

# Legislation, Regulation, Policy and Standards in Sustainability

Related to reducing carbon emissions, resource efficiency and sustainable procurement.

## **Climate Change Act 2008**

#### What is it?

The UK's long term legally binding framework set up to tackle the dangers of climate change including targets to reduce  $CO_2$  emissions. The current targets are:

- 34% reduction by 2020
- 50% reduction by 2025
- 57% reduction by 2032
- At least 80% reduction by 2050

The Act established a system of carbon budgets, which set limits on the total amount of greenhouse gases the UK can emit over a 5-year period, in order to provide benchmarks towards the 2050 reduction target.

#### How does it affect me?

The UK Government has led the way by setting legally binding targets through the Committee on Climate Change (CCC) for reductions in UK  $CO_2$  emissions. In providing its advice to the Government, the CCC has assessed, by sector, what can be achieved to reduce emissions, and recommended that:

• Energy efficiency improvements are a cost effective way to contribute to emission reductions whilst saving money for individuals and businesses

• Fostering innovation in technology, although having some cost in the short term, will contribute substantially to emission reductions and prove economical in future years

For further information on the Climate Change Act 2008 click the links below:

Changes to legislation

Carbon budgets

### **EU Emissions Trading Scheme**

#### What is it?

• The EU Emissions Trading Scheme (EU ETS) is a key policy introduced by the European Union to help meet the EU's greenhouse gas emissions reduction target of 80% below 1990 levels under the Kyoto Protocol

• The EU ETS works on a 'cap and trade' basis. There is a 'cap' or limit set on the total greenhouse gas emissions allowed by all participants covered

• Includes industries that produce iron and steel, cement and lime, paper, glass, ceramics and chemicals. Other organisations, including universities and hospitals, may also be covered by the EU ETS depending upon the combustion capacity of equipment at their sites

#### How does if affect me?

• Organisations in the EU ETS are required to hold a greenhouse gas emissions permit and monitor and report their emissions annually

• Organisations in the EU ETS who are likely to emit more than their allocation have a choice between taking measures to reduce their emissions or buying additional allowances

For further information on the EU ETS click here: Participating in the EU ETS

## ISO 50001 – Energy Management System

#### What is it?

ISO 50001 is an internationally agreed standard that supports organisations in all sectors to use energy more efficiently, through the development of an energy management system.

#### How does it affect me?

- Enables organisations to establish a system to improve their energy performance
- It takes into account requirements applicable to energy use and consumption such as legal compliance and procurement practices for equipment
- Implementation is intended to lead to reductions in greenhouse gas emissions and other related environmental impacts and energy cost; helping organisations to save money as well as helping to conserve resources and tackle climate change

For further information on ISO 50001 please click the links below:

ISO 50001 - Energy management

BS EN ISO 50001:2011

## **Energy Savings Opportunity Scheme (ESOS)**

#### What is it?

- The UK government established the ESOS Regulations 2014 to implement Article 8 (4 to 6) of the EU Energy Efficiency Directive (2012/27/EU)
- ESOS is a mandatory energy assessment and savings scheme for organisations in the UK that meet the qualification criteria

• The scheme applies to large undertakings and groups containing large undertakings in the UK. A large undertaking is any UK undertaking that meets either one or both of the conditions below:

- It employs 250 or more people
- It has an annual turnover in excess of £38,937,777\*, and an annual balance sheet total in excess of £33,486,489\*
- \*Turnover values correct for 2016

#### Examples of undertakings that can qualify for ESOS include:

- Limited companies
- Public companies
- Trusts
- Partnerships
- Private equity companies or limited liability partnerships
- Unincorporated associations
- Universities which get more than half their funding from private sources

Public sector organisations do not usually need to comply with ESOS.

#### How does it affect me?

Organisations that qualify must carry out assessments every 4 years. These assessments are audits of the energy used by their buildings, industrial processes and transport to identify cost-effective energy saving measures.

For further information on ESOS please click the links below:

#### About ESOS

Comply with the Energy Savings Opportunity Scheme (ESOS)

## Regulation 517/2014

#### What is it?

In January 2015, the new EU Regulation 517/2014 on controlling fluorinated greenhouse gases came into force. The regulation includes:

- A cap and phase-down for the placing on the market of hydrofluorocarbons (HFCs)
- Future restrictions on the servicing and maintenance of equipment using HFCs
- New rules on the containment, use, recovery, and destruction of HFCs

Preparation is the key to success for companies concerned about complying with 517/2014.

The replacement of fluorinated gases by low-carbon alternatives in refrigeration, air conditioning and other uses by 2030 was also recommended in the fifth carbon budget.

#### How does it affect me?

• More can be done to reduce emissions of fluorinated greenhouse gases (GHGs), in particular by avoiding the use of such gases when there are safe and energy-efficient alternative technologies with no impact or a lower impact on the climate

• Some laboratory cold storage equipment currently on the market still contain HFCs. By January 2022, the placing on the market of refrigerators and freezers for commercial use (hermetically sealed) containing HFCs will be prohibited

• Purchasing equipment that contains HC refrigerants rather than HFC refrigerants is important to prevent your organisation from potentially being impacted by:

- New rules regarding the servicing and maintenance of equipment containing HFCs
- New rules effecting containment, use, recovery, and destruction of HFCs
- New rules for operators of equipment that contains fluorinated GHGs with regards to leak checks

• HC refrigerants are more energy efficient and have a significantly lower Global Warming Potential (GWP); therefore, purchasing equipment that contains HC refrigerants rather than HFC refrigerants will result in lower running costs, and will be the more environmentally friendly and sustainable option

For further information on EU Regulation 517/2014 please click here: Access to European Union Law

## Sustainable Procurement: BS 8903, ISO20400 & the Flexible Framework

#### What are they?

• BS 8903 is a British Standard which provides a comprehensive framework and guidance on how to adopt and embed sustainable procurement principles and practices into any size and type of organisation

At present there is no International Standard, so BS 8903 is considered to be the globally recognised standard. However, a new International Standard for sustainable procurement - ISO20400 - is currently out for consultation and is expected to be published at the beginning of 2017
The UK Government's Flexible Framework is a widely used self assessment mechanism developed by the business-led Sustainable Procurement Task Force, which allows organisations to measure and monitor their progress on sustainable procurement over time

#### Why is it important to me?

• Sustainable procurement standards help organisations to make best-practice decisions when buying goods, works or services

• Organisations that adopt sustainable procurement principles can reduce their energy and water consumption, and therefore, improve their overall environmental performance

• Using sustainable procurement standards can also help organisations to gain a competitive and financial advantage through raising their profiles and improved efficiencies and reduced operational costs

For further information please click the links below: <u>BS 8903:2010</u> <u>Sustainable procurement in government: Guidance to the flexible framework</u> <u>First International Standard for sustainable procurement nears publication</u>

**Public procurement policy** 

## Impact of Brexit on Environmental Legislation

Until the UK leaves the EU, legislation originating in Europe remains in place; therefore, assume no change in the environmental arena for at least 2.5 years and probably longer (unless EU takes initiative).

'Brexit: what happens next?', a briefing paper published by the House of Commons Library, states that there is no reason why EU-based UK law could not remain part of UK law, but the government would have to make sure it still worked without the UK being in the EU. Please **click here** for more information.

The UK remains bound by international conventions to which it is a signatory, including climate action (Kyoto Protocol).

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