Introduction- Streamlined Energy & Carbon Reporting Consultation

What is your name?

Name

What is your email address?

If you enter your email address then you will automatically receive an acknowledgement email when you submit your response.

Email

What is your organisation?

Organisation

Are you:

- A. internal to the organisation (e.g. an employee, manager, director)
- B. an external party nominated to respond on behalf of the organisation

Consultation Questions

1. Do you agree that the proposed energy and carbon reporting policy should apply across the UK?

- Yes
- No

Please explain your answer here:

We agree that the simplified energy and carbon reporting framework should be UK-wide. This would support consistency and comparability of disclosures across all qualifying companies across the UK.

Any other arrangement would run two risks:

1) disclosure of information at a sub-UK level, which is not useful because it is not material;

2) disclosures made for different parts of the UK which are inconsistent in terms of methodology or timing, making it harder to understand a company's overall activity.

2. Do you have any comments on the analysis set out in the Impact Assessment (which will be published shortly)?

If yes, please comment here, explaining your answer:

The Impact Assessment has analysed some potential policy overlaps with ESOS, but there does not appear to be any consideration of impacts or overlaps with Directive 2014/95/EU on non-financial reporting (NFR) for large companies or its transposition into UK law. We suggest that BEIS consider reviewing their impact assessments and analysing the potential policy interactions between SECR and NFR, given the NFR requirements for disclosure of material environmental information within the Strategic Report.

More information can be found regarding the European Commission's consultations and impact assessments via the below links:

EU non-financial reporting: https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/non-financial-reporting_en#documents

Companies, Partnerships and Groups (Accounts and Non-Financial Reporting) Regulations 2016: https://www.gov.uk/government/consultations/non-financial-reporting-directive-uk-implementation

It is stated within the consultation paper paragraph 3.12. that enforcement of SECR in relation to compliance with statutory reporting requirements would sit within the wider remit of the Financial Reporting Council. However, the Impact Assessment appears to contradict this, stating in paragraph 97: "Monitoring of non-financial reporting is undertaken by the Financial Reporting Council, and looks for false/reckless disclosures but does not check non-financial content. It is not proposed that additional monitoring or enforcement activities are added to this regime". To be clear, we would argue that following the recommendations of the Financial Stability Board's industry-led Taskforce on Climate-related Financial Disclosure (TCFD), information that is disclosed in mainstream reports should be

‘Climate-related Financial Disclosures’ and thus very much under the remit of the Financial Reporting Council (FRC).

We note the reference in the Impact Assessment to CDP: “A voluntary reporting option has not been considered in this IA, as evidence in studies such as the Eunomia report* have found such schemes have not succeeded in providing the clarity and consistency of information required to affect organisational behaviour. They also do not meet the transparency needs of investors and others, in order to allow companies to be held to account. In addition, voluntary reporting schemes are already available to organisations. Schemes such as the CDP (formerly the Carbon Disclosure Project) are likely to limit the additionality of a new voluntary reporting regime.” * DECC, 2014, *Evidence Review of the Impact of Central and Public Disclosure Methods for Reporting Energy Use and Energy Efficiency.*

CDP is a voluntary reporting mechanism backed by more than 800 institutional investors who provide input on the questionnaires, and use the resulting data. We agree that there is limited additionality from creating a new government platform and have addressed that in responses to other questions.

We would welcome any additional evidence on costs and benefits to support a final assessment of impacts. Please contact us at reporting@beis.gov.uk if you would like to discuss our assumptions or provide us with additional sources of evidence, or if you would be interested in attending any analytical workshops we may hold.

3. Do you agree that reporting should be done through annual reports?

- ○ Yes
- ○ No

Please explain your answer here:

Environmental information, including the impact of climate change on and link to business management (strategy, governance, risk management) and metrics (including greenhouse gas emissions and energy management), should be disclosed in mainstream reports when material to an organisation’s performance. As highlighted by the recent TCFD recommendations, climate-related financial disclosure should be made in mainstream reports to demonstrate management’s understanding and response to these risks and opportunities. In addition, these indicators can be a good proxy to understand corporate performance. The information disclosed in mainstream reports should include forward-looking disclosures about e.g. risks and corporate targets, as well as backward looking information such as past performance data.

It is important that the primary purpose of the annual report (which is to inform investors) remains clear in the light of any additional information requirements. As such it is important that any information included in mainstream reports is relevant, material and useful for investor decision-making.

Section 3.1 states that there is no intention on the part of BEIS to remove the existing requirement for all UK quoted companies to report annually on their global greenhouse gas emissions, which is currently reported via the Directors' report. However, subsequent parts of the consultation make it clear that there is a possibility that this requirement could cease to apply to mainstream reports. Any such move would be a highly retrograde step from the viewpoint of investors, particularly at a time when the UK government has publicly endorsed the recommendations of the TCFD.

The TCFD recommends that companies report group-wide (i.e. global) greenhouse gas emissions in their mainstream reports, and as noted in question 13.B, the government is now considering whether to extend its reporting requirements in this area, rather than to diminish them. We support maintaining the existing requirement for global greenhouse gas reporting within mainstream reports, in line with the TCFD's recommendations.

If yes, would either of the following, forming part of companies' annual reports, be better suited?

- a) Directors' reports, or
- b) Strategic reports, or
- c) a new, bespoke report

Please explain your answer, note any issues you see with using these reports, and provide any comments on how proposals might best fit within the annual reports regime:

Existing rules through the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, require companies to disclose information about appropriate environmental matters within the Strategic Report. The purpose of this report is to inform members of the company and help them assess how the directors have performed their duty under section 172, to promote the success of the company.

According to the Act, an applicable company's Strategic Report must already include a non-financial information statement containing information, to the extent necessary for an understanding of the company's development, performance and position and the impact of its activity. This information must include environmental matters (including the impact of the company's business on the environment) as well as any policies of the company in relation to those matters and the effectiveness of those policies. Greenhouse gas emissions are a material impact upon the environment and therefore can be justified to be included within the Strategic Report as well as any policies related to their impact and how it is being mitigated, which would include energy efficiency measures. The inclusion within the Strategic Report will mean that information disclosed is required to go through the same board, committee and auditing sign off processes as other business critical information and can be relied upon by users (investors) to be of sufficient quality to make investment decisions.

This inclusion will help advance and align mainstream corporate reporting to equate environmental information with financial information.

4. Do you agree that from 2019 energy and carbon reporting to Companies House should be electronic?

- Yes
- No

If yes, please specify any digital formats such as XBRL / iXBRL that may be suited to this purpose, and any opportunities and challenges these may present:

CDP and CDSB are supportive of wider business use of XBRL and iXBRL for both environmental and financial reporting.

The benefits of using XBRL include streamlining of data and ease of data management. Through the reduction of mechanical data entry there is an elimination of entry errors. XBRL taxonomies already exist for climate information (for example the joint CDSB and CDP taxonomy, more information at www.cdsb.net/xbrl and www.cdp.net/en/research/xbrl, as well as the FRC's accounts taxonomies) and provide standardised definitions which capture individual reporting concepts as well as the relationships between concepts.

While we wholeheartedly encourage the UK government to implement digital reporting through iXBRL, we note that there is not yet a mandatory requirement for companies to report financial information and accounts in this format. Implementing a requirement for digital reporting for climate change-related information alone would separate environmental information from financial information, which would be against the interests of anyone seeking to understand the overall performance of a company.

We recommend that BEIS and Companies House work with the FRC to take this opportunity to advance electronic reporting across all types of corporate disclosures, and to require comprehensive digital reporting in iXBRL for annual reports and accounts in full. This would also ensure that the UK does not lag behind internationally, given that such reporting measures are currently being considered in the European Union, as outlined in the Transparency Directive (European Single Electronic Format) and are already in place in the United States, Australia and many other major economies. We suggest that the option for digital reporting is offered with the expectation that this will become the norm after 2019.

5. Do you agree that the government should seek to establish a mechanism for collating published energy and carbon data for example via a central published report or tool?

- Yes
- No

Please explain your answer:

As explained previously, we feel strongly that environmental climate information should be placed in mainstream reports alongside financial information and we would not want to see any steps taken which would result in the removal of material environmental information, such as greenhouse gas emissions, from mainstream reports.

We do see some positive arguments for setting up a new platform, assuming that this does not result in removal of environmental reporting from mainstream reports, but do not consider them to be very strong.

One argument for creating a new platform is that non-material information could be held in a place where it will not create ‘clutter’ within mainstream reports. However, this raises the question of whether a platform containing non-material information will be useful to stakeholders. Certainly, it is unlikely to be useful to institutional investors, who in our experience had no interest in the CRC league table because its scope was limited to UK rather than global greenhouse gas emissions.

Another argument for creating a new platform is that it would be easier to enforce disclosure requirements, as current capacity to enforce requirements for mainstream reports is very weak. While we agree that the appropriate authorities are not sufficiently resourced to enforce compliance, we do not agree that creating a new electronic platform for certain information is the best way to solve this problem. Phasing in mandatory electronic reporting of both environmental and financial company data would be a far more sensible way to proceed as this will greatly reduce the cost and difficulty of compliance checks.

Should the government wish to go forward with a separate complementary platform (which is not our recommendation) then we would propose that instead of building a new one it makes use of those which already exist, most obviously the CDP disclosure platform. The CDP system already has all the infrastructure required for online reporting and benchmarking, including an online response system through which over 6,300 companies with some 55% of global market capitalization disclosed environmental data in 2017, a data warehouse and analytics capability, and the ability to create a user website to present results. Many UK companies are already reporting information through CDP: 66% of the FTSE 350 disclosed information in response to CDP’s climate change questionnaire in 2017, as well as numerous smaller and unlisted companies which are asked to disclose to CDP's climate change questionnaire by their major customers.

The only new addition that would be required to use the CDP system for the purpose set out in this consultation would be a UK 'module' to ensure that, from the government's point of view, the right companies were asked to disclose and the right analytical or benchmarking outputs were created from the resulting data. CDP is happy to enter into further discussion about this with BEIS.

6. Do you think that the policy should apply to:

- A) all 'large' companies based on employee numbers and financial tests;
- B) companies who meet the 6GWh ex-CRC annual electricity use threshold described; or
- C) another threshold?

Please explain your answer. Please state if you have any views on whether reporting should be required to operate at the group or individual company level:

We agree with the principle of using an existing threshold for reporting requirements. This would reduce the confusion and burden to businesses if the qualification criteria already exist and are used in disclosure with current legislation.

The question of which of the various existing thresholds to use depends on the proposed purpose and audience of the reporting.

If reporting is for the purpose of informing investors and shareholders, then the large company definition should suffice – although CDP's experience is that investors want to know about company-wide activity and are not necessarily interested in UK-specific activity from a company with international operations. For this purpose, reporting should happen at group level.

If reporting is to raise awareness within UK companies to drive behaviour change, and to motivate a 'race to the top', then it would make sense to use a simpler energy consumption threshold. However, we note that many smaller companies found the CRC threshold definition confusing and difficult to work with.

For the sake of completeness, we want to draw your attention to the fact that there is currently a third definition of 'large' company, which is the one used for implementation of the EU Non-Financial Reporting Directive within the Companies Act 2006 (more than 500 employees). This definition would reduce the complexity of the various thresholds that companies must navigate, however, given the purpose of implementing these requirements, we see do not see an advantage in selecting this definition of 'large' over those listed.

Companies Act Definition

The definition of ‘large’ companies could be the same as it is for accounting purposes **under the Companies Act 2006** where two or more of the following criteria apply to a company within a financial year:

- More than 250 employees
- Annual turnover greater than £36m
- Annual balance sheet total greater than £18m

These thresholds are set out in sections 465 and 466 of the Companies Act 2006 and are updated from time to time. If the Government were to take this option, it would propose to keep pace with any such updates. At group level the financial thresholds are on an aggregate basis.

ESOS Definition

Alternatively, the definition of ‘large’ companies could **be the same as it is in ESOS (which is derived from the requirements of Article 8 of the Energy Efficiency Directive).** This definition uses different thresholds for ‘large’, and a different approach to corporate groups, and smoothing provisions*, than is provided for in the Companies Act. Those in the scope of ESOS are called ‘Relevant undertakings’ and include the following companies which we would consider ‘large’ for the purposes of our reporting framework:

1. companies which employ an average of 250 or more people in a certain 12 month period, or an annual turnover in excess of €50m and an annual balance sheet total in excess of €43m, and
2. where undertakings do not satisfy the specified employee or financial thresholds, but are either the UK parent of a ‘large’ undertaking, or a UK subsidiary of a ‘large’ UK undertaking, or a UK subsidiary of a parent who has a ‘large’ subsidiary.

*See section 1.6, p.13 of the ESOS compliance guidance.

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/466515/LIT_10094.pdf

7. If you prefer Population Approach A (all ‘large’ companies) which of the proposed company size definitions seems the most appropriate to you:

- Companies Act 2006, or
- ESOS, or
- any others?

8. If you prefer Population Approach C, which energy use threshold is most appropriate?

Please explain your answer, and state who you think should be required to report, describing any other energy threshold(s) you may favour (with options including but not limited to 6GWh per year across all energy products, and 500MWh per year for each of electricity, gas, and transport).

9. Should reporting requirements within the Companies Act regime also apply to Limited Liability Partnerships (LLPs)?

- ◯ Yes
- ◯ No

Please explain your answer:

We see no reason for LLPs to be excluded, providing that they pass some equivalent threshold criteria.

10. Please state where you agree that UK quoted companies should continue, or start to report, on one or more of the following:

- ☐ global Scope 1 and 2 GHG emissions
- ☐ an intensity metric
- ☐ start to report on global total energy use

Please also provide any views and evidence on the effectiveness of the current mandatory GHG reporting regime in improving corporate transparency, reducing energy use, and reducing emissions, here:

The requirement for UK quoted companies to report global greenhouse gas emissions was a leading action by the UK, which symbolises its commitment to the Climate Change Act and to the Paris Agreement.

The current requirement to report greenhouse gas emissions in mainstream reports, together with other requirements within the Companies Act to report material risks, which may include environmental risks, have been thoroughly assessed in CDSB's 2016 assessment of environmental reporting by the FTSE 350. Most notably, the report found that 90% of the companies reviewed disclosed their total annual greenhouse gas emissions in the first year of compliance. The review is available at www.cdsb.net/FTSE.

UK companies have consistently shown strong performance on both disclosure and climate action, as measured by CDP's annual scoring system, and we believe that this is due in part to the strong policy signal sent by the UK government in requiring quoted companies to report global greenhouse gas emissions. However, the UK's guidance to companies on how to report climate risks and opportunities is now outdated and could be improved.

In order to increase corporate transparency and better allocation of capital, greenhouse gas emissions data should be complemented by forward-looking information that explains how a business will effectively adapt its strategy and business model to be part of the transition to a low-carbon economy required within the Paris Agreement. This principle lies at the heart of the TCFD recommendations, and is also used by the government of France in its corporate reporting requirements under Article 173 of the Energy Transition and Green Growth Law. The EU High Level Expert Group on Sustainable Finance has recommended that this approach is incorporated into European disclosure requirements as part of the European Commission's review of the Capital Markets Union.

We believe that, in addition to the current requirements to report Scope 1 and Scope 2 emissions, Scope 3 emissions should be reported where these expose the reporting company to material risks, opportunities or financial impacts.

We do not believe it is necessary to require global reporting on energy use. If this information is material to the company, it can be addressed in management commentary on the greenhouse gas emission figures.

11. Do you agree that UK unquoted companies in scope should report on one or more of the following?

- ☐ a) total UK energy use
- ☐ b) Scope 1 and 2 GHG emissions associated with UK use
- ☐ c) an intensity metric

Please explain your answer:

We believe that in order to achieve financial stability across the entire economy, large unquoted companies should be subject to the same reporting requirements as listed companies, and that emissions reporting should be on a company-wide (global) basis.

Do you agree that only electricity, gas and transport energy should be in scope for unquoted companies?

○ Yes

No

Please explain your answer, and if no please set out what you think the scope should be:

Please see explanation given in Question 10 on the alignment of scope between the financial accounts and greenhouse gas emission reporting for ease of comparability and linking environmental disclosures to financial information.

12. Should the government:

- a) mandate the use of specific intensity metrics by sector; or
- b) propose best practice in any guidance; or
- c) leave the matter to sectors, and to existing best practice and guidance?

13A. Do you think it should be mandatory for UK quoted and unquoted companies in scope to include information from the most recent audit (including energy management systems such as ISO50001) on:

i) any identified energy savings opportunities

- Yes
- No

ii) any energy efficiency action taken?

- Yes
- No

B) Building on the energy and carbon disclosures proposed, please provide views on whether in the long-term any of the TCFD recommended voluntary disclosures should become mandatory disclosures within companies' annual reports, here:

The TCFD recommendations build on the work CDSB has carried out since 2007 to incorporate climate change and wider environmental information into mainstream reports alongside financial information, and on the work done by CDP to achieve corporate climate and energy reporting at scale. The recommendations aim to ensure that companies are reporting (and measuring and managing) previously ignored externalities that have potential material impacts on businesses across a number of key sectors and when scaled up, financial stability across the markets. This is not just about increasing reporting obligations for the sake of the environment, but ensuring that investors are not being misled by companies on the future risks that would affect their valuation of assets and allocation of capital.

For the TCFD's recommendations to have the desired impact of facilitating financial stability, they must be taken up across the entire economy. CDP's experience of operating a voluntary disclosure system since 2000 is that while reporting at scale can be achieved by voluntary means, mandatory requirements will be needed in order to achieve universal disclosure to a high standard. Therefore, CDP and CDSB actively advocate for mandatory climate reporting requirements in the UK and elsewhere.

We believe implementation of the TCFD recommendations will be significantly boosted if all recommendations are adopted as mandatory requirements within a company's annual report. It is our view that a company's annual report is the most appropriate medium for material climate-related disclosures so that there can be a common understanding by businesses of the potential effects of future climate change upon them rather than just reporting their historic impacts.

It is acknowledged within the TCFD final report that there will be a phased approach to implementation and mandatory disclosures would be most appropriate once there has been greater adoption and further development of information provided (such as metrics & scenario analysis).

It is clear that the market is ready for such a step. CDSB and We Mean Business are supporting companies, including Marks and Spencer, to commit to implementing the requirements within mainstream reports by 2020, and over 230 companies have expressed their support directly to the TCFD Secretariat. Through the CDP system, in 2018 approximately 6,000 companies around the world will disclose all the information required for a TCFD-compliant report.

C) Please specify what support government could provide to support uptake of TCFD disclosures by companies from all sectors.

The UK Government should consider communicating to the public that they are committed to the adoption of mandatory disclosures in the long-term as recommended by the TCFD. A clear future policy intention would also be of benefit in the short-term by increasing voluntary adoption, and thus helping to build a body of momentum to increase global uptake of the recommendations and showing support to other countries who are also planning to adopt mandatory disclosures. In addition, it would send a clear signal for the market, which would help companies prepare for future requirements.

In addition, enforcement is an important supportive counterpart to any legislation. We believe the FRC is ideally placed to educate the market in understanding that climate change may pose significant risks to the ability of businesses to continue creating value to their investors and society.

As such, it is important that the FRC takes a proactive role in evolving the UK's corporate reporting landscape by eliciting that the potential impact of climate change should be considered when deciding what risks and opportunities to include in corporate annual reports. This list should not be perceived as applicable to all, but merely as examples of what risks may be material to businesses.

The FRC is currently reviewing its guidance on the corporate governance code, as outlined in section 172 of the Companies Act, to clarify directors' duties relating to environmental matters. This is a very welcome step in the right direction, however, this is not sufficient on its own. The FRC must be given explicit authority and a mandate to actively supervise climate change and wider natural capital-related information that is reported in the confines of the Annual Report and Accounts.

This would provide much needed clarity to reporting companies and would be in line with the FRC's role as a leading supervisory authority globally, as well as ensure the future protection of investors and promotion of transparency and integrity in business.

The government could also support greater uptake of TCFD recommendations through further education and awareness raising exercises. Workshops could be organised showing where they are likely to be integrated within existing legislation and what guidance should be provided to support businesses. Awareness should be raised within the finance functions of companies possibly through collaborative events with relevant financial regulators, accounting bodies and independent bodies such as the Committee on Climate Change and the Natural Capital Committee, all of which have not been referenced in this consultation. It is vital to bring the issues surrounding climate-related risks into the mainstream functions of businesses so that they are treated in a similar manner as any other commercial risk.

D) Reporting of what other complementary information would add most value for businesses, the market and other stakeholders?

We welcome the TCFD recommendations and we would support mandatory requirements to report everything they contain, including disclosing the approach used to set an internal price on carbon. However, they are limited to a climate change-specific scope and we would also welcome a future expansion to include a wider disclosure of material environmental, social and natural capital impacts.

The UK government has an opportunity to further expand and deepen the reports made by companies in order to include material, relevant and useful information about natural capital topics (e.g. water and deforestation impacts) and social issues. This could also assist the UK government with its national monitoring and reporting against the UN Sustainable Development Goals.

14. Please explain what guidance, tools and data companies might need:

i) for financial and risk managers to understand climate risks and their implications for their business:

The UK government has endorsed the TCFD recommendations and could go further in setting out its expectations – including an intention to require mandatory reporting in the near future – for institutional investors, including banks, to disclose relevant information in line with the TCFD recommendations.

ii) for companies to implement the TCFD recommendations in financial disclosures.

CDSB are developing the TCFD Knowledge Hub, which will be a publicly available online platform for case studies of best practice, guidance and tools to help companies implement the TCFD recommendations. We would welcome support from BEIS to further develop materials that can be uploaded to this platform.

We believe there is a role for enhanced guidance for companies from UK regulators on what they should be reporting under existing rules, and CDP are participating in the UK Green Finance Taskforce Working Group on Disclosure which is formulating a related recommendation.

As described in responses to previous questions and below in 16 B.1, we recommend that the government enhance the compliance enforcement capacity of Companies House and the Financial Reporting Council, including an expanded mandate for the latter.

15. What other policy approaches can work with reporting to drive energy efficiency, reduce bills, reduce emissions, and improve transparency for investors so they are more able to hold companies to account?

We are in particularly interested to hear about any implications of potential complementary policy approaches for the design of an energy and carbon reporting scheme:

It would be helpful for the UK government to set clear, forward-looking carbon price expectations, creating a 'carbon price corridor' to 2030 which investors and companies can use for internal investment and strategic decision-making, as announced for example by the Netherlands.

16. Please provide views and any information you may have on the relative costs and benefits of:

A (1) Central digital reporting and publication of energy and carbon data, including specifically how these costs and benefits compare to reporting through the Companies Act regime on paper that is scanned to images by Companies House to make it available.

We have set out our answer to this in responses to earlier questions. We favour digital reporting to Companies House using iXBRL and do not favour the creation of a new separate electronic reporting platform.

The latter would be a disproportionate and unnecessary use of taxpayers' money particularly when an effective tool to do the same job already exists in the market in the shape of the CDP disclosure platform.

The former should offer considerable and ongoing cost-savings after an initial investment by companies and the government in adopting this technology at scale.

(2) Please outline the different costs and benefits of:

(i) mandating electronic energy and carbon reporting via Companies House, with complementary activity by government to collate public data and make a single central data set available

We suggest that BEIS reviews the existing cost/benefit analysis done by Companies House for the implementation of electronic reporting for company accounts data.

(ii) replacing reporting to Companies House with a new dedicated central IT portal, the data from which could be published:

We disagree with creating an additional, separate IT portal to the already existing system set up by Companies House. It is important that corporate data is stored together so that it can be accessed at the same time and to ensure consistency between data points and the data standard used to report them.

In addition, setting up an additional IT portal would be an unnecessary use of Government resources.

(iii) placing such a dedicated central IT portal alongside the current proposals

We do not support this option either. Please see our response above.

B) (1) Dedicated administrator(s) and regulator(s), including specifically how these costs and benefits compare to administration and regulation of energy and carbon reporting as described within the Companies Act regime:

In the long term, once digital reporting is implemented for the entirety of the annual report and accounts, some of this validation could be done automatically.

We strongly believe that the supervision of all elements of the annual report should be done by the Financial Reporting Council (FRC). In addition, GHG-specific data could be shared with other relevant departments for further analysis once digitised.

As the FRC stands today, it does not have the regulatory mandate, nor the capacity to review and supervise such information. As such, it is crucial that the FRC's mandate is reviewed and expanded to cover all information disclosed within corporate annual reports and accounts (given that they are financially material providing a fair and credible understanding of the business). In addition, the FRC must have sufficient public accountability and powers to effectively enforce compliance with UK law on corporate reporting.

(2) Please outline the different costs and benefits of administration and regulation in relation to both replacing the current proposed scheme and placing such a scheme alongside the current proposals.

A single requirement to report such information in one place will streamline internal processes as well as improve dialogue between preparers of financial and other information within companies.

An additional benefit of combining this process may be that, because all information is prepared to the same high standard, there may be an increase in the quality of the reported information.

Finally, it will be helpful for users to access all material information in one document to assist the efficient allocation of capital.

17. If replacing the proposed regime in future, please set out how a dedicated central energy and carbon reporting regime could continue to meet the needs of investors and others in relation to GHG reporting by UK quoted companies, currently required to be alongside financial information in annual reports.

Please explain your answer:

We do not agree with implementing a fragmented approach and we do not believe that this approach would meet the needs of investors. Investors look for material information in mainstream reports.

18. Do you have any other comments on the description of how potential future enhancements to energy and carbon reporting might function under any of the possible approaches, have other suggestions for future enhancements, or consider that any aspects of energy and carbon reporting proposed for 2019 might be better deferred?

Please explain your answer:

We would like to make the following recommendations:

- defer any mandatory digital reporting of energy / carbon information until it can be harmonised with strategic & director's reports in the same format (iXBRL)

- align reporting requirements with TCFD recommendations, but make sure there is sufficient early communication signals that this will be adopted in the future to increase short-term voluntary uptake. Leave no element of doubt that this will be taken forward even if the timelines are not confirmed.

- make sure that forward-looking impacts from climate change on businesses are not neglected as the ‘flip-side of the coin’ from greenhouse gas reporting. These aspects of reporting are the ones which are key to risk management and financial stability.

Additional Questions

19. Are you happy for your response to be published?

- Yes
- Yes, but without identifying information
- No, I want my response to be treated as confidential

20. Would you be happy to be contacted if we would like to find out more about your responses or invite you to a workshop?

- A. Yes please
- B. No thanks

21. What is your job title?

What is your Department?

- A. Energy
- B. Facilities
- C. Finance

D. Compliance

E. Procurement

F. Health and safety

G. Organisational board-level (no department)

Other, please specify:

22. Please tell us the principle area of activity for your organisation?

deselected rac A. Agriculture, forestry and fishing

B. Mining and quarrying

C. Manufacturing

D. Electricity, gas, steam and air conditioning supply

E. Water supply; sewerage, waste management and remediation activities

F. Construction

G. Wholesale and retail trade; repair of motor vehicles and motorcycles

H. Transportation and storage

I. Accommodation and food service activities

J. Information and communication

K. Financial and insurance activities

L. Real estate activities

M. Professional, scientific and technical activities (including consulting)

N. Administrative and support service activities

O. Public administration and defence; compulsory social security

P. Education

Q. Human health and social work activities

R. Arts, entertainment and recreation

S. Other service activities

T. Don’t know

Other, please specify here:

23. Which region is your organisation’s head office based in?

deselected rac A. Scotland

B. Wales

C. Northern Ireland

D. England

E. Outside UK

F. Don’t know

Other, please specify here:

24. Please tell us about the size of your organization. Approximately how many people are employed by your organisation overall?

deselected rac A. 10 or fewer

B. 11-50

C. 51-250

D. 251 or more

E. Don't know

25. Approximately what is your company's annual turnover within Britain? If you are not sure, please give me your best estimate.

deselected rac A. Up to £2m

B. £2m-£10.2m

C. £10.3m-£50m

D. £25m-£50m

E. More than £50m

F. Decline to comment

26. Is your organisation part of a wider corporate group? i.e. one of two or more active organisations working as a collection of parent and subsidiary firms.

deselected rac A. Yes

B. No

C. Don't know

27. Which, if any, of the following schemes does your organisation participate in?

deselected ch A. CRC Energy Efficiency Scheme

B. EU Emissions Trading Scheme

- [ ] C. Energy Savings Opportunity Scheme (ESOS)
- [ ] D. Climate Change Agreement
- [ ] E. Climate Change Levy
- [ ] F. Mandatory greenhouse gas reporting
- [ ] G. Energy Performance Certificate (EPC)
- [ ] H. Display Energy Certificates (DEC)
- [ ] I. None of these
- [ ] J. Don’t know