

Government misses four year deadline to introduce climate change laws

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The Government today announced that it has missed a four year deadline to ensure that large businesses report their carbon emissions. This is despite the consultation finishing over eight months ago and widespread support from industry, NGOs and wider society.

Following a campaign by the Aldersgate Group, provisions in the Climate Change Act 2008 require the Secretary of State to introduce mandatory carbon reporting by 6th April 2012 or lay before Parliament a report explaining why no such regulations have been made. Today was the final deadline before the Easter recess. The announcement to delay the decision effectively means that the Government has met the name but not the intention of these requirements.

The report to Parliament, entitled *Company Reporting of Greenhouse Gas Emissions*, states: **“No decision to make regulations has been reached... Ministers require some additional time to consider this evidence to come to a decision. This evidence gathering process has taken longer than anticipated and the analysis of the results is ongoing as the costs and benefits are fully considered so Ministers make an informed decision.”**

Peter Young, Chairman of the Aldersgate Group, said: **“Business has been patiently waiting for a clear signal to level the playing field on carbon reporting. Voluntary systems have run out of road and the UK risks losing its lead in carbon reporting, accounting and reduction. This failure to act now undermines business’ call for much greater transparency and consistency from Government.”**

“As Ministers seek to reach an informed decision, urgency is paramount. Businesses cannot be left in the dark for months on end. There is great pressure to introduce mandatory carbon reporting as soon and widely as practical.”

“Carbon reporting is an essential step to meeting our carbon budgets and to driving efficiency and growth from UK business. Independent analysis demonstrates that it would have considerable economic benefits and it is supported by a large number of businesses and the CBI. Both the Conservatives and Liberal Democrats pushed for mandatory carbon reporting in Opposition and it is vital that they hold their resolve.”

Raymond Dhirani, finance policy officer at WWF-UK, said: **“We have a deep sense of frustration that the deadline has not been met, four years after it**

was set. An independent impact assessment has shown that introducing mandatory carbon reporting will be a benefit to UK business in the long run, and in the Government’s own consultation two-thirds of organisations responding supported its introduction.”

In Opposition, the Conservative Party committed to “enhance by secondary legislation the powers of the Secretary of State and to bring forward the date that the largest companies are required to report on carbon emissions”, while the Deputy Prime Minister Nick Clegg, alongside over 50 MPs, signed an Aldersgate Group letter in support of mandatory carbon reporting.

Mandatory carbon reporting would help companies identify cost savings through greater resource efficiency and more effectively address material climate risks and opportunities. It would also create a level playing field, allowing investors and consumers to make meaningful comparisons, thus driving further emission reductions. The administrative costs would be minimal for those who report anyway and help those who don’t to identify significant bottom line savings.

In July 2011, independent analysis found that the benefits of mandatory carbon reporting for large businesses are much greater - and the costs lower - than the Government had suggested. The report, commissioned by Aldersgate Group, The Co-operative Group, Christian Aid and WWF found that Defra’s impact assessment of mandatory greenhouse gas reporting overestimated the total costs for large companies by up to £4,600m (over 420%), and underestimated the benefits by £980m (at least 230%).

The Aldersgate Group is an alliance of leaders from business, politics and society that drives action for a sustainable economy.

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