



SmartestEnergy

Annual Report

2021

Published March 2022

2021 Global Highlights

01.

In July 2021, we hosted **Net Zero Week Festival**, welcoming industry experts, customers, and stakeholders to our London HQ for a day of net zero content and networking



02.

SmartestEnergy Business launched **'SmartFix Renewable'**, a product for UK small and medium-sized enterprises



03.

SmartestEnergy Business announced the appointment of **CEO, Louise Wapshare**



04.

SmartestEnergy Business became the **Supplier of Last Resort** for MA Energy customers



05.

SmartestEnergy US **expanded trading operations** with the addition of origination and renewables



06.

SmartestEnergy Limited partnered with technology partners to deliver a **Vehicle-to-Grid (V2G) project**



07.

SmartestEnergy Australia and AMP Capital agreed to allocate renewable electricity from Providence Asset Group's solar farms to Unisuper's (Super Fund) East coast property portfolio



08.

In a **record year for renewable energy labels**, we issued 2,500+ labels to UK I&C business sites to enable them to evidence their renewable credentials



09.

SmartestEnergy Limited renewed its long-term PPA with **Viridor**, one of UK's biggest recycling and waste management companies



10.

SmartestEnergy launched a new **Energy Entrepreneurs: State of the Market Report**, a snap-shot of the UK renewable generation market



Looking back at the success of the SmartestEnergy Group against a backdrop of unprecedented market volatility

As we look back on 2021 and the early part of 2022, it's been a memorable year for the energy sector and the global economy as a whole. In my 25 years in the industry, I've never witnessed such price volatility in these unprecedented times.

SmartestEnergy was established in 2001. With 20+ years of experience and expertise, along with the financial and strategic backing of our global parent company, the Marubeni Corporation, we are secure and stable despite the global economic factors that continue to throw challenges our way.

We publish our Annual Report at a time of global despair as Russia invades Ukraine. This follows the energy crisis and the Covid-19 pandemic and we are doing all we can to support our customers and partners across the UK, Australia and the US as they navigate this new energy landscape.

Our people are the heart of our company, with a combination of long-term experience, technology innovation and green-thinking, we are confident in our ability to help our customers all over the world as they navigate the journey through price volatility and rising costs, whilst delivering against their net zero commitments and ambitions.

In this report, we recap on business activities across our Group Companies. In the UK, we've played an active role in empowering our customers around the net zero transition for our renewable and flexible generation customers and businesses; both small-medium enterprises and large I&C companies. Internationally, we've seen our Australian and US businesses make impressive headway given the challenging market conditions. In the US we've been focused on building lasting broker relationships across the Northeast from our regional HQ in Syracuse, NY. While in Australia, delivering on a 100% clean energy proposition in the fast-evolving energy landscape, has allowed us to remain at the cutting edge of innovation around large-scale renewable energy adoption.

As we look forward to the next Financial Year 2022/23, we remain focused on our growth ambitions; through technology innovation and new product development, we will ensure we're in the best place to tackle the unpredictable energy market.



**Robert Groves, CEO,
SmartestEnergy Limited**

SmartestEnergy UK



Industrial and Commercial



Smart Generation



SmartestEnergy Business

Industrial and Commercial (I&C)

Following COP26, the government shared expectations for companies to publish their net zero transition plans in 2023. We're working with our customers to provide reliable and flexible supply products, powering over 2,900 companies and supporting them on their net zero journey.

Our 20th year saw our biggest challenge yet as we saw our customers express concerns with rising energy prices. We seized the opportunity to support them with innovative ways to exercise their energy efficiency.

We launched our pilot 'Optional Demand Response' scheme that shares forecast day ahead prices for the upcoming week so that customers can reduce electricity demand accordingly. We set our target to optimise consumption, improve energy efficiency and cut down costs for our customers.

We've secured new deals that align with our purpose of driving a smarter transition to the net zero future. This includes our partnership with World Kinect Energy Services and Toucan Energy on a three year contract, to provide all [33 Cambridge Colleges](#) power from two solar farms located within a 30-mile radius, and the remaining volume is being sourced from solar generators across the UK, keeping to the same renewable asset type.

I&C in numbers:

4.3%

I&C supply market share; ranked 8th

6,307

GWh contracted annual volume; 67% is renewable

16,337

MPANs supplied

+39

Net Promoter Score

Smart Generation

The extreme market volatility has seen record-breaking prices of over **£380/MWh**. Paired with opportunities in the REGO market, we've supported our customer base of **416 independent generators** in navigating these volatile conditions to secure value for longer durations than ever before.

We are pleased to highlight some success stories, including the renewal of Toucan Energy's Perpetual Power UK portfolio. Their 32 solar PV projects, with a combined capacity of 300MW, is on our Flexible PPA contract structure, which allows them to take advantage of wholesale price volatility as they continue to explore opportunities to partner with local businesses, such as the [Cambridge Colleges](#).

In the summer we explored the value of Corporate PPAs at our Net Zero Festival with Baringa, which facilitated discussions between generators and corporates in workshops throughout the day. We went on to end the year on a high, attending our first event since the Covid-19 pandemic, the Scottish Renewables Green Energy Awards. We presented the 'Best Engagement' Award to Muirhall Energy for Crossdykes Wind Farm.

As we enter the next fiscal year, against a backdrop of extreme market volatility and with a continued focus on the net zero transition, we're working on developing our PPA contract structures and adapting to the rapidly changing energy landscape with a technology-enabled approach, provided by our online trading platform, SmartFlex.

Smart Generation in numbers:

8%

Market share of PPA market; ranked 5th

3.04

GW of generation capacity; 2.6 GW is renewable

1.4m

Equivalent British households powered (based on our expected annual volume)

+24

Net Promoter Score

Founding sponsor of 'Net Zero Week'

We are proud to collaborate with the team at 'Net Zero Week' as a founding sponsor, sharing insight and content to educate businesses and consumers about net zero.

The UK's first national awareness week (17th-23rd July) launched in 2021 with a focus on virtual and in-person events to build awareness around the UK's net zero carbon emissions targets on the approach to COP26.

We were delighted to offer up our London HQ to film the promotional video with the official ambassador and former professional rugby player, Martin Offiah – an early EV adopter and net zero advocate – pictured right with Tim McManan Smith, Editor of The Energyst.



Our 'Net Zero Week' Festival

To celebrate 'Net Zero Week' we hosted a festival event, bringing customers, employees and the wider community together to build an understanding around this important topic.

We welcomed a host of industry experts who provided insightful presentations and demos for our audience in the office and online, covering topical subjects from Corporate PPAs to EVs.

We recruited a sustainability focused company, Chilled Events, to source likeminded food and drink suppliers and manage the entertainment and activities on the day.

SmartestEnergy Business Limited

SmartestEnergy Business supplies electricity and gas to small and medium-sized enterprises, offering fixed contract options, smart meters and data accessibility to support customers in reducing their energy consumption and costs.

SmartestEnergy Business were pleased to welcome Louise Wapshare as our new Chief Executive Officer in April 2021. As an experienced business leader who has held notable senior roles across the energy industry, she joined SmartestEnergy Limited in 2016 as VP Finance before being appointed to VP Operations in 2019.

With the recent uncertainty resulting from the energy crisis, the backing of our parent company Marubeni, has allowed SmartestEnergy Businesses to thrive. In November 2021, SmartestEnergy Business was appointed by Ofgem to take on the non-domestic customers of MA Energy following the announcement that it ceased trading.

During the year, we launched our latest offering to UK small-medium sized businesses – ‘SmartFix Renewable’. As hosts of COP26 the UK has set ambitious net zero targets and our aim is to make it simple for small business owners to procure renewable whilst controlling their own energy overheads.

SmartestEnergy Business in numbers:

2.4%

SME supply market share; ranked 11th

890

GWh of contracted volume

31.1K

MPxNs supplied

4.2

Trustpilot review score rating ‘Great’

Our Sustainability Credentials



Renewable Product Fuel Mixes



Our Carbon Footprint



Carbon Offsetting

Our fuel mix by product

SmartestEnergy Limited

The charts on this page show the fuel mix of SmartestEnergy Limited's supply products for the 2020/21 reporting period.

We are committed to sharing our fuel mix with our customers, so they have a clear view of how their electricity is generated and can confidently report their market-based carbon emissions. We always publish a detailed fuel mix for each of our renewable supply products, and reference the same when we prepare energy labels for our customers procuring renewables (standard, natural or specific).

For the sixth year running, we provided over 2,000 Energy Labels to our Industrial and Commercial (I&C) supply customers on renewable contracts, enabling them to evidence zero-carbon emissions for the renewable electricity they procured on a site-by-site basis. It's been great to see the number of Energy Labels increase as even more businesses are now opting for 100% renewable energy, turning their net zero ambitions into action.

During the reporting period, every megawatt hour of electricity supplied to SmartestEnergy's renewable customers was backed by a UK-recognised origin certificate. We allocate one origin certificate to every megawatt hour provided using our own Emissions Factor Model. This robust process guarantees that no certificates are double-counted or under-allocated.

The [Carbon Trust](#) has approved and audited this process.

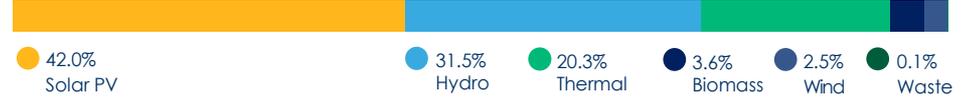
Specific renewable fuel mix



Natural renewable fuel mix



Standard renewable fuel mix



Conventional fuel mix

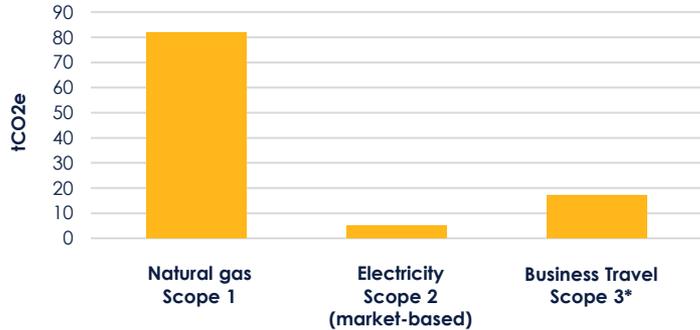


SmartestEnergy overall fuel mix



SmartestEnergy's Carbon Footprint

SmartestEnergy's Greenhouse Gas Emissions 2020/21



Our annual carbon footprint has been independently verified by the [Carbon Trust](#), for the 2020/21 reporting period (1 April 2020 - 31 March 2021) in accordance with an assurance methodology based on ISO 14064-3**.

Our organisational boundary extended beyond SmartestEnergy Limited in London and Ipswich, to cover SmartestEnergy Business Limited in Worthing/Lancing and SmartestEnergy US, based in Syracuse. In the next reporting period (2022-23), SmartestEnergy Australia will be factored into our annual carbon report, once they have occupied their Sydney office for a whole year.

*Category 6 – business travel

**ISO 14064-3 specification with guidance for the validation and verification of greenhouse gas assertions

Across Group Companies, our total verified footprint was 103 tCO₂e, according to the market-based method.

The breakdown by scope is:

- > Scope 1: 82 tCO₂e
- > Scope 2 (market-based): 5 tCO₂e
- > Scope 3: 17 tCO₂e

In addition to purchasing renewable electricity for our offices and purchasing renewable certificates to overcome any residual volumes (Scope 2), we have purchased carbon offsets to overcome natural gas and business travel emissions (Scope 1 & 3) to achieve a carbon-neutral status.

Last year was the first time we purchased carbon offsets for identified Scope 3 emissions. This year we completed a staff survey with a shortlist of three projects that support the UN Sustainable Development Goals (SDGs). The chosen project for our carbon offsets this year is a forestry project in Zimbabwe (see page 12).



Kariba Forest Protection

Kariba is a community-based project that aims to protect almost 785,000 hectares of forests and wildlife near the Zimbabwe-Zambia border.

As one of the largest registered 'Reducing Emissions from Deforestation and Forest Degradation' (REDD+) projects, it connects four national parks and eight safari reserves, forming a giant biodiversity corridor that protects an expansive forest and numerous vulnerable and endangered species – including the African elephant, lion, hippo, lappet-faced vulture and southern ground hornbill.

As well as this, the project implements numerous community-focused initiatives linked to healthcare, infrastructure and job creation and education.

In all, the project has mitigated an average of 3,620,000 tCO₂e each year since it started in 2011. It has also set-up 18 nutritional gardens to increase food security and provide 37,000 people with access to safe drinking water, thanks to 147 boreholes being repaired.



Image credit: Southpole

Our international businesses



SmartestEnergy US



SmartestEnergy Australia

SmartestEnergy US

2021 saw the US energy market impacted by the coldest weather in Texas since 1989, freezing natural gas wells and pipes, wind turbines and coal piles. The green agenda has been pushed forward with a government commitment to install 30GW of offshore wind by 2030.

The focus of SmartestEnergy US has been to help brokers and our customers understand the language around 'becoming green' – what it means for electricity contracts and related benefits. In addition, the team have been working with The Energy Professionals Association (TEPA) and their Sustainability Committee to generate awareness of net zero at a national level.

In the past year, the team has grown to 48 members and expanded to include an origination and renewable function. A trading and risk management hub was opened in New York City, bringing the US trading desk closer to many of our brokers and wholesale

counterparties in the city.

After contracting with **Green-e** last year we signed our first customers up to 100% green. We also doubled to 204 contracting brokers and grew from 1,400 active meters to 4,600+. That's over 1,800 contracts and 1,742GWh up from 423GWh last year!

To further enhance our product offering, we've added our pass-through product that allows our customers to fix wholesale electricity and chose a variety of non-commodity pass through options.

Additionally, we launched our Block & Index – an industry leading route to market product that provides businesses with the opportunity to take advantage of the real time and day ahead markets, while minimising risk premiums.



SmartestEnergy US continues our support Ronald McDonald House Charities of Central New York. Our employees joined their Red Shoe Society to consistently work on volunteering projects throughout the year including: Their 'Christmas in July' drive, Syracuse Charity Brushfest, charity cornhole tournament, and table sponsor for their annual Many Hearts One Home event.

SmartestEnergy Australia

After SmartestEnergy Australia's official launch in 2020, last year was marked by new offices opening in Sydney and Melbourne and an expanded team of 35 members.

Since COP26 in November, Australia received some backlash as one of a number of countries opposing a COP26 agreement, resulting in calls on all countries to return to the negotiating table next year with greater pledges to reduce greenhouse gas emissions by 2030.

However, great strides were made at home within the energy sector; the 2021 Australian energy statistics for electricity generation showed that 24 percent of Australia's electricity came from renewable energy last year, up from 21 percent in 2019.

SmartestEnergy Australia's mission to promote renewable energy continued with supplied power in all targeted National Electricity Market (NEM) states across Queensland, New South Wales, Victoria, Australian Capital Territory and South Australia.

One of the highlights for SmartestEnergy Australia was a landmark deal with our customer, AMP Capital, on behalf of UniSuper.

They signed a renewable electricity deal linking Providence Asset Group solar farm to the Fund's East Coast property assets under a 'net-zero by 2022' commitment.

Another 2021 milestone was our GreenPower Accreditation. With a growing importance of knowing exactly how and where renewable electricity supplies are generated, this was vital for us.

GreenPower guarantees that the renewable energy originates from a certified renewable source and exceeds the government's Renewable Energy Target standards.



"Australia has seen the world's fastest rise in roof-top solar and an increased adoption of CPPAs. SmartestEnergy's long standing history working with generators and customers, has placed us in the right position to work with both sides and bring projects together in an open and transparent way.

Our work with UniSuper and AMP Capital is a great testament to this. The agreement shows the demand for renewable energy in Australian business and we aim to connect more companies to renewable generation, enabling their important steps towards Net Zero."

**Robert Owens, CEO,
SmartestEnergy Australia**



Our people



Equality and Diversity



Employee Engagement



Gender Pay Gap

Equality and Diversity

2021 Activities and Milestones

In the past year we set out to better understand our strengths and weaknesses when it comes to equality, diversity and inclusion (EDI) in the workplace – taking a step back to evaluate how we're doing. Our Community Groups conducted a comprehensive policy review and provided feedback that's being factored into long-term planning. While our Equality Diversity and Inclusion Strategic Group (EDISG) engaged with external consultants to conduct a full review of our activities and gain insight into employee perspectives by conducting interviews with employees across Group Companies. This review, resulted in recommendations to factor into our roadmap and take forward.

Employees have been busy creating varied content for our Smartest Balance blog that's housed on our intranet, sharing their personal views and insights around key topics and times in the year, such as Black History Month, World Menopause Day, Bi Visibility Day, and many more! Via our intranet, we also launched inclusive pronoun signature templates and a diversity calendar for employees to use to express their pronoun preferences and keep track of important dates.



The Smartest Balance initiative was established at a global Group level with the aim of ensuring equality, diversity and inclusion (EDI) for all employees.

The work to deliver on this spans offices and departments, fostering a sense of community and achievement, with members of steering groups and community groups dedicating time to improve awareness of EDI topics and access to training, resources; and

importantly, personal views and insight. Smartest Balance represents a vast roadmap of activities and investments in our people to embed EDI.

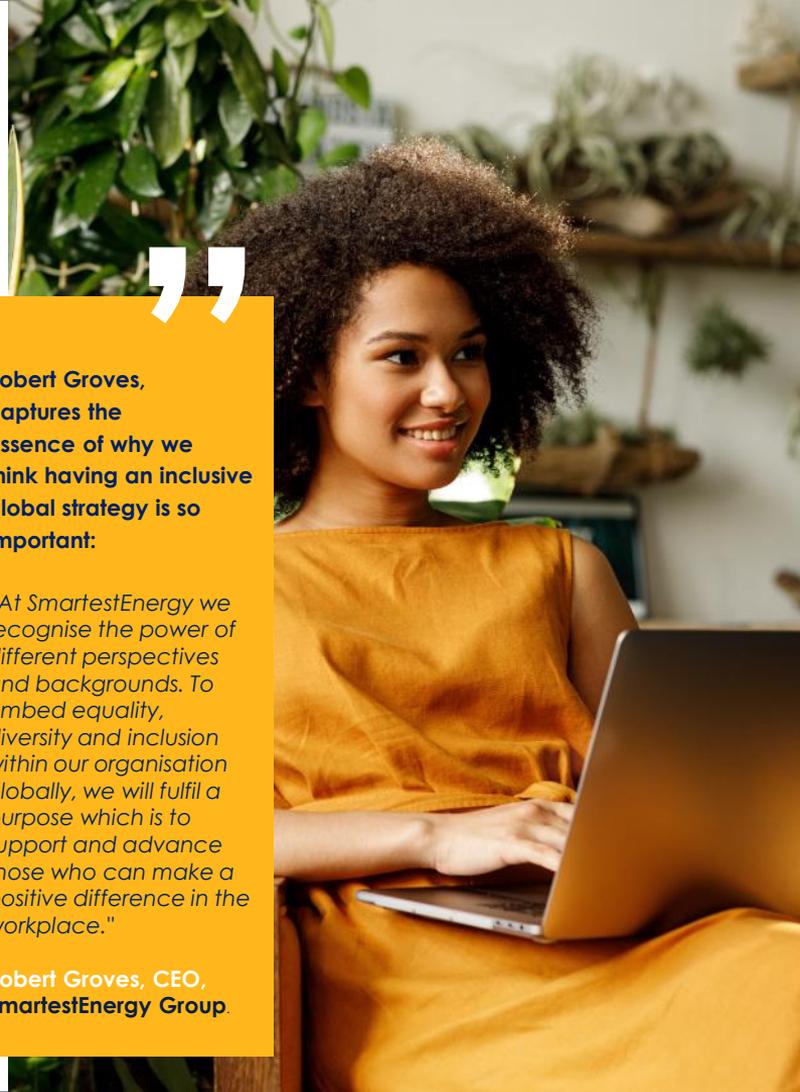
Employees can join our Community Champion Steering Groups:

- > Diverse Genders and Sexualities
- > Black, Asian and Minority Ethnic (BAME)
- > Women in Energy
- > Disabilities

Robert Groves,
captures the
essence of why we
think having an inclusive
global strategy is so
important:

"At SmartestEnergy we recognise the power of different perspectives and backgrounds. To embed equality, diversity and inclusion within our organisation globally, we will fulfil a purpose which is to support and advance those who can make a positive difference in the workplace."

Robert Groves, CEO,
SmartestEnergy Group.



Employee Engagement

As we empower our customers on the transition to net zero, it is important to engage our employees, who will play a fundamental role as the new energy landscape evolves.

Employees from across the globe, under our 'Giving Something Back' initiative, participated in fundraising activities, such as the Orwell Challenge; provided food donations to the Ipswich soup kitchen; helped those experiencing homelessness in South Australia; and regularly visited Worthing beach for beach clean-ups.

At a corporate level, SmartestEnergy also continued to support international sustainable energy through our annual Christmas e-card donation to Renewable World.



Educating our employees in the transition to net zero

Despite UK lockdown restrictions, we arranged an off-site trip for employees; they took a boat trip to an Offshore Wind Farm from Brighton. Having launched an internal competition to recognise net zero's national awareness week, employees put themselves forward for the boat tour by sharing a comment on what 'net zero' means to them. Ten winning entries were selected and these employees visited the Rampion Offshore Wind Farm (pictured left); they were blessed with good weather on their trip!

Listening to our employees

Once a quarter our employees are encouraged to participate in an Employee Engagement Survey, giving their views on what SmartestEnergy are doing well and sharing ideas to further engage employees all over the world as we continue to expand internationally.



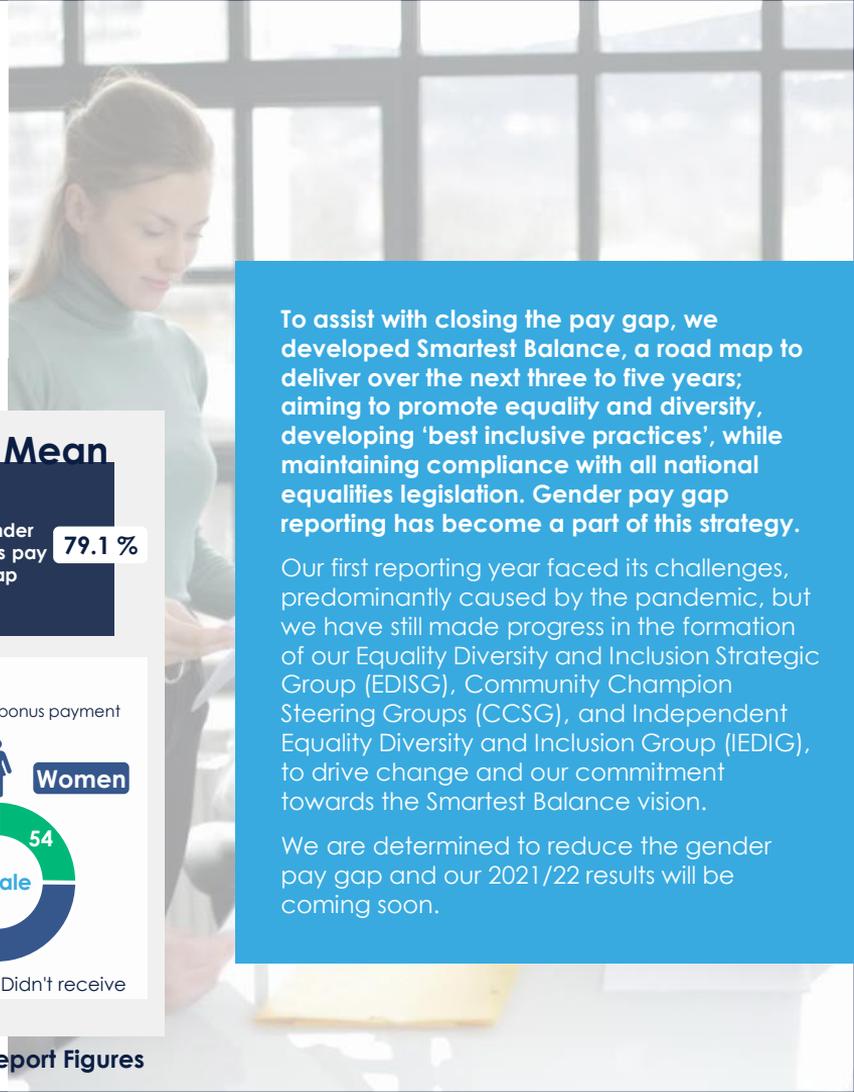
"Net zero for me is offsetting my own emissions through supporting a tree planting charity that protects Orcas. They plant tree along the coast of California to reduce pollution and improve the health and quantity of salmon for the orca to eat."

Lauren Barrows, Trading

Gender Pay Gap

At SmartestEnergy, we are committed to embedding equality, diversity and inclusion within our organisation globally. We aim to support and advance those who can make a positive difference, building a balanced workforce where men and women sit equally.

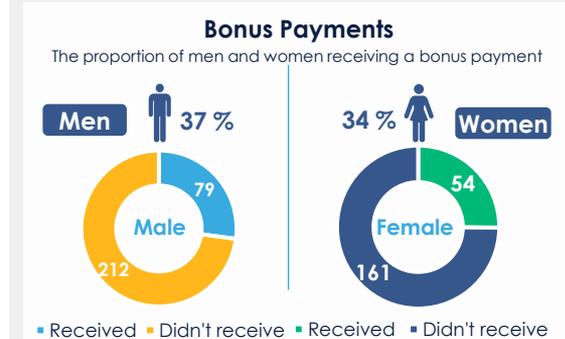
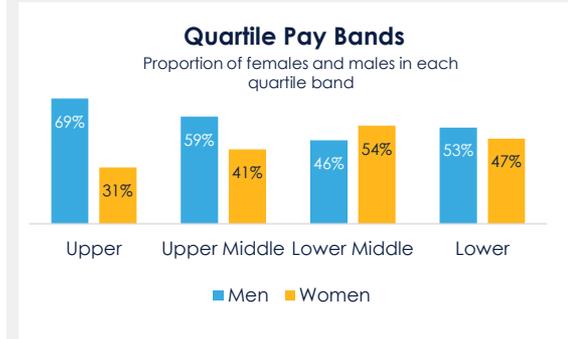
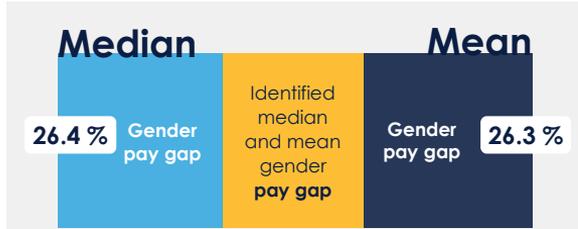
12 months ago, SmartestEnergy submitted its very first Gender Pay Gap Report. This report was the starting point, and the levels it reported are something we are working hard to improve on.



To assist with closing the pay gap, we developed Smartest Balance, a road map to deliver over the next three to five years; aiming to promote equality and diversity, developing 'best inclusive practices', while maintaining compliance with all national equalities legislation. Gender pay gap reporting has become a part of this strategy.

Our first reporting year faced its challenges, predominantly caused by the pandemic, but we have still made progress in the formation of our Equality Diversity and Inclusion Strategic Group (EDISG), Community Champion Steering Groups (CCSG), and Independent Equality Diversity and Inclusion Group (IEDIG), to drive change and our commitment towards the Smartest Balance vision.

We are determined to reduce the gender pay gap and our 2021/22 results will be coming soon.



The future of SmartestEnergy



Our Global Reach

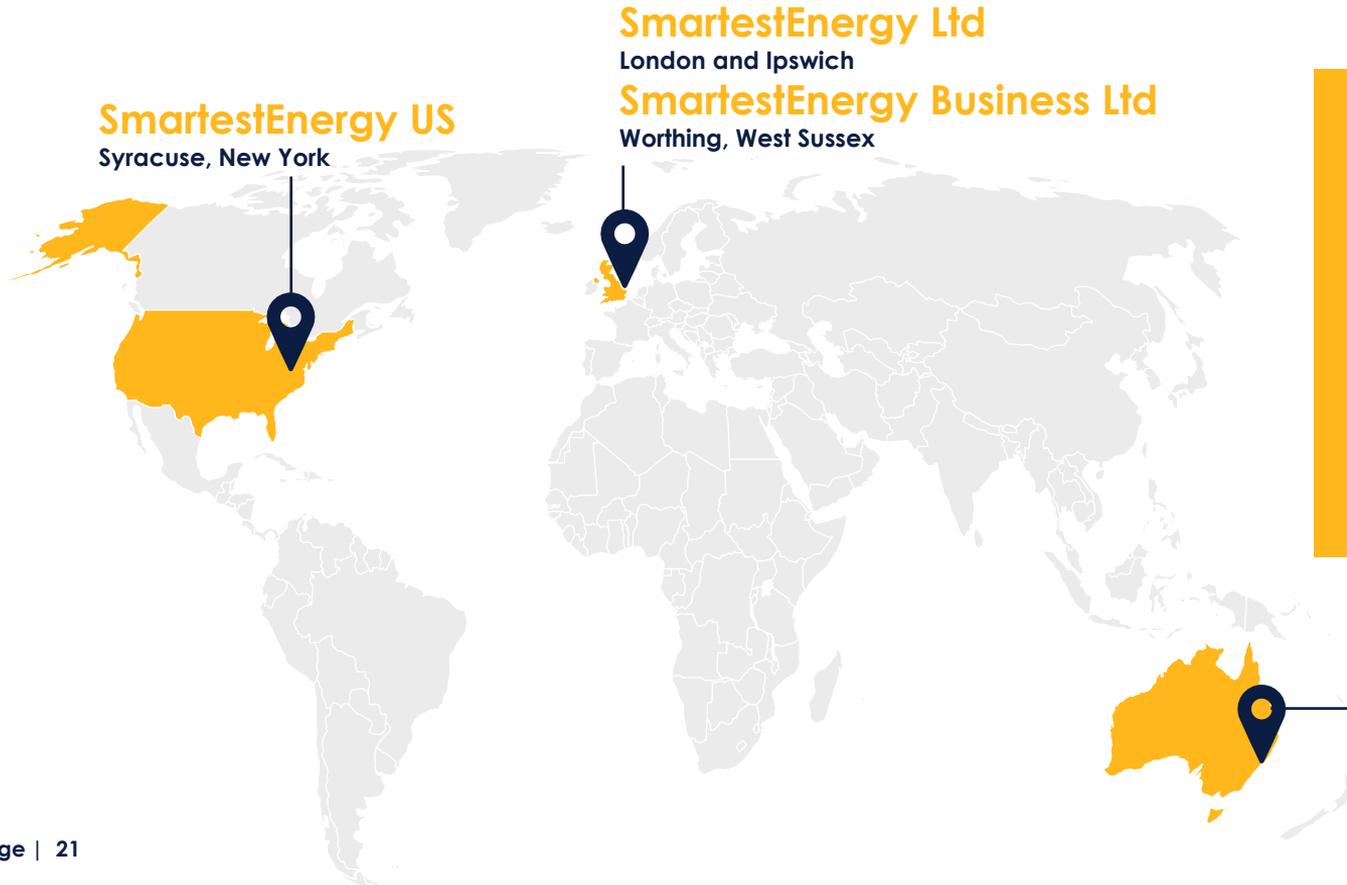


Climate Action



Empowering a Greener Generation

Our global reach



SmartestEnergy US
Syracuse, New York

SmartestEnergy Ltd

London and Ipswich

SmartestEnergy Business Ltd

Worthing, West Sussex

Our global strategy continues to be to build a global network of SmartestEnergy companies, each acting as an **electricity service company in their respective market** – ensuring we not only support customers on their net zero journey, but build a community of energy champions to empower a greener generation.

SmartestEnergy Australia
Sydney

Climate action

It will take all of us coming together to address climate change. With this in mind, we'll be supporting efforts to raise awareness about climate change, extending beyond the role we play as a business in the renewable energy sector.

Next year, we'll be aligning global corporate social responsibility (CSR) objectives with the green agenda. We'll be starting out, by sponsoring an employee at Origami – one of our technical partners involved with our asset optimisation and EV project activities – on the trip of a lifetime to the Antarctic with Robert Swan, OBE. Our support and efforts will centre around engaging our employees and wider stakeholders in discussion and action around climate change, drawing specific attention to the challenges faced in the Antarctic. Be sure to follow along on our social channels for announcements and updates throughout the year – with a full write-up to follow in our annual report next year!



2041

You'll be hearing a lot more from us about this date in 2022 and beyond...

> [Learn about the significance of this date](#)

Empowering a greener generation

As we ramp up activities for the SmartestEnergy Group for this next fiscal year, we are closely following the changing market conditions in the UK, US and Australia. Through insight, technology and service we will continue to lead the conversation around net zero and help businesses make a large impact on their net zero targets.

We'll be aligning global corporate social responsibility (CSR) objectives with the green agenda and as the founding sponsor of Net Zero Week in the UK, we look forward to bringing people together from the 2nd-8th July 2022, empowering everyone to participate in the energy transition and drive real change.

NetZeroWeek™

Contact us

Thank you for reading our Annual Report. If you have any related questions or would like to request our latest financial results, please get in touch:

✉ info@smartestenergy.com

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