

Consultation response: Scope 3 emissions in the UK reporting landscape

Response submitted online (response ID ANON-A1ZR-Q6AN-M)

<https://energygovuk.citizenspace.com/climate-change/scope-3-emissions-in-the-uk-reporting-landscape/>

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13 December 2023

Q3: What is your role in relation to company reporting? For example, are you a reporting entity, a company within the supply chain of a reporting entity, an investor and/or a user of accounts, contracted to report on behalf of a reporting entity, part of a consultancy firm, or part of a voluntary reporting scheme?

As a membership organisation for more than 300 post-16 education providers across the UK, we encourage and enable embedding sustainability in all aspects of education. Our members' collective budget is c.£43bn and they are responsible for educating over 4.5 million learners that are supported by over half a million staff.

We foster community and collaboration, bringing people together to find and share expertise, innovate, and make a positive impact. As the leading body working to change systems to enable sustainability action in our sector, we've been promoting sustainability in post-16 education for over 20 years.

With regards to carbon emission reporting, we are the secretariat for a number of decarbonisation programmes, including the international Race to Zero for Universities and Colleges. Through delivery of these programmes we understand impactful decarbonisation practice, and what's innovative in terms of approaches our members are taking to understand and reduce their carbon emissions.

We provide tools and resources to help our members engage with the decarbonisation agenda, including those that relate to scope 3.

Opinions are our own rather than being formally representative of our members but our consultation response draws on our experience working with our 300+ members from across the further and higher education sector alongside various sector bodies on carbon management and decarbonisation for over 15 years.

Q4. What role does Scope 3 emissions reporting currently play in your organisation? If your organisation does report its Scope 3 emissions, which Scope 3 emissions categories are you currently reporting on and why? Is this on a voluntary or mandatory basis? Please state whether you have done so in the past and, if you no longer report Scope 3 data, why.

We want to be a role model, exemplifying what it means to be a sustainable, purpose-led organisation.

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We commit to using the best sustainability practices we can, supporting a just transition to a sustainable future where we achieve not just environmental stability and regeneration but social justice and economic prosperity for all too.

We have voluntarily reported our carbon emissions since 2012. Since 2014, EAUC has operated as a 'net zero' organisation. We report our carbon emissions each year, including year on year comparisons.

Whilst working to reduce our absolute emissions, we use an accredited program to offset our residual emissions from all reported scopes and promote "net zero" along our value chain.

Scope 3 emissions we report include staff business travel, emissions associated with homeworking and procurement. We work to 'report then refine' principles, recognising that data quality is likely to improve over time. Therefore, our reported emissions may increase as well as decrease.

We publically report our sustainability and net zero performance on an annual basis, including a year-by-year comparison, through our trustees' report and AGM. This ensures accountability for our sustainability performance sits with our highest decision-making body and enables transparency about our sustainability efforts and impacts with our members and stakeholders. Our senior leadership team are responsible for ensuring the organisation has the capacity and other resources necessary to deliver this policy.

We report purely on a voluntary basis but have joined various public schemes committing us to carbon action and transparency about our emissions and their reduction and mitigation.

Across our membership, there are some reporting requirements including the Streamlined Energy and Carbon Reporting (SECR), Estates Management Record (EMR), Welsh and Scottish public reporting. There is no longer any mandatory reporting of GHG emissions for the education sector in England and Northern Ireland.

The Education and Skills Funding Agency, however, recommends colleges disclose emissions in line with SECR regulations. However, as there is no requirement to submit SECR there is little information or data as to how many colleges are actually using the SECR.

The Higher Education Statistics Agency (HESA) publishes emissions data collected as part of the Estates Management Record (EMR). The EMR return is optional for HE providers in England and Northern Ireland. Submission is mandatory in Wales and Scotland.

In Wales, institutions also submit data under the Welsh Public Sector Net Zero Carbon Reporting and in Scotland, Scottish institutions are obliged to submit their greenhouse gas emissions to the Scottish Public Bodies Climate Change Duties Reporting. Both of which are increasingly expanding to include Scope 3 areas.

The vast majority of higher education institutions and a significant and growing proportion of further education institutions are already calculating and reporting their carbon emissions including Scope 3. We therefore ask DESNZ to recognise this and continue supporting the education sector in leading the way on greenhouse gas emission reporting.

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Q15. What are your views on the overall costs and benefits of Scope 3 reporting? Please be as specific as possible.

We strongly advise that all further and higher education institutions include Scope 3 in their GHG emission reporting because, as well as being mandatory for some of our members, it provides a comprehensive and transparent profile of institutions' environmental impact, helps identify areas for mitigation and reduction, limits risk of greenwashing incidents, enables scrutiny of supply chains which can increase resilience and decrease risk of human rights abuses, provides information on their work to stakeholders (such as learners who increasingly care about their institutions' sustainability performance) and boosts an institution's reputability.

The Standardised Carbon Emissions Reporting Framework (see Q30), along with other available tools available for the sector (see Q32), provides a consistent methodology for institutions to use which mitigates the need for expensive external consultants. Some of our members invest in specialist monitoring and reporting software and a small number have their emissions reports audited and/or accredited by a third party which comes at considerable expense. In the majority of cases, however, the largest cost to institutions in reporting Scope 3 is the staff time required to collate and analyse data sets.

Using tools such as HESCET to report their emissions associated with Scope 3 procurement (see Q32), further and higher education institutions are now starting to implement improved procurement exercises. For example, one Scottish university has identified the procurement categories which contribute most to their scope 3 procurement emissions, mapped this against categories most at risk of modern day slavery in the supply chain, and are engaging in a targeted way with suppliers where emissions and risk of modern day slavery are highest. This exercise is expected to help the institution uphold human rights within its supply chain and meet its public duties in this area, reduce emissions associated with procurement, and reduce overall institutional reputational risk. Without the expectation that Scottish public bodies report all relevant scope 3 emission sources, this exercise is unlikely to have occurred.

An additional benefit of scope 3 reporting is that it can present opportunities for organisations to reduce emissions that are currently difficult to achieve through scope 1 or 2 sources. For example, further and higher education institutions may need to wait for local and regional investment in district heating schemes before they can make substantial reductions in scope 1 emissions. Through reporting scope 3 emissions, institutions can instead identify alternative areas they can reduce emissions, such as through improved sustainable business travel policies or supporting active travel commuting.

Q16. What benefits could Scope 3 reporting bring to your organisation? Please be as precise as possible when explaining the basis of any benefits you provide. If you currently produce Scope 3 data voluntarily under SECR, please explain the benefits you have received and how they have changed over time.

We report on our Scope 3 emissions to be a role model, exemplifying what it means to be a sustainable, purpose-led organisation. We therefore have 'lived experience' of the

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methodology we're encouraging and supporting our members to undertake. It helps normalise the practice, develops understanding of what effective practice looks like, and demonstrates innovation and leadership in environmental stewardship. This is important to us as a membership organisation.

The benefits of reporting scope 3 emissions for our members are outlined in Q15.

See also Q21.

Q17. What costs could Scope 3 reporting bring to your organisation? Where possible, please give a breakdown of each element of cost. Please be as precise as possible when explaining the basis of any costings you provide. If you do currently produce Scope 3 data voluntarily under SECR, please explain the costs you have incurred and how they have changed over time.

Our Scope 3 reporting has cost nothing bar staff time.

Q21. What impact could an increase in Scope 3 reporting by a larger reporting entity have on your organisation? What are the costs and benefits of Scope 3 reporting on smaller organisations within their supply chain? Please provide any evidence you have of these.

We would be happy to support an increase in Scope 3 reporting by larger reporting entities, particularly as we already have comprehensive data available. It would reassure us that organisations we work with share similar commitments to decarbonisation and sustainability.

We haven't yet seen a demand for granular reporting data from our stakeholders, beyond the requirement for us to have a net zero and sustainability strategy and to be able to demonstrate the social value we generate.

Q26. Overall, do you think the SECR regulations are achieving their original objectives? If you do not think they are achieving the original objectives, or are partially achieving the objectives, please explain why.

Anecdotally they have led to a wider number of colleges engaging in emissions reporting for the first time. However, this isn't a universal response due to a. the voluntary nature of the regulations and b. the relative lack of awareness about SECR regulations, particularly in their infancy.

Q29. SECR reporting is currently required within a company's annual report. Would it be more appropriate to report on SECR in another document or format?

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We see value from emissions/SECR reporting being included in organisation's annual reports – this ensures visibility for, and scrutiny from, the highest decision-making bodies within organisations. It also allows for external scrutiny in the form of audit.

However, it does mean that data presented is in different formats, communicated through different channels and is therefore difficult to collate into meaningful datasets for sector-wide monitoring and benchmarking purposes without considerable manual workload. We therefore recommend an additional centralised reporting mechanism of the data presented through SECR so that collated datasets can be produced. This would be of immense value both to Government who'd be able to monitor progress and identify areas where greater support is needed, and individual organisations who would benefit from benchmarking data. Membership and representative bodies would also find this data useful. EAUC would be happy to contribute to the design and delivery of such a mechanism.

Q30. How can the government streamline current energy and emissions reporting requirements for organisations in scope of SECR while still meeting the SECR objectives?

The reporting requirements for further and higher education institutions across the UK should be consistent and mandatory. This is not currently the case as outlined in Q4.

In early 2023, The Royal Anniversary Trust released the report "Accelerating towards Net Zero," a roadmap for emission reduction in the further and higher education sector which was created in partnership with EAUC (see <https://www.eauc.org.uk/scef>). It concludes with 14 clear recommendations to Government and priorities for the sector that will accelerate progress towards Net Zero.

The report offers a profile of the sector's emissions footprint using detailed modelling which highlights target areas for emissions reporting and reduction. Emissions across Scope 1, 2 and 3 were estimated to be 18.1 Mt CO₂e, with HE institutions contributing approximately 86% of this and FE 12%. A substantial part, 88%, of an institution's emissions is from Scope 3 areas with supply chain emissions contributing 36% of the total footprint.

The report also presented a new Standardised Carbon Emissions Framework (SCEF), based on the GHG Protocol but designed exclusively for the sector which provides all HE and FE institutions the opportunity to measure, report and manage emissions with a clear and consistent approach. This was funded by the Department for Education (DfE) and has been adopted by many higher education organisations and an increasing number of further education organisation too.

The SCEF clearly outlines expectations that Scope 3 emissions should be included and presents what this looks like for a university or college depending on the maturity of their approach and quality of their available data.

Standardising what's expected to be reported, mechanisms for doing so, intensity ratios (which is relatively easy in our sector in comparison to others) and a centralised reporting mechanism, would help improve data sets, the case for which is made in Q29.

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Q32. What resources do you currently use to comply with SECR (e.g., ERG guidance, conversion factors, the GHG Protocol, etc) and do you feel these are sufficient? If these aren't sufficient, what do you think is missing?

We have created various tools, often in partnership with others, to help our members report on their scope 3 emissions, which is part of our value offer to our membership.

Colleges and other FE organisations can use a SECR tool (https://www.eauc.org.uk/secr_tool) to generate their reports. Colleges who publish a SECR report also are showcased through our website (https://www.eauc.org.uk/secr_and_college_carbon_reporting1) enabling them to be recognised as exemplars and leaders within the sector.

We have worked in partnership with other organisations to develop the Higher Education Supply Chain Emissions tool (HESCET - https://www.eauc.org.uk/revised_scope_3_tool_launched) to enable our members understand likely emissions arising as a result of their supply chain. These insights can then be used to focus efforts on areas with the biggest impact. This is now being developed further by a number of organisations to collect real supplier data to more accurately report supply chain emissions in the spend areas that make up the greatest percentage of carbon emissions. This is challenging due to the lack of consistent emission reporting requirements for companies and particularly SMEs.

Similarly international student travel creates significant emissions for particularly higher education institutions (12% of their footprint). The Domestic and International Student Relocation Travel Emissions Calculator Tool (https://www.eauc.org.uk/the_domestic_and_international_student_relocati) provides institutions with a user-friendly, prepopulated framework for reporting scope 3 domestic and international student travel at the start and end of the academic year. This was developed by the University of Aberdeen who have worked with EAUC to provide the tool the whole UK FHE sector.

Finally, recognising the costs not just of reporting, but of decarbonising, EAUC has worked with others to create guidance on how much carbon mitigation and reduction activities will actually cost institutions, and a tool to help them calculate this. (https://www.eauc.org.uk/the_cost_of_net_zero) This provides them insights that can be used to decide which actions to take, estimate the costs and benefits and develop a costings plan to turn net-zero plans into reality. This also contains scope 3 emissions.

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