PUBLIC DISCLOSURE STATEMENT

SMARTESTENERGY AUSTRALIA PTY LTD
(SMARTESTENERGY)

ORGANISATION CERTIFICATION
FY2022–23

Australian Government

Climate Active
Public Disclosure Statement

An Australian Government Initiative

NAME OF CERTIFIED ENTITY	SmartestEnergy Australia Pty Ltd (SmartestEnergy)
REPORTING PERIOD	Financial year 1 July 2022 – 30 June 2023 Arrears report
DECLARATION	*To the best of my knowledge, the information provided in this public disclosure statement is true and correct and meets the requirements of the Climate Active Carbon Neutral Standard.*  Robert Owens Chief Executive Officer

Australian Government
Department of Climate Change, Energy, the Environment and Water

Version August 2023.

1.CERTIFICATION SUMMARY

TOTAL EMISSIONS OFFSET	785 tCO_2-e
CARBON OFFSETS USED	100% VCUs
RENEWABLE ELECTRICITY	50.45%
CARBON ACCOUNT	Prepared by: Pangolin Associates
TECHNICAL ASSESSMENT	Date: 08/12/2022 Pangolin Associates Next technical assessment due: FY2024-25 report

Contents

2. CERTIFICATION INFORMATION

Description of certification

This inventory has been prepared for the financial year from 1 July 2022 to 30 June 2023 and covers the Australian business operations of SmartestEnergy Australia.

The operational boundary has been defined based on an operational control test, in accordance with the principles of the National Greenhouse and Energy Reporting Act 2007. This includes the following locations and facilities:

- Sydney office
- Melbourne office
- Adelaide employees

Emissions associated with the generation, transmission and distribution of sold electricity by SmartestEnergy are not included in this certification. Also, the emissions associated with the electricity generation assets are excluded as SmartestEnergy does not own any electricity generation assets.

The methods used for collating data, performing calculations and presenting the carbon account are in accordance with the following standards:

- Climate Active Standards
- The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
- National Greenhouse and Energy Reporting (Measurement) Determination 2008

Where possible, the calculation methodologies and emission factors used in this inventory are derived from the National Greenhouse Accounts (NGA) Factors in accordance with "Method 1" from the National Greenhouse and Energy Reporting (Measurement) Determination 2008.

The greenhouse gases considered within the inventory are those that are commonly reported under the Kyoto Protocol; carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O) and synthetic gases - hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) sulphur hexafluoride (SF_6) and nitrogen trifluoride (NF_3). These have been expressed as carbon dioxide equivalents (CO_2-e) using relative global warming potentials (GWPs).

Organisation description

SmartestEnergy Australia Pty Ltd is a commercial and industrial electricity retailer with a goal to provide their customers with flexible and tailored energy products that help them reach their financial, operational and sustainability goals.

SmartestEnergy Australia has a permanent office located in Sydney, with employees in Adelaide and Melbourne working from home and co-working spaces. As a retailer and a trading company core assets are not tangible.

SmartestEnergy Australia Pty Ltd is 100% owned by SmartestEnergy Limited (UK), who is in turn owned by Marubeni Corporation (Japan) (90%) and Marubeni Europe plc (UK) (10%).

The following subsidiaries are also included within this certification:

Legal entity name	ABN	ACN
SmartestEnergy Australia Pty Ltd	ABN 37 632 313 029	-

The following entities are excluded from this certification:

Legal entity name	ABN	ACN
SmartestEnergy Limited (UK)	-	
Marubeni Corporation (Japan)	-	
Marubeni Europe plc (UK)	-	

3.EMISSIONS BOUNDARY

Inside the emissions boundary

All emission sources listed in the emissions boundary are part of the carbon neutral claim.

Quantified emissions have been assessed as relevant and are quantified in the carbon inventory. This may include emissions that are not identified as arising due to the operations of the certified entity, however are **optionally included**.

Non-quantified emissions have been assessed as relevant and are captured within the emissions boundary, but are not measured (quantified) in the carbon inventory. All material emissions are accounted for through an uplift factor. Further detail is available at Appendix C.

Outside the emissions boundary

Excluded emissions are those that have been assessed as not relevant to an organisation's operations and are outside of its emissions boundary or are outside of the scope of the certification. These emissions are not part of the carbon neutral claim. Further detail is available at Appendix D.

Inside emissions boundary

Quantified

Accommodation and facilities

Cleaning and chemicals

Climate Active carbon neutral products and services

Construction materials and services

Electricity

Food

Horticulture and agriculture

ICT services and equipment

Machinery and vehicles

Office equipment and supplies

Postage, courier and freight

Products

Professional services

Refrigerants

Stationary energy (gaseous fuels)

Transport (air)

Transport (land and sea)

Waste

Water

Working from home

Non-quantified

N/A

Outside emission boundary

Excluded

N/A

4.EMISSIONS REDUCTIONS

Emissions reduction strategy

SmartestEnergy is committed to reducing emissions across its Australian operations to at least 30% below base year 2021/22 by 2030. This equates to a reduction of more than 200 tCO_2-e from the base year emissions of 690.3 tCO_2-e.

FY23 can be considered a more accurate representation of a standard year in SmartestEnergy after the artificial reduction in emissions resulting from COVID-19 restrictions, that corresponded with the FY22 baseline year. SmartestEnergy remains proactive throughout the year, with regular reviews of activities under our direct control that could be altered or eliminated to reduce emissions.

A wider Group ESG strategy places a focus on target setting and action. A Group ESG Manager is being hired to oversee the delivery of our plan in Australia and across our international operations in the US and UK. Our wider ESG plan and target setting approach will be published and reported, maintaining a focus on data and transparency.

Travel & location

Restrictions on travel through the base year due to COVID-19 responses may have artificially depressed the quantity of flights and accommodation used by the organisation, and we expect that to increase from the base line. As such, and in line with wider Group target setting we will assess any related requirement to re-benchmark.

- SmartestEnergy supports employees in working remotely and from their home state where possible, however when a flight is required it should include a Carbon Offset option if offered. Flights booked through the Qantas or Virgin groups will be required to include the Fly Carbon Neutral offset as a standard practice.
- Staff who commute to offices are encouraged to use public transport (bus / tram / ferry/ train) where possible, instead of personal vehicles. Staff travelling interstate will be required to use trains as their first choice of transport to our office in Sydney's CBD.
- SmartestEnergy will develop a preference list of 'green choice' hotels that either have a certified lower emissions rating, or are certified as Carbon Neutral. These accommodation choices will be provided as first choice options for staff required to travel.

Office Space

Fit-out of the Sydney Office was a significant contributor to the base year emissions. In line with a planned brand refresh, we will approach any subsequent fit-outs and/or office upgrades with due consideration for materials sourced and the recycling of materials if relevant. For satellite offices, we plan to continue using co-working space and foresee no wider large-scale fit-outs outside of our Sydney office.

- Major fit-out and decoration will only be carried out under exceptional circumstance, such as re-branding or significant growth of the business.
- A minimum 5-Star NABERS Energy Tenancy Ratings is required to be achieved for the Sydney Head Office once the building is eligible for accreditation.

- 100% GreenPower will continue to be sourced for the Sydney office. If this is unachievable, for example due to changes in the GreenPower scheme, then SmartestEnergy will purchase and surrender additional LGCs above their obligation up to 100% of electricity usage.

IT Support and Development

As SmartestEnergy has been in what can be considered a start-up phase from 2020 – 2022 there are substantial development costs that have been incurred during this time. There was also large headcount growth during this time with the attendant IT purchase costs.

- Review of existing subscriptions for removal or consolidation where appropriate
- Forecast development works will be carefully considered to spread the associated Scope 3 emissions
- Where possible SmartestEnergy will select partner organisations that are certified Carbon Neutral by Climate Active, or their UK equivalent e.g. The Carbon Trust.

Consultants

A large proportion of SmartestEnergy's current scope 3 emissions are related to use of consultant support. This is due to the early-stage nature of the organisation, and the reliance on external expert advice, which offsets the need to hire additional permanent employees.

- Where possible SmartestEnergy will select partner organisations that are certified Carbon Neutral by Climate Active, or their UK equivalent e.g. The Carbon Trust.
- With the increasing maturity of the organisation comes additional internalisation of staffing, as well as improved participation in global resource sharing.

Incremental

None of these actions can offset fully SmartestEnergy's obligations if conscious decision making is not also employed throughout the organisation.

- Where possible SmartestEnergy will select suppliers that are certified Carbon Neutral by Climate Active
- Procurement decisions will be considered for necessity, and alternative choices.

Emissions reduction actions

- Purchased carbon neutral paper products.
- Purchased 100% Greenpower electricity at Sydney 36 Carrington Street.
- Purchased carbon neutral flight tickets.

5.EMISSIONS SUMMARY

Emissions over time

		Emissions since base year	
		Total tCO_2-e (without uplift)	Total tCO_2-e (with uplift)
Base year/Year 1:	2021–22	690.3	-
Year 2:	2022–23	784.9	-

Significant changes in emissions

Emission source	Previous year emissions (t CO_2-e)	Current year emissions (t CO_2-e)	Reason for change
Legal services	10.36	83.08	SmartestEnergy completed a number of complex contractual arrangements with third parties during FY23. External Legal services were required to support this.
Technical services	299.42	183.78	Change in the way spend data was categorised compared to FY22.

Use of Climate Active carbon neutral products, services, buildings or precincts

Certified brand name	Product and service used
Reflex and COS	Paper
Qantas flights	Business Flights

Emissions summary

The electricity summary is available in the Appendix B. Electricity emissions were calculated using a market-based approach.

Emission category	Sum of scope 1 (tCO_2-e)	Sum of scope 2 (tCO_2-e)	Sum of scope 3 (tCO_2-e)	Sum of total emissions (t CO_2-e)
Accommodation and facilities	0.0	0.0	7.8	7.8
Cleaning and chemicals	0.0	0.0	0.9	0.9
Climate Active carbon neutral products and services	0.0	0.0	0.0	0.0
Construction materials and services	0.0	0.0	30.7	30.7
Electricity	0.0	0.0	23.2	23.2
Food	0.0	0.0	16.1	16.1
Horticulture and agriculture	0.0	0.0	1.3	1.3
ICT services and equipment	0.0	0.0	88.5	88.5
Machinery and vehicles	0.0	0.0	0.1	0.1
Office equipment and supplies	0.0	0.0	5.1	5.1
Postage, courier and freight	0.0	0.0	17.7	17.7
Products	0.0	0.0	6.3	6.3
Professional services	0.0	0.0	450.9	450.9
Refrigerants	0.5	0.0	0.0	0.5
Stationary energy (gaseous fuels)	2.7	0.0	0.7	3.4
Transport (air)	0.0	0.0	110.2	110.2
Transport (land and sea)	0.1	0.0	11.2	11.3
Waste	0.0	0.0	2.1	2.1
Water	0.0	0.0	0.1	0.1
Working from home	0.0	0.0	8.7	8.7
Total emissions	**3.3**	**0.0**	**781.6**	**784.9**

Uplift factors

N/A

6.CARBON OFFSETS

Offsets retirement approach

This certification has in-arrears offsetting approach. The total emissions to offset are 785 t CO_2-e. The total number of eligible offsets used in this report is 796. Of the total eligible offsets used, 0 were previously banked and 796 were newly purchased and retired. 11 are remaining and have been banked for future use.

Co-benefits

50 MW Sipansihaporas Hydro Power Plant, North Sumatra.

The project is located to the to the south of Medan city, the capital city of the region. By channelling the Sibuluan River, including the three tributaries, the project generates renewable electricity, contributing around 214,000 MWh to the Sumatra grid annually. The project has relied on generating local employment during both the construction and the operation phase. Community benefits above employment has included ongoing training sessions in operational skills and workplace safety.

The project is active in 4 of the 17 UN Sustainable Development Goals:

SDG 4. Quality Education through ongoing training and development for the local workforce

SDG 7. Affordable and Clean Energy through the intrinsic type and operation of the project

SDG 8. Decent work and economic growth through developing the local community skills and opportunities

SDG 9. Industry, Innovation and Infrastructure through building sustainable industrialization in North Sumatra

Eligible offsets retirement summary

Offsets retired for Climate Active certification											
Project description	**Type of offset units**	**Registry**	**Date retired**	**Serial number (and hyperlink to registry transaction record)**	**Vintage**	**Stapled quantity**	**Eligible quantity retired (tCO_2-e)**	**Eligible quantity used for previous reporting periods**	**Eligible quantity banked for future reporting periods**	**Eligible quantity used for this reporting period**	**Percentage of total (%)**
50 MW Sipansihaporas Hydro Power Plant, North Sumatra	VCU	Verra	14 December 2023	12627-421505675-421506470-VCS-VCU-842-VER-ID-1-486-01042016-31122016-0	2016	-	796	0	11	785	100%
									Total eligible offsets retired and used for this report	**785**	
									Total eligible offsets retired this report and banked for use in future reports	**11**	

Type of offset units	Eligible quantity (used for this reporting period)	Percentage of total
Verified Carbon Units (VCUs)	785	100%

7. RENEWABLE ENERGY CERTIFICATE (REC) SUMMARY

Renewable Energy Certificate (REC) summary

N/A

APPENDIX A: ADDITIONAL INFORMATION

N/A

APPENDIX B: ELECTRICITY SUMMARY

There are two international best-practice methods for calculating electricity emissions – the location-based method and the market-based method. Reporting electricity emissions under both methods is called dual reporting.

Dual reporting of electricity emissions is useful, as it provides different perspectives of the emissions associated with a business's electricity usage.

Location-based method:

The location-based method provides a picture of a business's electricity emissions in the context of its location, and the emissions intensity of the electricity grid it relies on. It reflects the average emissions intensity of the electricity grid in the location (State) in which energy consumption occurs. The location-based method does not allow for any claims of renewable electricity from grid-imported electricity usage.

Market-based method:

The market-based method provides a picture of a business's electricity emissions in the context of its renewable energy investments. It reflects the emissions intensity of different electricity products, markets and investments. It uses a residual mix factor (RMF) to allow for unique claims on the zero emissions attribute of renewables without double-counting.

For this certification, electricity emissions have been set by using the market-based approach.

Market-based approach summary

Market-based approach	Activity Data (kWh)	Emissions (kg CO_2-e)	Renewable percentage of total
Behind the meter consumption of electricity generated	0	0	0%
Total non-grid electricity	**0**	**0**	**0%**
LGC Purchased and retired (kWh) (including PPAs)	0	0	0%
GreenPower	15,517	0	32%
Climate Active precinct/building (voluntary renewables)	0	0	0%
Precinct/Building (LRET)	0	0	0%
Precinct/Building jurisdictional renewables (LGCS surrendered)	0	0	0%
Electricity products (voluntary renewables)	0	0	0%
Electricity products (LRET)	0	0	0%
Electricity products jurisdictional renewables (LGCs surrendered)	0	0	0%
Jurisdictional renewables (LGCs surrendered)	0	0	0%
Jurisdictional renewables (LRET) (applied to ACT grid electricity)	0	0	0%
Large Scale Renewable Energy Target (applied to grid electricity only)	9,218	0	19%
Residual Electricity	24,295	23,202	0%
Total renewable electricity (grid + non grid)	**24,735**	**0**	**50%**
Total grid electricity	**49,030**	**23,202**	**50%**
Total electricity (grid + non grid)	**49,030**	**23,202**	**50%**
Percentage of residual electricity consumption under operational control	0%		
Residual electricity consumption under operational control	**0**	**0**	
Scope 2	0	0	
Scope 3 (includes T&D emissions from consumption under operational control)	0	0	
Residual electricity consumption not under operational control	**24,295**	**23,202**	
Scope 3	24,295	23,202	

Total renewables (grid and non-grid)	**50.45%**
Mandatory	**18.80%**
Voluntary	**31.65%**
Behind the meter	**0.00%**
Residual scope 2 emissions (t CO_2-e)	**0.00**
Residual scope 3 emissions (t CO_2-e)	**23.20**
Scope 2 emissions liability (adjusted for already offset carbon neutral electricity) (t CO_2-e)	**0.00**
Scope 3 emissions liability (adjusted for already offset carbon neutral electricity) (t CO_2-e)	**23.20**
Total emissions liability (t CO_2-e)	**23.20**

Figures may not sum due to rounding. Renewable percentage can be above 100%

Location-based approach summary

Location-based approach	Activity Data (kWh) total	Under operational control			Not under operational control	
Percentage of grid electricity consumption under operational control	**32%**	**(kWh)**	**Scope 2 Emissions ($kgCO_2$-e)**	**Scope 3 Emissions ($kgCO_2$-e)**	**(kWh)**	**Scope 3 Emissions ($kgCO_2$-e)**
NSW	46,836	14,869	10,854	892	31,967	25,254
SA	625	198	50	16	426	141
VIC	1,568	498	423	35	1,070	985
Grid electricity (scope 2 and 3)	**49,030**	**15,565**	**11,327**	**943**	**33,464**	**26,380**
NSW	0	0	0	0		
SA	0	0	0	0		
VIC	0	0	0	0		
Non-grid electricity (behind the meter)	**0**	**0**	**0**	**0**		
Total electricity (grid + non grid)	**49,030**					

Residual scope 2 emissions (t CO_2-e)	**11.33**
Residual scope 3 emissions (t CO_2-e)	**27.32**
Scope 2 emissions liability (adjusted for already offset carbon neutral electricity) (t CO_2-e)	**11.33**
Scope 3 emissions liability (adjusted for already offset carbon neutral electricity) (t CO_2-e)	**27.32**
Total emissions liability	**38.65**

Operations in Climate Active buildings and precincts

Operations in Climate Active buildings and precincts	Electricity consumed in Climate Active certified building/precinct (kWh)	Emissions (kg CO_2-e)
N/A	**0**	**0**

Climate Active carbon neutral electricity is not renewable electricity. These electricity emissions have been offset by another Climate Active member through their building or precinct certification. This electricity consumption is also included in the market based and location based summary tables. Any electricity that has been sourced as renewable electricity by the building/precinct under the market based method is outlined as such in the market based summary table.

Climate Active carbon neutral electricity products

Climate Active carbon neutral product used	Electricity claimed from Climate Active electricity products (kWh)	Emissions (kg CO_2-e)
N/A	**0**	**0**

Climate Active carbon neutral electricity is not renewable electricity. These electricity emissions have been offset by another Climate Active member through their electricity product certification. This electricity consumption is also included in the market based and location-based summary tables. Any electricity that has been sourced as renewable electricity by the electricity product under the market-based method is outlined as such in the market based summary table.

APPENDIX C: INSIDE EMISSIONS BOUNDARY

Non-quantified emission sources

The following emissions sources have been assessed as relevant, are captured within the emissions boundary, but are not measured (quantified) in the carbon inventory. They have been non-quantified due to one of the following reasons:

1. **Immaterial** <1% for individual items and no more than 5% collectively
2. **Cost effective** Quantification is not cost effective relative to the size of the emission but uplift applied.
3. **Data unavailable** Data is unavailable but uplift applied. A data management plan must be put in place to provide data within 5 years.
4. **Maintenance** Initial emissions non-quantified but repairs and replacements quantified.

N/A – no relevant emission sources have been non-quantified in this reporting period.

Data management plan for non-quantified sources

There are no non-quantified sources in the emission boundary that require a data management plan.

APPENDIX D: OUTSIDE EMISSIONS BOUNDARY

Excluded emission sources

The below emission sources have been assessed as not relevant to this organisation's operations and are outside of its emissions boundary. These emissions are not part of the carbon neutral claim. Emission sources considered for relevance must be included within the certification boundary if they meet two of the five relevance criteria. Those which only meet one condition of the relevance test can be excluded from the certification boundary.

Emissions tested for relevance are detailed below against each of the following criteria:

1. **Size** The emissions from a particular source are likely to be large relative to the organisation's electricity, stationary energy and fuel emissions.

2. **Influence** The responsible entity has the potential to influence the reduction of emissions from a particular source.

3. **Risk** The emissions from a particular source contribute to the organisation's greenhouse gas risk exposure.

4. **Stakeholders** Key stakeholders deem the emissions from a particular source are relevant.

5. **Outsourcing** The emissions are from outsourced activities previously undertaken within the organisation's boundary, or from outsourced activities typically undertaken within the boundary for comparable organisations

N/A – no emission sources have been assessed for relevance and found to be not relevant in this reporting period.

Emissions associated with the generation, transmission and distribution of sold electricity by SmartestEnergy are not included in this certification.

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