

AMDEA Consultation Response Form

Regarding

Measuring and reporting of greenhouse gas emissions by UK companies

Closing date for consultation: 5 July 2011

Any questions on this response should be directed to:

Name: Alex Martin
Organisation: AMDEA
Address: Rapier House
40-46 Lambs Conduit Street
LONDON
WC1N 3NW

Consultation Response Form

Please tick one box from the list below that best describes you

<input type="checkbox"/>	Small to Medium Enterprise (up to 50 employees)
<input checked="" type="checkbox"/>	Representative Organisation
<input type="checkbox"/>	Trade Union
<input type="checkbox"/>	Interest Group
<input type="checkbox"/>	Large Company
<input type="checkbox"/>	Local Government
<input type="checkbox"/>	Central Government
<input type="checkbox"/>	Other (please describe):

Confidentiality and Data Protection Preferences

<input checked="" type="checkbox"/>	Publish response and respondent's details
<input type="checkbox"/>	Preference to publish response only*
<input type="checkbox"/>	Preference to treat all information as confidential*
*why you regard this information as confidential	

Questions on the four options

1. Do you support Option 1 (enhanced voluntary reporting)?

Yes.

2. There are various ideas (outlined in Option 1) for increasing the number of companies reporting on a non-regulatory basis, which do you prefer? Have you any other proposals to increase the number of companies reporting and the quality and consistency of reports on a non-regulatory basis?

All of the ideas have promise. By way of preference, however, AMDEA would give priority to increasing the awareness of reporting benefits among companies. This seems a more positive approach to encouraging take-up than, for example, bilateral voluntary agreements that sound akin to command and control regulation. AMDEA would rather see the Government publicise and incentivise measurement and reporting on GHG emissions than fix targets, be they voluntary or mandatory. This arguably provides more scope for companies to innovate, too.

3. Should corporate reporting of GHG emissions be made mandatory for some companies? If so, please explain.

No.

4. If mandatory reporting is introduced, which would be your preferred Option: 2, 3 or 4? It would be helpful if you could explain your reason. Have you any suggestions for improving any of the regulatory options?

AMDEA does not wish to see any type of mandatory reporting introduced and therefore gives no preference.

5. Do you have any comments on the economic analysis in the impact assessment? In particular, do you think the costs and benefits for the different options are reasonable? Can you provide any further information which would help in estimating costs and benefits for the different options?

No comment.

Questions on the requirements of mandatory reporting, if introduced

6. Do you agree that a company should specify which approach it is using to set its organisational boundary?

Yes, for reasons of transparency and comparability.

7. Do you agree that a company should (where possible) report on all their emissions within the chosen organisational boundary, including those that occur in their operations overseas? If you don't agree, can you explain which emissions you think a company should report?

If UK regulation is adopted, then the geographical scope should be confined to the UK within the rule of law. That is not to say, however, that companies could voluntarily report on emissions arising from their overseas operations as well. Indeed, this should be positively encouraged – just not made a regulatory requirement.

8. Do you agree that, if it isn't possible for a company to report on all emissions within their organisational boundary (because of data problems, etc.), then a company should clearly state the extent to which it has been able to report?

Yes.

9. Do you agree that companies should be required to measure and calculate emissions from the six GHGs covered by the Kyoto Protocol?

Yes, this makes sense given the international standing of the Kyoto Protocol and the basis upon which it was developed.

10. Do you agree that companies should be required to measure, or calculate, and report on all their scope 1 and scope 2 emissions? If not, which emissions do you think a company should measure, calculate and report and why?

No comment.

11. Do you think that companies should be required to measure and report on any of their scope 3 emissions (in addition to scope 1 and 2)? If so, can you specify which ones you think should be required?

No comment.

12. Do you agree that companies should specify in their directors' reports, the company's total annual amount of GHG emissions in CO2e broken down

by direct emissions (scope 1) and indirect energy (scope 2)?
No comment.

13. Do you agree that companies should specify an intensity ratio?
Yes, because only reporting the absolute emissions would not take into account improvements in efficiencies that may be taking place as a company grows its output or turnover.

14. Should companies specify a base year when they report their annual emissions?
For comparative purposes this could be valuable, so yes.

15. Is there any other information which you think a company should report?
No.

16. If reporting is made mandatory, should companies be obliged to seek some kind of assurance or verification on their emission report? If not, could you explain your thinking?
<p>This is something we would prefer not to see happen given that the assurance or verification would come at a cost to companies, a cost that would have to be borne together with whatever is involved in undertaking measurements and producing reports in the first instance. There are also likely to be costs involved in setting assurance/verification criteria and assessing that those parties undertaking this work are competent practitioners.</p> <p>As noted in the consultation document, there is no statutory requirement to have environmental information audited. AMDEA does not believe this situation should change.</p>

17. Is internal verification of greenhouse gas emissions sufficient, or should external third party assurance be sought? If the latter, should it be limited or reasonable?
<p>AMDEA's preference is for internal verification.</p> <p>AMDEA's belief is that it should be within the scope of companies to quantify and verify their GHG emissions internally leading to a sign-off at CEO level. In many cases, this could be absorbed into existing management systems, be they quality or environmental.</p> <p>To elaborate further, individual members of staff must be competent to collate and check data, likewise procedures must be in place regarding record keeping.</p>

Competence and record keeping are facets of good management systems and will be audited if a company holds ISO 9001, 14001 or EMAS certification. Auditing spans internal and external (certification body) audits in these cases. Emissions measurement and reporting could easily be brought into the scope of, say, an environmental management system certified to ISO 14001 such that there is some external verification without need for a third party assurance dedicated to GHG emissions.

If a company does not have a member of staff to perform the work then it could employ an energy or environmental consultant with relevant qualifications/experience to do so. This may incur a cost, but it is anticipated to be less than that of requiring an on-going assurance from a third party, whether a financial or environmental auditor.