

## STREAMLINED ENERGY & CARBON REPORTING (SECR)



### WHAT IS STREAMLINED ENERGY & CARBON REPORTING (SECR)?

Streamlined Energy and Carbon Reporting (SECR) is a new government carbon reporting scheme that aims to expand the number of British Businesses who report their carbon emissions.

Depending on the type and size of your business, you may need to take action to report under SECR regulations.

### WHAT IS THE PURPOSE OF SECR?

Carbon and energy reporting can be complex and time-consuming, and the need for a business to undertake a report can fall under multiple legislative requirements. SECR aims to simplify carbon and energy requirements for businesses in the UK whilst also ensuring those businesses have the information they need to take action on reducing their carbon emissions.

### WHEN DID SECR COME INTO EFFECT?

SECR came into effect on April 1st 2019. It replaces the Carbon Reduction Commitment (CRC) scheme, which comes to an end in July 2019. If you are currently submitting reports under the CRC, you will now submit reports under SECR.

## WHO NEEDS TO COMPLY WITH THE SECR FRAMEWORK?

**There are three types of businesses in the UK that are affected by SECR:**

- Quoted companies
- Unquoted companies
- 'Large' Limited Liability Partnerships (LLPs)

Unless your organisation meets specific exemption requirements, you will need to comply with SECR.

### **Quoted companies (Companies listed on the London Stock Exchange)**

Quoted companies of all sizes are already required to report their carbon emissions under current greenhouse gas reporting regulations. They will now be obliged to report under SECR.

### **Unquoted companies (Companies not listed on the LSE)**

Unquoted companies must be definable as 'large' under the Companies Act 2006 (see below) to qualify for SECR reporting obligations. Both registered and unregistered unquoted companies will now have reporting obligations, regardless of if they have been required to do so previously or not.

### **'Large' Limited Liability Partnerships (LLPs)**

LLPs will be required to submit an *Energy and Carbon Report* under SECR.

## DEFINITION OF A 'LARGE' COMPANY UNDER THE COMPANIES ACT 2006

A company is 'large' if it meets at least two of the following three criteria within a reporting year:

- 250 or more employees
- A balance sheet of, or greater than, £18million
- An annual turnover of, or greater than, £36million

Businesses who do not fall under the criteria above, but are still within the private sector, are encouraged to voluntarily report their carbon emissions in a similar manner.

## PUBLIC BODIES, CHARITIES AND NOT-FOR-PROFIT ORGANISATIONS

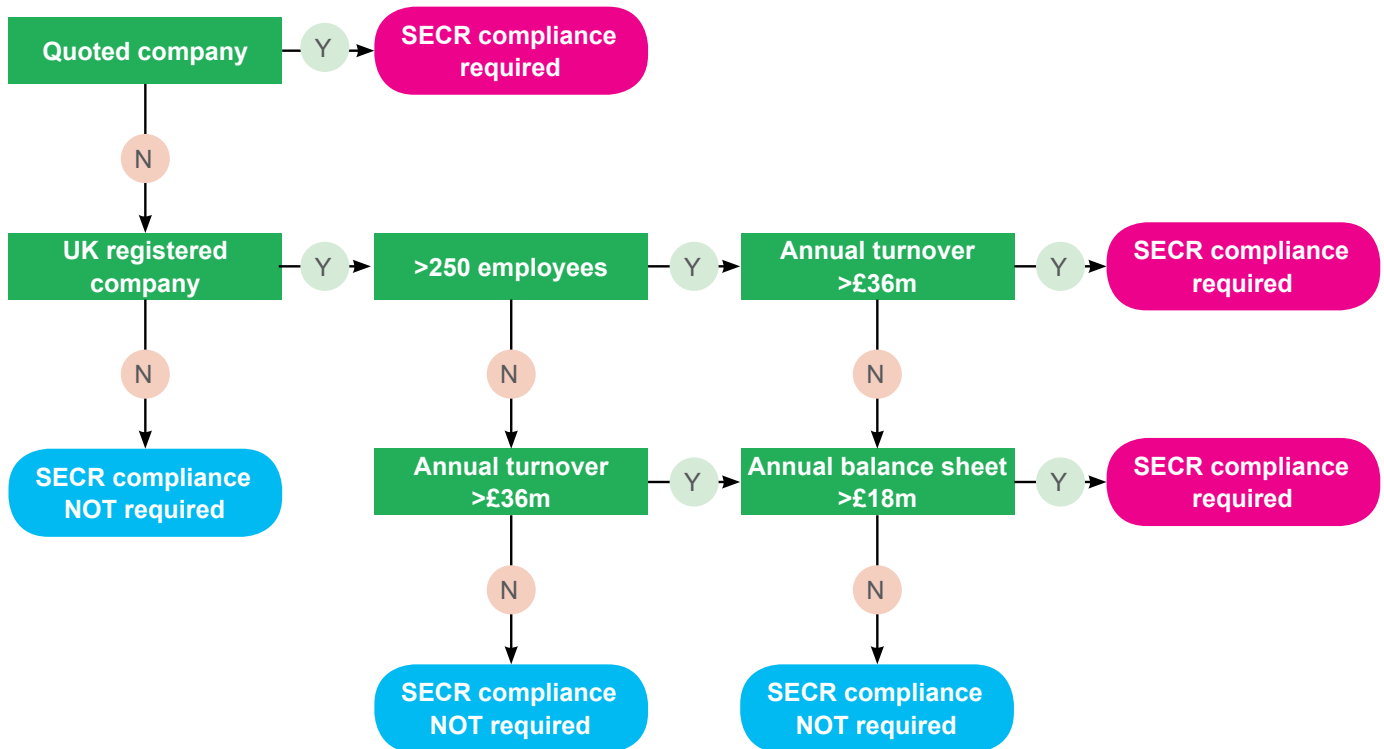
Public sector and non-profit organisations do not have to comply to SECR – only private sector businesses that meet the above criteria need to do so.

**However** – if your organisation is either within the public sector or a non-profit, you may be subject to report your emissions under other legislation, such as the Emissions Reduction Pledge 2020.

## COMPANIES THAT ARE EXEMPT

- Companies that use 40,000 kWh or less of energy in the 12-month reporting period
- Unquoted companies where 'it is not practical to obtain information'

## DO YOU NEED TO COMPLY?



## WHAT DOES THIS MEAN FOR ME?

### If you are already reporting under Mandatory Carbon Reporting (MCR)

There is little change in your reporting requirements with the exception that you will now need to include information on your energy use and energy efficiency measures.

### If you are reporting and purchasing credits under the CRC EES

SECR will replace the CRC ESS, with most of the cost of CRC having shifted to the Climate Change Levy (CCL).

### If you currently do not report under either scheme

The biggest change will come for businesses who did not need to report under either the CRC or the MCR. If you are required to submit a report under the Energy Saving Opportunities Scheme (ESOS), it is likely you will be required to report under SECR.

## REPORTING REQUIREMENTS

What Quoted companies, Unquoted companies and LLPs are required to report are similar, with the exception that incorporated companies must report on global emissions, whereas Unquoted and LLPs only report on their UK usage.

Large Unquoted Companies and LLPs	Quoted Companies
<p>Energy consumed in the UK and greenhouse gas emissions associated with UK energy usage, including:</p> <ul style="list-style-type: none"> <li>• electricity</li> <li>• gas</li> <li>• transport (including UK offshore area)</li> </ul>	<p>Annual global greenhouse gases emissions from activities for which the company is responsible, including:</p> <ul style="list-style-type: none"> <li>• annual emissions from the purchase of electricity, heat, steam or cooling by the company for its own use</li> <li>• combustion of fuel and operation of any facility</li> </ul>
State UK energy usage	State what proportion of energy consumed relates to emissions in the UK and UK offshore areas
Describe the principal measures and practices taken to increase energy efficiency	
State at least one emissions intensity ratio	
Provide energy use and GHG emissions figures from previous year (exempt in 1st year)	
Describe the method used to collect your data	

## WHAT TO DO NEXT

Speak to one of our Energy Experts today on 020 371 5360 to find out how Advantage can help you achieve full legislative compliance. Or if you are already part of the Advantage family, speak to your account manager to see how we can help you further.