



# 49M CORPORATE ENERGY RATING INDEX

Implemented in 2011, the 49M initiative aims to mobilise all South Africans to take proactive steps to reduce their electricity consumption through the adoption of energy efficiency practices. The initiative specifically aims to increase awareness amongst citizens, both individual and corporate regarding the importance of energy efficiency and secondly, to provide advice and guidance around the implementation of energy efficiency measures.

The 49M Energy Rating Project is aimed specifically at Eskom's corporate customers, and seeks to develop an energy efficiency rating system for the South African corporate sector.

**The 49M Energy Rating Index (the Index) aims firstly to measure the comparative energy efficiency rating of the largest South African companies, according to energy consumption as a factor of usable space, and secondly to induce energy efficiency improvements in these companies, through the application of a range of technical and behavioural interventions.**

$$\frac{\text{Energy consumption (kwh)}}{\text{Useable space (m2)}} = \text{Energy Rating}$$

The rationale for the Index is based in the premise that knowledge and transparency about relative energy consumption is likely to influence accountability and energy efficiency.

## TRANSPARENCY, ACCOUNTABILITY AND GUIDANCE

One of the primary objectives of the Index is to promote **transparency and accountability** amongst corporates in South Africa, where energy consumption and energy efficiency is concerned. The Index aims to do this by providing a platform which will **create awareness and trigger responses** from companies and their stakeholders.

Another primary objective is the achievement of **energy efficiency improvements** by companies on the Index and this will be driven by:

- The availability of Energy Efficiency (EE) Guidelines that can be downloaded from the 49M website
- Discussion forums that are linked to the Index and its objectives

Energy Efficiency Guidelines will be available for download on the project website, and will contain recommendations regarding both behaviour change interventions and technological solutions that can be implemented by companies to improve their energy efficiency and reduce their relative electricity consumption. The EE Guidelines are drafted in such a way that they are:

- Relevant in the South African context
- Aligned with the corporate reporting principles of materiality, impact and influence
- Applicable at strategic, management and behavioural level
- Technically strong but easy to understand and apply

Discussion forums may take the form of social media platforms such as Linked In groups or Facebook posts that are monitored and that are driven exclusively at the objectives of the project.

It is important to emphasise that the principle intention of the project is not to 'name and shame' companies. Instead the Index and associated resources are intended to act as tools to promote participation and positive responses from companies, and ultimately to reduce levels of relative electricity consumption.

## DISCLOSURE

It is assumed that large South African companies will be disclosing key sustainability data in the ordinary course of their reporting activities and that this data is likely to include the data required by 49M for the Index.

It is presumed that for the most part, the required 49M Index data concerning **energy consumption and useable space** should be:

- a) Of meaningful importance to large companies in terms of the management of their operations
- b) Currently measured and/or recorded by these companies
- c) Regarded as 'material' for reporting purposes in the South African context

## FREQUENTLY ASKED QUESTIONS

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### WHICH COMPANIES WILL BE INVOLVED WITH THE INDEX?

In its initial stages, 49M will attempt to apply the Energy Rating Index to South Africa's Top 100 companies and will look to source information that is available in the public domain, supplemented with information sourced in telephonic and email surveys. This implies that the primary data set of the project will be drawn from South African companies that are listed on the Johannesburg Stock Exchange (JSE).

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### WHICH INFORMATION WILL BE PUBLISHED?

Initially, only the company's name, sector and their rating will be published.

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### WHICH INFORMATION WILL NOT BE PUBLISHED?

Energy consumption and useable space values will not be published

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### WHAT EXACTLY IS MEANT BY USEABLE SPACE?

In this context useable space is space used for operations that is under roof, measured in square metres (m<sup>2</sup>). Further qualification can be provided by 49M or its representatives as necessary.

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### WHAT EXACTLY IS MEANT BY ENERGY CONSUMPTION?

In this context, energy consumption is electricity purchased from Eskom or from a distributor (municipality), measured in kilowatt hours (Kwh)

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### IS THIS A VOLUNTARY PROJECT?

There is no obligation for companies to actively participate in the Index, however the Index does assume that public companies should want to participate, based on the importance of reporting for stakeholders, and on the value of incorporating energy efficiency interventions.

In time, companies may be listed on the Index, even if they have not actively provided data. In this instance data that is available in the public domain (IAR/SR/CDP/EEA) may be included and/or comments/reasons for lack of participation

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### WHAT HAPPENS IF COMPANIES CANNOT OR WILL NOT PROVIDE DATA FOR THE INDEX?

The Index will in time carry comments regarding the absence of data for public companies. Companies will be afforded an opportunity to provide reasons for their lack of participation and these will be included in the Index.

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### WHAT IF OUR COMPANY'S RATING IS RELATIVELY POOR BECAUSE OF CIRCUMSTANCES OUT OF OUR CONTROL?

Companies will be afforded the opportunity to provide information relating to factors that may be contributing to a relatively higher Rating or a skewing of the Rating in some way.

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### WHAT ABOUT THE INCOMPARABILITY OF DATA ACROSS SECTORS?

Energy ratings will vary considerably from company to company and should be analysed in the context of industry sector (e.g. mining, retail etc.)

The Index will indicate a company's sector and will in time provide information about issues and factors relating to different sectors.

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### WHERE WILL THE INFORMATION BE PUBLISHED?

The index will be promoted in the media and online at [www.49m.co.za](http://www.49m.co.za)

An initial, small group of participating organisations will be included in an advertisement that will be published in the Business Brief Magazine (April edition)