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Dear Alice,

## **Measuring and reporting of greenhouse gas (GHG) emissions by UK companies**

Thank you for inviting us to comment on your consultation on options for measuring and reporting of greenhouse gas emissions.

We note that section 85 of the Climate Change Act requires the Government to make regulations, under the Companies Act 2006, by 6 April 2012 requiring the directors' report of a company to include information about GHG emissions.

### **Which companies should report their emissions?**

We note there are 4 options being considered as to which companies should be required to report greenhouse gas emissions.

The BVRLA supports **Option 3** which would see all large companies reporting their greenhouse gas emissions. In our view this would bring into scope the largest number of companies and would ensure they consider further their travel options for employees when travelling on company business.

### **Scope of Emissions**

With regards to the scope of emissions which should be reported, the BVRLA believes the widest possible scope should be pursued to ensure that the majority of the emission the firm is directly or indirectly responsible for is reportable as this is the only realistic way the proposals will have the desired outcome of improved transparency.

From a simplistic perspective, we would suggest that **Scope 1** emissions would be most acceptable and should be reported on. In doing so, we wish to confirm that it would include the reporting of emissions from all plant and machinery owned or controlled by the firm.

We believe it is important point out that the emissions from all plant or machinery (P&M) being used by the firm should be reportable irrespective of how the P&M is funded or whether the firm operating the P&M has legal title in the asset. In other words the polluter should be responsible for reporting their emissions.

### **British Vehicle Rental and Leasing Association**

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Honorary Life President: Freddie Aldous Chairman: Kevin McNally  
A company limited by guarantee Registered Office as above

Chief Executive: John Lewis  
Registered in England No. 924401

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We remain unclear whether **Scope 2** emissions would include road fuel as a subset of energy. We remain of the view that Scope 2 should include all forms of energy purchased to power motor vehicles which are used for business journeys. We say this as this would include electricity purchased to power electric vehicles and natural gases.

If Scope 2 did include all types of road fuel purchased (directly or indirectly) to power motor vehicles used for business trips then we would be able to support Scope 2 emissions being included as well.

It should be noted that a firm may also purchase road fuel indirectly, where the employee uses their privately owned vehicles for a business trip, but is reimbursed for the use of the vehicle and road fuel used for that journey. We say this as the purpose here would be to ensure all business related emissions should be reportable.

As with our comments above, we believe that **Scope 3** emissions should include all emissions from all business journeys, such as rail, bus, and motor vehicles, and that reporting this type of emissions should be irrespective of whether the firm has direct control or ownership of the mode of transport used.

We would therefore encourage the department to pursue the emission scope which will offer the most transparent and clear basis of the firm's environmental footprint. In doing so, it will help to ensure that both investors and the board of directors are fully aware of the environmental footprint.

This level of transparency will be a good catalyst to help ensure that all the appropriate steps are being taken to continuously reduce their emissions, including acting as a stimulus to encourage use and operation of greenest and most efficient technologies available.

### **Zero emitting vehicles**

For a period of time, (perhaps through the use of a sunset clause), we believe firms operating zero emitting vehicles, such as an electric vehicle, should be able to obtain some positive recognition by a reduction in their overall reportable emissions. The department may be aware that similar approach already exists across Europe for vehicle motor manufacturers who are able to obtain triple credit for every zero emission vehicle produced as part of their mandatory CO2 targets.

To support wider Government policy objectives relating to the use of zero emission vehicles, we believe that DEFRA should consider allowing firms who are operating zero emission vehicles to offset this against at least three internal combustion engine vehicles on their fleet. We would be happy to discuss in detail how such a scheme could work in practice.

### **Verification**

In relation to internal or external verification or audit of data submitted we think the burden on companies to report emissions is sufficient and there should not be any need for the emissions reported to be externally verified or audited, especially as this could impose excessive auditing costs.

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### **Closing comments**

We trust our comments add value to the consideration being given by the department on whether to make greenhouse gas reporting mandatory under the Companies Act 2006.

Yours sincerely

A handwritten signature in black ink, appearing to read "Jay Parmar". The signature is fluid and cursive, with a large initial 'J' and 'P'.

**Jay Parmar**  
Legal and Policy Director

### ***Bona-fides BVRLA, the industry and its members***

- The BVRLA is the trade body for companies engaged in the leasing and rental of cars and commercial vehicles. Its members provide rental, leasing and fleet management services to corporate users and consumers. They operate a combined fleet of 2.5 million cars, vans and trucks, buying nearly half of all new vehicles sold in the UK.
- Through its members and their customers, the BVRLA represents the interests of more than two million business car drivers and the millions of people who use a rental vehicle each year. As well as lobbying the Government on key issues affecting the sector, the BVRLA regulates the industry through a mandatory code of conduct. [www.bvrla.co.uk](http://www.bvrla.co.uk)