

CROWBERRY CONSULTING
Environment, Ethics and Corporate Responsibility Management

Streamlined Energy and Carbon Reporting (SECR) Framework



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What Is SECR?

SECR is the Streamlined Energy and Carbon Report system which was implemented as a replacement to the CRC Energy Efficiency Scheme which, in the [2018 Order](#), was subject to early closure to make way for the SECR Framework.

The SECR Framework and increase to the Climate Change Levy will help compensate the loss of revenue which comes from the scrapping of the CRC Scheme.

The aims of the SECR Framework is to boost energy efficiency by 20% by 2030 and also require all large companies to produce an Energy and Carbon Report concerning the company's GHG emissions, energy use, and action taken to increase energy efficiency within the UK as part of their annual report. This will impact businesses on 1st April 2019.



Image from [Engie](#)



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How Does it Affect my Organisation?

ALL Large UK companies are now required to report their carbon emissions and energy use as part of their annual reports under the new SECR framework.

With the introduction of **Net Carbon Zero**, it is vital for employers to begin taking steps towards becoming carbon neutral and minimising their carbon footprint. SECR, along with ESOS, is attempting to bring this to light for companies

It is a **criminal offence** to fail to comply with a duty to prepare an energy and carbon report or approve one that does not comply with statutory requirements where the member/director acted knowingly or recklessly and failed to take reasonable steps.

Your organisation will qualify if you satisfy two or more of the following conditions:

1. You employ at least 250 employees.
2. You have an Annual Turnover greater than £36m
3. Annual Balance Sheet total is greater than £18m.

(**NOTE:** this includes all companies: quoted, unquoted and LLPs. If you are an LLP you must prepare an equivalent report to the directors' report for each financial year to which you must identify the members during the financial year and the name of member signing the report.)

The company must release their energy consumption and Greenhouse Gas (GHG) emissions for Scope 1 (direct emissions from owned or controlled sources). Scope 2 (indirect emissions from the generation of purchased energy) as well as an Intensity Metric. Finally, the SECR Framework requires a Narrative Commentary on what they are doing to reduce their energy.

Exemptions

- Where a group-level report is required, it should include energy and carbon information for the parent group and any subsidiaries included in the consolidation.
- A UK subsidiary which is required to report under SECR may not need to if these obligations are met through a parent's group level report.
- Where a company can confirm their energy use is low (below 40MWh) over the reporting period, they are exempt but they still must include a statement stating they are low energy users.



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What do I need to include in an Energy and Carbon Report?

Large Quoted Companies

- Annual global emissions from activities for which the company is responsible. This includes combustion of fuel and operation of any facility, and the annual emissions from the purchase of electricity, heat, steam or cooling by the company for its own use.
 - This means they must continue to report their global Scope 1 and Scope 2 GHG Emissions in tonnes of CO₂e – including the seven gases under the Kyoto Protocol.
- Underlying global energy use
- Energy use and GHG emissions figures from previous year (exempt in 1st year)
- At least one emissions intensity ratio
- Narrative on energy efficiency measures
- Details of methodology used

Large Unquoted Companies and LLPs

- UK energy use (as a minimum gas, electricity, and transport including UK offshore area):
 - Transport energy includes those where fuel is consumed for business use in company cars,
 - This does not include fuel used for rail, taxi or air journeys which the company does not have control over, or fuel for the transportation of goods contracted to a third party.
- Associated greenhouse gas (GHG) emissions.
- Energy use and GHG emissions figures from previous year (exempt in 1st year)
- At least ONE energy intensity ratio.
- Narrative on energy efficiency measures – where possible, savings from the actions reported should be stated.
- Details of the methodology used for the calculation.

NOTE: Even though it is voluntary to include anything above the minimum standard stated above. Companies are encouraged to go beyond this; for example, by including their Scope 3 emissions report also.

Sourced from [Carbon Trust](#)



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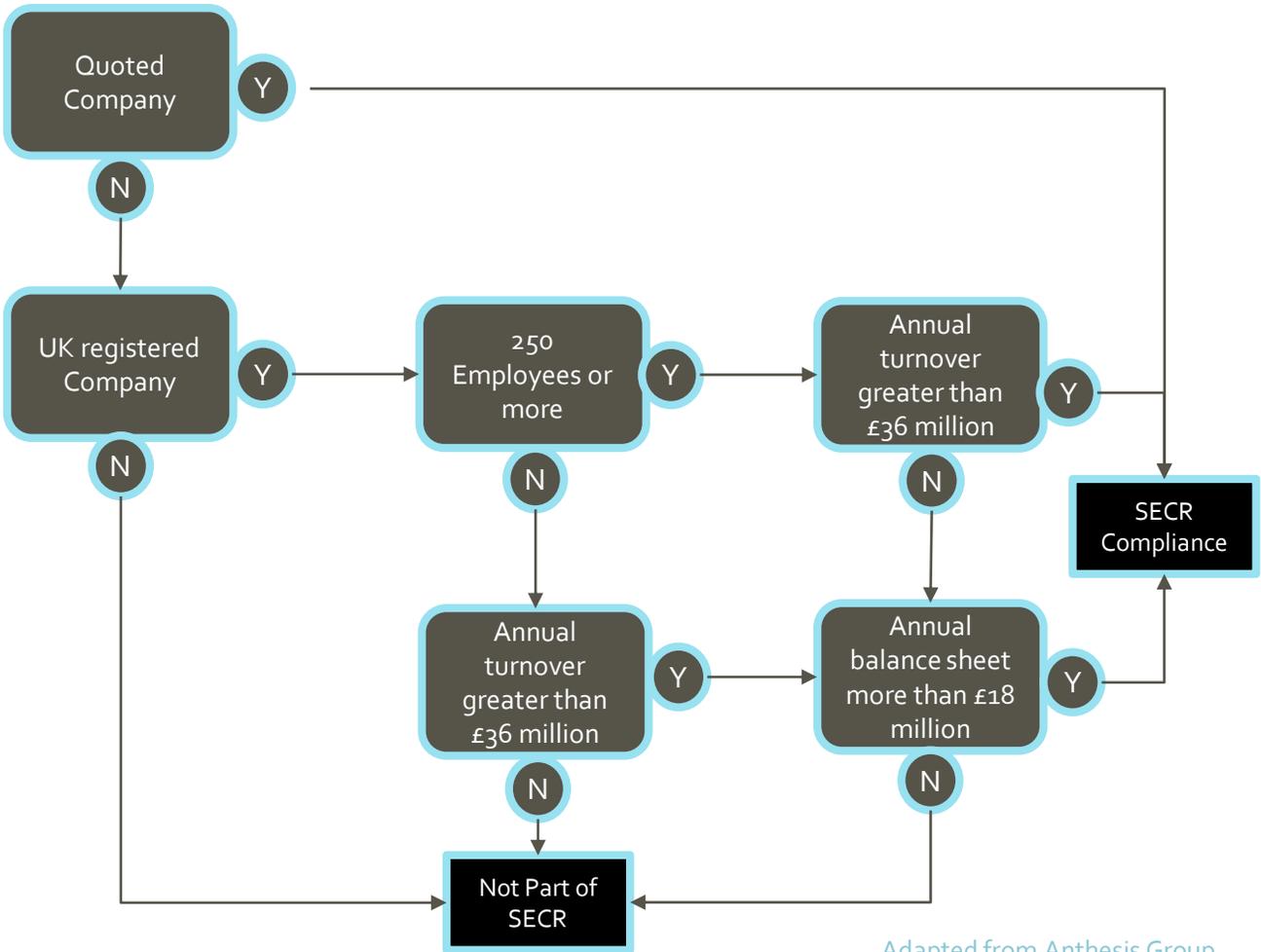
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Flowchart of the Qualification and What is Required for SECR Compliance



Adapted from [Anthesis Group](#).

Quoted Company		Unquoted Large UK Company (Inc. LLPs which meet eligibility criteria)
Energy Use (Electricity, Gas & Transport)	Global	UK
Scope 1 Emissions	Global	UK
Scope 2 Emissions	Global	UK
Scope 3 Emission	Voluntary	UK
Carbon Intensity Metric (metric of choice)	Yes	



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The 'B' Word?

- The impact of Brexit is still unknown, however, the Government have pledged to maintain, sustain and enhance environmental legislation where possible.
- SECR is the new framework which is EU compliant, replacing the old CRC Energy Efficiency Scheme.
- This is a UK Scheme, and due to it being under UK law, it is unlikely to be affected by Brexit.
- There is no EU Legislation which has an impact on the effectiveness of this legislation.



Image from [JCB Solicitors](#)



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How Can Crowberry Consulting Help You?

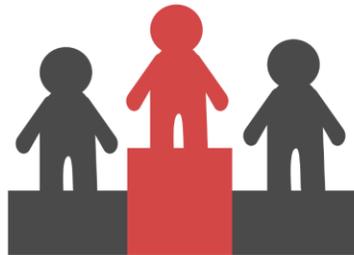
We can:

- Calculate your carbon footprint to scopes required.
- Implement a Carbon Management Strategy.
- Provide quotes for third party assessment of Greenhouse Gas Reporting.
- Provide resource efficiency surveys and action plans to cut costs and carbon.
- Support your company in implementing the Energy Management Standard ISO50001.

WE CAN HELP YOU IMPLEMENT ISO 50001 - ENERGY:



Clause 4 - Context of the organisation



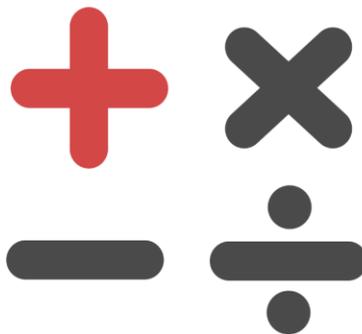
Clause 5 - Leadership



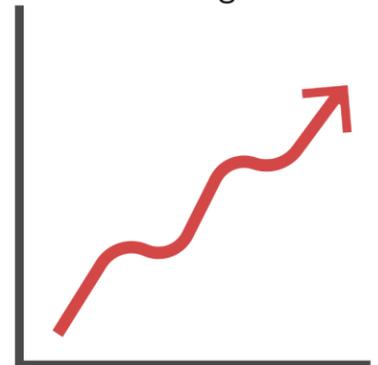
Clause 6 - Energy Planning



Clause 7 - Support



Clause 8 - Operations for Energy



Clause 9 - Performance Evaluation



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