ENVIRONMENTAL DATA MANAGEMENT

A FUTUREPLUS GUIDE

WHAT IS ENVIRONMENTAL DATA MANAGEMENT?

Environmental Data Management is a process that allows organisations to monitor their environmental performance, as well as enabling them to improve (and reduce) consumption with effective controls in place. It is a very important tool to assist organisations in combating climate change and making reductions in the use of natural resources.

It should form part of an organisation's **Environmental Management System (EMS)**, if this is applicable to your business. An EMS is similar to other management systems, such as those that manage quality or safety. It helps you identify and manage your environmental impact and ensures you comply with environmental legislation. Reporting your environmental performance is a legal requirement for some companies. Others undertake it to provide voluntary information to clients and customers regarding their environmental performance.

DATA REPORTING LEGAL REQUIREMENTS

Environmental Data reporting for businesses falls into two categories - voluntary reporting, and mandatory reporting. Streamlined Energy and Carbon Reporting (SECR) is a UK Government requirement for mandatory annual reporting and disclosure of energy and carbon information from companies. Mandatory reporting affects all UK incorporated companies listed on:

- The main market of the London Stock Exchange;
- A European Economic Area market;
- Or a company whose shares are dealing on the New York Stock Exchange or NASDAQ

It also affects:

- Unquoted large companies incorporated in the UK, who required to prepare a Directors' Report under Part 15 of the Companies Act 2006;
- Large Limited Liability Partnerships (large companies are defined as those with a turnover of £36 million or more; a balance sheet of £18 million or more; or 250 employees or more).

We advise **ALL** businesses who fall outside of this scope to understand and report on their carbon and energy usage.

THE 'WHY'

The 2022 IPCC report highlights that every region of the world is suffering from climate change, in one form or another.

The science has told us that humanity can lessen these impacts, but we are not moving fast enough. Therefore, it's critical that every business, no matter what size, plays their part in the effort to prevent global temperatures exceeding 1.5 degree celsius.

The Business Case

Effectively monitoring and analysing environmental data has huge benefits for your business, including:

- **Environmental performance** – look to understand your baseline for emissions, resources such as energy and water use, as well as any waste created by your organisation, and set targets for reductions.
- **Risk reduction** – analysing the data can help you to reduce the risk of potential expensive environmental fines and mitigate against, for example, rises in the cost of fuel.
- **Brand reputation** – monitoring and reporting your environmental data in an annual Impact Report demonstrates your commitment to improving your environmental performance, which can be beneficial to your company image.
- **Transparency** - stakeholders value transparency. It's better to be transparent about your environmental impact, setting out the steps you are taken to reduce it, than to keep silent.
- **Cost reduction & improved productivity** – a full overview can help you effectively manage costs, and identify areas of potential cost savings.

THE 5 KEY STEPS

Step 1 – Determine the boundaries of your organisation

- If you own 100% of the assets that you operate, this will be more straightforward than if you don't. For example, if you have a landlord.

Step 2 – Determine the period for which you should collect data

- Ideally, this should be 12 months and correspond with your financial year as it will make it easier to compare to your annual financial performance.

Step 3 – Determine the key environmental impacts of your organisation

- This usually falls within the following **6 categories**: Greenhouse gases, Water, Waste, Materials and Resource efficiency, Biodiversity / Ecosystem Services, and Emissions to Air, Land and Water.

Step 4 –Measure

- Think about the best way for your business to collect and manage data.
- This can be through direct data entries by operational staff onto secure databases or standard spreadsheet templates.
- Using a standardised reporting format is recommended to make sure the data is comparable.
- Where possible**, always** use primary data. If this data not available, then look to use secondary data (such as assumptions or industry averages). Lastly, ensure you note the categories of data input.

Step 5 – Report

- To produce a credible report, transparency is key.
- Share your successes, but also be honest where you haven't hit your targets, or your plans haven't gone as expected.
- Be clear about why you collected the data, how you collected the data, which areas of the business your data relates to, why (if any) data is missing, how you are managing your impacts, risks and opportunities, and finally, your next steps.

For more information, click here to read the UK Government's guidelines.

DATA GATHERING TIPS

The initial data gathering process can often appear challenging, especially with the added complications of landlords, leased offices, irregular invoicing, time capabilities, and more.

However, once you understand the available channels, frequency of reporting / invoicing, and the measurement units you have chosen to report on, you can begin to pull your data tracking strategy together.

It may take some time, but remember, you want to get it right from the beginning, and finding your baseline is key to enabling you to create a reduction plan, alongside appropriate initiatives. We can help! team@future-plus.co.uk

CONVERSION FACTORS

To report the GHG emissions associated with your business activities, the carbon emissions will need to be converted into 'activity data' such as:

- Distance travelled
- Litres of fuel used
- Tonnes of waste disposed

The UK Government's conversion factor spreadsheets list the values to be used for such conversions.

The conversion factors are updated annually, so you will need to take this into consideration when looking to gather historical data, and for monitoring future data.

NEED MORE HELP?

Our partner Carbon Responsible provides a free carbon calculator tool that can help small businesses measure their scope 1 & 2 emissions.

We offer consultancy services if you would like more comprehensive support, such as helping your business implement a full Environment Management System.

Please let us know if you would like more information – we would be happy to provide a quote: team@future-plus.co.uk