



# ENERGY RATING PROJECT GUIDELINES

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DRIVING  
TRANSPARENCY,  
ACCOUNTABILITY AND  
ENERGY EFFICIENCY  
IN CORPORATE  
SOUTH AFRICA

## CONTENTS

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Introduction	4
Material Issues	5
Material Issues Table	6
Filters	8
Energy Efficiency Measures	10

# INTRODUCTION TO THE GUIDELINES

These Energy Efficiency Guidelines are aimed at providing companies with practical and easily implementable advice and tools to improve their energy efficiency and reduce their relative electricity consumption.

The guidelines will focus primarily on behavioural rather than technological interventions, but where relevant, technological innovations will be included in the discussion.

The guidelines will also borrow from established methodologies which examine the behaviour changes that are required to improve energy efficiency at three levels within organisations:

- **Strategic**
- **Managerial**
- **Behavioural**

Finally, in examining the interventions aimed at improving energy efficiency, the recommendations provided will be evaluated according to a number of categories, termed filters, namely

- **Buildings**
- **Operations**
- **Customers**
- **Supply chains**
- **Reporting and communication**



## MATERIAL ISSUES FOR CORPORATE ENERGY EFFICIENCY IN SOUTH AFRICA

arded to be meaningful and relatively important for companies wishing to manage energy efficiency in the South African context.

There are three issues that companies grapple with on a daily basis where energy consumption is concerned. These issues can be managed and companies can really make a difference to their energy consumption if they adopt certain basic polices and principles

- Issues:
1. The rising cost of electricity
  2. Dependence on suppliers and third parties
  3. Reputation and value chain risks associated with energy consumption

These Energy Efficiency Guidelines take a look at each of these three material issues from three vantage points by presenting information in three layers

- Strategic layer
- Management layer
- Behavioral layer

Depending on which employees are being targeted these distinctions are important, for example, it is not possible for junior employees to have much influence over strategic or even management issues in the business. Executives should however be familiar with all three layers.

	RISING COST OF ELECTRICITY	DEPENDENCE ON THIRD PARTIES	REPUTATIONAL RISK
STRATEGIC LAYER	→	→	→
MANAGEMENT LAYER	→	→	→
BEHAVIOURAL LAYER	→	→	→

# MATERIAL ISSUES

Energy and energy efficiency are of course highly topical issues given the current electricity supply constraints being experienced in South Africa.

The following table identifies a number of material issues related to improving energy efficiency and reducing electricity consumption that are considered to be common to all companies included in the Energy Rating Index.

For each of these material issues the table then identifies a number of interventions that can be implemented at strategic, operational and behavioural levels. It is therefore assumed that strategic interventions are targeted at the levels of Boards and executive management, while operational interventions are designed to take place at mid- to senior management level, and behavioural changes take place at all levels within a company.

Importantly, however, this is not to say that behavioural changes are not applicable to Board, executive or management-level representatives – by contrast, within management, these behavioural interventions should enjoy equal focus alongside strategic and operational considerations.



MATERIAL ISSUES	APPLICATION / INTERVENTIONS		
	STRATEGIC LEVEL	MANAGEMENT LEVEL	BEHAVIOUR LEVEL
Rising operational costs from municipal electricity consumption	Company Boards and executive management representatives have a legal financial responsibility to reduce operational costs. In line with this responsibility, Boards and executive management should as a matter of urgency investigate all possibilities that exist for improving energy efficiency and reducing municipal electricity consumption. Their effectiveness in doing so should be included in performance management and evaluation systems, and in performance incentives.	Management practices should be aimed at reducing electricity consumption and increasing energy efficiency in all areas of activity. Management representatives in various functional centres should be evaluated according to the levels of success achieved in implementing approved strategies and measures, and appropriately incentivised to ensure maximum savings in their respective areas of responsibility	Employees should be aware of the importance of energy efficiency and energy savings, and should be appropriately incentivised to promote behaviour change in this area and ensure maximum savings.
Dependence on external infrastructure and decision-makers – suppliers, service providers, landlords, property managers etc	Board and executive management teams should develop and implement appropriate policies and strategies for dealing with external actors, so as to maximise the company's decision-making ability in areas related to electricity supply and energy efficiency.	Managers should be appropriately mandated to engage with external actors, so as to maximise the company's independence and decision-making ability in the area of energy supply. They should also be evaluated and incentivised according to the successes they achieve in securing such independence.	
Reputational impacts from perceived inefficient energy use	Boards and executive management teams should act decisively to develop policies and strategies aimed at counteracting negative perceptions related to their energy use	Management processes that assist in positioning companies as responsible users of electricity should be developed and implemented, while managers should be evaluated and incentivised according to their levels of success in implementing these.	Employees should be made aware of the financial impacts of energy inefficiency behaviour, and should be encouraged to actively counteract these in their daily operating environments.

## FILTERS:

Filters are themes under which the material issues should ordinarily be considered by companies. These themes are regarded to be most impactful in a South African context.

### BUILDINGS

The area of **Buildings** is of course central to energy and energy efficiency, since the majority of any company's electricity consumption takes place within the physical structures that it occupies irrespective of whether these are owned or rented. As a result, this area should occupy the majority of any company's efforts and attention in this field.

### OPERATIONS

In terms of **Operations**, many companies can realise significant energy efficiency gains and electricity consumption reductions through the optimisation of their operational processes. In many instances companies are already actively pursuing these efficiency gains as a result of rising electricity costs. At the same time simple changes to entrenched habits and operational procedures can result in significant efficiency improvements, particularly when these are accompanied by the deployment of new energy efficiency technologies.

### SUPPLY CHAINS

In the field of **Supply chains**, significant opportunities exist for the implementation of energy efficiency and consumption reduction initiatives. In the context of this Energy Rating Index project, supply chain interventions might of course not provide a direct benefit in terms of company ratings. At the same time, however, given South Africa's current situation of rising electricity costs and supply constraints, it is certainly in the strategic interest of companies to engage with their suppliers regarding energy efficiency and consumption reduction initiatives. Furthermore, it is highly likely that the future development of the ratings tool will include consideration of supplier energy efficiency performance.

### CUSTOMERS

In terms of **Customers**, energy supply plays a significant role in ensuring a safe and appealing customer experience. Any initiatives aimed at promoting energy efficiency or reducing consumption should also be undertaken with the objective of enhancing the experience of a company's clients or customers and its employees.

### REPORTING AND COMMUNICATION

With regard to **Reporting and communication**, it is in the interests of any company to communicate effectively with all stakeholders regarding any initiatives implemented in the area of energy efficiency and electricity consumption reduction. This applies to both internal and external stakeholders and communication processes. Furthermore, from a financial reporting perspective, the company is required to report in detail on the financial implications of any energy efficiency-related initiatives.

# RECOMMENDATIONS

## MATERIAL ISSUE 1: RISING OPERATIONAL COSTS

### 1.1 Strategic Interventions

Energy efficiency and reduced electricity consumption should be incorporated into the strategic objectives of companies with quantifiable targets being progress against these targets should be monitored on an ongoing basis. The company's success in meeting its strategic-level consumption reduction targets should form part of performance evaluation processes and of decision-making regarding performance-based remuneration for senior executives and, also where possible, for Board members too. This will result in appropriate behaviour change on the part of senior executives in this area.

**In the current South African environment, energy efficiency has to be a key element of any company's growth strategy – you need to set a target and measure your progress towards achieving it.**

## FILTERS:

**Buildings:** Any strategic decision made at Board or executive management level regarding buildings, such as, relocations, renovations, construction activities etc should include energy efficiency and electricity consumption reduction as significant elements of the decision-making process. The objectives in this regard should be to maximise consumption reductions associated with buildings and physical infrastructure.

**New or refurbished buildings are generally far more energy efficient.**

**Operations:** At a strategic level companies should be mandating and supporting senior executives to identify major opportunities for efficiency gains. Once such opportunities are identified these executives should be provided with sufficient authority, including within functional centres outside their own areas of expertise or responsibility, to ensure that appropriate strategies are developed to realise these efficiency gains.

**Often, what is needed to realise efficiency gains in operational activities, is a fresh perspective and a different set of eyes.**

**Supply Chains:** Supply chain policies and strategies, as well as executive decisions regarding the conclusion of (particularly long-term) supplier contracts, should include elements of energy efficiency and electricity consumption reduction.

**Generally speaking, suppliers will become more energy efficient if their clients can successfully pressure them to.**

**Customers:** Strategic decisions regarding energy efficiency should be carefully evaluated in terms of their potential impact on the clients or customers of any particular company. The company's policies and strategies in this regard should also be incorporated into its customer relations activities.

**The benefits of improved energy efficiency successes should be passed on to customers wherever possible.**

**Communication:** Open and transparent communication regarding strategic decisions in the area of energy efficiency is of paramount importance to maintain and enhance the credibility of companies in this field. Executive management should be appropriately empowered and incentivised to undertake such communication on an ongoing basis.

**Reporting and communication of successes, and failures, in energy efficiency should come from the top –in other words it should wherever possible be included in messaging from the Chairman and CEO.**

## 1.2 Management Interventions

Management practices within companies should be developed and revised on an ongoing basis with the objective of reducing electricity consumption and therefore containing electricity costs. These practices should explicitly support the achievement of companies' strategic targets in this area. In this regard, a number of functional areas within companies are considered to be of particular importance, specifically finance, operations, procurement, communication and human resources. Each of these functional areas can play a particular role in driving behaviour change and enhancing energy efficiency performance. Furthermore, appropriate mechanisms for performance evaluation and incentivising individuals within these functions are vital to the creation and maintenance of appropriate operational systems and practices that promote energy efficiency and reduce electricity consumption.

**Energy efficiency is not simply an operational issue – it also needs to be a key parameter for the company's finance, procurement, HR, communications and training functions.**

### FILTERS:

**Buildings:** Building management practices and infrastructure will play a significant role in reducing energy costs and improving efficiencies within the physical spaces occupied by any company. In this regard, the role of management representatives is to promote both technological innovation and behaviour changes amongst all employees that result in reduced electricity consumption and increased energy efficiency within the company's buildings.

**Optimising the management of a company's buildings can bring about significant electricity savings, with or without accompanying investment in technological solutions.**

**Operations:** Operational practices, particularly those involving a number of functional areas within a company can provide a major contribution to improved energy efficiency. For example, effective collaboration between procurement, finance and operations managers can result in the procurement of certain technological innovations that reduce electricity consumption, while awareness programmes jointly implemented by the operations, communications and HR divisions can drive energy efficient behaviour amongst all employees.

**Collaboration across teams can result in dramatically streamlined operational practices and unlock huge opportunities for energy efficiency gains.**

**Supply Chains:** Within any company the functions of operations, finance and procurement all play a major role in driving energy efficiency of supply chains. Similarly, HR functions must ensure that the achievement of energy efficiency targets is included in performance evaluation and incentive mechanisms for those individuals involved in the functions described above.

**Supply chain managers can make a major impact in implementing company strategies and driving energy efficiency amongst suppliers.**

**Communication:** The communications function of a company can drive positive messaging both internally and externally regarding operational interventions and the successes achieved in the area of energy efficiency, consumption reduction and cost benefits.

**It is extremely important for any verifiable improvements in energy efficiency to be effectively communicated, both internally and externally, as soon as possible.**

## 1.3 Behavioural Interventions

When designing behavioural interventions aimed at reducing electricity consumption and the associated costs, the overarching message to all employees should be that “My little bit helps, what are you doing?”. Every effort, no matter how insignificant it might seem, will contribute towards the company’s performance in this area. Focus on individual efforts in the company environment should translate into improvements in energy efficiency practices and corresponding costs savings for employees in their home environments.

Another important consideration in this regard is a highly visible commitment on the part of a company’s senior and executive management to leading by example in the application of personal behaviour changes.

Once such a commitment is obtained, it will in all likelihood prove necessary for companies to employ various well-established best-practice methodologies for improving energy efficiency performance. These might include the appointment of energy efficiency ‘Champions’ within functional divisions, the establishment of inter-departmental competitions in the area of energy savings or the creation of various divisional or individual incentives to promote energy efficient behaviour.

**Every bit helps, and employees will only do as much as they see senior management being willing to do.**

### FILTERS:

**Buildings:** In terms of the physical spaces occupied by a company, the areas that exhibit the most significant potential for meaningful behaviour change interventions would be those associated with lighting, water heating and HVAC (heating, ventilation and air conditioning systems). In certain instances, such as in open-plan offices or factory environments, control over these systems by individual employees is somewhat limited. Under such circumstances,

the most effective interventions might prove to be technology-related and therefore implemented at an operational level. In other instances, however, individual behaviour can play a significant role in reducing building-related electricity consumption through measures such as turning off lights and air conditioners, or the manner in which employees make use of water heating systems and kitchen appliances. Similarly, personal space heating and/or cooling, particularly from the use of employee-owned appliances (heaters, cooling fans etc), represents an area of significant potential for energy efficiency gains, albeit one in which it might prove relatively difficult to implement meaningful levels of behaviour change.

**“Employees’ personal electricity use preferences and practices within the company’s buildings, need to align with those of the company to the maximum extent possible.”**

**Communication:** Effective and targeted communication is critical to any meaningful levels of behaviour change within the company. In this regard the operations, HR and communication functions within a company will be required to collaborate effectively to:

- firstly identify concrete opportunities for electricity consumption reductions;
- secondly create an effective internal communications strategy and campaign that promotes the necessary behaviour change;
- thirdly incentivise this behaviour change amongst employees and finally measure the impacts achieved by the campaign. Similarly, the company will in its annual reporting processes need to be in a position to effectively communicate the collective impacts of its behavioural change interventions in the area of energy efficiency to internal and external stakeholders.

**“Without communication, any behaviour-related energy efficiency initiatives are doomed before they start. It’s not important how this communication happens – since every company is different –but rather that it happens and happens effectively.”**



## MATERIAL ISSUE 2: DEPENDENCE ON EXTERNAL FACTORS

### 2.1 Strategic Interventions

In many instances the ability of companies to implement effective energy efficiency solutions particularly those related to technological innovations or physical infrastructure is constrained by external factors or by relationships with external stakeholders. An example of such a situation might include limitations on the ability of companies to implement certain energy efficiency technologies in rented buildings due to resistance from landlords. In order to overcome such constraints it is necessary for companies to firstly develop policies and strategies aimed at dealing with external factors or stakeholders, and secondly implement these policies and strategies effectively so as to maximise the company's decision-making ability in areas related to electricity consumption and energy efficiency.

**Company strategies for energy efficiency need to be developed in such a way that they minimise the impacts that external factors or actors can have on their effectiveness**

#### FILTERS:

**Buildings:** This area would appear to be one in which external factors can potentially play the most significant role in inhibiting energy efficiency and behaviour change initiatives. As mentioned above, in certain instances, the physical constraints imposed by an office or commercial space in which a company is located, or the attitudes of landlords, property managers or property developers, can very effectively limit the ability of companies to change the energy consumption behaviour of their employees. It is therefore necessary to incorporate consideration for energy efficiency gains and electricity consumption reduction in terms of acquisition, construction, refurbishment or rental at a strategic level .

**To maximise energy efficiency gains, it is vital for companies to partner with landlords, property managers and developers.**

**Operations:** Theoretically, companies should be in a position to limit the influence of external factors within their operational practices. In reality, however, external stakeholders can often be directly impacted by the operational practices adopted by companies, and any changes to these practices need to be made with due consideration of their potential impacts. Examples in this regard might include external environmental or social impacts arising from changes to production schedules to reduce electricity demand during peak periods.

**Changes to operational practices can affect the surrounding environments, local communities, suppliers or customers – companies therefore need to anticipate and address these impacts to the greatest extent possible**

**Suppliers:** Supply chains can present companies with a fait accompli regarding the embedded energy consumption of the products that they are required to procure. It is becoming increasingly the case that companies are presented with accurate information in this regard and with products and services that use energy efficiency as a selling point. It is therefore vital that procurement policies and strategies are developed to take such considerations into account.

**Procurement and supply chain policies and strategies need to include energy efficiency as a critical part of their objectives.**

**Customers:** In an era of increasing customer awareness and activism, improvements in energy efficiency can provide an important competitive advantage. As a result, it is vital that a percentage of the financial benefits arising from the execution of a company's strategies in this regard be passed on to customers.

**Energy efficiency performance improvements can be a vital differentiator, and can provide companies with a major strategic competitive advantage.**

**Communication:** Ongoing communication with stakeholders, both internal and external, of the strategic considerations that inform the decision-making processes of a company in the area of energy efficiency and electricity consumption reduction is vital to the successful execution of its strategies in this area. Similarly, the successful execution of energy efficiency strategies, particularly where these involve a process of effectively addressing external factors, should be broadly communicated both internally and externally.

**Just as is the case for landlords or suppliers, companies need to enlist the support of other external stakeholders in their energy efficiency initiatives, including through clear communication of the benefits of these initiatives for these external stakeholders.**

## 2.2 Management Interventions

The impact of external factors on a company is very often far more apparent at a middle management or operational level than at a strategic level, particularly in circumstances in which strategies are developed with insufficient understanding or consideration of operational realities. For this reason, it is vital that a process exists for upward communication from middle management into strategy development processes, for example through the effective execution of processes related to risk and impact assessment.

Managers should be effectively mandated to execute strategic decisions in their engagement with external actors in order to maximise the company's decision-making ability. They should also be evaluated and incentivised according to the successes they are able to achieve in securing such independence.

In this regard, functional areas such as finance, operations and procurement are once again key to maximising the ability of a company to act independently, in its own interest and those of its stakeholders, in the area of energy efficiency and electricity consumption reduction.

**Managers need to be effectively empowered to reduce external influences that could negatively impact on energy efficiency initiatives. They also need to be evaluated and incentivised according to their success in doing so.**

## FILTERS:

**Buildings:** Buildings are often the area in which the highest potential exists for operations-related energy efficiency improvements in this area. It is also an area, in which companies are often the most constrained in their ability to implement these interventions. As a result, it is often in the interest of companies to allocate significant human and financial resources to realising the energy efficiency potential that exists in this area. While the interventions themselves may be primarily technological in nature, the behavioural element lies in effectively empowering and incentivising management representatives to engage with external actors in order to implement these. Examples in this regard might include engagement on the part of finance, procurement and operational management with landlords, property managers or developers regarding energy efficiency improvements that can be made to prospective or existing buildings.

**Management representatives that are in any way responsible for areas related to company buildings should be empowered to negotiate with external actors in order to maximise the energy efficiency gains that can be realised from these buildings.**

**Operations:** Changes to operational practices can have a significant impact on the external stakeholders or external environments of companies. It is therefore important that management representatives concerned with operations be empowered to engage directly with external stakeholders to minimise such impacts.

**The direct involvement of operational managers is a key element of effective engagement with external stakeholders and local communities – this function should never be left only to the external relations or communications functions within a company.**

**Suppliers:** Suppliers and service providers are often the external stakeholders that most directly impact the ability of companies to implement energy efficiency and electricity consumption reductions at an operational level. The existence of long-term supply contracts or existing relationships with established suppliers can often reduce the ability of companies to implement effective solutions. It is important that the financial, procurement and operations functions within companies collaborate effectively on an ongoing basis to limit the potential negative impact of entrenched bias towards existing or preferred suppliers. This will ensure optimum outcomes in this area.

**Procurement managers should be suitably trained, empowered and incentivised to evaluate the energy efficiency implications and opportunities within supplier relationships, and to negotiate supplier agreements so as to maximise these opportunities.**

**Communication:** Effective communication is vital to driving operational interventions aimed at improving energy efficiency particularly when these involve external actors or stakeholders. The communication function within the company will therefore play a critical role in developing and disseminating appropriate messaging to stakeholders regarding the company's energy efficiency strategies, programmes and targets.

**Communication regarding energy efficiency and electricity consumption reductions should be explicitly incorporated into the objectives and performance management processes for communications managers.**

## MATERIAL ISSUE 3: REPUTATIONAL IMPACTS

### 3.1 Strategic Interventions

Organisations increasingly run a significant risk of negative perceptions based on their energy consumption patterns and practices. This certainly appears to be the case for many companies in energy-intensive economic sectors, but it can equally be the case for companies that are observed or considered to be 'not doing their bit' to save electricity. For this reason, it is critical that the senior management of companies is aware of the reputational risks attached to such perceptions and that they develop strategic plans and policies that publicise their energy efficiency initiatives and counteract any negative perceptions related to their energy use.

**Companies that are perceived as being irresponsible users of electricity run a significant risk of negative publicity, particularly in the current South African context of electricity supply constraints and disruptions.**

#### FILTERS:

**Buildings:** Some of the most visible indicators of inefficient and wasteful electricity consumption are those related to the management of a company's buildings. Irrespective of the actual levels of electricity that these buildings consume, the visual spectacle of an empty office block ablaze with lights, or a fully floodlit plant or factory at which production is shut down for the night, can prove highly detrimental to a company's reputation as a responsible corporate citizen. For this reason, relatively simple technological and behavioural interventions can play a vital strategic role in counteracting these perceptions. It is beneficial that the implementation of these interventions is recognised and implemented as a strategic imperative.

**Buildings and physical spaces are one of the most visible public faces of any company – they should therefore be a major focus point for highly visible energy efficiency interventions.**

**Operations:** It is in the strategic interests of any company that irresponsible electricity usage practices be eliminated from its operations. Such practices might be related to the less than optimal use of machinery, or stand-by practices for office and other equipment. While the electricity consumption associated with these practices might not be particularly high, the reputational impact arising from such sub-optimal practices can be far more significant.

**Operational strategies need to be developed or revised taking into account accompanying perceptions regarding responsible or irresponsible electricity consumption.**

**Suppliers:** The most obvious strategic risk arising from negative perceptions regarding irresponsible or inefficient energy use is that of potential disruptions to essential supply chains. Any risk in this regard should be assessed in a strategic context and mitigation actions implemented as a strategic imperative.

**Responsible electricity usage is increasingly becoming relevant to the protection of supply sources for essential inputs.**

**Customers:** Negative perceptions regarding irresponsible energy consumption can certainly impact customer perceptions of a company and lead directly to a slump in sales, revenue and profitability. The existence of such potential impacts should of course be considered as a strategic threat and be addressed at a strategic level by senior management.

**Increasing levels of consumer activism leaves companies with very little place to hide when it comes to irresponsible electricity use.**

**Communication:** in order to counteract the potential negative perceptions described above, it is vital that companies clearly communicate, both internally and externally, their energy efficiency strategies, programmes and objectives, that such communication be considered as a strategic imperative and that it consequently receives sufficient resources to achieve the company's identified strategic objectives in this regard.

**Strategic communication regarding energy efficiency initiatives can significantly enhance a company's reputation in this area.**

## 3.2 Management Interventions

In order to effectively support the strategic emphasis placed on energy efficiency interventions as a means to address potential reputational impacts, it is necessary that companies implement a variety of management-level interventions and processes aimed at enhancing their reputation as responsible electricity users. These might include a variety of technological innovations and measures aimed at impacting the behaviour patterns of middle management representatives in a number of functional centres such as procurement, operations, HR and communication.

**The actions and attitudes of management representatives across various functional areas regarding energy efficiency will play a critical role in enhancing or damaging the reputation of companies in this area.**

## FILTERS:

**Buildings:** Buildings present a highly visible indicator of responsible or irresponsible electricity use. In terms of the Energy Efficiency Ratings Index, the inclusion of usable space as a metric against which electricity consumption is measured, means that the space occupied by companies is directly relevant to their position on the Index and their performance relative to their competitors. Any and all interventions aimed at reducing electricity consumption in a company's buildings will result in a performance improvement in the Index. In this regard, potential behavioural interventions aimed at middle management representatives within companies might include the promotion of collaboration between operations and procurement functions in the implementation of various energy efficiency technologies within company buildings, along with the publicising of these interventions, both internally and externally, by the company's communication function.

**Any building-related energy efficiency interventions are likely to have a direct positive impact on a company's performance in the Energy Efficiency Ratings Index.**

**Operations:** Significant opportunities exist for operational managers to enhance the reputation of companies as responsible consumers of electricity, through the implementation of relatively simple energy efficiency improvements within standard operating procedures and practices. These operational managers should therefore be encouraged and incentivised to identify and implement such changes within their respective areas of activity.

**Small changes to operational practices can result in major reputational benefits for companies as responsible electricity consumers.**

**Suppliers:** In line with the strategic imperatives described above, the procurement function within companies should be appropriately empowered and incentivised to negotiate with suppliers on the basis of both their own company's energy efficiency performance and its expectations of suppliers in this regard.

**It is vital that procurement managers are well acquainted with a company's energy efficiency targets and programmes, so that they can communicate to suppliers regarding both the company's achievements against these targets, and its expectations of suppliers in supporting future activities in this area.**

**Communications:** The communication of a company's strategies, targets and achievements in the area of energy efficiency and electricity consumption reductions are important for avoiding addressing negative perceptions regarding electricity use. As a result, communications professionals within a company should be appropriately informed, empowered and incentivised to communicate effectively regarding these issues.

**Effective communication regarding energy efficiency initiatives is critical to protecting or even enhancing a company's reputation. It is therefore equally critical that communications managers are well acquainted with the company's achievements (and failures) in this area.**

### 3.3 Behavioural Interventions

When developing initiatives aimed at protecting or enhancing the reputation of companies as responsible electricity consumers it is imperative that employees at all levels understand that the responsibility for achieving this objective rests as much with them personally, as it does with their colleagues or the company's management. Once this sense of individual and collective responsibility is in place, it would appear likely that various behavioural interventions will have a far higher rate of support and uptake and consequently a far higher impact within a company.

With any behavioural intervention there are two critical factors; visible commitment at an individual level on the part of the company's senior management, and ease of applicability for employees at all levels.

Once these factors are in place, companies will be in a position to design and implement an appropriate set of behavioural interventions aimed at equipping employees to authoritatively promote their energy efficiency and electricity consumption reduction initiatives. These interventions might include internal and external advertising and promotional material regarding energy efficiency projects and programmes, or internally focused training initiatives on the expected and achieved impacts of these initiatives. A high degree of collaboration will be required between the company's HR, training and communications functions to achieve the required outcomes.

**When it comes to energy efficiency and changing behaviour around energy use, the common message in any company, from top to bottom, must be that we're all in it together.**

## FILTERS:

**Buildings:** Since this area is often the easiest in which to showcase tangible projects that result in energy efficiency gains, it should reasonably also be an area in which significant emphasis is placed on providing internal and external stakeholders with positive examples of successes achieved in reducing electricity consumption. Such examples might include promotional materials or visual representations of the electricity saved in company buildings through energy efficiency initiatives.

**Showcasing successes in energy efficiency, directly within employees' work spaces, is a key component to driving further behaviour change.**

**Operations:** Similar to changes that can be made to operational practices and procedures at management level, the behaviour of employees in various operational functions can often result in significant improvements in internal and external perceptions regarding electricity use.

**Small changes to employee behaviour in operational areas can often result in big improvements in internal and external perceptions of company's electricity usage. For this reason, employees should be incentivised to identify and implemented such individual behaviour changes, and to encourage their colleagues to do the same.**

**Suppliers:** It is vital that those employees dealing directly with suppliers are familiar with the energy efficiency initiatives implemented by their company and that they are equipped to communicate these on a formal or informal basis. This process can in turn serve to inform and motivate suppliers to improve their own energy efficiency performance, thereby creating a positive impact within a company's supply chain. This is particularly the case in circumstances where supplier engagement is accompanied by an implicit or explicit expectation of improved energy efficiency within a company's supply chains.

**Employees should wherever possible be encouraged to share energy efficiency success stories with supplier representatives, both formally and informally.**

**Customers:** Customer-facing employees should be well-versed in the structure and impacts of a company's energy efficiency initiatives, enabling them to communicate these to customers and thereby enhancing the company's profile and mitigating reputational risk. Employees should also be appropriately incentivised to undertake such reputation development activities in the course of their daily activities.

**Employees at all levels should be well-informed regarding the company's energy efficiency programmes, and should be encouraged to communicate these to customers.**

**Communication:** The activities described above all involve some form of communication with employees, or by employees with various stakeholder groups. Communication must be aligned with the formal communication of the company regarding its energy efficiency and electricity consumption initiatives. As an example, it would be of very little value for employees to be communicating with stakeholders in the manner described above, if energy efficiency initiatives were not comprehensively addressed in the company's integrated annual report or on its website. It is equally important that effective communication be undertaken regarding a company's behaviour change initiatives in this area, especially since these are often considered as 'soft' interventions.

**When communicating stories of energy efficiency improvements, it is vital that these not be confined to technological or operational interventions, but that successful behaviour changes achieved are also recognised.**

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