



2019

Publication

Sustainability Report

Moving forward with energy

Welcome to our annual sustainability report

Since Optimised Energy was founded in 2002, the world has undergone enormous changes. We've experienced the ten hottest years in UK recorded history, witnessed devastating wildfires around the world, discovered plastic particles in the arctic snow, and learned that we've lost an average of 50% of the planet's wildlife in just two generations.

It's now very clear that mankind's activities are having a significant impact on the planet, and that climate change is a very real threat to the way we live. Consistent global temperature rises, warming oceans, shrinking ice sheets, and a growing number of extreme weather events have raised public and government awareness of the need to take immediate action.

Although government and individual action is important, it is businesses that have the potential and responsibility to make the greatest difference. Those that focus purely on profits are no longer sustainable. We need businesses to carefully balance people, planet, and profit - the so-called 'triple bottom line'.

Our plans are centred around the UN Sustainable Development Goals (SDGs) - the global plan to tackle poverty, inequality, and climate change by 2030. We believe these goals represent a unique opportunity for all businesses to share a common aim, and to work hand-in-hand with government and individuals.

Quick facts

Renewable energy is now offered to all of our Procurement clients.

100% of the energy we use comes from renewable sources.

We recently joined over 4,700 businesses in the UK to become an accredited Living Wage Employer.

We introduced a Responsible Sourcing Policy to address the impact that we have on the environment and society through the procurement of goods and services.

We volunteered for a number of charities including, FoodCycle, Boxes of Hope and LOVEMyBEACH.

We partnered with University of the West of England (UWE) to offer summer internships to students.

Access to affordable and clean energy is central to the achievement of the SDGs, and Optimised Energy is well positioned to contribute to this goal. Over the past year, we've made significant investments in building our portfolio of services and tools with the sole purpose of helping our customers better manage the cost and impact of energy. We've grown our talented team of energy experts by more than 30%, and we're in the process of expanding our Blackpool and Bristol offices. We've also had fantastic feedback on our new energy and carbon management software, which has now been rolled out to over 75% of our clients.

The next 12 months promise to be an exciting time for Optimised Energy and our customers. We are growing rapidly and our strategy to be a sustainable business is at the heart of our plans. We are also in the process of becoming a B Corporation - a certification that shows we meet the highest standards of verified social and environmental performance, public transparency, and legal accountability to balance people, planet, and profit.

I hope you enjoy reading about our strategy and achievements in this report, and I encourage you to get in touch if you have any questions or suggestions.

James Wood
Managing Director

The Global Goals

In 2015, 193 world leaders agreed to 17 Sustainable Development Goals - also known as the Global Goals or the SDGs. Achieving these would mean an end to extreme poverty, inequality, and climate change by 2030.

These goals cannot be achieved without the support of the business community. Every business, large and small, needs to contribute to their success. According to the Business and Sustainable Development Commission, achieving the goals can unlock \$12 trillion in new business opportunities and create 380 million jobs by 2030.

These results are based on growth within four sectors - energy and materials, cities, food and agriculture, and health and well-being. We are well positioned to contribute to a number of these goals, and to play a part in the generation of sustainable growth.

SUSTAINABLE DEVELOPMENT GOALS



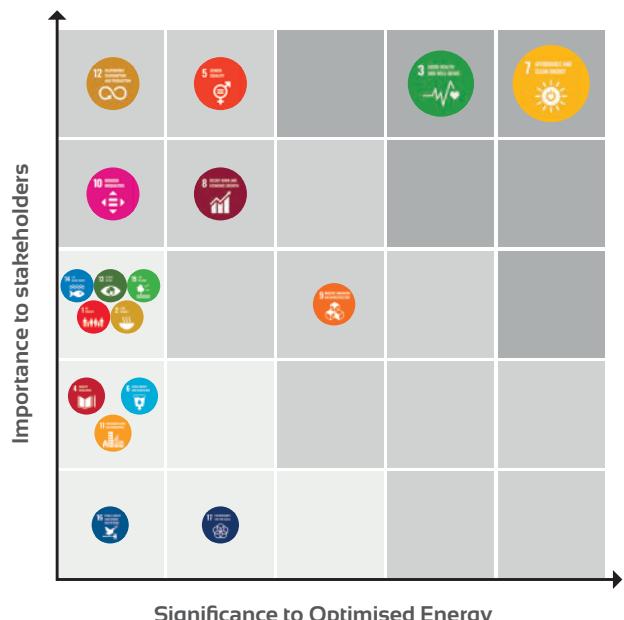


Our strategy

The Global Goals have been described as the world's to-do list. Our sustainable business strategy is based around our plans to contribute to these goals.

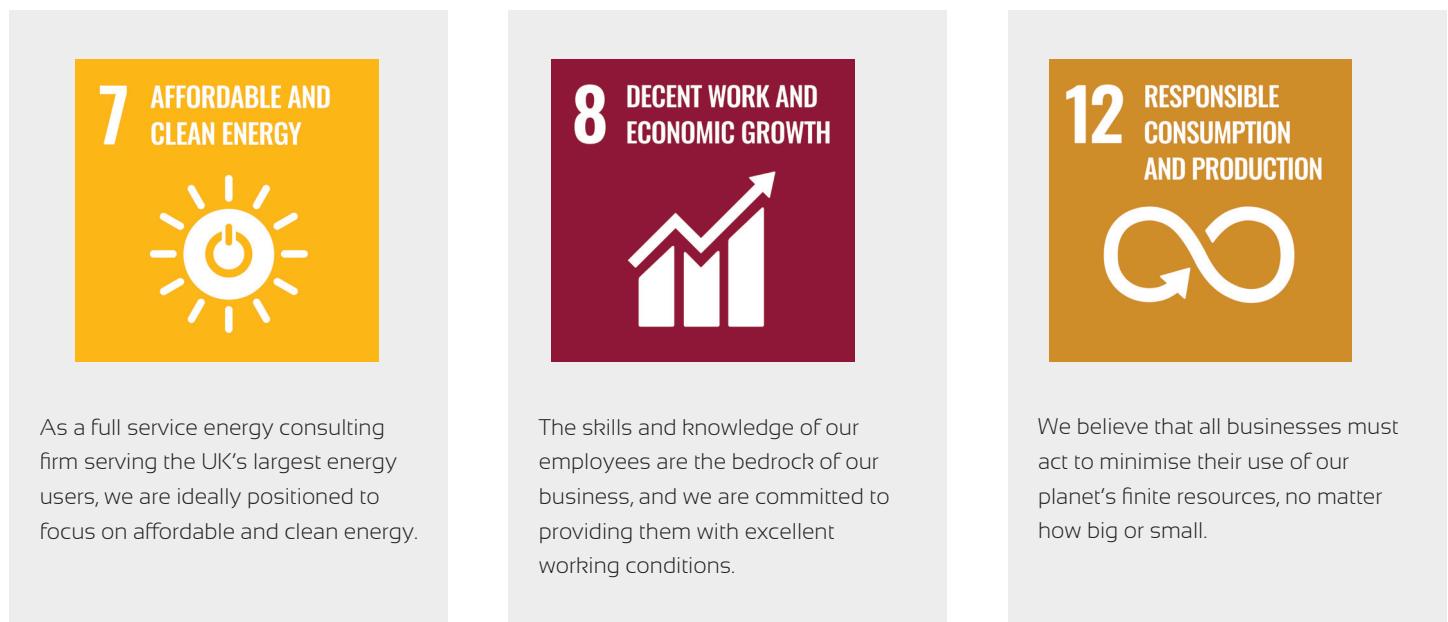
To help us understand where we can make the greatest difference, we carried out a materiality assessment to consider our ability to contribute to each goal as well as its significance to our business and stakeholders.

As a result of this assessment, we've chosen to focus on three goals that are highly relevant to our business and that we feel especially passionate about.



Significance to Optimised Energy

Size of icon indicates Optimised Energy's ability to contribute to the goal



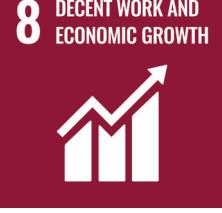
We also aim to contribute to the remaining 14 goals.



Our commitments

We are making a meaningful commitment to address our three selected goals. Each of these commitments is underpinned by ambitious targets.

The United Nations (UN) have defined 169 targets to support the SDGs. The annual targets for our business are aligned with those set by the UN.

UN SDG	Our commitment	Our annual targets	UN SDG targets
 7 AFFORDABLE AND CLEAN ENERGY	<p>We will reduce our clients' energy consumption and costs through energy efficiency projects and utility bill validation / cost recovery exercises and offer renewable energy contracts as an alternative through our Procurement service.</p> <p>We are also committed to ensuring that 100% of the energy we use comes from renewable sources by 2020.</p>	<p>Achieve average annual energy cost savings of 3% for our clients through our Bureau service</p> <p>Achieve a return on investment of less than 2 years for our clients</p> <p>Ensure all our clients are given the option to purchase renewable energy</p> <p>Purchase 100% renewable energy for our operations</p> <p>Achieve average annual energy savings of 15% for our clients through energy efficiency projects</p>	 TARGET 7-1 UNIVERSAL ACCESS TO MODERN ENERGY
 8 DECENT WORK AND ECONOMIC GROWTH	<p>We will improve our environmental impact by reducing our consumption, adhering to a responsible sourcing policy, and reducing our total carbon emissions by 10% by 2020.</p>	<p>Enhance current parental policies</p> <p>Ensure all offices have a Daily Air Quality Index of</p> <p>Complete 100% of Health and Safety actions</p> <p>Replace all old IT equipment by the end of 2021</p>	 TARGET 8-5 FULL EMPLOYMENT AND DECENT WORK WITH EQUAL PAY
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	<p>We will improve our environmental impact by reducing our consumption, adhering to a responsible sourcing policy, and reducing our total carbon emissions by 10% by 2020.</p>	<p>Reduce paper used by 10%</p> <p>By 2020, reduce annual energy consumption by 10% (compared to FY18/19)</p> <p>Reduce waste sent to landfill by 10%</p> <p>By 2020, ensure at least 50% of suppliers adhere to our responsible sourcing policy</p> <p>75% of products to be purchased from suppliers within a 50 mile radius</p>	 TARGET 12-2 SUSTAINABLE MANAGEMENT AND USE OF NATURAL RESOURCES



Our actions

Affordable and Clean Energy

Access to affordable, reliable and sustainable energy is crucial to achieving many of the Sustainable Development Goals – from poverty eradication via advancements in health, education, water supply and industrialization to mitigating climate change.

We will reduce our clients' energy consumption and costs through energy efficiency projects and utility bill validation / cost recovery exercises and offer renewable energy contracts as an alternative through our Procurement service.

We are also committed to ensuring that 100% of the energy we use comes from renewable sources by 2020. Below are some examples of how we have worked with our clients to contribute towards this goal.

Improving energy efficiency

The Energy Savings Opportunity Scheme (ESOS) requires businesses to assess opportunities for energy savings. One of our clients, an international food manufacturer with an annual energy bill of over £4 million, approached us to guide them through the process and identify potential energy efficiency improvements.

A highly complex chemical plant and energy-intensive production processes meant that our team required not only chemical engineering expertise, but also an understanding of how energy efficiency can be balanced with production priorities. As a subsidiary of an overseas company, documenting and considering the organisational structure - an important factor for ESOS - also provided a challenge.

Our team carried out a data mapping process to collect all energy consumption data, including material energy usage. From this we proposed a compliance strategy involving an ESOS Audit, agreed investment criteria, a review of existing projects, and a five day site audit using two engineers.

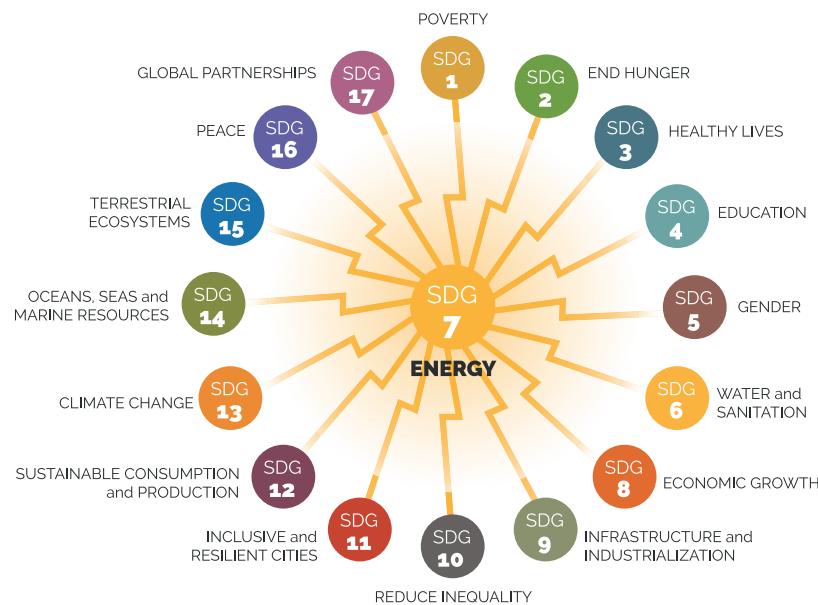
We identified eight projects that met the investment criteria, which would deliver a 12.1% energy reduction and cost savings of £485K. Since the audit was carried out, five of these projects have since been implemented. In addition to the practical energy savings opportunities identified, the client fully met the compliance requirements of ESOS.

"For us, ESOS was a real eye opener. We knew savings opportunities existed, but this process enabled us to fully quantify the benefits and subsequently deliver savings for the business.

We are pleased to have taken more than just compliance from the experience."

Supporting renewable energy growth

With a multi discipline agricultural background, a decision was made by this family business to diversify and invest in an on-site biogas Combined Heating and Power (CHP) facility. The generator turned to Optimised Energy to optimise revenues from their exported power, manage subsidies, maintain compliance and ensure prompt payments.





7 AFFORDABLE AND CLEAN ENERGY



Taking responsibility for selling the exported power coincided with a record low market, as power and gas followed a plummeting oil price. Our aim was to achieve the highest price possible, without being over exposed to index and spot markets which were deemed too risky by the generator based on our assessment of market volatility at the time. Given the low markets, our advice was to avoid any long-term price commitment. With a suitable consistent export profile, a short-term traded contract was recommended. Considering the client's risk appetite, a semi-aggressive trading strategy was adapted, resulting in a combination of price certainty and proactive trading to achieve as high a price as possible without taking on too much exposure. Index and spot markets would be continuously monitored with nominated volumes being strategically proportioned.

As the market entered a bullish run throughout the summer of 2016, opting for the short-term traded contract proved to be the correct decision. After a tricky initial trading period, our trading team took advantage of market volatility where possible. Following the extension of the contract, we caught the market at record highs, executing baseload trades in excess of £50/MWh during summer 2017. Our ongoing approach helps to protect against sustained market falls while continuing to seek the best available market prices.

"Our trading strategy has been successful to date, capitalising on challenging markets while protecting against falling prices."

Reducing energy costs

Headquartered in Bristol, Alder King is a top 25 UK property consultancy managing a portfolio of properties across South-West England and Wales. Since 2009, Alder King has relied on Optimised Energy for procurement of all their electricity and gas supplies.

Our energy bureau services process more than 500 invoices every year for Alder King, and we have delivered 3% savings against their annual spend for both 2017/18 and 2018/19.

"They provide a responsive service in dealing with any queries or issues, no matter how complex and work with us to find a solution."

Leading by example

It's important that we practise what we preach. That's why we've switched to 'green electricity' for our own operations. All of our purchased energy is now powered by 100% renewable, clean electricity backed by Renewable Energy Guarantees of Origin (REGOs).





8 DECENT WORK AND ECONOMIC GROWTH



Our actions

Decent Work and Economic Growth

Economic growth should be a positive force for the whole planet. This is why we must make sure that financial progress creates decent and fulfilling jobs while not harming the environment. We will provide excellent working conditions and promote well-being for all employees by improving the office environment and enhancing staff policies.

Healthy and safe

Health and Safety (H&S) is key in promoting the wellness of our employees and subcontractors. We recognise that we have a duty and moral responsibility to ensure that they are able to work in a safe environment. Our conformance with ISO 9001 ensures that we meet a rigorous set of standards in relation to H&S. Each month our internal H&S team meet to review our compliance calendar to ensure that we are meeting all of our obligations.

First-aid for the mind

We have recently appointed two mental health first aiders in both of our offices and are in the process of putting our senior management team through the course. We aim to teach the practical skills needed to spot the signs of mental illness and give them the confidence to step in and support people in need of assistance.

Decent pay for decent work

We recently joined over 4,700 businesses in the UK to become an accredited Living Wage Employer. Our commitment is that not only will every member of our staff earn a real Living Wage, our third party contractors will too.

The real Living Wage is higher than the government's minimum, or National Living Wage, and is an independently calculated hourly rate of pay that is based on the actual cost of living. It is currently **£9.00** in the UK, with a higher rate of **£10.55** for London, reflecting the higher costs of living in the capital.



Employee well-being

The well-being of our employees is a top priority. We have appointed three internal well-being champions who are responsible for providing support to employees in need, raising awareness of positive mental health and well-being in the workplace and implementing well-being initiatives. These have included:

- Conducting workshops with both Lancashire and Bristol Mind to raise awareness of workplace stress, anxiety and depression
- Holding an internal seminar on Time to Talk About Well-being at Work with Lancashire Mind
- Signing the Time to Change Pledge, a commitment to changing the way we all think and act about mental health in the workplace
- Implementing Wellness Action Plans to promote employee wellness at work
- Encouraging employees to take advantage of our Private Medical Insurance which includes a 24-hour counselling service



Our actions

Responsible Consumption and Production

Our planet has provided us with an abundance of natural resources. We need to use and produce in sustainable ways that will reverse the harm we have inflicted on the planet.

We will improve our environmental impact by reducing our consumption, adhering to a responsible sourcing policy, and reducing our total carbon emissions by 10% by 2020.

Reducing paper use

Between October 2018 and September 2019 we used 13,000 sheets of paper in our business. We aim to reduce this amount by 10% each year by encouraging employees to think before they print, changing printer settings to print double sided and, most importantly, removing the need to print altogether. Our Bureau team, for example, is moving towards electronic billing with our utility suppliers where possible.

We aim to always use Forest Stewardship Council (FSC) paper and use recycled paper where possible. The use of recycled paper and timber can help to alleviate the pressure of demand on sources of virgin material, thereby helping to protect the world's forests.

Waste not, want not

We've begun to measure the waste directly produced by our business, and have recorded our results against four waste streams of confidential, mixed recycling, food and general waste. The below table shows the amount of waste produced against each waste stream between October 2018 and September 2019. Every year the UK wastes an estimated 10 million tonnes of food with a value of over £17 billion. It is associated with around 20 million tonnes of greenhouse gas (GHG) emissions (Source GenEco.com).



We're working with GENeco, a local sustainable waste business, to make productive use of our food waste. GENeco's waste collection service aims to encourage a circular economy. It's Bio-Bee, a biomethane-powered waste collection vehicle, collects food waste from across the Bristol region which it then delivers for processing into biomethane and biofertilizer.

Sourcing responsibly

In June 2019, we introduced a Responsible Sourcing Policy. The policy sets out how we intend to address the impact that we have on the environment and society through the procurement of goods and services and how we expect all stakeholders, including employees, sub-contractors and suppliers to act.

We've provided training sessions for all employees responsible for the purchase of goods and services to help them understand the policy and how they can help achieve its aims. The policy covers three key areas - goods and services, people, and supporting the local economy.

	Confidential	Mixed Recycling (kg)	Food Waste (kg)	General Waste (kg)	Total (kg)
Bristol	606.67	152.26	155.66	45.07	959.65
Blackpool	105.09	136.24	N/A	367.22	608.56

Our actions

Supporting the other Goals



FoodCycle

Optimised Energy's Head of Operations, Roy Bidder, volunteers once a month for FoodCycle (www.foodcycle.org.uk), managing a team of cycle volunteers to help collect surplus food from supermarkets and greengrocers around Bristol for community meal projects.

Since 2009, Foodcycle have prevented **425,000kg** of food from going to landfill and served **1,011,655 meals**.



Boxes of Hope

On the lead up to Christmas we've been busy preparing and wrapping Christmas shoe boxes filled with gifts for children in Romania for the charity Boxes of Hope Cumbria.

Our colleague Mark Earnshaw has made the most of Optimised Energy's volunteering policy, taking a day's paid leave to get **1000's of boxes** loaded onto HGVs heading to Romania.



Pay for a Day

The Samaritans charity provides a vital free call service, which operates **365** days a year, **24** hours a day. Optimised Energy kickstarted the Blackpool Fylde and Wyre Samaritans 'Pay for a Day' appeal by contributing towards daily operating costs, including ongoing training for volunteers and the provision of their free call service.

Angie Pascoe, Director for the Blackpool, Fylde, and Wyre Samaritans said:

"We are extremely grateful to Optimised Energy for supporting our 'Pay for a Day' appeal. Every day our branch answers around 70 phone calls, 5 emails and 6 text from users, as well as being there for anyone who chooses to visit for a face to face.

This sponsorship is vital for us to continue to have a Samaritan available for callers, whenever they need it and also contributes to initial and on-going training for our volunteers."



Our actions

Supporting the other Goals



Beach Clean

A team from Optimised Energy's Blackpool office joined forces with LOVEmyBEACH to take part in a beach clean along the coast of Blackpool's sandy shoreline.

Our volunteers set out across the six-mile stretch, collecting everything from bottles, cans, and plastic wrappers, helping to pick up 10kg of waste off the Fylde coast's beaches. Senior Energy Analyst Kirsty Bullough, one of the volunteers, said:

"It was great that we were able to do something relatively simple that would make an immediate difference to our local environment.

The wellbeing factor of being active, doing something for the community and working together on something that was a bit different made it an enjoyable morning."

The LOVEmyBEACH campaign was created in 2013 by Keep Britain Tidy. They work together with individuals and partners across the North-West to help keep local beaches and bathing waters clean and free from pollution.



Internship

In 2019, Alice Fraser, a BSc (Hons) Environmental Resource Management student at the University of the West of England (UWE) joined Optimised Energy's Bristol office for a summer internship. The internship provided an opportunity for Alice to gain hands-on work experience within the energy sector. Alice said:

"I chose Optimised Energy as they are passionate leaders in managed energy services and I admire the highly skilled team that I have been lucky enough to get to know and work beside. I felt very welcomed when I started and have been continuously supported so I can gain as much out of these 10 weeks as I can. Working in such a forward-thinking business is always where I have pictured myself and having the opportunity to influence different aspects of this from sustainability to benchmarking strategies has been an invaluable experience."

Natalie Maggs, Section Head – Bureau, said

"It's been a pleasure to work alongside Alice and help her develop skills."





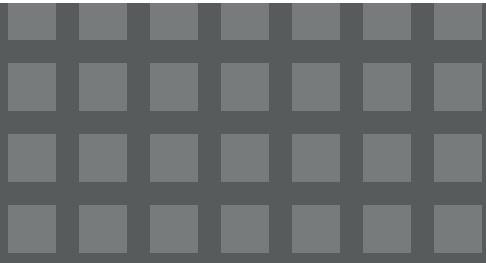
Our progress

UN SDG	Commitment	Our annual targets	Progress	Status	UN SDG targets	GRI Standard
 7	<p>We will reduce our client's energy consumption and costs through energy efficiency projects and utility bill validation / cost recovery exercises and offer renewable energy contracts as an alternative through our Procurement service.</p> <p>We are also committed to ensuring that 100% of the energy we use comes from renewable sources by 2020.</p>	Achieve average energy cost savings of 3% for our clients	Last financial year we achieved overall savings of 2.5%	Not Achieved	TARGET 7-1 UNIVERSAL ACCESS TO MODERN ENERGY	N/A
		Achieve a return on investment of less than 2 years for our clients	We are still gathering data for this target	In Progress	TARGET 7-1 UNIVERSAL ACCESS TO MODERN ENERGY	N/A
		Ensure all of our clients are given the option to purchase renewable energy	Renewable energy is now offered to all off our clients	Target Achieved	TARGET 7-2 INCREASE GLOBAL PERCENTAGE OF RENEWABLE ENERGY	302-2
		Purchase 100% renewable energy for our operations	Moved to green energy in our Bristol office (Blackpool is a serviced office)	Target Achieved	TARGET 7-2 INCREASE GLOBAL PERCENTAGE OF RENEWABLE ENERGY	302-1
		Achieve average energy savings of 15% for our clients	We are still gathering data for this target	In Progress	TARGET 7-3 DOUBLE THE IMPROVEMENT IN ENERGY EFFICIENCY	302-2
 8	<p>Enhance current parental policies</p> <p>We will provide decent working conditions and promote well-being for all employees by improving the office environment and enhancing staff policies.</p>	Enhance current parental policies	We are aiming for implementation in 2021	In Progress	TARGET 8-5 FULL EMPLOYMENT AND DECENT WORK WITH EQUAL PAY	401-3
		Ensure all offices have a Daily Air Quality Index of less than 5	We are still gathering data for this target	In Progress	TARGET 8-5 FULL EMPLOYMENT AND DECENT WORK WITH EQUAL PAY	305-7
		Complete 100% of Health & Safety actions	We completed 100% of actions and have recently passed a Year 2 ISO surveillance audit	Target Achieved	TARGET 8-5 FULL EMPLOYMENT AND DECENT WORK WITH EQUAL PAY	403-1
		Replace all old IT equipment by the end of 2021	We are in the process of replacing old machines with laptops	In Progress	TARGET 8-8 PROTECT LABOUR RIGHTS AND PROMOTE SAFE WORKING ENVIRONMENTS	403-2



Our progress

UN SDG	Commitment	Our annual targets	Progress	Status	UN SDG targets	GRI Standard
	<p>We will improve our environmental impact by reducing our consumption, adhering to a responsible sourcing policy, and reducing our total carbon emissions by 10% by 2020.</p>	Reduce paper used by 10%	We have only just begun measuring our paper consumption	 In Progress	TARGET 12-2  SUSTAINABLE MANAGEMENT AND USE OF NATURAL RESOURCES	301-1
		By 2020 , reduce annual energy consumption by 10% (compared to FY18/19)	We are still gathering data for this target	 In Progress	TARGET 12-2  SUSTAINABLE MANAGEMENT AND USE OF NATURAL RESOURCES	302-1
		Reduce waste sent to landfill by 10%	We are still gathering data for this target	 In Progress	TARGET 12-5  SUBSTANTIALLY REDUCE WASTE GENERATION	306-2
		By 2020, ensure 50% of suppliers adhere to our responsible sourcing policy	We are still gathering data for this target	 In Progress	TARGET 12-6  ENCOURAGE COMPANIES TO ADOPT SUSTAINABLE PRACTICES AND SUSTAINABILITY REPORTING	308-1 414-1
		75% of products to be purchased from suppliers within a 50 mile radius	We are still gathering data for this target	 In Progress	TARGET 12-6  ENCOURAGE COMPANIES TO ADOPT SUSTAINABLE PRACTICES AND SUSTAINABILITY REPORTING	204-1



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