon reporting framework,” he said. “To reduce the additional burden on reporting companies, it is expected that the figures will be published in annual reports, alongside financial data.”

The requirement is part of the UK Government’s Department for Business, Energy and Industrial Strategy’s new Environmental Reporting Guidance, which includes the Streamlined Energy and Carbon Reporting Regulations (SECR) ([view PDF](#)

(https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/850130/Env-reporting-guidance.pdf) that will apply to financial years starting on or after April 1st, 2019.

Davis said: “The UK Government is extending mandatory carbon reporting requirements to more companies than the outgoing regulations, while encouraging those that aren’t required to report to disclose their sustainability data.”

Much like the outgoing Mandatory Greenhouse Gas (MGHG) reporting requirements, quoted companies will be required to report their global greenhouse emissions and an intensity ratio. Additionally, such companies will be required to report their total global energy use and information relating to energy efficiency action alongside the methodology used to calculate the data.

To comply with SECR, large unquoted companies and LLPs are now required to report their UK energy use and associated greenhouse gas emissions relating to gas, electricity and transport, as well as an intensity ratio, information relating to energy efficiency action, through their annual reports (the definition of “large” is the same for both unquoted companies and LLPs).

The SECR Regulations will affect:

* Quoted companies;

- * Large unquoted companies;
- * Large Limited Liability Partnerships (LLP)

Large companies are defined by the Companies Act 2006 as those which have two or more of the following criteria for the reporting period:

- * More than 250 employees
- * An annual turnover greater than £36m
- * An annual balance sheet greater than £18m

Organisations can fall within these three categories even if not for profit or undertaking public activities, e.g. universities or NHS Trusts which include companies.

Davis said the impacts of the new legislation will vary depending on the organisation's current situation.

He said: "It's likely that most organisations who have had to submit a return for the Energy Saving Opportunities Scheme (ESOS) will be required to report to the new scheme. This will introduce annual public disclosure of UK energy use and carbon emissions to around 11,000 organisations, up from approximately 1,600 required to report for the outgoing regulations.

"The new regulations will present a challenge to many businesses and an opportunity for some larger global corporates, not currently reporting, to consider applying best practice. In reality, they all share a common goal: to minimise their greenhouse gas and sustainability reporting burden."

Ecometrica recently launched an audit ready and fully compliant SECR reporting application. Powered by the award-winning Ecometrica Platform, it allows organisations to easily collect, calculate and report energy use and carbon emissions, in compliance with the new requirements. More information on SECR reporting is available here (<https://ecometrica.com/business/secr-reporting-software>).

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About Ecometrica:

Ecometrica is the global leader in downstream space information solutions. The company turns the vast and growing streams of observation data from space, air and land into actionable insights for business, government and society.

Innovative and intelligent technology distils its technical expertise into simple web-based tools that

anyone can understand and use. By bringing together sustainability, environment, risk and business insights with geospatial intelligence and mapping applications, the award-winning Ecometrica Platform allows businesses, governments and organisations to make smarter decisions and build long-term value.

Ecometrica is one of the world's top sustainability brands, as named by industry analyst Verdantix. It is the only CDP Gold Software Partner for its climate change, forests and water programmes. Ecometrica's geospatial data mapping services, which support all aspects of sustainability planning, operations and reporting by businesses and public organisations, are available worldwide, through offices in the UK, USA, Canada and Mexico.

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