

U.K. to mandate CO2 reporting for largest corporations

The U.K. government today confirmed that it will introduce mandatory carbon reporting rules requiring around 1,800 of the country's largest listed companies to report annually on their greenhouse gas emissions.

In *The Guardian*, deputy prime minister Nick Clegg, who will tomorrow represent the U.K. at the Rio +20 Earth Summit in Brazil, wrote that long-awaited emission reporting rules would come into effect next April.

"Using resources responsibly is in business's own interests too," he wrote. "Pepsi depends on water, Unilever depends on fish stocks and agricultural land, and every firm relies on a stable fuel supply. But while nine out of 10 chief executives say sustainability is fundamental to their success, only two out of 10 record the resources they consume.

"So the U.K. will press for governments to come together, working with those companies already blazing a trail, to give 'sustainability reporting' a global push. By agreeing common standards and practices we can get many more firms on board.

"And in the U.K., from the start of next financial year, all firms listed on the London Stock Exchange will have to report the levels of greenhouse gases they emit."

The rules are initially expected to be restricted to firms listed on the main London Stock Exchange and will not cover private companies or those listed on the Alternative Investment Market. But the regulations are slated for review in 2015, and ministers are scheduled to consider expanding the rules to all large companies beginning in 2016, according to the Department for Environment, Food and Rural Affairs.

The move will be welcomed by business groups and green NGOs, including the CBI, which has been campaigning for the past year for the introduction of mandatory carbon reporting rules, establishing the issue as a key test of the government's green credentials.

There had been fears that the proposed rules could be dropped after the government missed a deadline in April for making a decision on the new rules, particularly after some business leaders argued that the new rules represent an unnecessary regulatory burden and overlap with the existing Carbon Reduction Commitment scheme.

But environment secretary Caroline Spelman insisted the delay was simply the result of ministers needing more time to ensure the administrative impact on businesses of the new rules are kept to a minimum.

Environmentalists hail the move

Green groups were quick to praise the government's decision, arguing that it will force businesses to track their carbon emissions and energy use, making it easier for them to identify areas where they can enhance efficiency while giving investors a better understanding of those companies that have embraced more sustainable business models.

(Source: GreenBiz)

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