CLIMATE GROUP
SMART ENERGY COALITION



Double Energy Productivity

Detailed commitment criteria



Introduction

Companies can join the Smart Energy Coalition by committing to double their energy productivity.

To join the Coalition, companies must:

- Commit to double their energy productivity by 2040 or sooner, relative to a baseline year of no earlier than 10 years prior to the joining date
- Choose a relevant energy productivity metric
- Report on progress towards doubling their energy productivity annually in adherence with the Smart Energy Coalition's annual reporting framework

About energy productivity

The Smart Energy Coalition uses the energy productivity metric to measure member progress on energy efficiency. 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. Members are free to choose their own unit of economic output (e.g. revenue, full-time employees, units of product made) which relates to the services or goods they provide[1]. Companies should select an internationally recognised unit of energy consumption (e.g. gigajoules, megawatt hours).

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

1 The Smart Energy Coalition reserves the right to update this criterium based on continued research, recommendations from advisory groups and technical partners, or decision from Climate Group's Executive Management Team and/or Board.

Target and baseline years

The Smart Energy Coalition 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.

However, driving ambition and action should be at the forefront of setting a target, which is why we've implemented a fixed target year of 2040 (or sooner). This parameter allows a degree of flexibility, whilst factoring in the COP28 pledge to double energy efficiency efforts each year by 2030.

The Coalition therefore allows companies to select their own fixed baseline year, provided it is no earlier than 10 years prior to the joining date. Members then choose a target year to double their energy productivity of 2040 or sooner. This equates to a minimum average annual improvement rate of 2.9%. Members are encouraged to set their commitment across an ambitious yet achievable timeframe for Climate Group to be able to amplify them as a leader in energy efficiency goal setting.

A baseline energy productivity value will be required based on the chosen metrics and baseline year when completing the joining form.

Scope

As defined by the Greenhouse Gas Protocol, the commitment to Double Energy Productivity 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 sources purchased from a utility provider

Members 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 the Smart Energy Coalition. However, Climate Group recognises that selecting an energy productivity metric relevant to all of a company's subsidiaries/business units can be challenging. Climate Group therefore allows group companies to join and select different energy productivity metrics for each subsidiary, as well as allowing individual subsidiaries/business units to join.

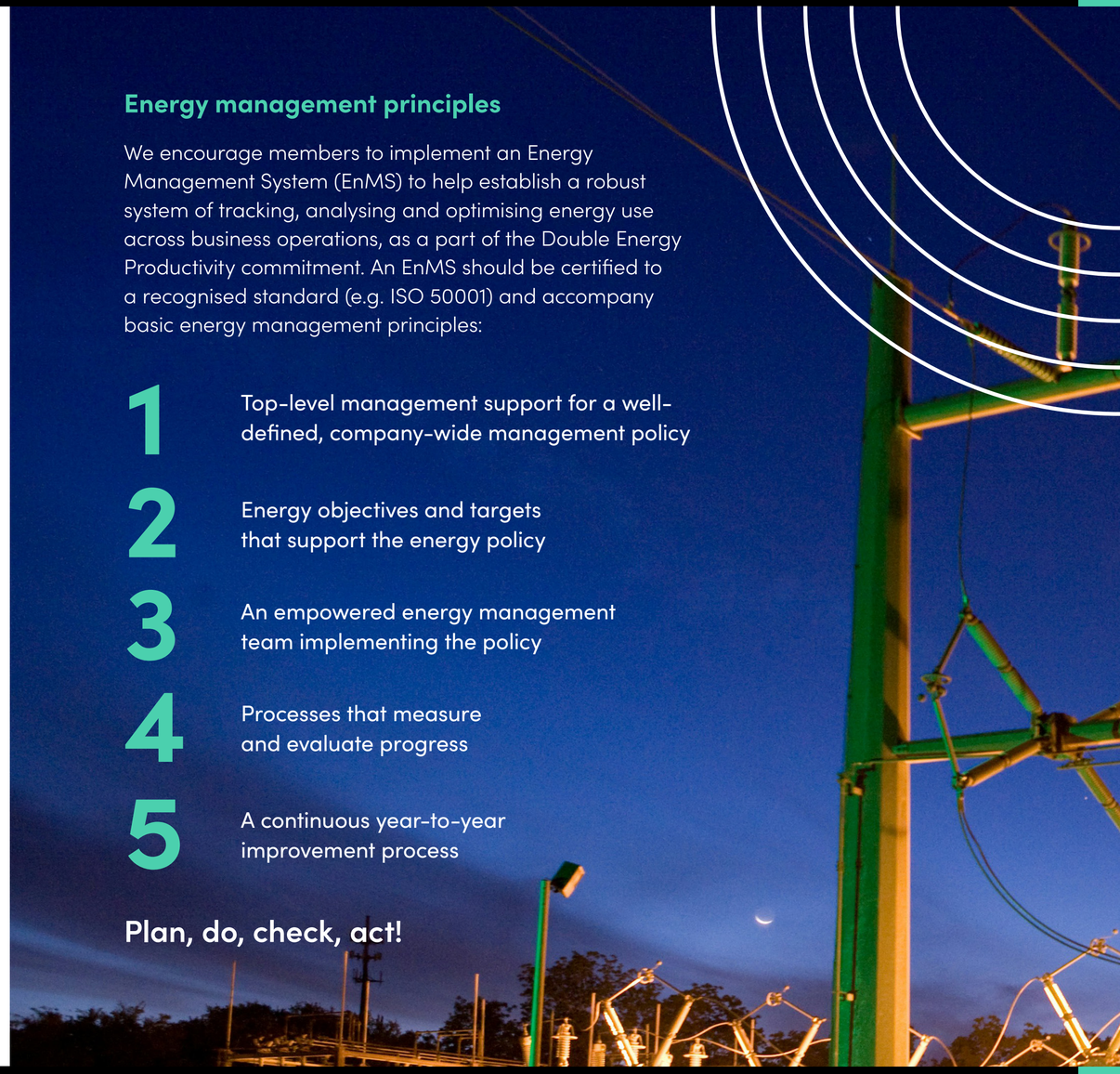
Please refer to the Smart Energy Coalition Joining Criteria for more information on the Coalition's wider joining requirements and exclusions.

Energy management principles

We encourage members to implement an Energy Management System (EnMS) to help establish a robust system of tracking, analysing and optimising energy use across business operations, as a part of the Double Energy Productivity commitment. An EnMS should be certified to a recognised standard (e.g. ISO 50001) and accompany basic energy management principles:

1. Top-level management support for a well-defined, company-wide management policy
2. Energy objectives and targets that support the energy policy
3. An empowered energy management team implementing the policy
4. Processes that measure and evaluate progress
5. A continuous year-to-year improvement process

Plan, do, check, act!





Reporting

All Smart Energy Coalition members must report annually on their progress towards achieving their Double Energy Productivity commitment.

Members are required to report directly to Climate Group annually using the Double Energy Productivity reporting form. Members will be required to report at a company-level from their chosen baseline year to the current year of reporting, on their chosen metrics – total economic output (e.g. revenue) and total energy consumption data (e.g. MWh), broken down by fuel type. For transparent reporting, members are asked to report on all fuel types used, rather than just one (or the largest) fuel type. Qualitative insights on the drivers and barriers to achieving energy efficiency improvements and examples of successful implementation are also welcomed.

Climate Group collects this information to provide its Smart Energy Coalition members with credibility, transparency and validation in their corporate energy efficiency efforts. The reporting process is mandatory because it allows Climate Group 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 Climate Group to deliver policy advocacy and peer-to-peer learning activities aimed at unlocking these barriers and spurring further energy efficiency action from the business community. Completion of Climate Group's reporting process also provides Smart Energy Coalition members with the opportunity for profiling and leadership celebration in the annual Progress and Insights Report.

Data is primarily used to showcase the Coalition's progress on three key areas:

- Energy consumption
- Emissions reductions
- Financial savings (from energy efficiency)

The only individual data published in the annual report will be each member's progress towards their individual target. If there are any changes to reporting framework or final report, Climate Group will inform members prior to publication.

Membership fees

Membership fees sustain the everyday running of Smart Energy Coalition and other Climate Group 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 driving climate action fast.

Smart Energy Coalition membership fees for the Double Energy Productivity commitment pathway are USD $7,000 per annum (2026/2027). We ask for an annual payment for a 12-month period from the 1st of the month that you join the Smart Energy Coalition. 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 Climate Group team will send the prospective member a Membership Agreement to sign and 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.


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