



Carbon Trust Assurance Limited
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Liz Adams
Interim VP Marketing
SmartestEnergy
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25 September 2024

Scope 2 Carbon Footprint Verification Letter CERT-13730

Dear Liz,

Carbon Trust Assurance Limited (**The Company**) verifies that:

SmartestEnergy Ltd (**You**) has calculated the 5 Listed Carbon Footprints and marketed in the United Kingdom, in accordance with:

- Greenhouse Gas Protocol Scope 2 Guidance (2015);
- SmartestEnergy's Renewable Certificate Allocation Policy;
- SmartestEnergy's Electricity Certificates Procedures 1-10

Listed Products and Carbon Footprints

Verified Scope 2 Carbon Footprint Results

The Company verifies the Listed Carbon Footprints set out in the table below.

Product	Geographic Area	Emission factor (gCO ₂)	Functional Unit
Specific Renewable	United Kingdom	0	kWh
Natural Renewable		0	
Standard Renewable		0	
Conventional		462	
Total SmartestEnergy		174	

The Company verifies the above Listed Carbon Footprints based on the data provided in the following models: *Smartest Energy product emission factor model v1.3 190824 v2*

Footprint Period

The Footprint Period to which the Listed Carbon Footprints relate is as follows:

- Start Date: 1st April 2023
- End Date: 31st March 2024

Level of Assurance

This verification was carried out to a Reasonable Level of Assurance.

Materiality

It has been verified that all material non-conformities identified during the sampling performed on the footprint models submitted have been closed. If at any time and for whatever reason You or the Company identify any further non-conformities, the terms described in the Description of Service and General Terms and Conditions will apply. It is also Your duty to promptly inform the Company in writing.

Provision for material discrepancy

The Company has performed the verification in accordance with the applicable material discrepancy threshold: Where individual or the aggregate of actual errors, omissions or misstatements affect the final footprint result by the equivalent of 1% or more they are predetermined to be a material discrepancy and therefore a non-conformity.

Claim Period

The Claim Period for this Verification is a period of 12 months from 1st October 2024 (the “effective date”) until 30th September 2025. Subject to the provisions in this Verification

Letter, during the Claim Period you may communicate the Listed Carbon Footprint results as being valid in respect of representing the current Scope 2 Carbon Footprint(s) of the Listed Product(s).

We will be in touch with you prior to the expiry of this verification to discuss your communication plans as well as re-verification. However, if you have any questions please feel free to get in touch with us.

Verification Findings

The following findings were raised but considered suitable for continued action during the quarterly reviews and/or prior to the next re-verification audit. These are also detailed in the associated Assurance Report.

Identifier	Requirement	Planned action	Severity – Status
CAR 1	<p>During the 22/23 verification process a number of policy documents were found to be last updated a reasonable number of years ago e.g. 2018. Given changes in the energy and REGO market since, please ensure that all supporting documentation is adequately updated ahead of the next verification. The internal Risk Policies should be prioritised as the limit values specified do not reflect current practices.</p> <p>This was noted in the 23/24 verification but has not been actioned. SmartestEnergy should ensure this is actioned ahead of the 24/25 verification.</p>	SmartestEnergy to review and action.	Minor – Open
CAR 2	<p>Is there any evidence that could be provided to show that all data source which feed into the Limit reporting have been updated accordingly for the quarterly reviews.</p> <p>Update 17/11/2023: please confirm how this approach will ensure errors with the report do not occur in future. Is this a change in reporting process since the breach that occurred?</p> <p>Update 27/08/2024: this query was raised in the 22/23 verification. In the quarterly review April 24 - June 24 it was noted that</p>		Minor – Suspended

Identifier	Requirement	Planned action	Severity – Status
	<p>the breach reported was also in part attributable to an error in reporting. In the screenshots reviewed in the annual verification there were again totals which did not align. SmartestEnergy need to detail how the REGO Limit Dashboard (including inputs) is quality controlled to ensure accurate reporting.</p> <p><i>This CAR has been suspended for resolution under CAR3.</i></p>		
<p>CAR 3</p>	<p>Please confirm that the removal of GoOs for UK FMD has been reflected in the GO Limit Dashboard reports provided. We understand that GoOs may still be traded but reporting against limits to ensure that UK volumes supplied can be covered by REGOs should be updated.</p> <p>Update 17/11/2023: SmartestEnergy to confirm internally is reporting of the REGO position should be done against the long/short/financial limits separately. Currently this does not look to be treated separately. If this is the case, clear separate reporting of REGO volumes against sold volumes and the relevant limits should be developed.</p> <p>Update 27/08/2024: this query was raised again with the new team member responsible for reporting on 15/08/2024 and it was suggested that the GO Limit Dashboard would need updating as non UK REGOs are included in the short limit for reporting, and errors on the totals across the positions were identified.</p> <p>Update 12/09/2024: The verification can be completed subject to SmartestEnergy providing an action plan and timeline for fixing the Limit Dashboard. This is both removing GoOs from reporting vs threshold and fixing issues noted in CAR2. There are currently errors in the values and no evidence of a QC process to review these.</p>	<p>Dashboard will be updated to present information in a way that clearly distinguishes between EU and UK REGOs. Associated graphs will also clearly distinguish between UK and EU REGOs. Formulas and references will be checked to ensure all totals are correct and are aligned across tables and graphs. Current year format will change from “monthly” view to “annual view” for consistency and clarity. Upon making the changes, differences will be explained. We intend to have these changes completed in our live models by the quarterly October/January reports (TBC).</p> <p><i>Carbon Trust will review progress in line with the action plan outlined. If SmartestEnergy have not been able to update the Limit Dashboard by the January quarterly review, additional calls will be required to discuss the Limit Dashboard in further detail which would be charged via a Variation from Scope.</i></p>	<p>Minor – Open</p>

Identifier	Requirement	Planned action	Severity – Status
CL 2	<p>Should Fanos Shiamishis (Acting VP Trading) have been one of the recipients? If so please update distribution accordingly.</p> <p>This action has also been noted in the Q3 and Q4 review and requires updating.</p> <p>Update 06/08/2024: Anna Laszlo and Ryuichi Noyama are also recipients of the email but are not on the distribution list. What are their roles and should they be added to the distribution list?</p>	SmartestEnergy to review and action.	Minor – Open
CL 5	<p>Could evidence be provided to support the split between embedded and non-embedded generation.</p>	<p>SmartestEnergy requested this be logged as an action for future verification periods.</p> <p>Agreed to request this evidence in future verification periods as a significant error would be required in the input for there to be a material change in the calculated emission factor.</p>	Minor – Suspended
OFI 1	<p>Cell AZ38 of the Calculations tab appears to label the emissions factors displayed as "Emission factor (g CO2/kWh)". The emissions factors are, however, in terms of kg CO2/kWh. This does not impact the actual calculations.</p> <p>Update 27/08/2024: the electricity units on this sheet also need review as MWh values are multiplied by kWh emission factors. Due to the error noted above this does not impact calculations but should be resolved for clarity.</p>	SmartestEnergy to review and action.	Major – Open
OFI 2	<p>It was noted during the verification that there were typos and incorrect numbering of sections through the procedures provided. It is recommended SmartestEnergy review and update the documentation for accuracy and ease of reference.</p>	SmartestEnergy to review and action.	Minor – Open

Identifier	Requirement	Planned action	Severity – Status
<p>OFI 3</p>	<p>Currently, the volumes associated with T&D losses are included in the calculations for the Conventional product. This means that the emission factor calculated represents both Scope 2 emissions and the T&D component from Scope 3 reporting. The same applies for the Total Smartest Energy calculations.</p> <p>The impact on the calculations for the 23/24 reporting period are immaterial for the Conventional product, though are more material for the Total Smartest Energy calculation. GHG Protocol Scope 2 Guidance notes that emissions calculations may be impacted by regulations and reporting a total fuel mix in this manner is required by OFGEM. However, SmartestEnergy and Carbon Trust should discuss how reporting could be improved ahead of the next verification.</p> <p>It should also be noted that the materiality of this discrepancy is affected by supply volumes and certificate volumes, so may be more or less material in subsequent reporting periods.</p>	<p>SmartestEnergy to review and action.</p>	<p>Major – Open</p>
<p>OFI 4</p>	<p>In future verifications, please ensure evidence for Procedures 2, 3 & 4 is complete documentation, with any commercially sensitive information blanked if required. For some items, e.g. 4.1, a blank template was provided.</p>	<p>SmartestEnergy to review and action.</p>	<p>Minor – Open</p>

Communications

You are permitted to communicate the verified results as set out below and in any associated Annex:

- ‘The Scope 2 Carbon Footprint of this product has been verified by the Carbon Trust’.



Any communications, other than those listed above, shall be submitted to the Company for prior approval and may be documented in an Annex of this Verification Letter at the Company's discretion.

For and on behalf of
Carbon Trust Assurance Limited

A handwritten signature in black ink, appearing to read "M Hockaday".

Martin Hockaday,
Head of Assurance