

good energy

PROGRESS REPORT









2016/2017





PROGRESS REPORT 2016/2017

Contents

-  4 Welcome
-  6 100% renewable power
-  8 Innovation
-  10 Local energy
-  12 Our customers
-  14 Our partners
-  16 Our people
-  18 Our impact

WELCOME TO OUR PROGRESS REPORT

Over 18 years ago Good Energy was set up with a clear purpose: **to power the choice of a cleaner, greener future together.**

Cleaner

renewable energy combined with technologies like battery storage and electric vehicles, leads to cleaner air and healthier lives

Greener

our electricity is 100% renewable and our gas is carbon-neutral

Future

we're all about driving change, from what we see today to a better world tomorrow

Together

this means all of us working together: our people, our customers, our generators, our partners and our investors

I often reflect on how far clean energy has come since 1999 – the year I founded Good Energy. In those days it was possible to fit the entire UK renewables industry into a small room above a pub. In 2016, renewables provided almost 25% of the UK's electricity needs; and April 2017 saw the first coal free day in Britain since the industrial revolution.

But there is no time to lose. In June 2017 Donald Trump took a huge step backwards by announcing he would pull the United States out of the Paris Climate Accord. Extreme weather events are fast becoming the norm. As the threat of climate change grows, the transition to renewables has never been more urgent.

I'm hugely grateful to all our customers, investors, generators, and partners for supporting us as we aim to fulfil our purpose. This report provides an update on our progress: we're proud of what we've achieved, but we're not satisfied – and never will be.



Juliet Davenport, OBE
Founder and Chief Executive Officer (CEO)



100% RENEWABLE POWER

Good Energy has grown to serve over 250,000* domestic and business customers. We match all the electricity used by our customers with power sourced directly from renewable sources. With every new customer that joins us, we're supporting a growing community of small, independent generators.

Our family of **over 1,400 generators** is spread right across the UK and uses wind, solar, hydro and biogeneration technologies to make electricity for our customers. We're proud to be able to offer a good standard of service to our generators, and pay them a fair rate for the power they provide. This makes it easier for them to get on with doing what they do - producing renewable power for Good Energy customers to use.

As well as partnering with our network of independent generators, Good Energy also owns and operates **eight solar sites and two wind farms** of our own, with a total installed capacity of 57.5MW.

In 2017 we introduced offshore wind into our fuel mix for the first time, through an agreement with Ørsted to buy power from their Westermost Rough wind farm in the North Sea.

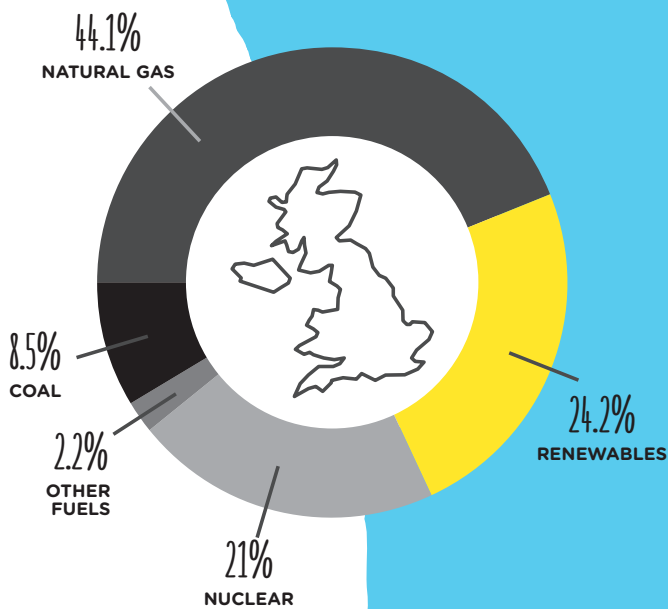


Hafod Y Llan hydro
in Snowdonia

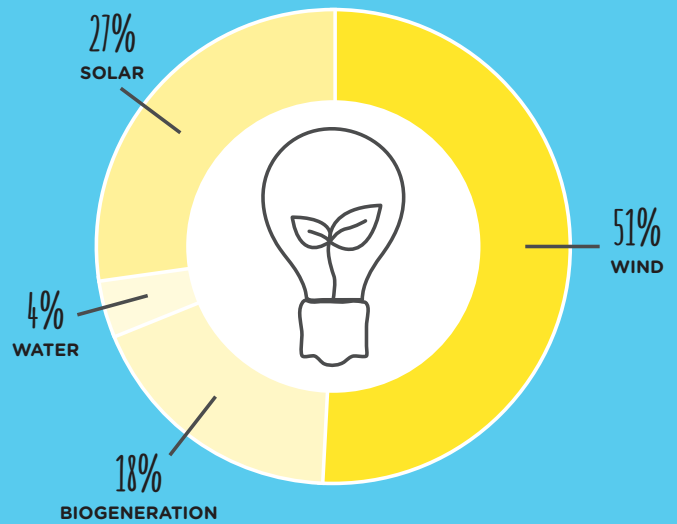
Westermost Rough wind farm
in North Sea



UK AVERAGE FUEL MIX



GOOD ENERGY FUEL MIX**



At Good Energy we ensure that all the electricity we sell to customers each year is matched with electricity sourced from renewable generators. Not all energy suppliers who offer 'green' tariffs do this. Many have simply purchased cheap 'green' certificates Renewable Energy Guarantees Origin (REGO) separately from the power they buy. This means they could have purchased power from anywhere - even a coal-fired power station.

It's like a supermarket being allowed to buy stickers which say "organic" to put on the carrots they sell, even if they have no idea where the carrots actually come from.

Our green gas

As well as 100% renewable electricity, we also provide carbon-neutral Green Gas to over **43,000 homes across the UK**. Our Green Gas contains **6% biomethane** - gas produced here in the UK entirely from food waste. Biomethane maintains the natural carbon balance, unlike fossil fuels, which release 'buried carbon' back into the atmosphere.

*This includes electric, gas and FiT customers. Data correct as of 10/11/2017

**goodenergy.co.uk/our-energy/our-fuel-mix

INNOVATION

Electric vehicle tariff


Transport is one of the biggest contributors of greenhouse gases in the UK and, as little as a year ago, it looked like nothing much would change. But, with mounting public concern over diesel emissions and political pressure to clean up our cities, the shift to decarbonised transport has picked up pace. Governments across Europe - including in the UK - have announced future bans on new petrol and diesel cars, and vehicle manufacturing will have to transform to meet new standards.

Electric vehicles (EVs) will evolve and coupled with green electricity, can help tackle both local air pollution and climate change. Our recently launched EV tariff is designed for drivers that want to charge their vehicles at home or work and enjoy journeys powered by 100% renewable electricity.



SMART meters

Finally, we're investing in our own future as a business. Over the past year we've been busy getting ready for the **roll-out of smart meters**, which will lay the foundations for a more intelligent, cheaper and cleaner energy system in the UK. Looking ahead, we'll be continuing to invest in new technology to help our customers be part of the renewables revolution.

A photograph of a woman, Asenta Dayton, standing in a cornfield. She is wearing a vibrant green top with a white ruffled collar and a blue headwrap with orange and green patterns. The background shows tall corn stalks under a bright sky. The image is partially framed by an orange shape on the left side of the page.

Asenta Dayton, from Kulela REDD and Landscape Programme, Malawi

FAIR

To make our Green Gas entirely carbon-neutral, carbon emissions from the remaining 94% of our gas are balanced through **carbon reduction schemes** in Malawi, Vietnam and Nepal. As well as protecting the environment, these schemes also have important social benefits, such as improved gender equality, higher rates of employment and education, and reductions in infant mortality and premature births.

We're also keen to make sure that we are doing our bit to clean up the City. As a **founding member of the Social Stock Exchange (SSX)** we are part of a consortium of organisations that operate under strict criteria in order to make a positive social and environmental impact through their activities, and encourage investors to look at companies through a different lens.

LOCAL ENERGY

Network charges – the costs of maintaining the wires and equipment that carry electricity around the country – **make up over a quarter of our electricity bills** today. But more and more homes, businesses and communities are bypassing this national energy infrastructure by generating their own renewable electricity and adopting new, smarter technologies, like electric vehicles and battery storage.

As they become increasingly energy self-sufficient, these pioneers are helping us all by **tackling climate change**; they also have the potential to reduce the need for future upgrades to the national infrastructure. So we're trialling various local energy models to encourage a fairer regime of network charges that will reward these communities and encourage local energy networks.

Smart Fintry

Smart Fintry is a smart-grid project in the Scottish village of Fintry. It aims to match local electricity supply and demand, using a combination of emerging and market-tested smart technologies. We're working on this UK-first project alongside commercial, academic and local partners.

Almost a third of households in Fintry have signed up to participate, as well as four local renewable generators.

Together, we'll be reducing strain on the electricity grid, driving down bills, and enabling households to take more active control of their energy use. Smart Fintry will provide a blueprint for policymakers and other communities across the UK to deploy similar schemes to support a smart, flexible, decentralised energy future, with the customer at its heart.

Smart Fintry, Fintry



Paul Kent, Taff Bargoed hydro generator



Selectricity

Last year we were proud to launch commercially our new peer-to-peer service, Selectricity. Using a creative online platform, Selectricity gives business customers more control of where their electricity comes from – enabling them to choose the technology types and sites they like. It helps customers visualise their electricity consumption and gives them tools to manage it and reduce costs.

Customers can choose a supply to match their business values; for example, they could choose to source their electricity from their nearest renewable energy generator, helping **support the local economy and community**. Peer-to-peer tools like Selectricity are important keys for unlocking the value of local and community energy models.

Local business

Since 2011, **Cornwall Energy Island** has been bringing businesses and local authorities together to explore innovative ways to harness Cornwall's abundant renewable resources to reduce costs, increase jobs and make Cornwall more energy self-sufficient. In June 2017, we took part in the latest Energy Island conference, sharing our experiences of initiatives such as our local tariffs, our **Selectricity** peer-to-peer platform, and **Smart Fintry**. We also shared our view for the future and some of the new areas we're exploring to help unlock the value of **local energy**, such as **battery storage**.

Community

Communities were the driving force behind the renewables revolution and we've long championed their role in securing our energy future. We pioneered the process of getting small generators to connect to the grid and now support dozens of community-owned schemes through our Feed-in-Tariff and power-purchasing services.

In October 2016, we hosted an event in Westminster to launch our Community Energy report. Our analysis shows that by 2020, community energy projects in the UK have the potential to **reduce the UK's annual CO2 emissions by 1 million tonnes and cut the UK's coal imports for electricity generation by 9%**.

OUR CUSTOMERS

Our 250,000 customers form a community of responsible homes, businesses, institutions, and independent generators right across the UK that:

- ✓ buy 100% renewable electricity and our carbon neutral Green Gas; or
- ✓ generate their own renewable power

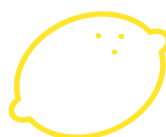
Meet Neal's Yard...

Neal's Yard Remedies is a British seller of organic natural health and beauty products. Founded in 1981 in Covent Garden, London, the company now has over 50 branches in the UK and its products are sold around the world.



“We believe companies have a responsibility to look after the planet we live on. That's why as an independent British company we're delighted to power our Dorset eco-factory with 100% renewable electricity sourced from the UK, combined with power from our on-site solar panels – and why we chose Good Energy, who are as strongly committed to renewables as we are.”

Louise Green
Head of Sustainability at Neal's Yard Remedies

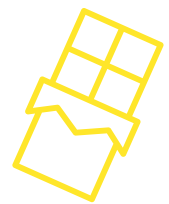


Meet Lick the Spoon...

Lick the Spoon is an award-winning manufacturer of luxury chocolates. The business was founded around the kitchen table in 2006. It has supplied its chocolates to Harvey Nichols and Selfridges, and has kept ethical values at its heart as it has grown.

“In 2016 we were fortunate enough to visit cocoa farmers and chocolate makers in both Madagascar and Grenada. Our experiences of the people there brought home just how small and precious our planet is. We chose Good Energy primarily because of their commitment to renewable energy. We also saw the work they were doing at a local festival, encouraging children to think of renewable energy sources.”

Matthew Short
Co-Founder of Lick the Spoon



Customers investing in Good Energy

Many of our customers choose to invest in Good Energy to support our purpose. In fact, over 80% of our investors are also our customers.

In May 2017 we launched our second corporate bond, offering our customers, existing bondholders, shareholders and new investors the opportunity to support the Company in its next phase of growth. The bond raised £16.7m – an overwhelming vote of confidence in the business, our new strategy and purpose. These proceeds will now help to fund our growth initiatives in battery storage, electric vehicles and business advice.

OUR PARTNERS

At Good Energy we believe the key to success is collaboration and we've continued to strengthen our partnerships with like-minded organisations.

Hay Festival of
Literature & Arts, Wales





National Trust

Our partnership with the National Trust began in 2012. Good Energy supports the Trust with volunteers and essential income to continue their valuable work. Some of Good Energy's electricity comes from the National Trust's hydro turbines at Hafod y Porth in Snowdonia and its waterwheel at Aberdulais Falls. Working in close collaboration with Good Energy, the National Trust's Energy Investment Programme has upgraded four estates to be heated entirely by renewable energy.



Soil Association

The success of our five year partnership between Good Energy and the Soil Association is built on our shared commitment to working in balance with nature. We support our respective customers and members to make simple changes that protect the environment. This includes helping them increase the proportion of food they buy which is organic or switching their home or business to a renewable energy supply.



Friends of the Earth

After a decade-long partnership, we continue to support Friends of the Earth's work through the provision of charitable income and sponsorship of their annual Basecamp Programme. Our shared vision is clear: together we feel that we can achieve a future for Britain that's powered purely by clean, green, electricity.



Hay Festival

Each year Hay Festival of Literature & Arts brings together readers and writers from around the world to share stories and debate society's most important issues in the staggering beauty of the Welsh Borders. For the third year running, Good Energy was the proud sponsor of a series of public discussions around climate change and sustainability. This year we also powered the festival with our 100% renewable electricity.



Albert

We're pleased to have partnered with Albert, the TV and film industry's think-tank on sustainability. Hosted at BAFTA, Albert aims to reduce the environmental impact of TV and film production. Several production companies have already signed up and Good Energy now supplies power to all four of BAFTA's main offices in London.



OUR PEOPLE



Culture & values

We put a lot of energy into creating a culture and workplace which inspires our people and helps them to do what they do best, every-day. We do this by trying to ensure that everything we do reflects our purpose and our values: these are to be **Straightforward, Fair, Inclusive** and **Determined**.



People who love what they do

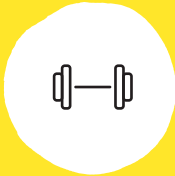
Our annual engagement survey tells us that this approach works: the survey measures how our people feel about working for Good Energy, using a standard set of questions which are commonly used by UK businesses. Our 2016 results places us in the top performing quartile of all UK businesses – indicating our people are more willing to go the extra mile for Good Energy, than most. Over 90% of our people felt inspired by our purpose and feel that their own work directly contributes to achieving a cleaner greener future.



Getting everyone involved

Since 2015, we've run a "champions" scheme. Our champions are from all levels and functions across the business – they help us develop our culture, champion our values and develop our people policies. Last year our champions drove improvements in training and development, IT infrastructure, internal communications and facilities.

We aim to provide an inclusive workplace which attracts people with diverse backgrounds, characteristics and skills and gives them equal opportunity to achieve their full potential. We have recently refreshed our **Diversity & Inclusion training** and are mid-way through ensuring all our people have benefited from this education. The extension of our Headquarters office space this year, gave us improved disabled access.



Developing our people

We invest in training and development across the business, in particular in bespoke Leadership Development programmes, and in Customer Services training. This is designed to bring our purpose and values to life in how everyone works and serves our customers. We encourage our people to be resourceful and learn from the world around them, sharing these learnings on the job and over food through our Lunch & Learn and Masterclass programmes.



Health and wellbeing

From lunchtime sports clubs, free organic fruit, to our health care plan and counselling services, we offer all our people a wide range of benefits designed to support them in **staying fit and well**.



Fair pay and rewards

We're proud to have been accredited as a Living Wage employer since 2015. This means we provide all Good Energy staff and contractors with at least an hourly wage of £8.45. The Living Wage is independently calculated to reflect the real cost of living and is significantly higher than the legally required minimum of £6.70.



Equality and gender pay reporting

At Good Energy equality starts at the top. 50% of the main Board are women including the Chief Executive Officer and Chief Financial Officer, over 60% of the Executive team are women and we have 52% women in our business overall. This is far from the norm, in the industry, and an aspect of Good Energy of which we are proud.

We welcomed the introduction in 2017 of the Gender Pay Gap Reporting Regulations, which will ensure businesses publish the gap between male and female average pay. Using the prescribed methodology, our mean pay gap (the average pay for men v. women) is 7.8%. Obviously we are not happy that this gap exists at all. However, we know that it is one of the smallest in the UK from the data published to date and that it is significantly less than the average gap across energy companies.





Tolu, Food at the Triangle project

OUR IMPACT

...on the environment

Reducing our environmental impact is not only at the heart of our purpose, it makes business sense too.

We collect regular data on our consumption of energy, water, paper usage, waste management, as well as employee and business travel. We use this data to improve resource efficiency, reduce waste, and drive down costs. We have recently achieved ISO14001 accreditation, which has given us independent confirmation that we are meeting international standards for measuring and continually improving our environmental performance.

We're also committed to reducing the carbon emissions from our operations. Since 2015, we've been regularly measuring our Scope 1 and 2 carbon emissions, and as many indirect Scope 3 emissions as possible. Emissions that we are not yet able to avoid are neutralised by the same international **carbon reduction projects** we support in relation to our Green Gas.

We have a number of initiatives in place to reduce the impact of business travel and employee commutes, including new and improved shower facilities to encourage people to walk, run and cycle into work; a scheme to help spread the cost of National Rail Season Tickets; and an employee car-share scheme. Electric vehicles are available for employees to lease through our employee benefits scheme and we've installed charge points at our offices.

We've made many improvements to our offices this year, including upgrading our lighting to use **low energy LEDs**.

...on the local community

Good Energy is based in Chippenham, Wiltshire. We're one of the largest employers in the area. By donating our time and skills to tackle local environmental and social issues, we're developing our people and supporting our community.

Earlier in the year we teamed up with anti-litter group '**Off the Ground**' to support their 'Love Chippenham' campaign. Good Energy people volunteered to spend their lunch hours picking up litter in some of Chippenham's public spaces.

Even with improved recycling levels in the UK, an estimated 800 bottles every minute are sent to landfill or end up as litter, and all that plastic pollution is harming our environment. So Good Energy supports **Refill Chippenham**, a scheme that discourages waste by enabling people to refill their water bottles at local cafes, shops and businesses for free.

This season Good Energy is sponsoring **Chippenham Rugby** Club's "Minis" and "Juniors" teams, which bring 5-16 year olds into this active and successful club. The club has a strong community ethos, a proud record of championing girls' rugby, and welcomes everyone, regardless of ability or gender, into the sport.

We'd love your feedback

Let us know what you think of our Progress Report
and get in touch via:

progressreport@goodenergy.co.uk

Good Energy Group PLC
Monkton Reach
Monkton Hill
Chippenham
SN15 1EE

goodenergygroup.co.uk

