

Legislation Outlook

June 2019

This monthly legislation briefing is a **supplement** to your Activ Comply service to help you to **plan ahead** for maintenance of your ISO 14001, OHSAS 18001/ISO 45001, ISO 50001 and ISO 27001 systems. In addition to giving you advance warning about important legislation that will affect your compliance with the standards, we'll provide news, newly-published guidance and government consultations that you might find useful, as well as any other significant legislation beyond the scope of the standards listed that we think may have an impact on your organisation. Unlike other services, we only report items of value: we don't waste your time on items such as an increase in administrative fees or changes that only affect enforcement agencies.

When legislative changes are announced with short notice (<1 month) they are not reported here. All changes are automatically delivered direct into your [Activ Comply](#) system as they come into effect so you can be confident that you are always 100% up to date.

Summer is traditionally a slow period for legislation. May saw no legislation of note published by either the European Union or the UK Government. Our Focus item this month provides an overview of the new mandatory streamlined energy and carbon reporting (SECR) requirements.

Upcoming Standard-Related Legislation

There was no relevant standard-related legislation announced in May with an effective date of June onwards.

Remember: short-notice changes to legislation are not reported in this briefing; all changes are delivered direct into your Activ Comply system as they come into effect.

News

UK to Target Net-Zero Emissions by 2050

A [report](#) published by the Committee on Climate Change has recommended that the UK should achieve net-zero greenhouse gas emissions by 2050. According to the report, this ambitious target to end the UK's contribution to global warming within 30 years is necessary both to go beyond the UK's obligations under the Paris Agreement to hold global temperature rises well below 2°C and also to provide a lead to other countries to make similarly ambitious commitments.

ICO Launches Public Information Campaign on Data Safety

[Be Data Aware](#) is a new campaign launched by the Information Commissioner's Office to provide help to data subjects to understand how organisations such as social media, advertisers and political campaigns might be using their data to target them online. The initiative to provide greater public education on the matter was launched following a recommendation made during the ICO's ongoing investigation into the use of data analytics for political purposes that uncovered the 'behind the scenes' processing of personal data.

Consultations

WEEE Charging Scheme

The Scottish Environment Protection Agency has launched a [consultation](#) seeking views on the proposed charges for operators of compliance schemes in Scotland covered by the Waste Electrical and Electronic Equipment (WEEE) Regulations 2013 which will apply from 1st October 2019 onwards for compliance periods beginning 2020.

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Focus: Streamlined Energy and Carbon Reporting (SECR)

Prior to 1 April 2019, mandatory reporting of greenhouse gas emissions applied only to quoted companies. Now, the obligation has been expanded to include large unquoted companies and large limited liability partnerships (LLPs). The scheme also requires the publication of an organisation's energy use and actions taken to improve energy efficiency.

The stated objectives of the scheme are to:

- increase awareness of energy costs within large and quoted organisations, including enhanced visibility to key decision makers;
- create more of a level playing field among large organisations, in terms of energy and emissions reporting;
- ensure administrative burdens associated with energy and emissions reporting are proportionate and broadly aligned to the existing energy reporting requirements and the business reporting framework;
- provide organisations with the right data to inform adoption of energy efficiency measures and opportunities to reduce their impact on climate change; and
- provide greater transparency for investors, and other stakeholders, on business energy efficiency and low carbon readiness.

Who needs to report?

The reporting requirements now apply to all quoted companies, large unquoted companies and large LLPs. In this context, 'large' is defined as satisfying at least two of the following conditions in the previous financial year:

- a turnover of at least £36m;
- a balance sheet total of at least £18m;
- at least 250 employees.

What needs to be reported?

There are different reporting requirements for quoted companies and large unquoted companies/LLPs.

Quoted companies must report annual global greenhouse gas (GHG) emissions in tonnes of CO2 equivalent:

- from activities for which that company is responsible; and
- resulting from the purchase of electricity, heat, steam or cooling by the company for its own use.

Additionally, quoted companies must report the underlying global energy use that is used to calculate GHG emissions.

Large unquoted companies and large LLPs must report:

- UK (not global) energy use and associated greenhouse gas emissions, as a minimum relating to gas, electricity and transport fuel.

All organisations also have to report:

- at least one intensity ratio (e.g. tonnes of CO2 equivalent emitted per FTE/unit produced/£m of turnover);
- the methodology used to calculate the emissions and energy use;
- the previous year's figures for GHG emissions and energy use; and
- any energy efficiency action taken during the reporting period (e.g. installing smart meters and energy monitoring tools, moving fleet from fossil fuels to electric vehicles).

Where does it need to be published?

If the organisation is a company, the information must be published in the Directors' Report. As an alternative, if energy usage and carbon emissions are of strategic importance to the company, the information can be published in the company's Strategic Report.

LLPs are required to publish the information in a new mandatory document, the Energy and Carbon Report.

When does it need to be published?

The new requirements on large unquoted companies and large LLPs apply to reports for financial years starting on or after 1 April 2019, so affected organisations will need to file reports with Companies House in 2020.

Are there any exceptions?

Organisations are not obliged to make reports in the following circumstances:

Low energy users – an organisation that has consumed 40MWh or less during the reporting period is not required to publish its energy and carbon information, but its report must state that the information is not disclosed for that reason.

Where information is not practical to obtain – in this case the Report must state what information is not included and why

Where disclosure would be seriously prejudicial – this should only be relied on by an organisation in exceptional circumstances, e.g. specific sensitivities arising from restructuring by an organisation in the run up to producing the report, or when there are exceptional commercial sensitivity considerations. Again, the report must state the reason why the information is not disclosed. It is also worth noting that use of this exception can be investigated by the Financial Reporting Council, the regulator of the SECR scheme.

What about group reporting?

Directors' Reports at group level must include information relating to all subsidiaries that are quoted companies, large companies or large LLPs. However, unlike the Energy Savings Opportunity Scheme (ESOS), the group report does not need to include information from subsidiaries that would not be obliged to report in their own capacity.

Coming Soon: Agreements Manager

A new Activ module is in development, providing a simple, systematic way to catalogue, manage and assess your compliance against the 'other requirements' that your organisation is committed to, such as contracts or codes of practice. Use as a standalone tool, or in combination with Comply for comprehensive management of your legal and other requirements.

One more free trialist place remains. We are looking for a small group of Activ customers to use Agreements Manager in their organisations to help us refine it before its public launch later this year. In exchange for your feedback and improvement suggestions over a 6-week period, you'll get full access to Agreements Manager for 6 months entirely free.

Please click [here](#) to register your interest.