

Directors' reports - disclosure of emissions

3.—(1) A directors' report must state the annual quantity of emissions in tonnes of carbon dioxide equivalent resulting directly from any of the following activities undertaken by the company—

- (a) the combustion of fuel in any premises, machinery or equipment operated, owned or controlled by the company;
- (b) the use of any means of transport, machinery or equipment operated, owned or controlled by the company;
- (c) the operation or control of any manufacturing process undertaken by the company.

(2) For the purposes of paragraph (1), the annual quantity stated must include the leakage or other escape of emissions resulting directly or indirectly from any of the activities referred to in that paragraph.

(3) A directors' report must state the annual quantity of emissions in tonnes of carbon dioxide equivalent resulting from the purchase of electricity, heat, steam or cooling by the company.

(4) In this regulation "premises" includes any—

- (a) building, structure (or part of a building or structure), land, vehicle or vessel,
- (b) plant or machinery which is designed to move or be moved whether on roads or otherwise.

Methodology used to calculate emissions

4. A directors' report must state the methodology used to calculate the tonnes of carbon dioxide emissions included in the report under regulation 3.

Reporting of emissions from activities subject to other reporting obligations

5. A directors' report must state if relevant information included in the report was obtained as a result of the company's compliance with—

- (a) the Climate Change Agreements (Eligible Facilities) Regulations 2006(a);
- (b) the Greenhouse Gas Emissions Data and National Implementation Measures Regulations 2009(b); or
- (c) the CRC Energy Efficiency Scheme Order 2010(c).

Intensity ratio

6. A directors' report must state a ratio which expresses a company's annual emissions in relation to a quantifiable factor associated with the company's activities ("an intensity ratio").

First reporting year

7.—(1) In this regulation "first reporting year" means the first year in which a directors' report includes relevant information under regulation 3.

(2) A directors' report must repeat the relevant information disclosed in its first reporting year in every subsequent directors' report.

(3) Every subsequent directors' report must state if the relevant information in the first reporting year has been recalculated.

(4) A directors' report must state if the period for which it is reporting the relevant information under regulation 3 is different to the period in respect of which the directors' report is prepared.

(a) S.I. 2006/60, amended by S.I. 2006/1931 and 2009/2458.

(b) S.I. 2009/3130.

(c) S.I. 2010/768, amended by S.I. 2011/234.

Review

8.—(1) Before the end of the review period, the Secretary of State must—

- (a) carry out a review of these Regulations,
- (b) set out the conclusions of the review in a report, and
- (c) lay the report before Parliament.

(2) The report must in particular—

- (a) set out the objectives intended to be achieved by the regulatory system established by these Regulations,
- (b) assess the extent to which those objectives are achieved, and
- (c) assess whether those objectives remain appropriate and, if so, the extent to which they could be achieved with a system that imposes less regulation.

(3) “Review period” means the period of five years beginning with the day on which these Regulations come into force.

	<i>Name</i>
	Parliamentary Under Secretary of State
Date	Department for Environment, Food and Rural Affairs

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations require a directors’ report to disclose relevant information about emissions of greenhouse gases arising from the company’s activities. Greenhouse gas is defined in section 92 of the Climate Change Act 2008 (c. 27) as carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCS), perfluorocarbons (PFCS) and sulphur hexafluoride (SF₆)

Regulation 3 requires a directors’ report to disclose the annual quantity of emissions expressed in carbon dioxide equivalent arising from its activities.

Regulation 4 requires the directors’ report to state the methodology used to calculate emissions.

Regulation 5 requires a directors’ report to state if it has disclosed relevant information about its emissions obtained as a result of compliance with the instruments set out in regulation 5(a) to (c).

Regulation 6 requires a directors’ report to state a carbon intensity ratio which expresses a company’s emissions as against any quantifiable activity of the company.

Regulation 7 provides for relevant information to be disclosed annually and for the first year’s emissions for which relevant information is available to be repeated each year in order for the company’s emissions to be compared against emissions disclosed in each subsequent directors’ report of emissions.

Regulation 8 provides for a review of these Regulations before the end of the review period.

A full regulatory impact assessment of the effect that these Regulations will have on the costs of business and the voluntary sector is available from the Department for Environment, Food and Rural Affairs, Nobel House, 17 Smith Square, London SW1P 3JR and is annexed to the Explanatory Memorandum which is available alongside these Regulations on www.legislation.gov.uk.