

A smarter approach to sustainability

Sustainability Update July 2025



Executive summary

“

The urgency to address climate change is a defining challenge for us all, demanding purposeful action from both businesses and individuals alike.”

Robert Groves
Chief Executive Officer



We recognise the profound impact that business can have on the world. The urgency to address climate change is a defining challenge for us all, demanding purposeful action from both businesses and individuals alike.

At SmartestEnergy, we see this not just as a challenge, but as a fundamental driver of our strategic direction. Our corporate strategy leverages our integrated business model to grow product and service offerings globally. This is made possible by our key enablers: sustainability, people and technology.

As such, our sustainability strategy is an integral part of our wider corporate strategy and aligned with the global vision of our parent company Marubeni. This alignment provides a powerful foundation to create long-term value for all stakeholders.

Our **core values** form the foundation of our business culture and how we approach business activities – putting responsibility, innovation, teamwork and customers at the heart of what we do. We are enabling the energy transition through innovation and providing greener

energy choices for customers as they navigate their journey to net zero. Our new traceable supply product is a great example of this; a product designed to offer unparalleled transparency and empower customers to make informed and impactful choices.

However, our mission extends beyond product development. It is underpinned by a steadfast commitment to strong governance, to build a successful and resilient business, which enables the low carbon transition so we can play our part in addressing climate change.

Furthermore, we believe that meaningful change is driven from within, which is why attracting, retaining and developing diverse talent is a key part of our approach.

By uniting our global team in our sustainability vision ‘to empower a greener generation’, we not only advance our own sustainability objectives, but also solidify our role as a trusted partner to our business customers who are working towards achieving net-zero carbon emissions in a low-carbon economy.

A man wearing a yellow hard hat and a high-visibility yellow vest over a blue shirt is looking at a laptop. The background is a blurred industrial or construction site.

Introduction

We have set out a sustainability ambition: by 2030, we will be tracking our decarbonisation progress against established targets and be recognised for our positive contributions to the environment and society.

We are committed to empowering a greener generation, with our innovative energy solutions helping switched on businesses transition to net zero. Our values are at the heart of how we engage with each other, as well as with our customers.

To show our sustainability commitment and meet our ambitions, during FY24/25, SmartestEnergy recruited a dedicated sustainability expert, Kim Taylor, as Global Head of ESG Sustainability. Over the past year, she's worked closely with our sustainability partner, Environmental Resources Management (ERM), to shape SmartestEnergy's sustainability strategy. This includes defining and setting out our approach, while proactively aligning with legislation. We conducted a double materiality assessment (DMA) to identify the areas we need to prioritise as a business to deliver the most meaningful change under the core areas of Environmental, Social and Governance (ESG).

This update aims to provide a summary of our key strategic progress in the past year, building on the most recent Climate-related Financial Disclosure (CFD) included in our FY23/24 Annual Report. We will detail the focus areas driving action in the coming years as we move from strategy creation to delivery.

We recognise that we are at an early stage of our sustainability maturity journey. With a strategy framework in place, aligned with key legislation, we now have a clear direction of travel to work towards achieving our sustainability ambition.



Our journey

As a purpose-led company we've been empowering switched on customers, generators and partners to transition to net zero for 25 years.

Now we're driving positive change from within.

Bold action at scale and pace

With a new corporate strategy enabled by sustainability, we will develop a successful, efficient and resilient business to meet our customer needs. We are now working towards integrating sustainability principles across our business functions.

With a strong sustainability proposition as a foundation, SmartestEnergy will become:

A **global** high **growth** energy company, enabling the energy transition by delivering **integrated** value across our retail, trading and generation divisions.

A forward-thinking investment

Our sustainability strategy is a powerful framework that will help drive financial performance and strengthen our brand. It helps us to mitigate risk and ensures we're building a sustainable and profitable business for the future. It will also help us continue to meet our customer sustainability ambitions as the energy transition evolves to present new challenges and opportunities.

Our approach

We're not currently required to align our corporate sustainability approach to EU legislation based on the size and operations of our business activities.

However, in FY24/25, we pursued a robust DMA process in alignment with the Corporate Sustainability Reporting Directive (CSRD) to identify the material issues that matter most to our internal and external stakeholders. This proactive approach ensures our strategy is future-ready and reflects any broader reporting directives that we may need to comply with as the business scales in line with its strategic growth ambitions.

Our sustainability strategy is underpinned by the key material topics identified through the DMA process.

We assessed the financial impacts of sustainability on SmartestEnergy alongside the company's influence on society and the environment. Diverse stakeholder groups evaluated topics based on their perceived level of impact, risk, and opportunity and through this analysis, we identified eight material areas of significance, which are:

- 1. Climate change**
- 2. Enabling the low carbon transition**
- 3. Responsible supply chain**
- 4. Talent attraction, retention and development**
- 5. Responsible business conduct**
- 6. Diversity, equity and inclusion**
- 7. Biodiversity**
- 8. Resource use and the circular economy**

Stemming from this, we worked closely with ERM and internal stakeholders to select three to prioritise in FY25/26 and beyond, narrowing our strategic focus:

- 1. Climate change**
- 2. Enabling the low carbon transition**
- 3. Talent attraction, retention and development**

As part of our strategy development, we also identified foundational enablers to help us collectively deliver against our strategy. These will be managed by the relevant departments and subject matter experts to support our efforts, along with the continued engagement of stakeholder groups.

1. Structures and responsibilities

- Sustainability governance
- Leadership
- Risk framework integration
- Policy development

2. Data and systems

- Data collection, management and controls
- Digital tools

3. Communication and messaging

- Employee engagement
- Communications strategy

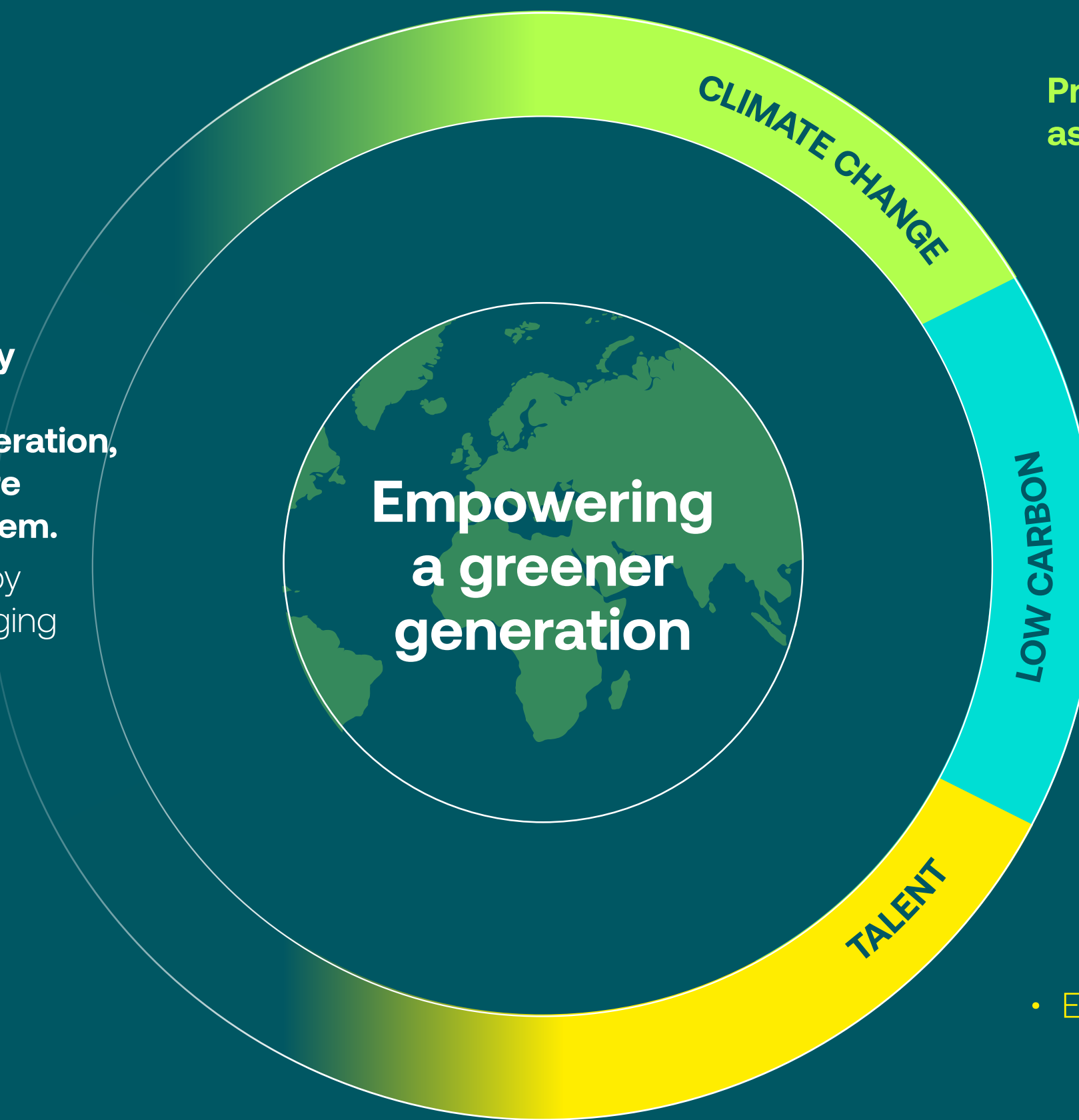
4. Reporting and disclosure

- Sustainability strategy engagement
- Reporting maturity development

Our sustainability strategy and key tactics

We've outlined our three key focus areas centred around empowering a greener generation, along with the tactics we are implementing to support them.

We will activate our strategy by delivering these tactics, engaging stakeholders in the process, and communicating progress as we move forward.



Promoting decarbonisation across our own operations as well as our customers, as we form a key part of our customers' Scope 3 supply chain-related emissions.

- Becoming a Carbon Literate Organisation certified by The Carbon Literacy Project
- Establishing a decarbonisation plan and related target

Driving customer adoption of renewable energy supply contracts across our organisation to reduce our Scope 3 product-related emissions.

- Promoting renewable energy products and services
- Growing PPA volume to achieve a diversity of renewable and flexible assets

Engaging, educating and enthusing stakeholders, especially employees in our sustainability strategy and its activation.

- Establishing a relevant global charity partnership
- Empowering young and diverse talent to consider a career in energy

Corporate environmental sustainability

SmartestEnergy measured its full carbon footprint, extending its measurement of Scope 3 categories in 2024.

Our carbon footprint for FY23/24

SmartestEnergy’s carbon emissions were calculated in FY23/24, aligned with the WBCSD/WRI Greenhouse Gas Protocol (GHG) methodology and were independently verified by The Carbon Trust.

Our GHG emissions across Scope 1, Scope 2 and Scope 3 (Category 6 Business Travel) were calculated using the location-based method, covering our global operations across the UK, US and Australia.

See the full breakdown of our carbon footprint by scope:

Scope	2023-2024 (tCO2e)
Scope 1	135.7
Scope 2 (location-based)	176.7
Scope 1 and 2	312.4
Scope 3 (Category 6) Business Travel where responsible for fuel	47.7
Total Scope 1, Scope 2 and Scope 3 (Category 6) emissions	360.1

Since then, we’ve been able to conduct an energy usage and emissions data report for GHG emissions that spans the entire Scope 3 category inventory to better understand our impact and identify further areas of improvement.

Our full carbon footprint confirmed that, like many organisations, the majority of our business-related carbon emissions are recorded under Scope 3 and are indirect.

SmartestEnergy’s Scope 3 emissions arise from the fuel mix we sell to retail customers, and from the emissions of assets we own or control that are produced by people we are indirectly responsible for – across, up and down our value chain.

The greatest proportion of our emissions is recorded in Scope 3 with 97% of our carbon emissions from our fuel and energy-related activities and 3% from the use of sold products. Our direct Scope 1 emissions and our indirect Scope 2 emissions amount to less than 0.1% of our overall carbon emissions each.

Our total global carbon emissions, including our indirect Scope 3 emissions recorded in this full carbon footprint for FY23/24, were 3.98m tonnes CO2e.

Mapping our future

As a global business committed to a decarbonised future, carbon footprint measurements are important. And as the business grows, we will require accurate forecasting and a clear baseline to evaluate our progress. This will enable us to set out our future decarbonisation plan and related targets, providing a clear pathway to becoming a net zero business.



Corporate social sustainability

Our unique culture is guided by our core values and a drive to foster a diverse, equitable and inclusive workplace where everyone can thrive. Our teams are developing ways to deliver impactful and relevant social sustainability initiatives.

Connecting communities and engaging employees

We've introduced new charity and volunteering guidelines to promote employee activities aligned with our sustainability priorities and core values. These efforts support the local communities we serve, while also benefitting our employees by encouraging collaboration, building team spirit and improving wellbeing.

Strengthening knowledge

Working towards our goal of becoming a 100% Carbon Literate Organisation, we have initiated certified carbon literacy training for all employees. This initiative will enhance the skills of our customer-facing teams and enable them to better support our retail customers as they journey to net zero.

Empowering future generations

Through a collaboration with the charity East London Business Alliance (ELBA), we welcomed 30 students from a local all-girls multi-faith school for an inspiring day focused on STEM careers. They joined us for interactive activities and career insights, where we showcased the diverse pathways into the energy sector.

Unlocking opportunities

Proudly partnering with the Women's Utilities Network (WUN), we hosted a dynamic panel discussion and networking event to mark International Women's Day. This provided a platform for women in trading and other commercial roles at SmartestEnergy to share their unique perspectives with those across the sector.

Creating a supportive space for all

Under our internal diversity initiative, SmartestBalance, we've established four additional employee community groups to create new ways for our employees to develop their understanding and support of others at work and in the community:

- Neurodiversity and Abilities
- Menopause Support and Awareness
- Parents and Carers
- Mental Health First Aiders

The wider SmartestBalance programme also includes the following groups:

- Diverse Race and Cultures
- Women in Energy
- Diverse Sexualities and Genders
- The Wellness Hub

All our community groups are powered by our people and all groups are open to any employee to join and take part. Active in their conversations and deliberate in their actions, they amplify diverse perspectives across the business. As a result of their efforts, we hosted a range of in-person and virtual events to highlight key topics, including Black History Month, World Menopause Day and Disability Pride Month.



Sustainability in action

Through hands-on initiatives, inclusive events and impactful training, our people are helping us bring sustainability to life. Social sustainability is very important to our employees and partners, and this page highlights just a few of the ways we're turning ambition into action, with voices from across our organisation and beyond.

“

I feel that representation of a diverse mix, not just gender, but also race and age, helps us build a safer, more inviting environment within our trading department. We're empowering individuals to share their perspectives and showcase their skills, analysis and talent.”

Fanos Shiamishis

Vice President, Trading
on driving diversity in trading



“

What a great way to finish the term! We took students from Eden Girls' School to SmartestEnergy to learn about what the energy industry has to offer. They really enjoyed their time with the team and benefitted from the panellist's golden advice.”

ELBA

on our efforts to support STEM careers

“

I thoroughly enjoyed the carbon literacy training session. I am now so much more aware of the bigger picture and how my team in Operations fits into what our business is trying to do.”

Beth Hastings,

Head of Customer Success, Operations
on becoming carbon literate



Women Shaping the
Future of Energy

In celebration of International
Women's Day 2025



Corporate governance sustainability

As we focus our efforts on enabling the low carbon transition and driving decarbonisation, we have ensured that sustainability is owned and led at the highest level of our organisation. We continue to integrate sustainability principles into our business to both demonstrate and create value.

Setting a clear direction

In FY24/25, we took steps to enhance the governance of our sustainability programme, regarding our climate-related risks and opportunities. The following initiatives are underway as a result:

- The Board now includes sustainability as a standing item in its quarterly meetings and we're working towards a general update to the Board's Terms of Reference (ToR), which will include reference to this inclusion
- A Sustainability Steering Group was established, led by our CEO and comprised of key representative leaders
- Ongoing liaison and support provided to our parent company Marubeni, around global mandatory compliance reporting and our sustainability data

Driving positive change through the business

We are developing a decarbonisation plan and related targets and metrics, which are aligned with our corporate strategy, with sustainability as an enabler. Further to this, we are ensuring alignment with evolving EU legislation, alongside other current and emerging voluntary sustainability standards.

In addition, we have integrated climate risks and opportunities into our corporate risk management system and completed our first CFD in 2024.

Shaping progress together

We listen carefully to our customer stakeholders. In 2024, we participated in our first EcoVadis sustainability scorecard assessment rating and were awarded 49/100, which placed us in the 'committed' category. Our action and results demonstrate how we take our role as a supplier to our customers seriously and support them in achieving their own sustainability objectives as well as our own.

“

For our first ever EcoVadis submission, we are very pleased with our initial score as we work towards progressing on our sustainability maturity journey.”

Kim Taylor

Global Head of ESG Sustainability,
SmartestEnergy



Committed to decarbonisation

As an established global renewable energy supplier and offtaker, we play a vital role in helping our customers transition to a low-carbon economy. With the strong backing of our parent company, Marubeni, we continue to source direct renewable energy generation and promote a range of low-carbon energy choices across our product portfolio.



Keeping up momentum

We recognise that our own decarbonisation journey is critical to this process, and we are just getting started. While we've been reporting our carbon emissions for several years, 2024 marked the first time we assessed our full carbon footprint. We are repeating this process in 2025 to establish a robust baseline. Our business is on an exciting growth trajectory and we are actively exploring our decarbonisation options, including setting relevant targets and identifying meaningful metrics to track our progress.

We know there's still a long way to go, but we're committed to every aspect of sustainability, including decarbonisation. We look forward to seeing what lies ahead and sharing this with you.

Contact us

info@smartestenergy.com

[Linkedin.com/company/smartestenergy](https://www.linkedin.com/company/smartestenergy)

group.smartestenergy.com

smartestenergy.com/en_GB

smartestenergybusiness.com/en_GB

smartestenergy.com/en_US/

smartestenergy.com/en_AU/

