



THE CLEAN ENERGY CHALLENGE FOR SUSTAINABILITY & ENERGY MANAGERS

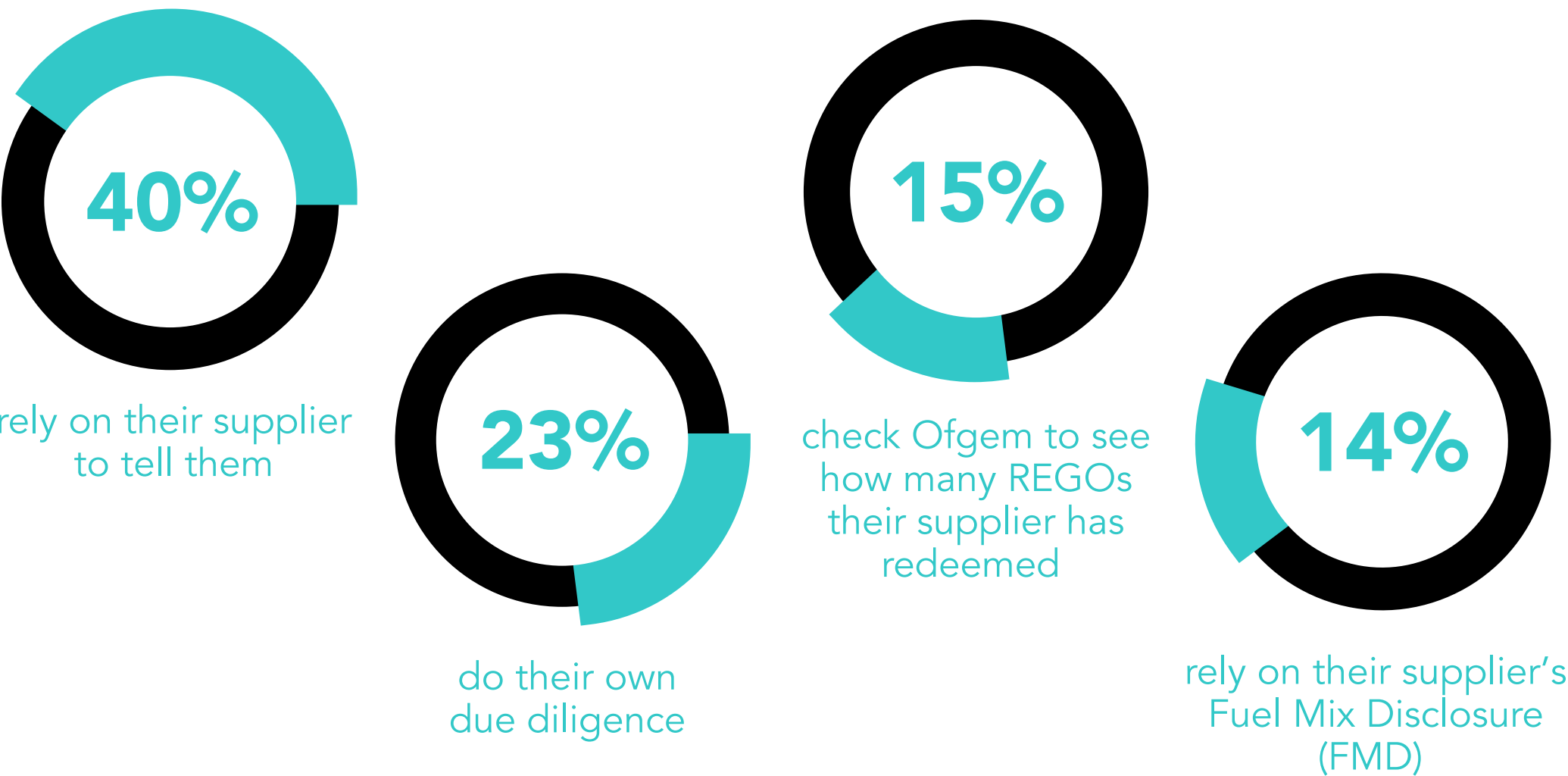
RESEARCH SUMMARY AND STATISTICS

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THE CLEAN ENERGY CHALLENGE FOR SUSTAINABILITY AND ENERGY MANAGERS

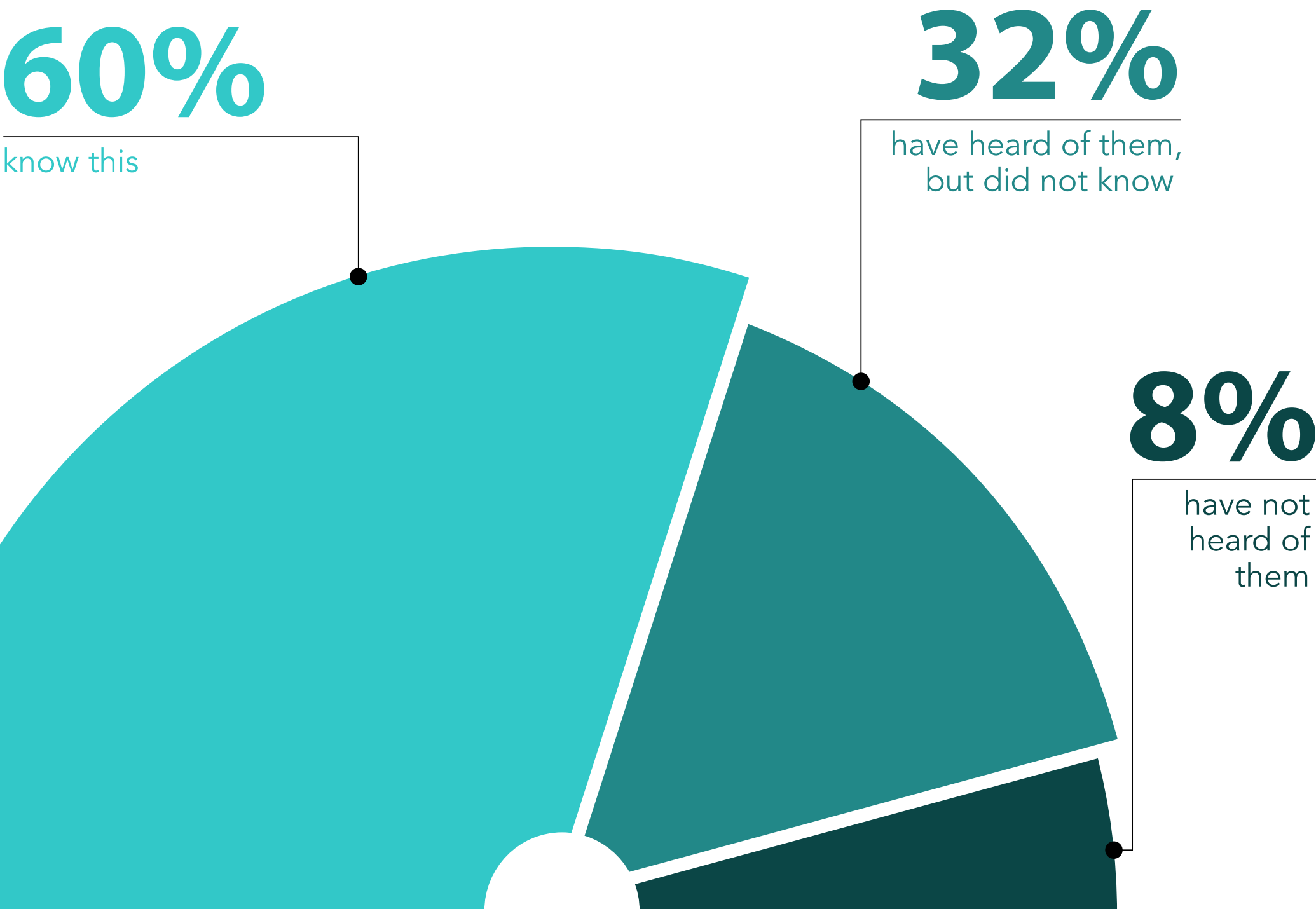
To reach net zero, businesses need to drastically reduce emissions from their energy supply.
But do they have the expertise, support and strategy to deliver?
We surveyed 250 sustainability and energy managers from FTSE 250, or equivalent size, companies with £1 million or more annual spend on energy, to find out.

HOW DO SUSTAINABILITY AND ENERGY MANAGERS CLARIFY THE SOURCE OF THEIR ENERGY?



ARE SUSTAINABILITY AND ENERGY PROFESSIONALS AWARE OF THE 'LOOPHOLE' THAT EXISTS WITH REGOs AND GOs?

REGOs are European GOs are renewable energy certificates that can be bought separately by energy suppliers and combined with fossil fuel energy to create what can be packaged up as 'renewable energy'.

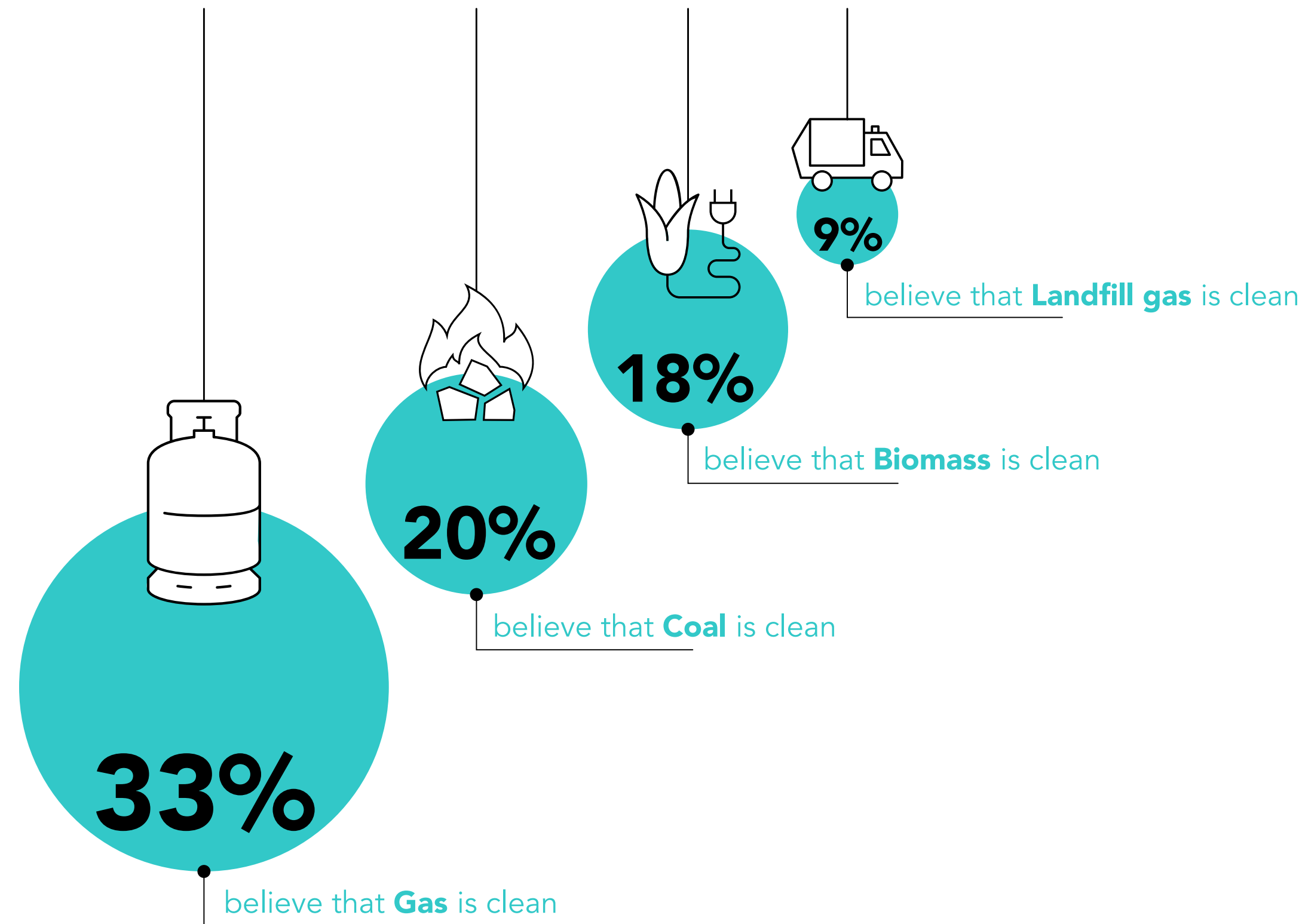


COMMITMENT TO CLEAN ENERGY



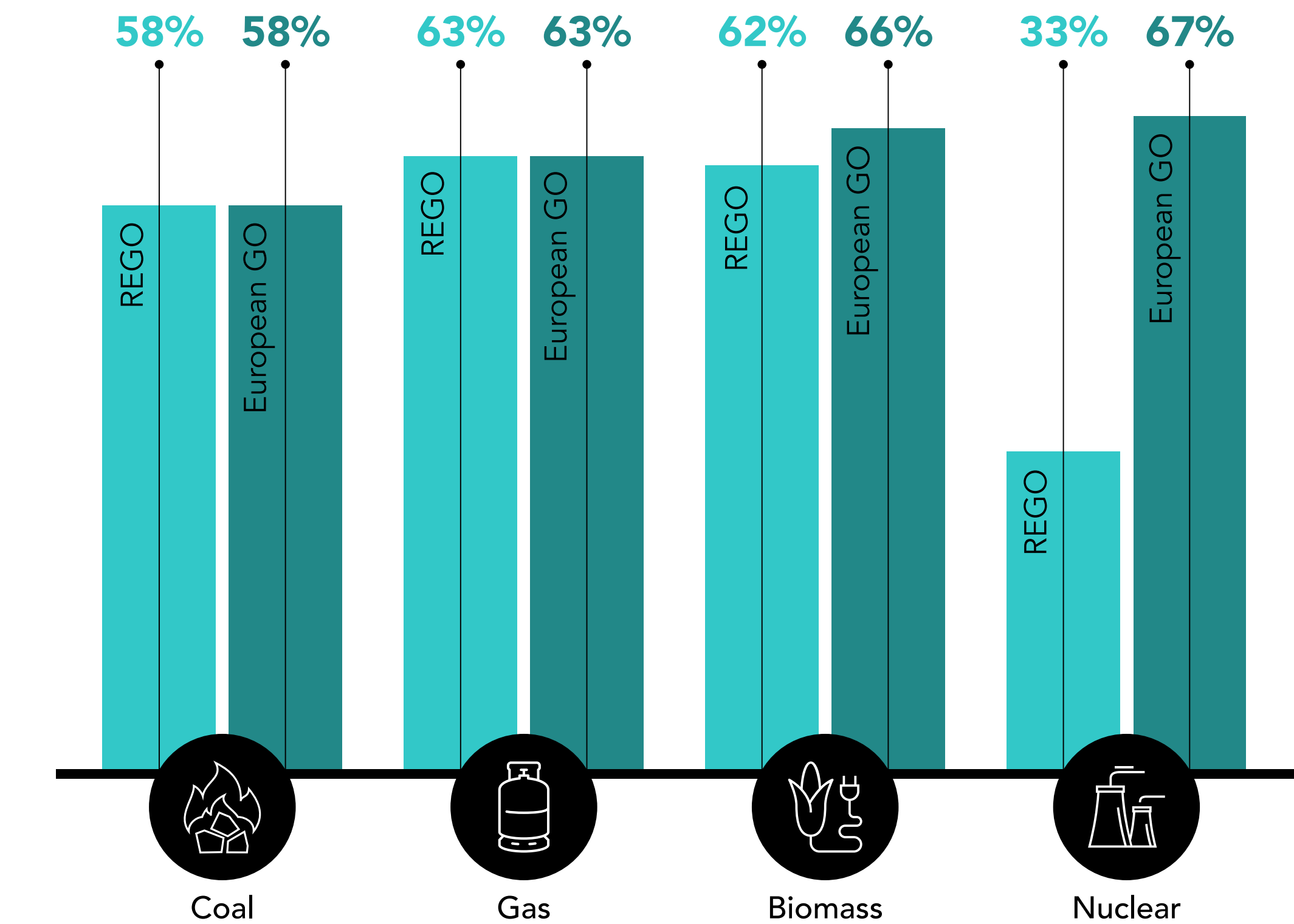
CONFUSION AROUND CLEAN ENERGY

Clean energy is energy derived from natural, non-polluting resources that are capable of being replenished on a short timescale, such as wind, solar, geothermal, wave, tidal and hydropower. But what do sustainability and energy managers think is clean energy?

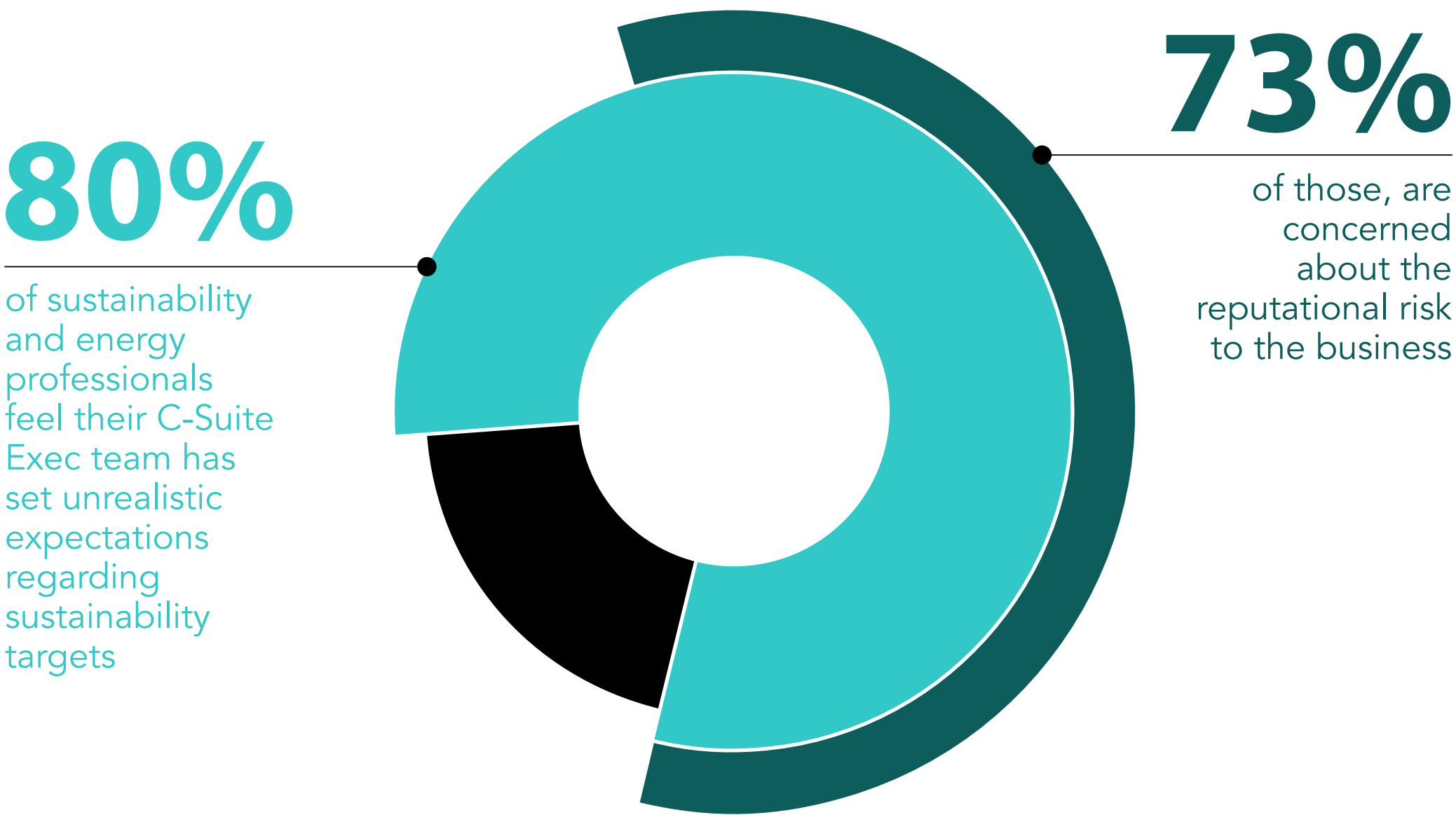


ORGANISATIONS RISK GREENWASHING

Respondents were asked if any of their energy sources were combined with a REGO or European GO.



C-SUITE EXEC TEAM HAS UNREALISTIC SUSTAINABILITY EXPECTATIONS

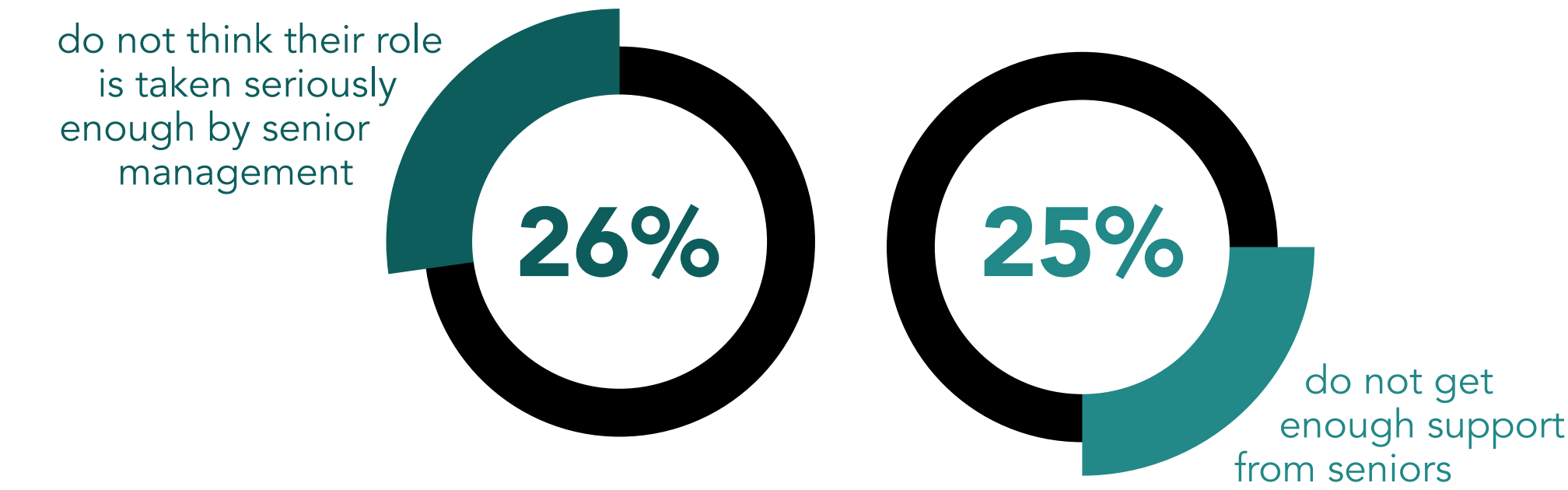


HOW CLEAR IS THE COMPANY'S RENEWABLE ENERGY STRATEGY?



LACK OF TRUST AND SUPPORT FROM THE C-SUITE

Sustainability and energy managers often feel they do not get enough support from their superiors.



GAPS IN KNOWLEDGE COULD STIFLE PROGRESSION



ACKNOWLEDGE THE TASK AHEAD OF YOU

We hear and appreciate the challenges you face

Historically, few companies have organisational structures that are designed to treat sustainability as a material business issue.

And as climate change is catapulted to the forefront of the business agenda you are faced with an enormous challenge.

In fact, it's hard to overstate the work that's required.

There is no playbook. But there are teams with the expertise and experience that can help navigate you through.

We surveyed 250 UK sustainability and energy managers – many of whom are facing the same momentous task as you - and this is a short summary of what we found.



Your commitment to 'clean' energy *could* be tarnished by greenwashing

Undoubtedly, big business has a hunger for sustainable practice. In fact, 74% of respondents in our study said the company they work for is committed to procuring clean energy. Given transitioning to energy that has no adverse impact on the environment is a vital part of the path to net zero, this is positive news.

But sourcing and procuring genuinely clean energy is not as easy as you might think. In fact, energy suppliers have a dirty secret that can make your mission almost impossible.

Many big energy players are promoting their renewable tariffs under eco-friendly banners using terms like 'renewable' and 'green'. As a sustainability and energy professional it's an enticing proposition - it means you have a positive commitment to proclaim to the world.

However, this eco-friendly banner is often just that. Despite popular belief, renewable does not necessarily mean non-polluting, sustainable or carbon-neutral. In-fact renewable energy includes some surprising elements like biomass which releases both solid carbon particulates and greenhouse gases.

And that's not all; a record number of UK energy suppliers are sourcing their energy from fossil fuels, packaging it with renewable energy certificates called Renewable Energy Guarantee

What is 'clean energy'?

Genuinely clean energy translates as energy derived from natural, non-polluting resources that are capable of being replenished on a short timescale, such as wind, solar, geothermal, wave, tidal and hydropower.



of Origin (REGO) or European Guarantee of Origin (European GOs), and claiming that their fuel is renewable.

Despite it being entirely legal for organisations to sell, and for energy firms to buy, REGOs, this trading of renewable energy certificates to essentially "offset" fossil fuels can lead to **greenwashing**.

The central issue is that although energy firms are required by law to disclose the energy make-up in a Fuel Mix Disclosure (FMD), the rules allow them to obfuscate their actual source of power.

They are misleading you about the makeup of the energy you are powering your business with.

Imagine claiming that you have committed to green energy on your website, only to find that what you actually have is energy from polluting, fossil fuel sources.

The sad truth is, Britain's energy suppliers have long been involved in greenwashing practices, which means you have to do more legwork to ensure you are being powered with the energy you think you are.

When we asked sustainability and energy managers what they rely on to ensure their supplier is providing them with the energy they say they are, 40% said they rely on their supplier to confirm the energy mix - which we now know may not be transparent. 14% said they look at the FMD of their supplier, which is a good start, but doesn't provide the whole truth. Whilst 15% said they check how many REGOs their energy supplier has redeemed on the Ofgem website. And what about those suppliers who are masking fossil fuels behind these certificates?



You *may* be buying fossil fuel energy in disguise

As part of our study, we wanted to know more of what sustainability and energy managers understand about REGOs and European GOs and the practice of trading renewable energy certificates.

This is important for many reasons, but mainly because if a business does know its energy supplier has purchased REGOs or European GOs and combined these with fossil fuel energy to create what can then be badged up as 'renewable energy', it would suggest that sustainability and energy professionals at some of the biggest companies in the UK may be turning a blind eye to greenwashing.

Our research shows that whilst a third (32%) of sustainability and energy managers had heard of a REGO, they were not aware that REGOs could be bought separately by energy suppliers and combined with fossil fuel energy to create what can be badged up as '*renewable energy*'.

These figures also ring true for European GOs.

In addition, we asked sustainability and energy managers which of their power sources they know to be combined with a REGO. 58% of those who said coal is in their fuel mix, said it is combined with REGOs; 57% of those who said gas is in their fuel mix said it is combined with REGOs; and 62% of those who said biomass is in their fuel mix said the same.

These statistics are of grave concern.

What exactly is greenwashing?

Greenwashing is the act of making an unsubstantiated or misleading claim about the environmental benefits of a product, service, technology or company practice. Greenwashing makes a company appear to be more environmentally friendly than it really is.



Your lack of specialist knowledge *could* inhibit sustainability efforts

As part of our study, we uncovered a worrying level of confusion on what is, and what is not, classified as 'clean' energy. For example, some respondents from our survey thought coal (20%), biomass (33%) and gas (18%) are clean sources.

There also seems to be a misunderstanding about the impact of biomass energy on the planet. 44% of respondents said that biomass energy creates less CO2 compared to burning coal. In fact, biomass typically means burning imported wood pellets that releases both solid carbon particulates and also emits more CO2 than coal.

You *may* have been asked to learn this critical role on the job

In an environment where people working in your position are often asked to run before they walk, we understand the pressure you are under to rapidly up skill.

It comes as no surprise then that more than a quarter (27%) of respondents said they feel out of depth in their role. This is little wonder given a third said they have been transferred from another department (such as HR or finance) and are required to learn this new, highly critical role, on the job.

Over a third (34%) of those we questioned felt they would like more formal sustainability training. In addition, 29% said that although they are fully trained in sustainability, procuring clean energy is new to them and a quarter (25%) said they do not get enough support from their seniors.

Your C-Suite *may* think it is leading on climate change but expectations are unrealistic

Most sustainability and energy managers in our survey said the practice of procuring clean energy is important to their C-Suite Executive team and 86% agreed that the current C-Suite Executive team is pushing the environmental agenda forward.

Businesses are finally recognising the need to take action on climate change.

However, 80% of respondents said they feel their C-Suite has unrealistic expectations regarding sustainability targets - 73% of whom are also concerned about the reputational risk for the business of failing to meet these targets.

Leaders may have recognised the need to take climate action, but this seems to be curtailed with a lack of realism and an unappreciation of what it actually takes to make change happen. Over a quarter (26%) of those who took part in our study do not think their role is taken seriously enough by senior management.

You *may* be confused about your exact role in all this

Climate change is weighing heavily on the minds of the world's executives. Recognition of the havoc it can wreak has arrived.

However, there appears to be confusion about who in the business has the overall responsibility to deliver the environmental agenda.

34% of respondents said they think that the CEO has the overall responsibility, 33% believe the responsibility sits with the board, and just a quarter of sustainability and energy professionals think it's their responsibility.

This lack of clarity, and perhaps accountability, will undoubtedly result in a fractured strategy that fails to create progress. When we asked respondents how they would describe the strategy they have in place to reach the renewable energy target set by the company, a third admitted it is unclear.

You personally see the business opportunity in clean energy

What's clear is that, as a sustainability or energy professional, you see the business opportunity in clean energy.

So much so that 83% of sustainability and energy managers questioned said they agree that businesses should insist their suppliers buy genuinely clean energy. Clean energy presents promising opportunities for improvements across the supply chain, in turn, presenting you with several potential business benefits.

Your views may be at conflict with the business' priorities

As previously explained, 74% of businesses are committed to procuring clean energy. That being said, 26% said they were not.

To clarify, that amounts to more than a quarter of FTSE 250 (or equivalent) size companies, who spend £1m+ a year on energy, having no commitment to clean energy.

The demand for capitalism to serve employees, customers and the environment is now so powerful that it would be foolish to not regard clean energy as an essential risk mitigation strategy.

These businesses in the 26% are not only failing to step up and be role models, but they are also failing to see the opportunity that exists in clean energy. Those who choose to see the opportunity and put themselves at the forefront of the clean energy movement **will** gain a competitive edge.



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Do the challenges described in this summary report ring true for you? Rest assured, you are not alone. For expert support and advice or to explore sourcing guaranteed 100% clean energy for your corporate business or public sector organisation, contact our experienced and committed team. We'd love to help.



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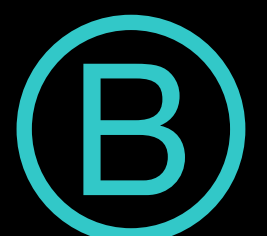
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