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By email: reporting@energysecurity.gov.uk

13th December 2023

Dear Business Energy Transformation Department for Energy Security and Net Zero

BVCA Feedback on Department for Energy Security & Net Zero (DESNZ) – Call for Evidence - Scope 3 Emissions in the UK Reporting Landscape

The British Private Equity and Venture Capital Association (BVCA) is the industry body and public policy advocate for the private equity (PE) and venture capital (VC) (private capital) industry in the UK. With around 620 members, we represent the vast majority of all UK-based private capital firms, as well as their professional advisers and a large base of UK and global investors. In 2022, £27.5bn was invested by private capital into UK businesses in sectors across the UK economy, ranging from consumer products to emerging technology. There are over 12,000 UK companies backed by private capital which currently employ over 2.2 million people in the UK. Over 55% of the businesses backed are outside of London and 90% of the businesses receiving investment are small and medium-sized enterprises (SMEs).

The BVCA welcomes the opportunity to comment on the Department for Energy Security and Net Zero (DESNZ) call for evidence on the costs, benefits, and practicalities of scope 3 Green House Gas (GHG) Emissions in the UK reporting landscape. We support the Government's efforts to achieve Net Zero by 2050 and the BVCA is committed to ensuring the UK's PE and VC industry plays a leading role in decarbonisation. We also recognise the need for greater and more meaningful sustainability related disclosures, which can also work on a global scale. We recently submitted evidence confirming our support of the ISSBs work in creating a global baseline for corporate sustainability disclosures, and the UK Government's intention to create the UK Sustainability Disclosure Standards (UK SDS) by assessing and endorsing the IFRS Sustainability Disclosure Standards (IFRS S1 & S2). Whilst we recognise and support the need for greater and more meaningful disclosure, and the need to understand value chain (scope 3) emissions in achieving Net Zero, support for organisations, particularly SMEs, when measuring their value chain is crucial. In addition, a phased and proportionate approach should be taken when regulating scope 3 GHG emission disclosures, to prevent businesses submitting incomplete or inaccurate data, which could delay the transition to a Net Zero carbon economy.

We therefore present below our key considerations regarding the costs, benefits, and practicalities of Scope 3 GHG emissions reporting, which are relevant to private capital and the portfolio companies they invest in. These fall under the following two asks, which we have presented where feasible under the relevant questions asked (please see annex):

- **The need for proportionality and a phased introduction of future regulation which requires material scope 3 disclosures (to reduce burden and ensure meaningful data can be collected from which to build achievable climate transition plans).**
- **Need for sector specific guidance and methodologies to support private capital and the SME's they invest in quantifying and accurately reporting their GHG emissions effectively and efficiently.**

To provide some context to our evidence, we have provided below some detail on how private capital is structured, as well as its role in the Net Zero transition.

Role of Private Capital's in the Net Zero Challenge

The UK's private capital industry has a leading role to play in the global challenge of eliminating the causes and effects of climate change. The industry stands at the unique intersection of deploying capital, investing for the long term and helping to shape the strategy of investee companies. This allows private capital to play a leading role in ensuring firms adapt to the global climate crisis, embedding environmental and social considerations into businesses across the UK economy.

The British Business Bank (BBB) estimates that 76% of UK SMEs have yet to implement a decarbonisation strategy[1]; however, as either majority or significant minority owners, principally of unlisted, fast-growing SMEs (which account for 90% of BVCA member firms' AUM), private capital is well-placed to drive their transition, reaching areas of the UK and global economies that public markets cannot. This is predominantly done in two ways:

- The industry's 'active ownership' model also allows it to help its portfolio companies, across sectors, to embed environmental considerations and reduce the emissions intensity of their operations; and
- The industry's backing of technological innovations needed to combat climate change and support businesses to transition to a low carbon economy.

Whilst the transition to a net zero economy and increase in regulation is driving the increase in green investment, there is also increasing evidence that encompassing ESG (Environmental, Social and Governance) factors is a smart business strategy.

The private equity model considers how the businesses perform today under one firm's ownership, but also must be informed by the needs of future owners in the years ahead. Those years will be drastically impacted by climate change, so investing in a green solution now is good for the bottom line.

Structure of private capital

Private capital is a long-term investment strategy, with firms typically investing in companies for 3-7 years in fund structures that subsist for around 15 years. This requires a commitment to building lasting and sustainable value in the businesses they invest in.

Private capital firms raise capital to invest from sources such as pension funds, endowments, insurance companies, banks, family offices/high net worth individuals and sovereign wealth funds (together, limited partners). They typically use a limited partnership to structure funds; an example of a structure is set out below.

- The general partner of the limited partnership fund will delegate its power and authority to the private equity manager (often limited liability partnerships with the partners being the executives).
- Private capital firms will manage one or more funds. The funds are closed-ended meaning that they have a limited life span, the industry standard being between 10 to 15 years. The life span of a fund can be extended (if permitted in the fund's constitutional agreement) and this is typically contractually up to two additional years with an option to further extend the life of the fund where assets have not been realised.
- Private capital firms raise capital to invest from multiple sources. These institutional and well-informed investors will be limited partners in the fund and their liability is limited to the capital provided to the fund.
- The fund will typically invest in 10-15 portfolio companies in the earlier part of a fund's life until an agreed date (e.g., 5 to 10 years), and exit investments in the run up to the fund's fifteenth anniversary. Earlier stage

[1] British Business Bank

investors may invest in up to 30-40 smaller portfolio companies. Typically, firms will sell their stake in a company by listing on the public markets or, more frequently, selling to a strategic buyer.

- The fund's ownership percentage in the portfolio companies will vary depending on the private capital strategy (e.g., buyout, minority stake).
- Private equity acquisitions will often be partly financed by debt, often provided by a number of banks.
- The portfolio companies will operate entirely independently of each other.
- The fund manager will typically have the right to appoint a representative(s) to the board of directors of its portfolio companies.

The need for proportionality and a phased introduction of future regulation which requires scope 3 disclosures (to reduce burden and ensure data can be collected from which meaningful transition can be built from).

Sustainability data collection and disclosures, in general across private markets are nascent. This is most acute at the earlier stage of a company's development (SME's), where their entry into a private capital fund portfolio will often be their first encounter with sustainability-related reporting requirements. The fast-growing, unlisted SMEs that constitute the majority of our members' funds' portfolios typically have limited resources with which to manage and prioritise a range of competing economic, commercial, and operational pressures.

In addition, many currently have little or no sustainability capability within the organisation and are unable to begin gathering sustainability data without significant help from their private capital investors and external parties. This is exacerbated by the shortage of skilled and affordable service providers and advisers to support the increasing demands of sustainability related disclosures.

Many of these organisations also have rudimentary data capture systems, so the data being requested is not always available. It is also often the case they are likely to be a small customer to many larger suppliers so may be unable to obtain accurate data needed for some scope 3 categories.

Given the nascent stage of capturing carbon data by many (especially SME's), the limited resource, and competing priorities (detailed above), carbon data collection, especially for scope 3 emissions can, in many cases, be based on estimated or proxy data, which may not always be organisation specific. This is a view also supported by the GHG Protocol, which says in its *'Technical Guidance for Calculating Scope 3 Emissions*[2]*' that 'in the initial years of scope 3 data collection, companies may need to use data of relatively low quality due to limited data availability' and that 'over time companies, should seek to improve the data quality of the inventory by replacing lower quality data with higher quality data as it becomes available'*. We would therefore question the value of disclosing this information if the data is inaccurate, or the data set is likely to change and therefore it should be ensured that organisations are given sufficient time to gather representative data sets.

To summarise we would therefore request the need for proportionality and phased introduction in relation to future regulation which requires material focused scope 3 disclosures to reduce burden and ensure meaningful data can be collected.

We therefore suggest consideration is given to a phased introduction of mandatory scope 3 emissions, such as 3-5 years to enable organisations to develop a true baseline of their footprint, which is representative of their activities and from which meaningful and informed transition decisions can be made.

Need for sector specific guidance and methodologies to support private capital and the SME's they invest in quantify and accurately report their GHG emissions effectively and efficiently.

The value chain is the most onerous part of any organisation's carbon footprint to quantify and influence and can limit some organisation's ability to set meaningful science-based targets which can feasibly be achieved.

[2] GHG Protocol Technical Guidance for Calculating Scope 3 Emissions

Whilst it is recognised the value chain (scope 3 emissions) should be considered to enable a good understanding of climate risks and opportunities faced by an organisation, helping organisations, particularly SMEs, overcome the barriers they face when measuring their value chain is critical. These barriers can include the absence of sector specific guidance (which is just emerging for some areas of private capital[3]), methodologies, and approaches and the shortage of skilled and affordable service providers and advisors, limiting ability to gather representative data from which to make meaningful decisions. This is essential for private capital which manage closed-ended funds pursuing multi-year growth strategies across portfolios, of mostly unlisted SMEs, and are therefore dependent on the availability of specific PE and VC focussed methodologies and approaches.

To remove hesitancy and inconsistency surrounding meaningful carbon reporting, especially around scope 3 emissions, it is a necessity to facilitate collaboration between industry leaders and engagement with key industry led initiatives such as the iCI and the IIGCC. It will also be a necessity to develop common methodologies and best practice which is suitable for private markets. In addition to this, government should also look to incentivise positive behaviours by providing potential tax incentives, grants, and guarantees to support SME access to private green finance to help with disclosures of this nature.

Please do not hesitate to get in touch if you have any questions or if you would like to discuss any of the above in more detail (please contact Harriet Assem (hassem@bvca.co.uk).

Yours sincerely,

Maria Carradice

Maria Carradice

Chair, BVCA Responsible Investment Advisory Group

[3]. Initiative Climat International (iCI) and ERM have launched a standard that for the first time sets out a consistent approach to GHG emissions disclosure across the private equity sector. The standard represents a practical application of the GHG Protocol and the Partnership for Carbon Accounting Financials Global GHG Accounting and Reporting Standard to private equity investing.

Call for Evidence Questions

Chapter One

General Questions

1. What is your company number? If you work for an LLP, please state so here.

Not applicable.

2. Where applicable, what percentage of your supply chain is within the UK, within the EU, outside of the UK and the EU?

Not applicable.

3. What is your role in relation to company reporting? For example, are you a reporting entity, a company within the supply chain of a reporting entity, an investor and/or a user of accounts, contracted to report on behalf of a reporting entity, part of a consultancy firm, or part of a voluntary reporting scheme?

The BVCA are the industry body and public policy advocate for the private equity and venture capital industry in the UK.

4. What role does Scope 3 emissions reporting currently play in your organisation? If your organisation does report its Scope 3 emissions, which Scope 3 emissions categories are you currently reporting on and why? Is this on a voluntary or mandatory basis? Please state whether you have done so in the past and, if you no longer report Scope 3 data, why.

Private market investors within our member community are increasingly working to understand and embrace the increasing expectations placed on them to monitor and disclose their climate-related risks and opportunities. Our members are working to embed climate risk management into investment strategies – throughout the investment lifecycle. A first step in this process is often to understand and quantify their own GHG emissions including their 'financed emissions' associated with the portfolio companies they are invested in. Our Creating Sustainable Growth, March 2023[4] research report, indicated that nearly 25% of medium size firms and over 5% of small firms, for which we received data, are collecting information on scope 3 emissions (this is based on 79 member firms providing data on portfolio companies[5]).

This data collection process is predominantly being done on a voluntary basis, as a result of many member firms' own internal responsible investment commitments. Which includes a focus to secure sustainable investment performance by recognising and incorporating the materiality of climate risk into their investment practices.

Chapter Two

General questions

5. Do you agree or disagree with the ISSB's assessment of the value of Scope 3 information?

We recognise that scope 3 emissions, need to be considered to enable an accurate assessment of an organisations' climate transition risks and opportunities. However, we are cognisant that scope 3 emissions are the scope 1 and 2 emissions of other organisations. Whilst not wanting to downplay the importance and relevance of gathering scope 3 data to help an organization mange its climate transition risks, we are conscious there may be some double counting within the process. Therefore, the overall emphasis and need to have a

[4] BVCA-Creating-Sustainable-Growth-Report-2023.pdf

[5] Please note that the BVCA does not independently verify the data submitted as this is frequently not in the public domain. As a result, the BVCA cannot guarantee the ultimate accuracy of the data and therefore BVCA does not accept responsibility for any decision made or action taken based on the information provided in this report.

detailed understanding of scope 3 emissions per organisation should therefore be reflective of this point. We would therefore ask that any requirement to gather scope 3 data should be materially focused to ensure a focus is maintained on material scope 3 emissions to an organisation.

Furthermore, due to the indirect nature and likely scale of an organisations value chain, it is most likely where most organisations' climate risk is the greatest, yet hardest to influence. It will also require a company to purchase carbon offsets, for emissions they cannot reduce (likely scope 3), the market for which is currently nascent, adding increased risk and financial burden.

Support for organisations, especially SMEs, will be critical to overcome the barriers associated with decarbonising a value chain. Any sustainability regulation that requires scope 3 emissions reporting should be proportionate and phased-in, to reduce the burden (both financial and resource) on small businesses, and ensure meaningful data can be collected, from which educated climate transition plans can be built from ensuring carbon credits are only purchased for emissions which cannot truly be reduced.

6. In general, what is your view on the approach to Scope 3 reporting contained within IFRS S2? Please consider the ISSB's approach to materiality in your answer.

The difficulties and costs associated in obtaining scope 3 emissions data and considering climate transitional risks and opportunities is well documented. Phasing in and significant guidance will be required to be able to provide accurate data.

The value chain is the most onerous part of any organisation's carbon footprint to quantify and influence and can limit some organisation's ability to develop meaningful transition plans which they are confident they can achieve. Whilst it is recognised the value chain needs to be considered so an organisation has a meaningful understanding of its climate transition risks and opportunities, support with helping organisations, particularly SMEs, overcome the barriers they face when measuring their value chain is critical. These barriers can include the absence of sector specific guidance (which is just emerging) and the shortage of skilled and affordable service providers and advisors, limiting ability to gather representative data to make meaningful decisions from. This could delay an organisations' ability to initially disclose data which is representative of their organisation, and we would request that further phasing of scope 3 emissions data is considered to ensure any disclosures are meaningful and can be disclosed within the context of what an organisation is going to do to reduce their emissions.

Furthermore, carbon data, especially for scope 3 emissions can, in many cases, be based on estimates which may not always be organisation specific. We would question the value of disclosing this information if the data is inaccurate or the data set is likely to change. We would therefore request that any regulation which requires scope 3 emission disclosure is phased to ensure meaningful disclosures.

7. What is your view on the use of the GHG Protocol for the purposes of Scope 3 reporting within IFRS S2? Will this lead to comparable and consistent reporting that is useful for investors and users of accounts?

We agree with the use of the GHG Protocol to measure greenhouse gas emissions, it is a globally recognised methodology framework and will therefore help ensure consistency in disclosures. Guidance specifically relevant to the private equity community would be welcomed, such as the guidance recently published by Initiative Climat International (iCI) and ERM, which for the first time, sets out a consistent approach to GHG emissions disclosure across the private equity sector. This guidance also presents a practical application of the GHG Protocol, and the Partnership for Carbon Accounting Financials Global GHG Accounting and Reporting Standard to private equity investing.

We believe a deviation from this universally applied approach would only increase the cost and burden on organisations who are already grappling to gather GHG data. It should however be ensured that whichever methodology is applied is consistent with other frameworks and regulations to enable interoperability and reduce disclosure burden (both time and cost) on organisations.

8. Would using the ISSB's approach to Scope 3 reporting have knock-on consequences for your organisation that the Government should be aware of? For instance, you may wish to consider the interaction between IFRS S2 and any EU regulations, or other energy/emissions reporting requirements that your organisation may be impacted by.

No comment.

9. Is there any additional emissions or energy-consumption related data that is not required within IFRS S2 that you believe is valuable for investors, users of accounts and other stakeholders?

No comment.

Questions for reporting entities

10. What further guidance and support might be needed for your organisation, and organisations in your value chain, to report Scope 3 information in accordance with IFRS S2?

As detailed in our covering letter the value chain (scope 3 emissions) is the most onerous part of any organisation's carbon footprint to quantify and influence and can often limit some organisation's ability to set meaningful and develop feasible transition plans from. Whilst we recognise the value chain (scope 3 emissions) needs to be considered to enable an organisation to have accurate assessment/management of its climate transition risks, it is crucial to support organisations, particularly SMEs, in overcoming barriers when measuring their value chain. These barriers can include the absence of sector specific guidance methodologies and approaches, and the shortage of skilled and affordable service providers and advisors, limiting ability to gather representative data to make meaningful decisions from. This is particularly essential for private capital, which manages closed-ended funds pursuing multi-year growth strategies across portfolios, of mostly unlisted SMEs, and are therefore dependent on the availability of specific PE and VC focussed methodologies and approaches.

To remove the barrier of hesitancy and inconsistency which surrounds meaningful carbon reporting, especially around scope 3 emissions, it is a necessity to facilitate collaboration between key industry initiatives such as the iCI and IIGCC, in addition to the development of common methodologies and best practice which is suitable for private markets.

11. If your organisation does not already prepare Scope 3 information, how long would you need to build the capacity and capability to do so?

As detailed in our covering letter the value chain (scope 3 emissions) is the most onerous part of any organisation's carbon footprint to quantify and Whilst we recognise the value chain (scope 3 emissions) needs to be considered to enable an organisation to have accurate assessment/management of its climate transition risks,, it is crucial organisations, particularly SMEs, are supported in overcoming barriers when measuring their value chain. These barriers can include the absence of sector specific guidance methodologies and approaches and the shortage of skilled and affordable service providers and advisors, limiting ability to gather representative data to make meaningful decisions from. This is particularly essential for private capital which manage closed-ended funds pursuing multi-year growth strategies across portfolios, of mostly unlisted SMEs, and are therefore dependent on the availability of specific PE and VC focussed methodologies and approaches.

This could delay an organisations' ability to initially disclose data which is representative of their organisations, and we would ask that any sustainability regulation that requires scope 3 emission disclosures is phased and proportionate to limit the financial and reporting burden disclosures of this nature are/can have on private capital.

Questions for investors and other users of accounts

12. How, if at all, do you expect to use the Scope 3 information that could be disclosed by businesses in accordance with IFRS S2? If you are an investor, how will this information influence your decision-making?

No comment.

13. If you are a user of annual reports, which of the Scope 3 GHG emissions categories do you most value information on and why?

No comment.

14. When making investment decisions, does the usefulness of Scope 3 data vary depending on the sector and the size of the reporting organisation?

No comment.

Chapter Three

General question

15. What are your views on the overall costs and benefits of Scope 3 reporting? Please be as specific as possible.

As detailed before, the value chain is the most onerous part of any organisation's carbon footprint to quantify and influence and can limit some organisation's ability to set meaningful science-based targets which they are confident they can achieve. Whilst we recognise the value chain (scope 3 emissions) needs to be considered to enable an organisation to have accurate assessment/management of its climate transition risks, support with helping organisations, particularly SMEs, overcome the barriers they face when measuring their value chain is critical. These barriers can include the absence of sector specific guidance (which is just emerging), rudimentary data capture systems limiting ability to provide the data required and the shortage of skilled and affordable service providers and advisors, limiting ability to gather representative data to make meaningful decisions without significant burden and cost.

16. What benefits could Scope 3 reporting bring to your organisation? Please be as precise as possible when explaining the basis of any benefits you provide. If you currently produce Scope 3 data voluntarily under SECR, please explain the benefits you have received and how they have changed over time.

No comment.

17. What costs could Scope 3 reporting bring to your organisation? Where possible, please give a breakdown of each element of cost. Please be as precise as possible when explaining the basis of any costings you provide. If you do currently produce Scope 3 data voluntarily under SECR, please explain the costs you have incurred and how they have changed over time.

Scope 3 reporting, particularly in the initial stages of its implementation, and a company's alignment will have a profound financial impact. This is particularly driven by the absence of sector specific guidance (which is just emerging) and the shortage of skilled and affordable service providers and advisors, limiting ability to gather representative data to make meaningful decisions without significant burden and cost.

Furthermore, it is important to recognise the data limitations faced by SMEs, whose entry into a private capital fund portfolio will often represent their first encounter with sustainability-related reporting requirements, including GHG reporting. The fast-growing, unlisted SMEs that constitute the bulk of our members' portfolio companies typically have limited resources with which to manage and prioritise a range of often competing economic, commercial, and operational pressures.

Many of these organisations also have rudimentary data capture systems, so the data that is being requested is not always available. It is also often the case that they are likely to be a small customer to many larger suppliers so may be unable to obtain accurate data needed for some scope 3 categories.

Scope 3 reporting will require portfolio companies and private capital firms to invest further to evolve their reporting processes and will entail significant costs and therefore it is critical that any sustainability regulation that requires scope 3 disclosures is proportionate and phased when being applied in the private capital context.

Questions for reporting entities

18. How are you approaching the issues around data availability in relation to Scope 3 reporting? Are you aware of any useful data sources, reporting tools, or resources (such as emissions factors) to help UK organisations report their Scope 3 emissions, and how are you tackling them?

A critical consideration is the development of common methodologies, guidance and approaches which are cognisant of the sectors they apply to. This is particularly essential for private capital which manages closed-ended funds pursuing multi-year growth strategies across portfolios, of mostly unlisted SMEs, and are therefore dependent on specific PE and VC focussed methodologies for obtaining and analysing the metrics required to set meaningful and attainable science-based targets.

However, to drive systemic change at the pace needed, provision of clear definitions, technical tool kits, and the facilitation of collaboration and engagement between key industry leaders such as the iCI, and IIGCC is a necessity. A number of industry initiatives have been working to develop climate disclosure guidance applicable for private markets such as the standard launched by the Initiative Climat International (iCI) and ERM, which sets out a consistent approach to GHG emissions disclosure across the private equity sector. The standard represents a practical application of the GHG Protocol and the Partnership for Carbon Accounting Financials Global GHG Accounting and Reporting Standard to private equity investing.

19. What are, or do you anticipate being, the greatest barriers to producing consistent Scope 3 data?

An essential support would be the development of common methodologies, guidance and approaches which are cognisant of the sectors they apply to. This would also support the narrative of the associated costs and benefits of measuring and managing your GHG emissions, which may lead to more buy-in from key stakeholders. This is particularly essential for private capital which manage closed-ended funds pursuing multi-year growth strategies across portfolios, of mostly unlisted SMEs and are therefore dependent on the availability of specific PE and VC focussed methodologies to help organisations, particularly SMEs, overcome the barriers they face when measuring their value chain.

This is further exacerbated by the shortage of skilled and affordable service providers and advisers to support with the increasing demands of sustainability related disclosures which includes scope 3 disclosures. This is particularly important for SME's who typically have limited resources with which to manage and prioritise a range of often competing economic, commercial, and operational pressures. Many also have rudimentary data capture systems, so the data that is being requested is not always available. It is also often the case that they are likely to be a small customer to many larger suppliers so may be unable to obtain accurate data needed for some scope 3 categories. They are also likely to have little or no sustainability capability within the organisation and are unable to begin assessing and managing their climate related risks without significant help from their private capital investors and external parties.

20. If you currently voluntarily report your Scope 3 emissions, including through non-Governmental frameworks such as CDP and SBTi, what effect has this had on your relationships with businesses in your supply chain.

No comment.

Questions for smaller businesses in the supply chains

21. What impact could an increase in Scope 3 reporting by a larger reporting entity have on your organisation? What are the costs and benefits of Scope 3 reporting on smaller organisations within their supply chain? Please provide any evidence you have of these.

Support with helping organisations, particularly SMEs, overcome the barriers they face when measuring their value chain is critical. These barriers can include the absence of sector specific guidance (which is just emerging) and the shortage of skilled and affordable service providers and advisors, limiting ability to gather representative data to make meaningful decisions without significant burden and cost.

22. If you currently supply data to a reporting entity to enable it to voluntarily report its Scope 3 emissions, has the cost to you of doing so reduced, stayed the same or increased over time? What effect has this had on your relationship with the reporting entity?

No comment.

23. What could the Government do to reduce the costs or increase the benefits of reporting for smaller businesses in the supply chains of entities that report on Scope 3?

In terms of assisting SMEs, the Government should look to incentivise positive behaviours and the benefits of measuring and managing emissions, by providing clear communication about the benefits of measuring and managing your GHG emissions, providing straightforward guidance on reporting standards alongside proportional and material focused reporting requirements. This will help reduce burden and ensure relevance for the size of the organisation and enable buy-in. Consideration should also be given to potential tax incentives, and grants and guarantees to support SMEs prioritise and advance their climate reporting processes and access to private green finance to help with disclosures of this nature.

24. If you supply data to a larger entity, what effect (including financial impacts) has this had on your organisation? We are particularly keen here to receive views from SMEs.

No comment.

Questions for investors and other users of accounts

25. What benefits does robust Scope 3 reporting provide to stakeholders outside of the investment community?

No comment.

Chapter Four

General questions

26. Overall, do you think the SECR regulations are achieving their original objectives? If you do not think they are achieving the original objectives, or are partially achieving the objectives, please explain why.

No comment.

27. Have there been any unintended effects of the SECR regulations that you think Government should consider? Please include whether there are any equality impacts to be taken into consideration.

No comment.

28. Are the current SECR requirements targeted at the correct population of businesses (including LLPs)? If not, which types of businesses and of which size do you think the requirements should apply to? If you think that different requirements should apply to different populations of businesses, please specify.

No comment.

29. SECR reporting is currently required within a company's annual report. Would it be more appropriate to report on SECR in another document or format?

No comment.

30. How can the government streamline current energy and emissions reporting requirements for organisations in scope of SECR while still meeting the SECR objectives?

No comment.

31. Under the existing SECR framework, there are different reporting requirements for quoted companies and unquoted companies/LLPs. Are these differing requirements appropriate? If not, what reforms would you suggest?

No comment.

32. What resources do you currently use to comply with SECR (e.g., ERG guidance, conversion factors, the GHG Protocol, etc.) and do you feel these are sufficient? If these aren't sufficient, what do you think is missing?

No comment.

Questions for reporting entities

33. What benefits has compliance with the current SECR regulations had for your organisation?

No comment.

34. What are the costs (monetised costs and FTE equivalent) of reporting under the current SECR framework for your organisation? Please provide quantitative costs or estimates if possible.

No comment.

35. If your organisation reports under SECR, has the information that you have collected and reported led you to, or helped you to, reduce your energy consumption and/or carbon emissions? If so, how? Please provide energy and emissions reductions data where that is possible.

No comment.

36. Are you aware of the option to use SECR taxonomy for your reports? If so, please provide information on whether you have used the taxonomy or plan to.

No comment.

37. Have you experienced any overlap between the SECR regulations and other Government-led reporting requirements? Please include details of any additional voluntary or regulatory schemes you are in scope of, and the extent in which you consider the data and evidence being reported to be a duplication.

No comment.

Questions for investors and other users of accounts.

38. If you are an investor, has the information businesses report or will report under SECR affected your investment decisions? If so, how?

No comment.

39. Have you used the information businesses report under SECR to hold those businesses to account for their emissions or energy consumption? If so, how?

No comment.