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Consultation on draft guidance for how to measure and report your greenhouse gas emissions

5th June 2009



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This document is available on the Defra website:

<http://www.defra.gov.uk/corporate/consult/greenhouse-gas/index.htm>

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Scope of the consultation

Topic of this consultation:	Guidance for how to measure and report your greenhouse gas emissions.
Scope of this consultation:	The purpose of this consultation document is to seek views on our guidance for how UK organisations should measure and report their emissions. Views are sought in particular on the content of the guidance; the recommended minimum standards (standard practice) and further options (best practice) outlined in the guidance.
Geographical scope:	UK
Impact Assessment:	An impact assessment is included.

Basic Information

To:	UK organisations.
Body/bodies responsible for the consultation:	Defra
Duration:	9 weeks
Enquiries:	Any enquiries to: Sam Balch Area 5C Ergon House. Horseferry Road London SW1P 2AL

	Email: sam.balch@defra.gsi.gov.uk
How to respond:	Please send your consultation responses to : Ade Balogun Area 5C Ergon House. Horseferry Road London SW1P 2AL Or email: ghgreporting@defra.gsi.gov.uk
Additional ways to become involved:	We plan to organise a number of workshops to give further opportunity for consultees to feedback on the draft guidance. Dates for these workshops will be posted on the Defra website once known.
After the consultation:	The responses will be considered in formulation of the Government guidance to be published by 1 October 2009.
Compliance with the Code of Practice on Consultation:	The consultation complies with the Code of Practice. Ministers have agreed to a shorter consultation period of 9 weeks given the need to meet the statutory deadline for the publication of guidance of the 1 st of October, 2009.

Background

Previous engagement:	A consultative approach was taken to develop this guidance. Five stakeholder meetings were held, with representatives from large corporations, small and medium sized enterprises (SMEs), non-government organisations, asset management, financial analysts, auditors and accountancy firms to discuss the key issues that needed to be addressed by the guidance. Consultations were also held with officials in the Department for Energy and Climate Change, Environment Agency, Department for Business, Enterprise and Regulatory Reform,
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	and the Treasury. In addition discussions were held with the World Resources Institute.
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Part I: Executive Summary

Background

1.1 This is a consultation on draft guidance for the measurement or calculation of greenhouse gas (GHG) emissions to assist with the reporting of emissions. The primary objective of this guidance is to help UK organisations of every size to measure and reduce greenhouse gas emissions.

1.2 The secondary objective of this guidance is to promote greater consistency and transparency in how UK organisations measure and report on their emissions to reduce confusion and aid comparison between organisations.

1.3 The Climate Change Act (CCA) 2008 requires guidance on the measurement or calculation of GHG emissions to be published by 1st October 2009. The Government is also required to carry out a review in 2010 of the contribution that reporting on GHG emissions is making to the achievement of the Government's climate change objectives. In addition, by April 2012, the Secretary of State must make regulations on the reporting of GHG emissions under the Companies Act 2006, or lay a report before Parliament explaining why such regulations have not been made.

1.4 To date, Defra has provided organisations with a range of annually updated GHG conversion factors that enable organisations to calculate their business emissions from transport and energy use. In addition, Defra signposts organisations to the GHG Protocol. This is widely recognised as the international standard for corporate carbon accounting and reporting. This can be found at the following web link: <http://www.defra.gov.uk/environment/business/reporting/>

Rationale for government intervention

1.5 It is widely accepted that what does not get measured does not get managed; therefore measurement of emissions is the first step an organisation must take to reduce GHG emissions. Measuring emissions will also help organisations understand their own climate change impacts and risks, as well as helping them to achieve cost savings and improve resource efficiency.

1.6 There are a wide range of existing standards and initiatives that organisations can use to measure and report on their GHG emissions. This has caused a lack of consistency in how UK organisations measure and report on their emissions.

1.7 Existing guidance from these reporting initiatives can also be complicated. This can act as a barrier for new or inexperienced organisations who want to start measuring and reporting.

Developing the guidance

1.8 A consultative approach was taken by Defra in developing this guidance. Five meetings were held with a range of different stakeholders. In addition, Defra has engaged with a range of national and international voluntary reporting schemes.

1.9 The guidance sets out what organisations should, as a minimum, measure and report. This is defined as standard practice. Furthermore, the guidance outlines what organisations can do if they seek to go further than our suggested minimum standards. This is defined as best practice.

1.10 The guidance is broken down into a summary guidance document and a number of annexes. This summary guidance is intended to be widely accessible so that both inexperienced and more experienced organisations in reporting emissions can get an overview of the process. The guidance document has a number of annexes which are designed to offer practical advice in addressing technical areas and concepts. A flow chart and worked example of how the guidance can be applied by small businesses is included. The guidance also provides a range of simple-to-use calculation tools, which involve a number of excel worksheets and straightforward instructions on how to use them.

1.11 The guidance document also includes recommendations on what supporting narrative information an organisation should provide when reporting their GHG data. This will give greater transparency and the opportunity for an organisation to provide more context around the emissions data which should increase the usability of the reported data.

1.12 We are aware that there are a number of issues which are particular to certain sectors, such as waste and agriculture, and that there are sectoral initiatives in specific industry sectors; we are keen to engage with these during the consultation period.

PART II: Introduction

Purpose of this consultation and intended outcome

2.1 The purpose of this consultation document is to seek views on:

- The content of the guidance (e.g. its usability, easiness to understand, etc.)
- The recommended approach for organisations using the guidance.
- The recommended minimum standards (standard practice) and further options (best practice) outlined in the guidance;

2.2 Responses to the consultation will be considered and we will provide a summary of responses within 3 months of the end of the consultation period. The Government will publish a final version of the guidance by the 1st October, 2009.

The structure of this document

2.3 This document has been kept purposefully short as the content that forms the basis of this consultation can be found in the Annexes at the end of this document.

2.4 Readers will find a list of consultation questions in Part III. These questions relate specifically to the guidance document and supporting annexes. Each question has been referenced to the appropriate place in the guidance where applicable.

2.5 It is suggested that readers first read the guidance document and Annexes before referring to the consultation questions.

PART III: Consultation Questions

Q1. Does the guidance provide enough detail? Are there any issues on which you would welcome further guidance?

Q2. Do you agree with all the recommendations? It would be helpful if you could comment on any recommendations with which you disagree (Guidance: page 76).

Q3. Do you agree with the criteria given to determine which scope 3 emissions are significant? If you disagree, please suggest additional or alternative criteria (Guidance: page 55).

Q4. Your comments are sought on the emissions data that we recommend you report? (Guidance: page 23-25)

Q5. What is your view on the supporting explanations that it is suggested organisations should include in their report? (Guidance: page 25-29)

Q6. Your comments are sought on the external emission reductions activities that we have identified and the 'good quality' criteria that these reductions activities should meet (Guidance: Page 58-65)

Q7. Your comments are sought on how organisations should account for renewable electricity that they generate. (Guidance: Page 58)

Q8. We welcome your comments on the attached impact assessment for this policy? Do you have any estimates for how long it would take you to follow the guidance? We welcome information on costs and benefits for both policy options.

Q9. Please provide any general comments on the guidance, especially any issues where you would welcome further explanation.