



## **B Lab Statement on Good Energy B Corp Certification**

B Lab's independent Standards Advisory Council has rendered the following decision and guidance regarding eligibility for B Corp Certification for companies in the fossil fuel industry, including those that generate or sell energy derived from fossil fuels:

*"Companies involved in the production and sale of fossil fuels, including those that generate or sell energy derived from fossil fuels, are eligible for B Corp Certification if they are not engaged in specific prohibited practices regarding extraction, lobbying, and financial incentives; have successfully transitioned their energy portfolio to be at least 50% carbon-free; and have committed to make progress towards transitioning to a fully carbon-free portfolio within specified timeframes."*

Good Energy is required to disclose a summary of how it complies with these industry requirements as a part of its B Corp Certification. For more information on the specific requirements, please refer to B Lab's position statement on Fossil Fuel and Energy Companies [here](#).

### **Summary of Company**

Good Energy is a UK-based company that provides electricity and gas. 100% of the electricity they provide is from renewable energy sources and 10% of the gas they provide is biogas. The company also provides products and services to support domestic and non-domestic clients in the UK to have more energy efficient homes and access to renewable energy. Products and services include: solar panel installation, home battery installation for solar power, EV charging points installation, air source heat pumps and solar export payments.

Electricity is sourced through 100% renewable electricity tariffs delivered through PPA's (Power Purchase Agreements) from a diverse and large group of individual renewable power generators in the UK. The company's Biogas was mainly sourced from two individual biogas generating farms and their gas supply comes from the open market, the same sources the UK supplies its gas from (50% North Sea and 50% imports).

The company does not have any coal mining or oil sands extraction products or services nor derives revenue from such products or services. More information on the company's products and services is available here: <https://www.goodenergy.co.uk/>.

### **Good Energy's Disclosure on Prohibited Practices**

*Fossil fuel and energy companies engaged in the following practices are currently ineligible for*



#### *B Corp Certification:*

- Companies with involvement in the coal and oil sands industry. This includes companies that earn revenue from coal mining and/or oil sand extraction, companies that operate coal-fired energy generation plants without a clear retirement plan for all coal-fired capacity in line with a science-based carbon budget, and companies that have constructed new coal-fired energy generation plants since 2010 or have plans for expanding their coal-fired generation in the future.
- Companies that have components of their executive compensation tied to the growth of their fossil-fuel portfolio.
- Companies engaged in any form of lobbying or policy advocacy to oppose climate-friendly policies and/or support climate-negative policies in the past five years, including membership, Board involvement, or funding of trade associations that have climate-negative activities or positions.

Good Energy has been reviewed in accordance with B Corp Certification's Disclosure Questionnaire and background check requirements in order to verify it is meeting the above requirements regarding prohibited industry practices. The company's approach to managing these material topics in the industry is further detailed below.

#### **Good Energy's Disclosure on Required Best Practices**

- 1. Companies must have a current product portfolio/energy mix that consists of at least 50% carbon-free energy, which may include the purchase of green energy certificates or their equivalents.*

The company has an energy revenue portfolio composed of 86% in sales of Renewable electricity and 14% in sales of Gas energy. Overall, the company has more than 50% of its portfolio consisting of carbon-free energy.

For their sale of Electricity, Good Energy sells 100% renewable electricity generated in the UK by independent generators.

[Good Energy's fuel mix](#) between April 2022- March 2023 was the following:

- 34% Wind power
- 46% Biogeneration
- 14% Solar
- 6% Hydro



Good Energy has obtained and retired sufficient Renewable Energy Guarantee of Origins (REGOs) to match at least 100% of the volume of electricity supplied to their domestic and non-domestic customers for the year ended 31 March 2023. All REGO Certificates are supported by a renewable energy generator in Great Britain.

In relation to the sale of Gas, 10% of Good Energy's gas sources are renewable biogas from one UK based supplier. The remaining 90% is gas purchased via the wholesale market. According to the company's research, also shared on their website, 10% represents the maximum percentage of the UK's gas demand that can be met from sustainably produced, UK generated biogas ([Committee on Climate change, page 42](#)).

The remainder of gas supplied by Good Energy is offset through [SkootEco](#) through Gold Standard International schemes which grow green gas worldwide. More details on the company's offset projects are [available here](#).

For the gas supplied to customers, the company has obtained and retired sufficient Renewable Gas Guarantees of Origin (RGGOs) to match at least 10% of the volume of Green Gas supplied to their domestic and non-domestic customers (100% of the renewable gas provided has a RGGO) for the year ended 31 March 2023.

2. *Companies must have a formal commitment to transition 100% of non-generated electricity sales (i.e. electricity that is not directly generated by the company) to carbon-free sources by 2030, and to transition entirely to a carbon-free product portfolio/energy mix by 2040, both of which may include the purchase of green energy certificates or their equivalents. This commitment is aligned with a science-based emissions target based on a 1.5°C scenario. The commitment must include a transition plan and interim targets.*

Good Energy has supplied 100% renewable electricity since it was founded in 1999 and is committed to continue to provide electricity from 100% renewable energy sources.

In relation to gas, from the total amount of gas supplied, 10% is renewable gas. Good Energy's strategy for decarbonization and transitioning to 100% carbon-free, is to provide heat pump installation electrification to run on renewable energy and offering solar power installation services, achieved through the purchase of the established heat pump installer Igloo Works Limited in 2022. This commitment is expressed in the Good Energy fossil gas 2040 transition plan that is published on their website [here](#). The company details their commitment to cease the sale of fossil gas by 2040, in line with a science based emissions target based on a 1.5°C of *heating scenario* - in order to meet the UK's net zero targets.

The Report also includes annual improvement targets to reach the final goal. The details of the commitment and the improvement target and goals are summarized in the following table:



	Target revenue from gas as a percentage of total	Transition planning
2021	16%	Baseline year
2025	$\leq 13\%$	Good Energy has a stated ambition to help one million homes and businesses cut carbon by 2025
2030	$\leq 9\%$	Based on its targets, 2026 will be the first year Good Energy's cumulative heat pump sales will take over gas customer numbers. By 2030, the government's deadline for 600,000 annual heat pump sales will have passed (in 2028).
2035	$\leq 5\%$	The CCC's recommended end to gas boiler sales will have passed in 2033, Good Energy gas customers likely only to be a small minority of legacy customers. Potential to switch all customers to 100% green gas at this point or earlier, cost dependent, considering households which haven't switched to heat pump may be lower income.
2040	0%	Target deadline. Number of gas customers likely to have hugely decreased to under 1000. Plan to regularly communicate to this cohort coming up to 2040 with their options ensuring they are provided with an affordable way to transition to gas supply.

3. Companies must formalize a policy that acknowledges the issue of climate justice and includes an assessment of how their operations might impact individuals and communities, particularly those who are already marginalized.

Good Energy has a Climate Justice Policy that covers their commitment to improve their level of supply chain monitoring in order to drive continuous improvement and upholding the best possible standards in relation to environmental protection, human rights and labour, diversity equity and inclusion, cyber security, living wages and onward supply chain responsibility. The



company uses a monitoring platform called [Integrity Next](#) to evaluate how suppliers meet these standards, and has a responsible procurement policy that all employees must follow concerning purchases.

In addition, Good Energy demonstrates their commitment by supporting the growth of independent, renewable energy generation in the UK; offering their community of approximately 2000 generators a fair price for their power and a route to market for small clean energy projects. Information on the company's network of independent generators can be found [here](#).

Their Climate Justice policy also includes a commitment to pricing their products fairly to combat the exclusion of lower income households from the clean energy transition. This commitment includes:

- Low-cost financing technologies such as heat pumps and solar energy, affordable to more people.
- Reducing the price of their smart prepayment tariff to be the cheapest variable tariff on the market (prepay generally being the mode of payment for lower income households).
- Advocating for an industry wide 'social tariff' as a progressive way of providing lower cost energy to those on means tested benefits.

In addition, the company recognizes the impact of pricing on the energy transition for lower income households and demonstrates this commitment through:

- 2023 launch of Smart Export Tariff "Power for Good" for households with solar panels, offering a variable export tariff rate to promote solar energy generation from roof-top solar panels.
- Joined Energy UK's Vulnerability Commitment and began offering the Warm House discount.
- Called for government support on bills, through the Energy Bill Support Scheme and the Energy Price Guarantee, in addition to the Energy Bill Discount Scheme for businesses

Moreover Good Energy's Climate Justice Policy outlines their commitment to amplifying and listening to young and marginalized voices on climate justice, doing so by continuing partnerships which promote the cause of climate justice, such as Friends of the Earth and XR and Stemettes and inclusive employers, which encourage diversity and equality. The company has demonstrated their commitment by sponsoring two UK Local Conference of Youth and the UK's COY16 conference.



More information about these initiatives are outlined in the company's Climate Justice Policy and [2022 Annual Report](#).

Their policy outlines their commitment to decarbonization, through:

1. Carbon Offsetting programs
2. Their transition plan away from gas by 2040.

*4. Public disclosure on Scopes 1,2 and 3 GHG emissions.*

In 2022, Good Energy's total GHG emissions corresponded to 102.9 tCO<sub>2</sub>e, broken down as follows:

Scope 1 GHG emissions: 0.188 tCO<sub>2</sub>e (Defra guidance on FGAS)

Scope 2 GHG emissions: 0 tCO<sub>2</sub>e

Scope 3 GHG emissions: 102.878 tCO<sub>2</sub>e

In March 2022, the SBTi approved Good Energy's near-term science based target of reducing emissions by 50% across all scopes by 2030. More detailed information about the company's emissions breakdown and calculations can be found in Good Energy's [2022 Annual Report](#).