

**CLIMATE GROUP**

# Implement an Energy Management System:

Detailed commitment criteria

**CLIMATE GROUP**  
**EP100**



## Introduction

Companies can join EP100 by pledging to implement an energy management system (EnMS) and achieve an accompanying energy productivity target.

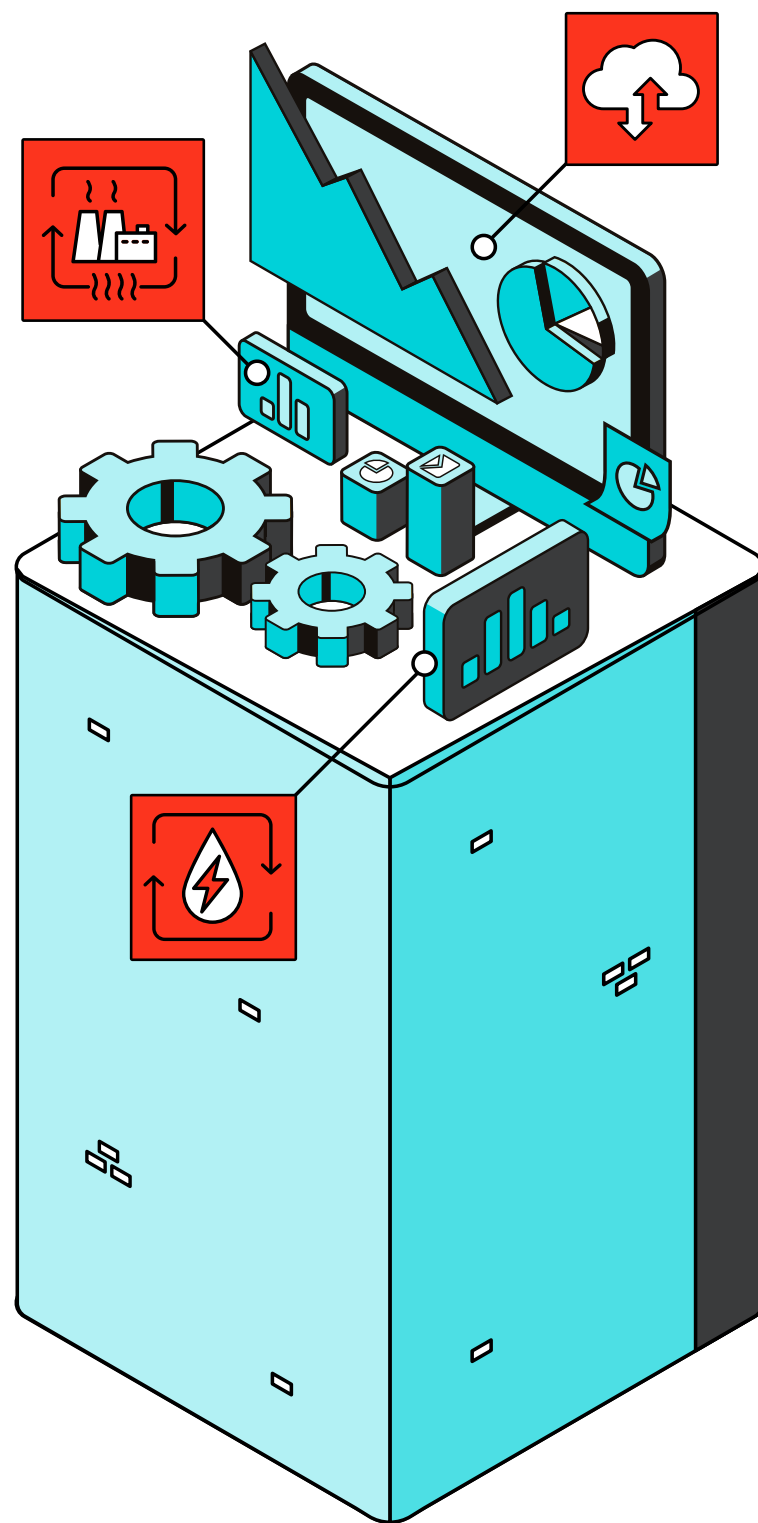
EP100 uses the energy productivity metric to measure member progress on energy improvements.

### To make this commitment, companies must:

- Commit to implement an EnMS globally across their operations within 10 years or less from the joining date, if not earlier;
- Choose an energy productivity percentage improvement target to be achieved within 25 years or less, relative to a baseline year of no earlier than 10 years prior to the joining date;
- Choose a relevant energy productivity metric; and
- Report on progress towards implementation of their EnMS and energy productivity target annually in adherence with EP100's annual reporting framework.



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## Implementation

The Implement an EnMS commitment recognises the importance of first establishing a robust system to track, analyse and optimise energy usage in a systematic way across corporate operations before ambitious energy efficiency gains can be pursued.

This commitment is therefore a way for companies to implement, and gain recognition for, the establishment of best practice protocols and procedures for energy management. Furthermore, the commitment does not require a doubling - i.e. 100% improvement - in energy productivity and is therefore a way for companies to show energy efficiency leadership where a doubling may be unfeasible (e.g. heavy industry).

## Further guidance

Businesses with an existing global EnMS are eligible. Facilities with an active EnMS must either be certified to a recognised standard (e.g. ISO 50001), or be compliant with the basic principles of an energy management system standard, including:

- **Top-level management support for a well-defined, company-wide energy management policy;**
- **Energy objectives and targets that support the energy policy;**
- **An empowered energy management team implementing the energy policy;**
- **Processes that measure and evaluate progress toward energy saving targets; and**
- **A continuous, year-over-year improvement process (Plan-Do-Check-Act).**

## About energy productivity

EP100 uses the energy productivity metric to measure member progress towards their energy efficiency target.

Energy productivity, the inverse of energy intensity, is a measure of a company's total economic output per unit of energy consumption. It is commonly used in the corporate context and is a normalised way of measuring energy efficiency, whereby it takes account of business growth/decline to identify the actual extent of energy optimisation taking place.

Companies are free to choose their own unit of economic output (e.g. revenue, full time employees, units of product made etc.) which relates to the services/goods they provide. Companies should select an internationally recognised unit of energy consumption (e.g. joules, megawatt hours etc.).

$$\text{Energy Productivity} = \frac{\text{Economic Output}}{\text{Energy Input}}$$

## Timeframe

EP100 requires that a company's EnMS should be implemented globally across their operations within 10 years or less from the date of joining the initiative.

In relation to the energy productivity target, EP100 recognises that what constitutes an ambitious energy efficiency target is different across companies, dependent on sector- and regionally-specific technical, market and/or policy barriers, for example.

EP100 therefore allows companies to select their own energy productivity baseline year (provided it's 10 years or less prior to the joining date), target year and percentage improvement target.

Companies are encouraged to set their commitment across an ambitious yet achievable timeframe so that they can be best positioned as a leader on corporate energy efficiency goal-setting.

## Scope

As defined by the Greenhouse Gas Protocol<sup>1</sup>, the commitment must cover:

- **All Scope 1 energy consumption (i.e. all energy consumed directly on-site), including heat or electricity derived from on-site fossil fuel combustion, fleet fuel consumption and renewable energy generation.**
- **All Scope 2 energy consumption (i.e. all energy consumed from off-site sources), including electricity, heat, steam or other energy carriers that are purchased from a utility provider.**

Companies are encouraged to join at the group level, where relevant, and select an overarching energy productivity metric. This is to maximise the credibility of their leadership claim when joining EP100. However, EP100 recognises that selecting an energy productivity metric that is relevant to all of a company's subsidiaries / business units can be challenging. The initiative therefore allows group companies to join and select different energy productivity metrics for each subsidiary, as well as allow individual subsidiaries / business units to join.

Please refer to the EP100 Joining Criteria for more information on EP100's wider joining requirements and exclusions.



<sup>1</sup> <http://www.ghgprotocol.org/>



## Reporting

**All EP100 companies must report annually on their progress towards achieving their commitment.**

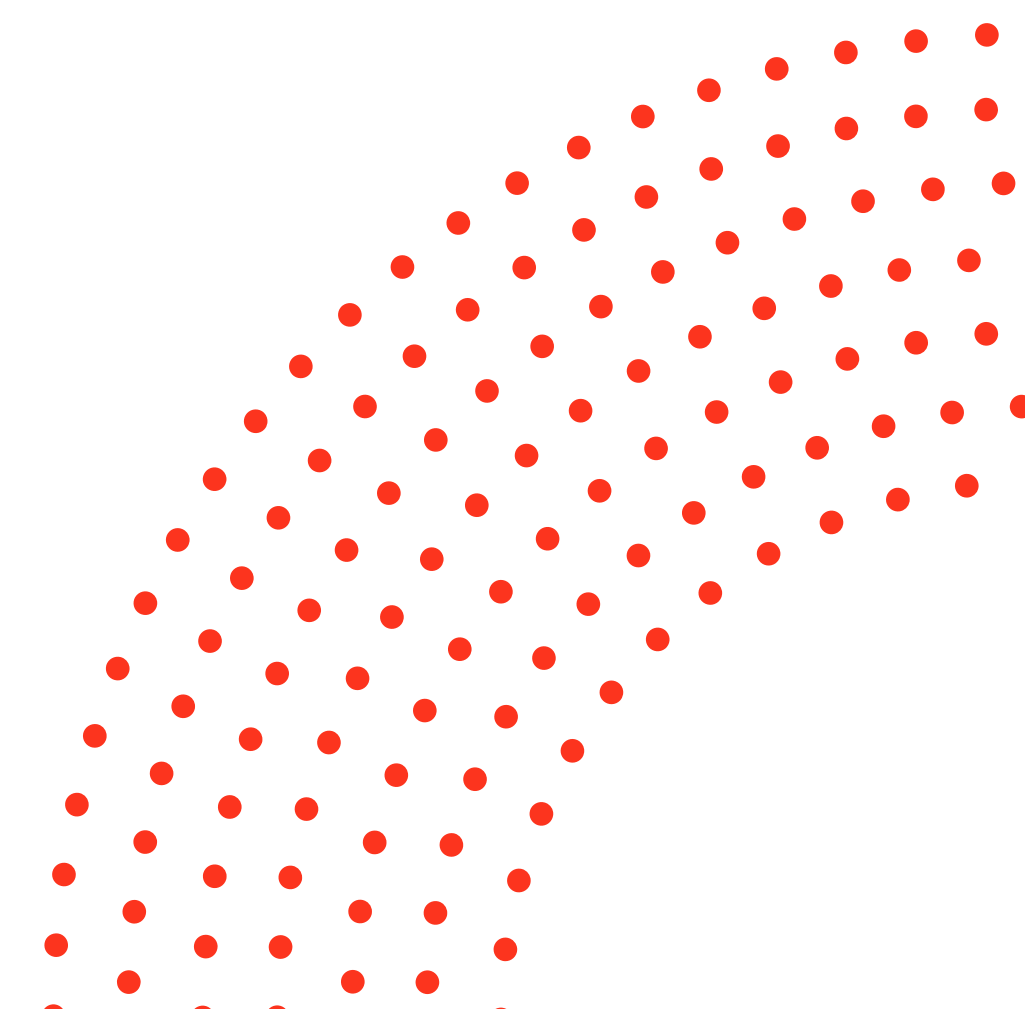
For the Implement an EnMS commitment, companies are required to report directly to Climate Group using the EP100 reporting form. Companies will be required to report company-level total economic output, total energy consumption data (broken down by fuel type) starting from the baseline year, and disclose the percentage of facilities where an EnMS has been implemented. Qualitative insight on the drivers and barriers to achieving energy efficiency improvements and examples of successful implementation is also welcomed.

**EP100 collects this information to provide its member companies with credibility, transparency and validation in their corporate energy efficiency efforts.**

EP100's reporting process is mandatory because it allows us to accurately assess the state of corporate energy efficiency goal setting and progress, and analyse the associated drivers and barriers. In doing so, it enables EP100 to deliver profiling, policy advocacy and peer-to-peer learning activities aimed at unlocking these barriers and spur further energy efficiency action from the business community.

**Completion of EP100's reporting process also provides EP100 companies with the opportunity for profiling and leadership celebration in the annual EP100 Progress and Insights Report.**

Please note that this data is reported in aggregate and is never publicly traceable to individual companies.



### ANNEX: Membership fees

Membership fees sustain the everyday running of the initiatives and are the best way for our members to continue supporting the wider mission. They directly enable the longevity of our work as an NGO committed to accelerating climate action and ensure the campaign's continued operation.

EP100 membership fees for the EnMS commitment pathway are \$5,000 per annum and we ask for annual payment for a 12 month period from the 1st of the month that you join EP100. We reserve the right to review membership fees every Autumn based on inflation. We will let members know of any changes at least four months in advance.

As part of the joining process, the EP100 team will send the prospective member a Membership Agreement to sign, as well as collect relevant details including billing information. Once complete, we will send the member's first annual invoice directly to your delegated Finance contact.

#### Further Information

For more information, please [visit our Membership page](#) and read our [FAQs](#).

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