

# New digital tool enables easier energy and carbon reporting

A new digital tool will make it easier and more convenient for businesses to comply with energy and carbon reporting rules.

The Streamlined Energy and Carbon Reporting (SECR) taxonomy allows businesses to report their energy and carbon data when they file digital accounts with Companies House.

The taxonomy has been developed by the Financial Reporting Council (FRC) in collaboration with Companies House and the Department of Business, Energy and Industrial Strategy (BEIS) and enables businesses to report information in XBRL format. Many companies already submit accounts using XBRL, but this is the first time it has been utilised to capture environmental data in annual reports.

SECR legislation, which came into force on 1 April 2019, requires all large UK companies and large LLPs, as well as all quoted companies, to report on their annual energy use, greenhouse gas emissions and energy efficiency actions they have taken. Other businesses can also include the disclosures on a voluntary basis.

Companies House and the FRC are responsible for ensuring businesses comply with the SECR reporting requirements.

Director of Digital at Companies House Ross Maude said:

This is a fantastic example of cross-government working to deliver a digital service that addresses an important issue.

Understanding the role businesses have in reducing energy and carbon emissions is central to delivering the UK's ambition to reach net zero by 2050.

Through effective collaboration, we can make it easier for businesses to play their part.

Project Director for Taxonomies at the FRC, Jennifer Guest, said:

Enabling companies to file their SECR reports digitally within their annual financial report is an important step in improving transparency of companies' energy reporting.

The SECR taxonomy has been carefully designed so it can be used with other accounting taxonomies making it simple and easy to use.

- SECR builds on the previous Mandatory Greenhouse Gas Emissions Reporting framework, which has been in place since 2013 for quoted companies and expands the reporting requirements from approximately 1,200 to 11,900 UK businesses. The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, which implements SECR applies to annual reports for reporting periods which started on, or after, 1 April 2019.
- The SECR framework applies to all quoted companies and applies to large UK incorporated unquoted companies and large Limited Liability Partnerships with at least two of the following: 250 employees, annual turnover greater than £36m, or annual balance sheet total greater than £18m. The threshold should be considered at aggregate level when businesses are required to prepare and file Group accounts.
- A SECR report must be included in a company's Directors' Report (or a new Energy and Carbon Report for large LLPs) and filed with Companies House. Further information on the key requirements under SECR and example reporting templates can be accessed in the Environmental Report Guidelines.
- Companies that fail to comply with the new SECR requirements may have to resubmit their annual company accounts to Companies House or pay fines if missing filing deadlines. Failure to file Confirmation Statements or accounts is a criminal offence which can result in directors being fined personally in the criminal courts.
- Companies House is the register of limited companies in the UK. It incorporates and dissolves limited companies, registers the information companies are legally required to supply, and makes that information available to the public.