

UK publishes new guidance for corporate sustainability reporting

Government launches consultation on sustainability key performance indicators and new regulations requiring listed firms to disclose carbon emissions

The UK government will today (25 July) unveil new proposals designed to make it easier for businesses to demonstrate their sustainability performance to customers and investors, while also complying with soon-to-be-introduced carbon reporting rules.

The Department of Environment, Food and Rural Affairs (Defra) is to launch two consultation exercises on new guidance for corporate sustainability reporting and mandatory emission reporting requirements, which were announced by the government at last month's Rio +20 Earth Summit.

The new guidance, which builds on existing government guidelines for reporting on a wide range of environmental issues, sets out proposals for how businesses should report on a wide range of green "key performance indicators", including air quality and emissions, water, biodiversity and ecosystem services, natural materials and waste.

Defra said that for the first time the voluntary guidance would provide "detailed advice on how firms can measure and report on their impact on wildlife and natural services such as clean air, clean water, food, timber, flood protection and welfare benefits".

Meanwhile, the draft regulation on mandatory carbon reporting requirements confirms that from April next year listed companies in the UK will have to report on their greenhouse gas emission each year in line with government standards.

Speaking to BusinessGreen, Environment Minister Lord Taylor of Holbeach said both the KPI guidance and the new carbon reporting rules could provide a boost to UK firms.

"Sustainability reporting is an area where we can provide business with a really useful tool with which they can impress investors and markets," he said. "A lot of British companies are quite far down the track in this area, and are now exporting this around the world. It's a really good policy to have been able to set up."

He also rejected criticism from some quarters suggesting mandatory carbon reporting rules would impose unnecessary red tape on businesses.

"That view is based on a mis-reading of carbon reporting," he argued. "This is an issue where investors want assurance that the companies they invest in understand this issue and it is not a marginalised back room issue handled by a few specialists in the business, but a main boardroom issue. The requirement to report on this is something that will engage all senior management and I think it is a prerequisite for businesses today."

(Source: Business Green)

25/07/2012