

## An Introduction to ISO 50001



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Peel L&P is part of the family-owned Peel Group and own and manage a mixed portfolio of assets largely in the north of England.

We asked Jo to introduce and share her insights on ISO 50001.

### What is ISO 50001?

“ISO 50001 is an international standard that helps businesses use energy more efficiently through the development of an energy management system.”

### Why did Peel L&P adopt ISO 50001?

“We started looking at the standard in 2014, when the Government brought in the [Energy Savings Opportunity Scheme \(ESOS\)](#). ESOS introduced energy saving audits for large businesses, and it became clear that we would need to become much better at managing our energy data. However, ISO 50001 certification counts towards your ESOS assessment.

It is true that ISO 50001 is more rigorous. For example, ISO 50001 is an annual certification whereas ESOS audits are undertaken every 4 years. However, it made sense given our business model

to go for ISO 50001 certification. It’s more cost-effective for us to implement ISO 50001 across the business rather than conduct individual ESOS audits.

And underpinning all this was the desire to understand our energy data better. If we understand our data better then we should be able to find cost-savings by being more energy efficient and, at the same time, cut our carbon emissions.”

### What has the impact been?

“We received our ISO 50001 certification in 2015 and have been certified for eight consecutive years now.

It has been very successful in helping us find cost savings, and therefore carbon savings. It has also helped us put processes and procedures in place.



### ISO 50001

ISO 50001 is an international standard created to help organisations in all sectors use energy more efficiently through the development of an Energy Management System.

The standard specifies the requirements for establishing, implementing, maintaining and improving an energy management system. It provides a systematic approach to becoming more energy efficient. It helps organisations reduce their energy use, and therefore their energy costs and their greenhouse gas emissions.

ISO 50001 was originally released in June 2011 and is suitable for any organisation, whatever its size, sector or geographical location. The second edition, ISO 50001:2018 was released in August 2018.

The system is modelled after the ISO 9001 Quality Management System and the ISO 14001 Environmental Management System.

It has gone down well in the company and acted as a springboard for other sustainability projects. People can see that we're saving money because of this and are asking if we can do something similar with, for example, waste or water.

Overall, it's been a great thing for us. It's created a pipeline of energy saving opportunities. At the moment, we have over 90 opportunities in the pipeline with a potential of over £400,000 of cost-savings and 1,300 tons of carbon savings. It helps us to see the potential of what's there and then build the business case for those opportunities."

### Is ISO 50001 specific to real estate?

"No, it applies to all businesses.

It sits alongside the suite of related ISO standards, including 14001 and 9001.



### ESOS

The Energy Savings Opportunity Scheme (ESOS) is a mandatory energy assessment scheme for organisations that meet the qualification criteria. The scheme is administered in the UK by the Environment Agency.

Organisations that qualify for ESOS must carry out mandatory energy assessments every 4 years. These assessments are audits of the energy used by buildings, industrial processes and transport and identify cost-effective energy saving measures.

Organisations that employ 250 or more people, or have an annual turnover in excess of £44 million and an annual balance sheet total in excess of £38 million must comply with ESOS

If you qualify for ESOS and your organisation is fully covered by ISO50001, you do not need to carry out an ESOS assessment.

It's surprising to me that more real estate businesses haven't taken up ISO 50001, especially if they're already familiar with ISO 14001. Maybe ISO 50001 is seen as more relevant for heavy industry, for manufacturing. But it's been really valuable for us and helped to identify significant cost savings."

### Do you have an example of how ISO 50001 has helped deliver energy and cost savings?

"A good example would be our refurbishment of 'The Vic' at MediaCity in Salford.

We undertook a £9m refurbishment of this iconic office building a few years ago, and ISO 50001 really helped us to plan and take a hard look at what needed doing so that we didn't miss any opportunities during a very big refurbishment. We put in around £1.1m into energy saving technologies which led to around a 60% reduction in energy and carbon emissions."

### Was it easy to implement?

"As with any ISO standard, there needs to be a certain level of commitment.

We have ESG embedded across the business, and embedded in the governance of the company, which helps.

But as with any standard, you need to commit a certain level of resource, although it pays for itself many times over.

Also, for Peel L&P, as a large complex company, it helps us to establish a process and provide a clear line of sight on energy saving that we can report to the board."

### What has the response been in the business?

"The response has been very positive. It's allowed us to upskill and empower our people through the creation of energy champions across the business.

It's helped us to address one of the biggest challenges we face, around the reliability and quality of data. The standard has helped us measure more accurately, for example by getting more sub meters in place in our buildings.

It has also provided the foundation for other things: enabling us to verify net zero carbon buildings, setting science-based targets, starting to do more to tackle Scope 3 emissions, improving the quality of our dialogue with tenants. It's provided a much more robust foundation for all these things.

A key challenge at the moment is market uncertainty and finance. Although we know we have savings in the pipeline, we need some upfront expenditure to realise those savings. But this isn't just a challenge for Peel L&P, it's a challenge for the whole sector."

## What advice would you give to a business that was thinking of seeking ISO 50001 certification?

"You need to have a high-level commitment from the company. The company needs to understand that, although there are many benefits, it needs to be resourced.

So at a senior level, people need to be on board and recognise the benefits. There will be a cost but the potential savings are huge.

It will also help you answer questions from tenants, lenders and investors. And help you future-proof your buildings."

## What is the BPF Net Zero Pledge?

The BPF Net Zero Pledge commits BPF members to be net zero carbon by 2050 at the very latest. Becoming a signatory to the pledge requires three actions:

1

To sign up to net zero targets and plans

2

To commit to sharing research, knowledge and insights on an open-source basis

3

To support other signatories and the wider real estate sector to speed the transition to net zero

