
DRAFT STATUTORY INSTRUMENTS

2013 No.

**The Companies Act 2006 (Strategic Report
and Directors' Report) Regulations 2013**

PART 3

DIRECTORS' REPORT

Amendment to section 416 of Companies Act 2006

- 6.—(1) Section 416 (content of directors' report: general) is amended as follows.
- (2) In subsection (1) omit paragraph (b) and the “and” immediately preceding that paragraph.
- (3) Omit subsection (2).

Amendments to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008

7.—(1) The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008(1) are amended as follows.

- (2) For regulation 10(2) (directors' report: structure of Schedule 7) substitute—
- “(2) In Schedule 7—
- Part 1 relates to matters of a general nature including political donations and expenditure,
- Part 2 relates to the acquisition by a company of its own shares or a charge on them,
- Part 3 relates to the employment, training and advancement of disabled persons,
- Part 4 relates to the involvement of employees in the affairs, policy and performance of the company,
- Part 6 relates to certain disclosures required by publicly traded companies, and
- Part 7 relates to disclosures in relation to greenhouse gas emissions.”.
- (3) In Schedule 7 (matters to be dealt with in directors' report)—
- (a) after paragraph 1 insert—
- “1A. Where a company has chosen in accordance with section 414C(11) to set out in the company's strategic report information required by this Schedule to be contained in the directors' report it shall state in the directors' report that it has done so and in respect of which information it has done so.”;
- (b) omit paragraphs 2 (asset values) and 5 (charitable donations);
- (c) in paragraph 8 (company acquiring own shares), in the opening words of that paragraph, before “company” insert “public”;

- (d) omit paragraph 12 (policy and practice on payment of creditors); and
- (e) after paragraph 14 insert—

“PART 7

DISCLOSURES CONCERNING GREENHOUSE GAS EMISSIONS

15.—(1) This Part of this Schedule applies to the directors' report for a financial year if the company is a quoted company.

(2) The report must state the annual quantity of emissions in tonnes of carbon dioxide equivalent from activities for which that company is responsible including—

- (a) the combustion of fuel; and
- (b) the operation of any facility.

(3) The report must state the annual quantity of emissions in tonnes of carbon dioxide equivalent resulting from the purchase of electricity, heat, steam or cooling by the company for its own use.

(4) Sub-paragraphs (2) and (3) apply only to the extent that it is practical for the company to obtain the information in question; but where it is not practical for the company to obtain some or all of that information, the report must state what information is not included and why.

16. The directors' report must state the methodologies used to calculate the information disclosed under paragraph 15(2) and (3).

17. The directors' report must state at least one ratio which expresses the quoted company's annual emissions in relation to a quantifiable factor associated with the company's activities.

18. With the exception of the first year for which the directors' report contains the information required by paragraphs 15(2) and (3) and 17, the report must state not only the information required by paragraphs 15(2) and (3) and 17, but also that information as disclosed in the report for the preceding financial year.

19. The directors' report must state if the period for which it is reporting the information required by paragraph 15(2) and (3) is different to the period in respect of which the directors' report is prepared.

20. The following definitions apply for the purposes of this Part of this Schedule—

“emissions” means emissions into the atmosphere of a greenhouse gas as defined in section 92 of the Climate Change Act 2008⁽²⁾ which are attributable to human activity;

“tonne of carbon dioxide equivalent” has the meaning given in section 93(2) of the Climate Change Act 2008.”.

Amendments to the Small Companies and Groups (Accounts and Directors' Report) Regulations 2008

8.—(1) Schedule 5 to the Small Companies and Groups (Accounts and Directors' Report) Regulations 2008⁽³⁾ (matters to be dealt with in directors' report) is amended as follows.

(2) 2008 c. 27.

(3) S.I. 2008/409 to which there are amendments not relevant to these Regulations.

- (2) Omit paragraph 4 (charitable donations).
- (3) Omit paragraph 6 (company acquiring own shares).