EMISSION POSSIBLE

A BEGINNER'S GUIDE TO EMISSION REPORTING THAT HELPS YOU REACH YOUR CLIMATE GOALS.

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WWF FOR YOUR WORLD

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WWF is one of the world's largest independent conservation organisations, active in nearly 100 countries. Our supporters – more than five million of them – are helping us to restore nature and to tackle the main causes of nature's decline, particularly the food system and climate change. We're fighting to ensure a world with thriving habitats and species, and to change hearts and minds so it becomes unacceptable to overuse our planet's resources.

WWF. For your world. For wildlife, for people, for nature.

Find out more about our work, past and present at wwf.org.uk

ETL is a multidisciplinary consultancy practice, wholly owned by Guy's and St Thomas' NHS Foundation Trust. We specialise in providing advisory services including Net Zero Carbon + Sustainability, Property, Healthcare Strategy + Planning, Project and Programme Management and Cost Management. Our Net Zero Carbon + Sustainability team develop strategic, leading and boundary-pushing programmes with our clients - these engaging, meaningful and evidence-based plans support real change and action towards a Net Zero Carbon future. Our profits are reinvested into the NHS.

WWF INTRODUCTION

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We live in an unprecedented time, one where forest fires can rage in frozen climates and countries are battling the rising tides. A time where human activity has caused an average decline in all wildlife populations by 68% since 1970.

In the last 50 years our world has been transformed by an explosion in global trade, consumption, and human population growth, as well as an enormous move towards urbanisation. This puts a huge amount of pressure on the natural world around us, leading to impacts like habitat loss, overfishing and climate change to name just three.

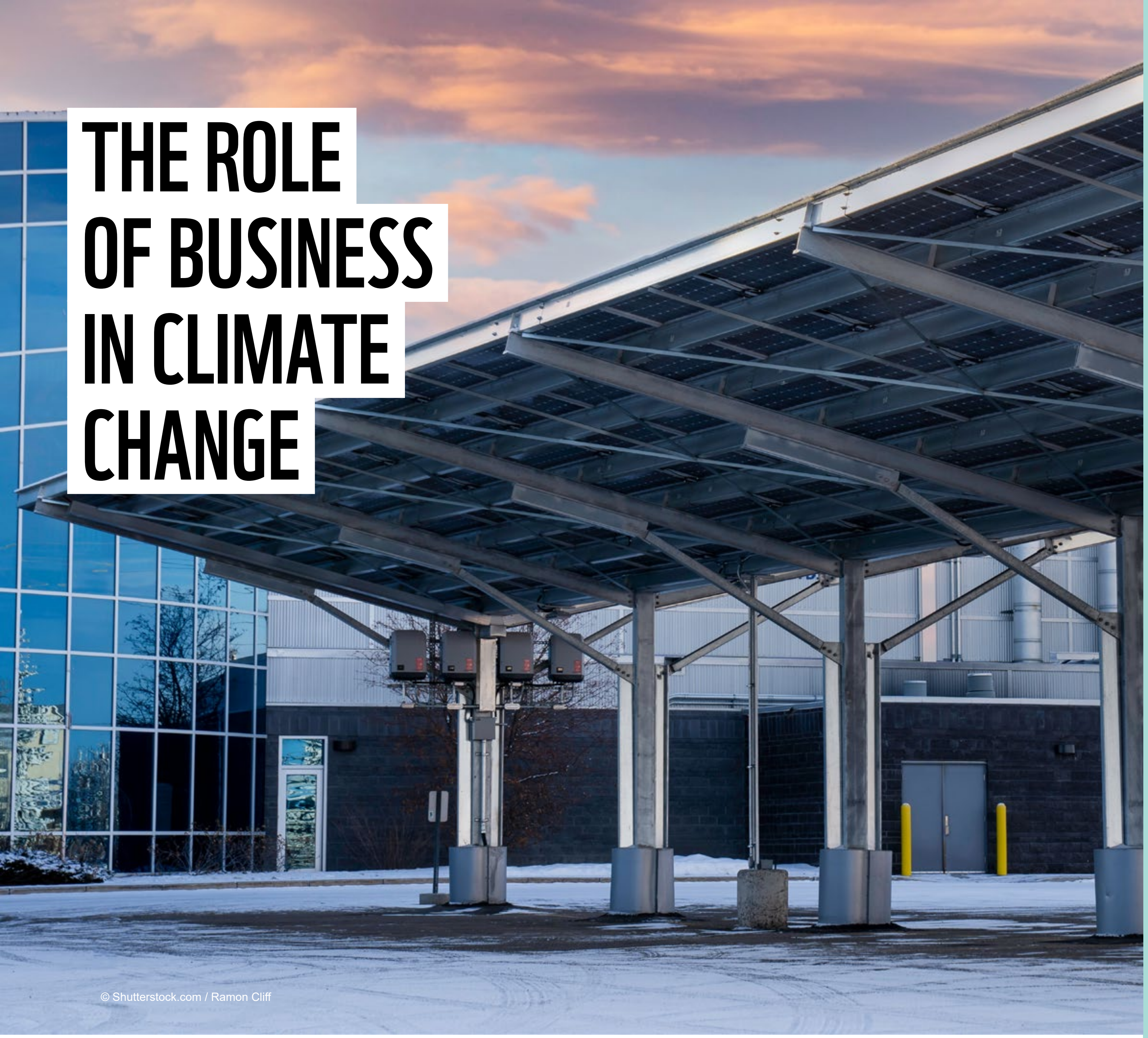
In 2018, the Intergovernmental Panel on Climate Change (IPCC) warned that global warming must not exceed 1.5°C to avoid the catastrophic impacts of climate change. We have already warmed our planet by 1° and the changes we are seeing as a result are a stark vision of what is to come if we do not change.

In order to limit global warming to 1.5°C we need to change how we live and how our businesses operate. Thankfully the message is out, and it is universally accepted that we can no longer continue business as usual. We need to reset our relationship with our planet and create a system that benefits climate, nature, and people.

We are seeing positive changes happen. In 2015, the world committed to the Paris Agreement which is the first legally binding climate change agreement that committed to keep global warming to well below 2°C, while pursuing a lower global warming limit of 1.5°C. We have seen countries like the UK, France, Sweden and China (to name a few) setting targets to reduce their carbon emissions.

But the unfortunate reality is, these are just targets, and they are not enough on their own. We need action. We need to be working to the speed that science tell us we must.

THE ROLE OF BUSINESS IN CLIMATE CHANGE



Businesses are critical in the fight against climate change as they are the source of most of the world's emissions. As the impact of those emissions manifest, they are being affected by the negative impacts. Businesses rely on a complex network of ecosystem services and social licenses to operate, which may sometimes be taken for granted and leave companies exposed to unexpected risks.

The targets set by Government will never be achieved if business don't move towards them. That is why we are calling on businesses like yours to do what they can to help. To step up.

The first step in tackling a problem is acknowledging there is one. Once we know what we are facing, we can create a strategy to fix it. We cannot realistically tackle this problem if we don't know the full extent of it, that is why emission reporting is so important. Emission reporting will shed light on where our biggest impacts are, and where we need to focus our attention.

We know this process can be confusing and time-consuming, so we want to help streamline it for you. We have created an emissions reporting guide to help you understand what to do and empower you to take action.

This guide will show you how to fight for your world.

But before we do that, we need to clear up some confusion and cover some of the key things we will be talking about in more detail.

GLOSSARY OF TERMS

Greenhouse gases (GHGs)	these gases drive global warming. The most common GHGs are carbon dioxide, methane and nitrous oxide.
CO2e	Carbon dioxide equivalent. This is the universal metric when we talk about emissions. A rough calculation is to multiply the amount of GHGs by their global warming potential or GWP. Don't worry, most tools do this for you.
Emissions Data	there are 3 types of emission data you will be collecting:
Scope 1 Emissions	This refers to direct emissions from organisation owned or controlled resources for example, emissions from fuel combustion by the company, company vehicles and on-site manufacturing.
Scope 2 Emissions	These are indirect emissions from the generation of purchased electricity, heat, and steam used by the company.
Scope 3 Emissions	These include all other indirect emissions that occur in your company's value chain and includes purchased goods and services, business travel, employee commuting, waste disposal, transportation and distribution, leased assets.
Reporting Tool	these are online tools and programs that help calculate the GHG emissions produced by your company.
Disclosure Platform	this is what you plug your emission data into to help you disclose it publicly.
Reporting standards	this provides a framework for businesses like yours to measure and report your GHG emissions.
Transparency	measuring your emissions is the first step, but to have be a leader and show you are tacking real action, you need you to share them too!
Upstream supply chain	this is the chain of activities that result in goods and services your company buys in or uses in their activities or manufacturing.
Downstream activities	this includes processes used to create finished goods and services and the distribution and sale of these goods.

WIDELY USED ACRONYMS

CDSB	Climate Disclosure Standards Board
GRI	Global Reporting Initiative
IPCC	Intergovernmental Panel on Climate Change
ISO	International Organisation for Standardization
SIC	Standard Industrial Classification
SECR	Streamlined Energy and Carbon Reporting
TCFD	Task Force on Climate-related Financial Disclosures
CDP	Carbon Disclosure Project

OK

NOW WE KNOW WHAT WE ARE TALKING ABOUT. LET'S GET STARTED.

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WHAT IS EMISSION REPORTING?

Emission reporting is the process by which an organisation measures and reports the volume of greenhouse gases (GHGs) emitted that are associated with that company's activities. As you use energy or resources, you are having an indirect impact on our environment. Emission reporting is just the measurement of that impact, like a carbon footprint of your business.

Emissions reporting is the first, and arguably one of the most important steps you can take to reduce your company's footprint. This will help you identify where you need to take action to reduce your emissions. Once you know what the problem is and where the most intense areas of emissions are, you can create a strategy to cut your greenhouse gas emissions and potentially save money for your business.

In June 2019, the UK committed to reducing its greenhouse gas emissions to net-zero by 2050. This means, by 2050 the UK will have reduced emissions to zero from power, transport and heat and reduced sectors such as agriculture, industry and aviation and shipping as much as possible. The remaining emissions will be removed through nature-based solutions and greenhouse gas removals. Overall, there will be a zero balance between the greenhouse gases put into the atmosphere and those taken out. In WWF's ***Keeping It Cool report***, we show the evidence that it is possible for the UK to reach net-zero GHG emissions by 2045, through international collaboration and innovation. **Industry collaboration** being key in that strategy. We need businesses to step beyond what they are legally required to do.

A QUICK NOTE ON OFFSETTING

Some companies try to reduce their impact by offsetting their emissions without tackling the underlying problems. But this is not good practice. We cannot off-set our way out of a climate emergency. Offsetting cannot be regarded as an alternative to rapid and deep cuts to our emissions. We need to make those drastic emissions cuts AND we need to restore and protect nature – **The best strategy is to limit your impacts and emissions by as much as you possibly can first.**

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HOW CAN REPORTING HELP YOUR ORGANISATION?

Some companies have a legal obligation to report, but that doesn't extend to everyone. And while you may not have to do it, it is important to keep in mind the advantages that reporting can deliver:

Risk management: By reporting your organisational GHG emissions as well as your environmental impacts, you will identify and better understand your exposure to climate change risks and how they can be mitigated against.

Reputation: Stakeholders are increasingly requiring disclosure of organisational environmental impacts. As expectations of transparency continue to grow, your performance can differentiate you from competitors. Additionally, this provides you with an opportunity to show year on year improvements.

Cost savings: Understanding and increasing your organisational awareness of consumption, spend and associated carbon emissions can help you identify opportunities for improvements leading to operational cost savings. In short, it makes you a more efficient business.

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WHAT IS LEGALLY REQUIRED OF YOU?

There are both mandatory and voluntary reporting schemes for UK organisations and the factors that decide if you have to report are - whether your organisation is quoted or unquoted, the size of your organisation, whether it is public or private sector and the type of activity in which your organisation engages.

The UK Government implemented the Streamlined Energy and Carbon Reporting (SECR) policy on the 1st April 2019 which extends greenhouse gas reporting requirements for quoted companies. The following organisations are required to report their greenhouse gas emissions under UK legislation:

- All quoted companies
- Large registered and unregistered unquoted companies
- Large Limited Liability Partnerships (LLPs)

Your company or LLP qualifies as large if you meet two or more of the following requirements in a year:

- Turnover of £36 million or more
- Balance sheet total of £18 million or more
- 250 or more employees

However, with the Government's net-zero targets, we will see it become mandatory for more organisations to report their emissions, so even if you are not currently required under legislation, we encourage you to start reporting your emissions as soon as possible.

Additionally, public bodies are not required to report under the SECR framework, but you may need to consider greenhouse gas emissions reporting under other commitments; for example, the new 2021-25 Greening Government Commitments when released, or the NHS Standard Contract.

WHAT

Reporting requirements depend on your company type, and this can be confusing.
We have simplified the requirements and broken them down by year:

EVERY EVERY REPORTING YEAR YEAR		
Quoted Companies	**Large unquoted companies**	**Large LLPs**
Scope 1 and 2 greenhouse gas emissions	Scope 1 and 2 emissions related to UK energy use Scope 3 - energy use and related emissions from business travel where the company is responsible for purchasing the fuel.	Scope 1 and 2 emissions related to UK energy use (purchased electricity, gas and transport to be included as a minimum) Scope 3 - energy use and related emissions from business travel in rental cars or employee-owned vehicles
You must use at least one intensity ratio metric – This helps give context, like linking your emissions to profit or company size.		
You must give details on methodologies used in your calculations.		
A list of your energy efficiency actions taken in respective financial year.		
Proportion of energy consumption and emissions that relate to emissions in the UK	Energy use in kWh	Energy use in kWh
Global energy use used to calculate greenhouse gas emissions		

On your second year there will be some additional information you will need to provide.

SECOND REPORTING YEAR ONWARDS		
Quoted Companies	**Large unquoted companies**	**Large LLPs**
Emissions, global energy use, and intensity ratio disclosures in previous year	Emissions, energy use, and intensity ratio disclosures in previous year	Energy use and emissions data disclosed in previous year

WHERE AND WHEN

You need to include the information in your Directors' Report. If you are a large LLP, you are required to include this information in an *Energy and Carbon Report,* equivalent to a Directors' Report.

You must report emissions based on your respective financial years, and it must be filed with Companies House.

EXCLUSIONS

Unfortunately, companies have used exclusions in the past to dismiss reporting their emission. You can exclude information for either of the following two reasons:

1. The Directors consider the disclosure would be detrimental to the organisation's interests.
2. The energy and carbon information is not practical to obtain

Obviously, this is not good practice. If no one reported their emissions, the problem would continue and get worse.

GOING BEYOND WHAT IS REQUIRED.

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We are asking businesses to go beyond what is mandatory, and to include voluntary information that will help us assess and fix our shared problems. We want to encourage you to provide all the information you can. Where you have practical issues obtaining the data you should set out a strategy that improves the data available to you.

1. SET SCIENCE-BASED TARGETS WITH THE SBTI

The Science-based Targets initiative shows companies how much and how quickly they need to reduce their GHG emissions to prevent global warming above dangerous levels. The SBTi defines and promotes best practice in science-based target setting. Offering a range of target-setting resources and guidance, and they independently assess and approves companies' targets in line with its strict criteria.

2. INCLUDE YOUR SCOPE 3 DATA

For most companies, your biggest area of emissions come from your scope 3. Disclosing information about this is voluntary for quoted companies and only some scope 3 emissions are mandatory for large unquoted companies and LLPs. It is currently a huge blind spot that we need to address if we want to stay within out 1.5°C target.

3. DISCLOSURE

Disclosure platforms provide companies with an avenue to disclose calculated emissions, and benchmark performance. Once you have identified and calculated your carbon emissions, there are several avenues to disclose your data. By disclosing your emission data, you can gain a competitive advantage. Disclosure helps you get ahead of regulatory and policy changes, identify and tackle growing risks, and find new opportunities for action that your investors and customers worldwide are demanding.

You can disclose your data on your website and include the information in your annual report. And we recommend going one step further and disclosing through a trusted platform like the **Carbon Disclosure Project** (CDP) or the **GRI Sustainability Disclosure Database.**

4. VERIFICATION

It is not legally required of you to get independent assurance or verification of the data, but it is highly recommended. There is recognition of the importance of auditing and verification in ensuring accuracy, consistency, and comparability. We encourage you to have your reports audited and verified by a third party.

The two most widely used standards for verification of emission reporting are ISO 14064-3 and ISAE 3410.

HOW TO REPORT YOUR EMISSIONS

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For reporting your emissions, you need 3 key things. You need a methodology to follow, a tool to report and a platform to disclose it. This sounds like a lot, but it is a relatively straight forward process once you understand it.

Methodologies provide the requirements and standards that companies should use when calculating carbon emissions. Carbon accounting tools support companies to calculate greenhouse gas emissions. Disclosure platforms provide companies with an avenue to disclose calculated emissions, and benchmark performance

Methodology

There is no single specified methodology under the legislation for you to follow, and of the methodologies that exist there are differences in them. There are widely recognised independent standards available that will have sector specific guidance. When reporting you will be asked which one you use. We recommended that you use one of the following:

- GHG Reporting Protocol - Corporate Standard
- International Organisation for Standardization (ISO) (ISO 14064-1:2018)
- Climate Disclosure Standards Board (CDSB)
- The Global Reporting Initiative Sustainability Reporting Guidelines
- CDP cited methodologies, protocols, and standards

CARBON ACCOUNTING/REPORTING TOOLS

If you know what you are doing, then you could calculate your emissions using some simple maths on an excel sheet. In theory it is a simple process. But thankfully there are a wide range of tools available that will help speed the process up and help simplify it.

No matter the sector you work in or the associated reporting requirements, there is a large range of tools and guidance available for you to use. There are a variety of platforms available for you to use when it comes to greenhouse gas emissions reporting.

We have put together a list of good reporting tools and broken them down with sector specific needs. For most offices or SMEs, you won't need to go into the detail some will offer, there are plenty of general tools available. And with the growing drive for climate action in the business sector, more are being created all the time. If it's not on our list, it doesn't mean it's bad. It just means we have not had a chance to trial it.

It is important to note that there are two key types of carbon accounting tools: organisational footprinting tools and project (activity) footprinting tools. Depending on the type of industry you are in, a project-based tool might be more suited to your needs. But for most companies, an organisational footprinting tool will be perfect for your needs.

SECTOR	TOOL
ALL SECTORS	The Carbon Trust – Footprint Manager
	Carbon footprint software (free version)
	Compare your Footprint
	Footprinter
	Greenstone environmental reporting software
	Ecometrica Sustainability Reporting & Management Software
	Carbon Desktop
	Accuvio - SECR software
	ENGIE Impact Energy and Sustainability Management Platform
	Manufacture 2030
AGRICULTURE, FORESTRY AND FISHING	Farm Carbon Cutting Toolkit
	Origin Green – Carbon Navigator
	The Cool Farm Tool
	AgRE Calc
	Global Livestock Environmental Assessment Model – i (GLEAM-i)
	AllTech E-CO_2
MANUFACTURING	Aluminium Tool - from the GHG Protocol
	Cement Sustainability Initiative (CSI)
	Iron and Steel tool from the GHG Protocol
	Pulp and Paper tool – from the GHG Protocol
CONSTRUCTION	Eric e:mission carbon planning tool
ACCOMMODATION AND FOOD SERVICES ACTIVITIES	Hotel Carbon Measurement Initiative
TRANSPORTATION AND STORAGE	EcoTransIT
	Rail Carbon Tool
INFORMATION AND COMMUNICATION	Albert Production Carbon Calculation Tool
	Greenshoot's carbon calculator and START tool
	ClimateCalc tool
	SAT-S (ICT Footprint)
	SAT-O (ICT Footprint)
PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	The Carbon Footprint and Project Register
	SCATTER
ARTS, ENTERTAINMENT AND RECREATION	The Creative Green Tools - Julie's Bicycle

WHAT DOES GOOD REPORTING LOOK LIKE?

We appreciate this process can seem daunting, but emission reporting is critical to help you understand where you stand as an organisation, it can deliver a wealth of organisational benefits, and it is going to become a part of your regular working culture with more organisations likely to have mandatory reporting requirements going forward.

Here are the following key parameters of good reporting we have discussed through this guide. Just remember to follow these when reporting your emissions:

1. Your reporting should include a clear explanation of methods used and activities reported.
2. Legislative reporting requirements are a bare minimum, you should report as much as possible.
3. Reporting includes all voluntary information
4. Targets should be in line with what science tells us. Preferably in line with Science-Based Targets (SBTi).
5. Reporting should be used to inform your strategy of emission reduction.
6. Reporting is publicly disclosed

AND THAT IS IT.

THAT IS THE WHOLE PROCESS, JUST DON'T FORGET TO DO IT ALL AGAIN NEXT YEAR.

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