FUTUREPLUS

SECR REPORTING GUIDE

WHAT IS SECR?

Streamlined Energy and Carbon Reporting (SECR) is a UK regulatory framework that came into force in April 2019. It requires UK-incorporated companies and LLPs above certain size thresholds to report their energy use and carbon emissions in their annual Directors' Report.

The regulations aim to increase corporate transparency around energy consumption and carbon emissions, encourage energy efficiency improvements, and help the UK meet its climate targets.

WHO NEEDS TO REPORT?

Reporting requirements vary by organisation type. Quoted companies must report global energy use and GHG emissions, while large unquoted companies and LLPs report only on UK operations.

Compliance applies to all quoted companies and large unquoted companies meeting at least two of the following thresholds:

- 250 or more employees
- Annual turnover £36 million or more
- Annual balance sheet total £18 million or more

WHAT MUST BE REPORTED?

Different requirements apply to quoted companies, unquoted companies and LLPs, and low energy users.

Full guidance is available on the UK GOV website here.

The majority of in-scope businesses (unquoted companies and LLPs) are required to disclose:

- UK energy use (to include as a minimum, purchased electricity, gas and transport)
- Associated greenhouse gas emissions
- At least one intensity ratio
- Previous year's figures for energy use and GHG emissions (except in the first year)
- Information about energy efficiency action taken in the organisation's financial year
- Methodologies used in calculation of disclosures

SECR AND ESOS

The Energy Savings Opportunity Scheme (ESOS) is a mandatory energy assessment scheme for large UK undertakings. It requires organisations to conduct comprehensive energy audits every four years covering at least 95% of total energy consumption. ESOS applies to organisations that:

- Employ 250+ people, OR
- Have an annual turnover exceeding €50 million AND balance sheet exceeding €43 million

HOW SECR AND ESOS COMPLEMENT EACH OTHER

SECR and ESOS have different but overlapping obligations:

- SECR is an annual disclosure requirement focused on transparency
- ESOS is a quadrennial audit requirement focused on identifying energy savings opportunities

Many organisations will be subject to both schemes.

ESOS audits and SECR reporting work together to create a comprehensive energy management framework. Data collected for ESOS can directly feed into SECR reporting, with ESOS audits providing detailed baseline data for energy consumption that fulfils SECR requirements. Energy efficiency recommendations from ESOS assessments can be reported as "actions taken" under SECR, while the ESOS process helps identify appropriate intensity metrics for SECR disclosures.

Meanwhile, SECR reporting maintains valuable momentum between ESOS cycles by keeping energy performance on the board agenda through annual disclosures. This encourages continuous improvement rather than four-yearly peaks of activity, with year-on-year comparisons in SECR helping organisations track progress on ESOS recommendations.

To maximise efficiency, organisations should align their energy data collection systems to serve both requirements simultaneously.

NEED MORE HELP?

FuturePlus' carbon accountancy platform, PlusCarbon, is here to help! Contact the team at:
info@future-plus.co.uk