



When a company's reputation can be left hanging on the wall

If the UK fails to implement the Energy Performance of Buildings directive in full it will have squandered one of the best opportunities to forward corporate social responsibility

I was talking to the energy manager of one of the best-known companies in Britain. Expressing confidence in his own future, he said he was finding approval by his board for investment capital in energy-saving measures far easier than five years ago.

That will be due to the perception of higher fuel prices, I asked? Oh no, he said. Fuel prices are still rather peripheral for us, way below 2 per cent of turnover. Much more important is the drive towards Corporate Social Responsibility. In particular, being seen by our customers to be doing the right thing environmentally.

It is a salutary lesson of the realities of life. One that the UK government has a marvellous opportunity to build on. But which it is in danger of squandering.

Tardy implementation

The opportunity is provided by a European directive. Called the Energy Performance of Buildings directive. Agreed unanimously by every European government, and the European Parliament alike. Due to come into force from January 2006, the UK has been somewhat tardy in implementing some of its key provisions.

One of the most important facets of this directive is the establishment of a comparative energy performance measurement for each building. Such a scheme has been in force for larger homes sold, in England and Wales, since this summer. No such scheme has yet been formally agreed for non-residential buildings, where discussions have been bogged down over many years as to whether energy ratings should be based on theoretical ("asset") ratings, or on observed consumption data ("operational"). Or both.

A resolution at last seems in sight. Ratings will be required for every commercial building bought or let, from next October. In addition, one critical extra dimension is stipulated within the directive.

It requires the latest energy performance rating to be displayed in a prominent place in the foyer of every building over 1,000m² in size. The objective of this is very simple. It is to make it very obvious to every visitor—and all members of staff, for that matter—whether the building itself is an environmental exemplar. Or a terrible old gas guzzler. As my energy manager friend commented, "Just



'JUST HAVING A CERTIFICATE AROUND WHICH EVERYONE CAN SEE WILL DO MORE TO PUSH INVESTMENT THAN A DOZEN PAYBACK TABLES'

having such a certificate around which everyone can see, that will do more to push energy efficiency investment than a dozen payback tables."

Why? Because the company's reputation is at stake. Company directors may not have a clue quite how the damning D or E rating, visible in their building, was arrived at. But they will know that their competitor just down the road is able to display prominently a B rating. And in Corporate Social Responsibility terms, they can't rest until their own building has been upgraded, so they can proudly display a B or A rating.

A brilliantly simple idea. Being rolled out across Europe. Except in Britain. Here civil servants are planning to limit the requirement, to have such a certificate, displayed only to public sector buildings.

Applause for Scotland

Don't get me wrong. It is absolutely correct that those spending tax payers money should be doing everything they can to minimise waste. I applaud the decision by the Scottish government to ignore that 1,000m² threshold, and require the display of such certificates in every public building visited by voters, regardless of size.

But the wording of the directive could not be clearer. Recital 16 states clearly: "Public authority buildings and buildings frequently visited by the public should ... Be subject to energy certification on a regular basis. The dissemination to the public of this information should be enhanced by clearly displaying these certificates" ...in (according to Article 7.3) "a prominent place clearly visible to the public."

There is no suggestion in that wording that the "display" requirements in this directive need not apply to company-owned or occupied buildings. A reference elsewhere in Article 7 distinguishing between "public authorities" and "institutions providing public services" augments this: both are required to comply.

Of course there is nothing to stop those companies with exemplary buildings displaying their energy certificates proudly now. I fully expect market leaders to do so voluntarily. But the main objective of this directive is to promote the upgrading of poorly- energy performing buildings. Owners of these will still be able to hide their low energy ratings away from public scrutiny.

I am persuaded that the drive towards greater overt Corporate Social Responsibility could be the greatest stimulus to change in the energy performance of non-residential buildings. What a nonsense it is that timidity in Whitehall is deliberately halting progress. It is not too late for ministers to step in. And to demand that, as their predecessor promised four years ago, this directive will be implemented in full. ■

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FURTHER INFORMATION

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