

Our approach to **sustainability.**

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Foreword from CEO

This report marks a clear stake
in the ground for Luxion Group.

It comes at a time when the energy system is under real and growing pressure. Climate impacts are no longer distant risks, they are being felt now. At the same time, affordability challenges, energy insecurity and uneven access to new technologies are creating clear divides in how people experience and benefit from the transition.

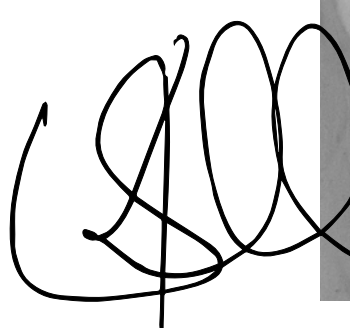
These are not abstract issues. They are affecting households, businesses and communities today, and they will define the next decade of change. As a business operating at the heart of this system, we have a responsibility to respond to that reality, not simply observe it.

This report sets out how we are doing that. It brings together the findings of a Double Materiality Assessment (DMA) and shows how those insights have directly shaped the five pillars of our sustainability strategy.

It is both a reflection and a commitment. A reflection on how far we have come as a business operating in a rapidly changing sector, and a commitment to how we intend to operate going forward.

We are clear that sustainability is not a parallel agenda. It is part of how we make decisions, where we invest, and how we manage risk and growth over time. It also reflects a broader responsibility to ensure that the energy transition does not leave people behind.

The pages that follow set out the external pressures shaping our industry, the values that continue to guide how we operate, and the strategy we will use to turn intent into action.

- Bill Bullen

“Sustainability
is not a parallel
agenda. It is part
of how we make
decisions.”



Our values and vision

FOUNDED TO CHALLENGE HOW ENERGY WAS DONE

Luxion Group's origins sit in a clear dissatisfaction with how the energy market was operating in the early 2000s. When Utilita was founded in 2003, the intention was not to replicate the existing model, but to challenge it. At the time, the market was dominated by large incumbents and many customers had limited visibility or control over how they used energy, what it cost, or how it could be managed more effectively.

The founding belief was simple: energy should be more transparent, controllable, and fair for customers. Those original drivers remain highly relevant today. Climate change, energy affordability, energy security, pressure on infrastructure and changing social needs were all already visible at the time of founding. They have since become more urgent, not less.

BUILDING A DIFFERENT KIND OF ENERGY BUSINESS

From the outset, Utilita positioned itself as a challenger brand focused on changing how customers engage with energy.

One of the earliest and most significant shifts was the adoption of smart metering technology at scale. Utilita was the first energy supplier in Great Britain to install smart meters at volume in customers' homes – and today, maintains one of the highest smart meter penetration rates in the market, at 95%.

This fundamentally changed how customers could see and manage their energy use, moving from estimated billing and delayed information to real-time visibility and control. That same principle continues to underpin how the business operates today: give customers better information, and they will make better decisions.

Utilita maintains one of the highest smart meter penetration rates in the market at

 95%

SMART, FAIR AND SUSTAINABLE

The Group's values – Fairness, Smart and Sustainability - are not new positioning. They reflect how the business has been built and how it continues to operate.



Smart

“Smart” reflects the early and ongoing investment in technology and data to improve visibility and control for customers.

Fairness

“Fairness” reflects a focus on transparency, accessibility and affordability in a market where energy costs directly affect household wellbeing.

Sustainability

“Sustainability” reflects both environmental responsibility and a practical focus on reducing energy demand, supporting efficiency and enabling a lower-carbon energy system over time.



Energy should be more transparent, controllable, and fair for customers.

While the expression of these values will continue to evolve as the business grows, they remain rooted in the same founding intent to make energy work better for customers.

THE CLEANEST AND CHEAPEST ENERGY IS THE ENERGY YOU DON'T USE

Alongside technology, Utilita has consistently focused on how behaviour influences energy consumption. This principle has shaped a wide range of customer-facing campaigns designed to support energy efficiency and affordability, including initiatives such as 15 Ways to Save, Shop Smart, Cook Savvy, Power Price List and High5.

These programmes were developed in response to real customer needs, particularly during periods of rising energy costs. They reflect a long-standing view that energy suppliers have a role not just in selling energy, but in helping customers use less of it.

This is also where the “pocket and planet” principle has been most visible in practice, linking household affordability directly with emissions reduction.

FROM CHALLENGER TO ENABLER OF THE NEXT ENERGY SYSTEM

The energy system is now undergoing another period of structural change. The transition to a low carbon energy system, the growth of distributed energy technologies such as solar, and the increasing role of digital infrastructure are reshaping how energy is generated, stored and used.

Luxion Group is now scaling its role within this transition through a broader set of energy services, including smart technologies, home energy solutions and low-carbon offerings delivered through parts of the Group such as Procode.

This reflects a continuation of the original mission rather than a departure from it, using technology and service design to make energy more understandable, controllable and aligned to customer needs.

The sustainability strategy set out in this report builds on that legacy. It reflects both where the business has come from and how it needs to evolve in order to remain relevant, responsible and resilient in a rapidly changing energy system.



Changing times

WHY THIS STRATEGY? WHY NOW?

Luxion Group has changed significantly in recent years.

Since the launch of our original sustainability strategy in 2019, the business has continued to evolve through a period of expansion and diversification, transformation and external change. We have expanded our capabilities, entered new markets and continued to develop the products and services we provide to customers, including growth in areas such as solar and wider home energy solutions.

At the same time, the world around us has changed dramatically.

The energy crisis, rising cost of living pressures, geopolitical instability and the lasting impacts of the COVID-19 pandemic have reshaped the environment in which businesses operate. Alongside this, the impacts of climate change are becoming increasingly visible, expectations from customers and stakeholders are evolving, and the regulatory landscape continues to develop at pace.

These changes have reinforced the need for a sustainability strategy that is not static, but resilient, practical and capable of adapting alongside the business and the wider world.

Our original strategy helped establish strong foundations and accelerate progress across a number of important areas. However, as the Group has grown, so too has our understanding of the role sustainability plays in long-term business resilience, customer trust and responsible growth. This refreshed strategy reflects that evolution.

It has been designed to support better decision-making across the Group, strengthen accountability and focus attention on the issues where we can have the greatest impact. It also recognises that sustainability cannot be siloed from business strategy. It must be embedded into how we operate, how we grow and how we plan for the future.

Through this strategy, we are setting a clear direction for the next phase of Luxion Group's journey. One that supports long-term growth while helping us respond responsibly to the environmental, social and economic challenges shaping the future of our industry and the communities we serve.



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Sustainability
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strategy



WHAT'S CHANGED?

In 2019, we set an ambitious net zero target covering our full operational footprint, including emissions associated with the energy our customers use. In 2023, we refined this approach by separating emissions we can directly influence through our own operations from those driven by the wider energy system and customer demand.

This helped improve clarity over where the business has direct control and where long-term system change is required.

As part of this evolution, we also created our Live Carbon Dashboard and automated our emissions reporting. This improved the transparency, accuracy and timeliness of our carbon data, and strengthened our ability to understand emissions across different parts of the business in near real time. It also reinforced the principle that sustainability performance should be visible, measurable and embedded into day-to-day decision-making rather than reported retrospectively.

Building on this foundation, we have undertaken a full review of our net zero framework to test whether it remains fit for purpose as the business continues to grow and as external expectations evolve. That review has led to a further shift in how we structure our approach.

The key change is a move away from a single, aggregated net zero target across all operational emissions towards a more structured, control-based model. This recognises that different parts of our emissions profile are shaped by different drivers and levels of control, and therefore require different approaches to delivery, accountability and measurement.

As a result, we now distinguish more clearly between emissions we directly control through our operations, such as our sites and fleet, and emissions where our role is primarily to enable, influence and support change, such as those associated with suppliers and employee activity.

This shift does not reduce our ambition. It reflects a more accurate and practical way of managing emissions in a growing and changing business and ensures that progress can be measured in a way that is aligned with real operational delivery rather than distorted by external factors or business growth alone.

Importantly, this approach is designed to be enduring. It provides a long-term decarbonisation framework that can accommodate business growth, respond to external change and reduce the need for repeated structural redesign of our targets. In doing so, it strengthens both the credibility and stability of our sustainability approach over time.

Our long-term commitment to net zero remains. However, the way we deliver and evidence progress towards it is evolving to ensure it remains meaningful, decision-useful and aligned with how the business actually operates.

Following our DMA, we have also broadened our approach to sustainability beyond a single focus on carbon. This shift was designed to avoid carbon-only decision-making and ensure we are addressing the full range of environmental, social and governance issues that are most material to the business and our stakeholders. It reflects a move from a narrow emissions-led view of performance towards a more complete understanding of sustainability risk, impact and opportunity.

“ Sustainability performance should be visible, measurable and embedded into day-to-day decision-making.”

DOUBLE MATERIALITY ASSESSMENT

To help shape a sustainability strategy that is both credible and practical, Luxion Group undertook a Double Materiality Assessment (DMA) aligned to the principles of the EU Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).

While Luxion Group is not currently required to report under these regulations, we chose to use the framework because it provides a robust and forward-looking approach to understanding the sustainability issues that matter most to our business, our stakeholders and wider society.

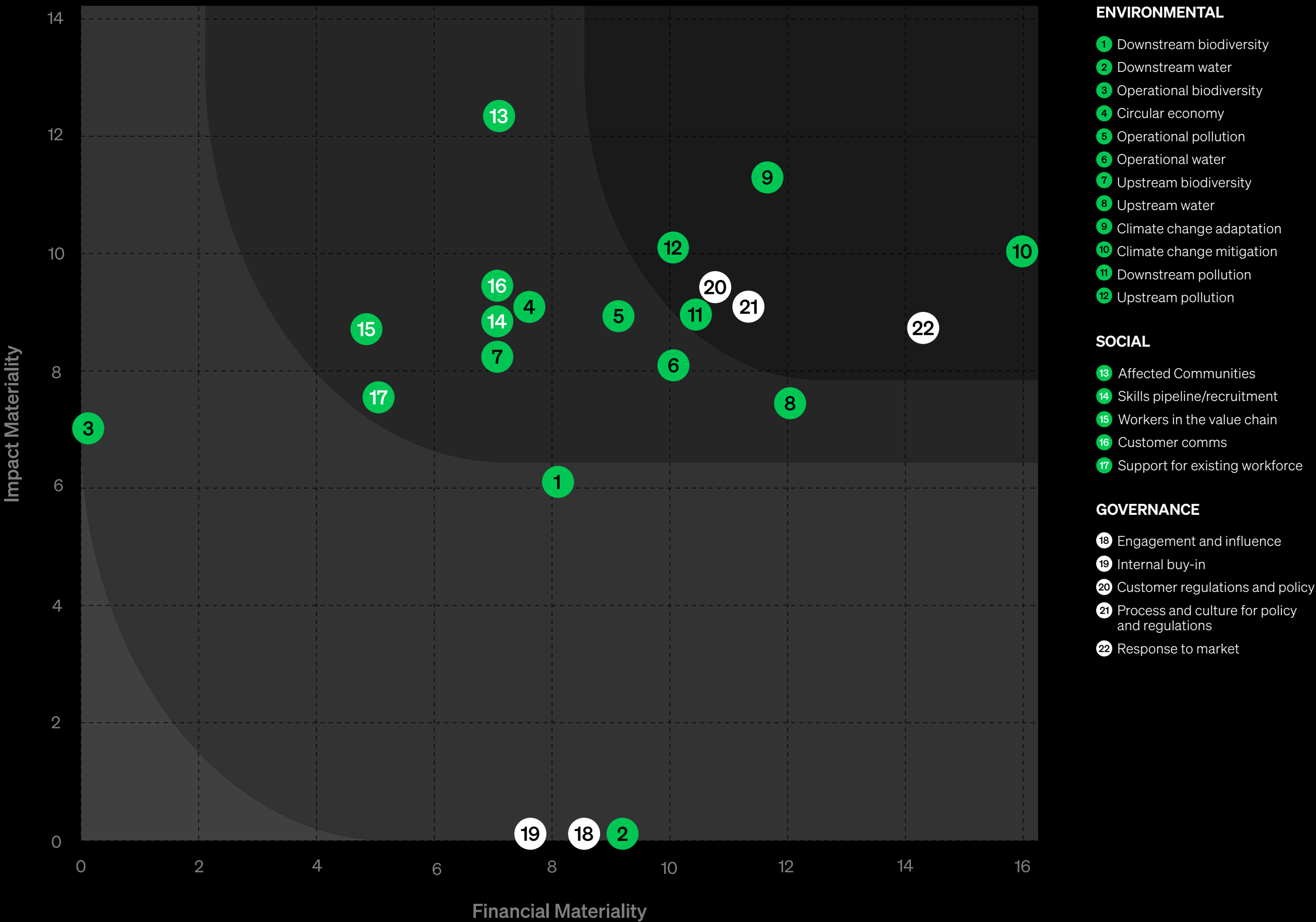
A Double Materiality Assessment helps organisations understand sustainability from two perspectives:

- The impacts a business has on people and the environment.
- The sustainability-related risks and opportunities that could affect the business itself.

This approach ensures sustainability priorities are shaped not only by financial considerations, but also by the wider social and environmental impacts connected to business activities and the value chain.

The assessment was designed to identify, assess and prioritise the sustainability-related impacts, risks and opportunities most relevant to Luxion Group. This resulted in the identification of 22 material topics which now form the foundation of our sustainability strategy and long-term approach to governance, risk management and decision-making.

CLICK HERE TO READ OUR FULL DMA METHODOLOGY



SCOPE

The assessment considered impacts, risks and opportunities across Luxion Group's operations and wider value chain, including suppliers, business operations and downstream customer impacts.

Environmental, social and governance topics aligned to ESRS requirements were assessed alongside issues specific to the Group's activities, including energy supply, infrastructure, technology, customer services and corporate operations.

A forward-looking approach was applied throughout the process, considering short, medium and long-term time horizons. This helped ensure the assessment captured both current sustainability challenges and emerging risks and opportunities linked to changing regulation, evolving customer expectations, technological development and the wider energy transition.



OUR APPROACH

The DMA combined stakeholder engagement, value chain analysis, horizon scanning and strategic review to build a comprehensive understanding of the sustainability topics most relevant to the Group.

The process included:

- Stakeholder mapping and prioritisation.
- Identification of sustainability-related impacts, risks and opportunities across the value chain.
- Horizon scanning and strategic foresight analysis.
- Stakeholder workshops and structured scoring exercises.
- Consolidation of results into a double materiality matrix.

Senior leaders and subject matter experts from across the business were involved throughout the process to help ensure outputs reflected operational realities, strategic priorities and future business risks and opportunities.

“Designed not only for today’s priorities, but also for long-term resilience.”

HORIZON SCANNING AND STRATEGIC FORESIGHT

Alongside the assessment process, horizon scanning and strategic foresight exercises were undertaken to identify emerging sustainability-related trends and challenges that may shape the Group’s future operating environment.

This included reviewing developments across regulation, technology, customer expectations, climate-related risks and broader economic and social change using a structured STEEP framework covering social, technological, economic, environmental and political factors.

This work helped ensure the strategy was designed not only for today’s priorities, but also for long-term resilience as external conditions continue to evolve.



OUTCOMES AND STRATEGY INTEGRATION

The outputs of the DMA were used to identify the sustainability topics where Luxion Group can have the greatest impact, where risks and opportunities are most significant, and where focused action is needed to support long-term business resilience and stakeholder trust.

The assessment identified 22 material topics, which were consolidated into the five pillars of our sustainability strategy. These pillars reflect both the areas where the Group can create positive impact and the sustainability-related issues most critical to long-term business success.

The DMA also strengthened our understanding of sustainability-related dependencies, risks and trade-offs across the business, helping embed sustainability more consistently into governance, strategic planning and decision-making processes.

The full methodology, scoring approach and technical detail supporting the DMA can be found in the accompanying technical documentation.



“They ensure sustainability is embedded in everyday business processes.”

Our sustainability strategy sets out how Luxion Group will deliver long-term value in a changing energy system. It moves sustainability from a standalone programme into an integrated operating model that shapes how we make decisions, allocate resources and design services.

The strategy is structured around five pillars. These are deliberately designed to work as a connected system rather than individual workstreams.

At the centre are three primary pillars:

- Lead a fair and responsible energy transition.
- Unlock low carbon growth through data and innovation.
- Delivering a credible net zero pathway.

These pillars define where the Group will focus its effort to support customers, reduce emissions and enable long-term business resilience. Each pillar reflects a distinct area of operational delivery, but they are intended to work together, reinforcing commercial performance, customer outcomes and environmental responsibility.

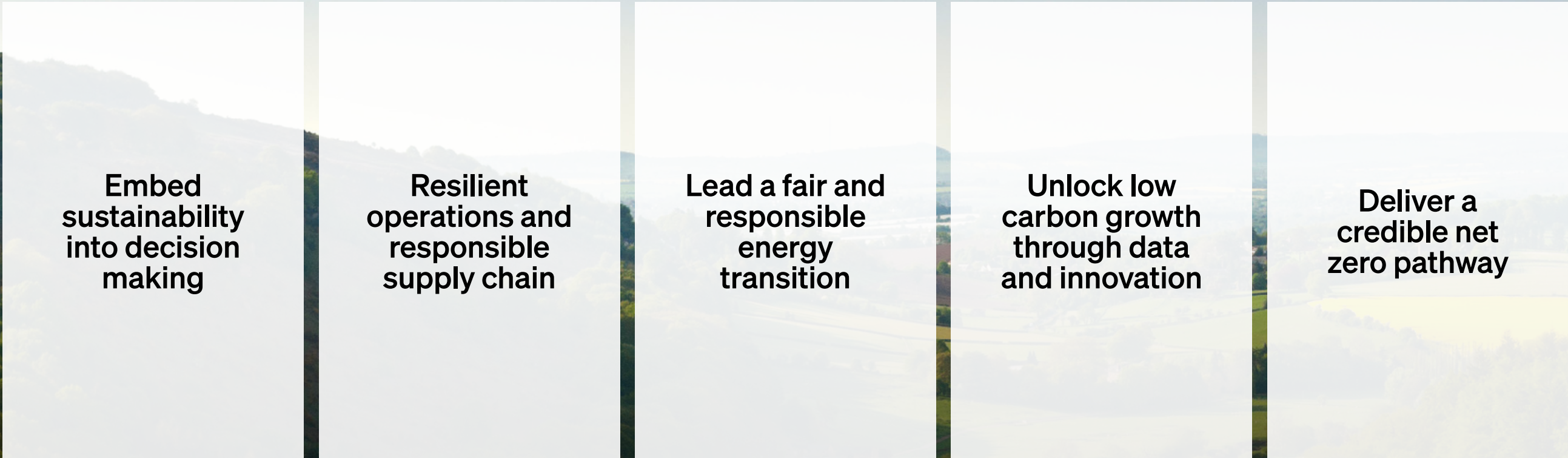
Supporting these are two enabling foundations:

- Embedding sustainability in decision-making.
- Resilient operations and responsible supply chains.

These foundations are the mechanisms that allow delivery. They ensure sustainability is embedded in everyday business processes, rather than managed separately.

This includes how decisions are made across products, procurement, investment and operations, and how supply chain risks, dependencies and opportunities are managed over time.

Together, the five pillars form a single integrated framework. The narrative pillars define Luxion’s sustainability vision and mission, while the enabling foundations define how it is delivered in practice.



Enabling foundations

Taken together, this approach creates a sustainability framework that is designed to evolve with the business. It is structured to provide a long-term framework for decision-making and delivery, remain relevant as Luxion grows, as the energy system changes, and as customer, regulatory and technological conditions continue to develop. Specific programmes, targets and initiatives supporting them will continue to evolve as the business, technology and external environment change, meaning it is a durable operating model that can flex within a clear and consistent structure.

Primary pillars

The strategy has been shaped by the findings of Luxion’s Double Materiality Assessment. This ensures it reflects both the most significant impacts the Group has on people and the environment, and the sustainability-related risks and opportunities that could affect the long-term resilience of the business. The DMA provides the evidence base that connects material issues to strategic priorities, ensuring focus is placed on areas of greatest relevance and effect.

OUR 5 PILLARS

Enabling foundations

EMBED SUSTAINABILITY INTO DECISION MAKING

Sustainability cannot sit separately from how the business operates. This pillar focuses on embedding sustainability considerations into the decisions, systems and processes that shape how Luxion grows, invests and delivers services.

Rather than creating parallel governance structures, the aim is to ensure sustainability is considered as part of everyday business decision-making across the Group, including product development, operational planning, procurement, innovation and long-term investment.

This pillar will support the integration of sustainability considerations across key areas of the business, including:

- Product and service design.
- Investment and capital allocation.
- Governance and risk management.
- Workforce sustainability and carbon literacy.
- Innovation, technology and digital development.
- Operational planning and business performance processes.

Over time, this will help build a stronger culture of accountability, improve understanding of sustainability-related risks and opportunities, and ensure sustainability becomes part of how decisions are made across the organisation.

RESILIENT OPERATIONS AND RESPONSIBLE SUPPLY CHAIN

Delivering reliable services in a changing world requires resilient operations, responsible sourcing and stronger visibility across the value chain. This pillar focuses on strengthening how Luxion manages operational risk, supplier relationships and long-term business resilience as climate, regulatory and market pressures continue to evolve.

The pillar supports a more joined-up approach to operational resilience, recognising that sustainability, supply chain performance and business continuity are increasingly interconnected.

This pillar will support the Group to:

- Strengthen supply chain transparency and labour accountability.
- Improve visibility of sustainability-related risks across the value chain.
- Increase circularity and resource efficiency across operations and procurement.
- Improve resilience to climate-related disruption and long-term environmental change.
- Embed sustainability considerations into procurement, supplier governance and investment decisions.

Over time, this will help strengthen operational resilience, support more informed decision-making and improve the Group's ability to manage changing regulatory, environmental and supply chain risks while continuing to deliver reliable services to customers.

“Sustainability cannot sit separately from how the business operates.”

OUR 5 PILLARS

Primary pillars

LEAD A FAIR AND RESPONSIBLE ENERGY TRANSITION

The transition to a lower carbon energy system must work for everyone. As energy markets become more electrified, data-driven and technology-enabled, there is a growing risk that affordability pressures, unequal access and complexity leave some households behind.

This pillar focuses on supporting a transition that is commercially viable, environmentally responsible and fair, equitable and accessible for consumers. It reflects Luxion's long-standing belief that sustainability and affordability should not be treated as competing priorities.

For more than two decades, the Group has focused on helping customers better understand and manage their energy usage through technology, transparency and behaviour change.

This includes continued investment in smart technology, energy efficiency advice and tools that help customers reduce waste, lower costs and make more informed choices about energy consumption.

This pillar will support the Group to:

- Expand access to low carbon products, services and technologies.
- Reduce barriers to participation in the energy transition.
- Support smarter and more flexible energy consumption.
- Strengthen transparency and trust in customer communications and claims.
- Embed fairness, accessibility and consumer outcomes into product and service development.
- Increase the social value created through the group's operations and services.

Over time, this will help support a more inclusive energy transition, where customers are better able to benefit from new technologies, manage energy costs and participate in a changing energy system with confidence.

UNLOCK LOW CARBON GROWTH THROUGH DATA AND INNOVATION

Data, technology and innovation will play a critical role in the future energy system. As energy becomes increasingly connected, flexible and electrified, there is growing opportunity to use data and innovation to improve customer outcomes, reduce environmental impact and support more efficient operations.

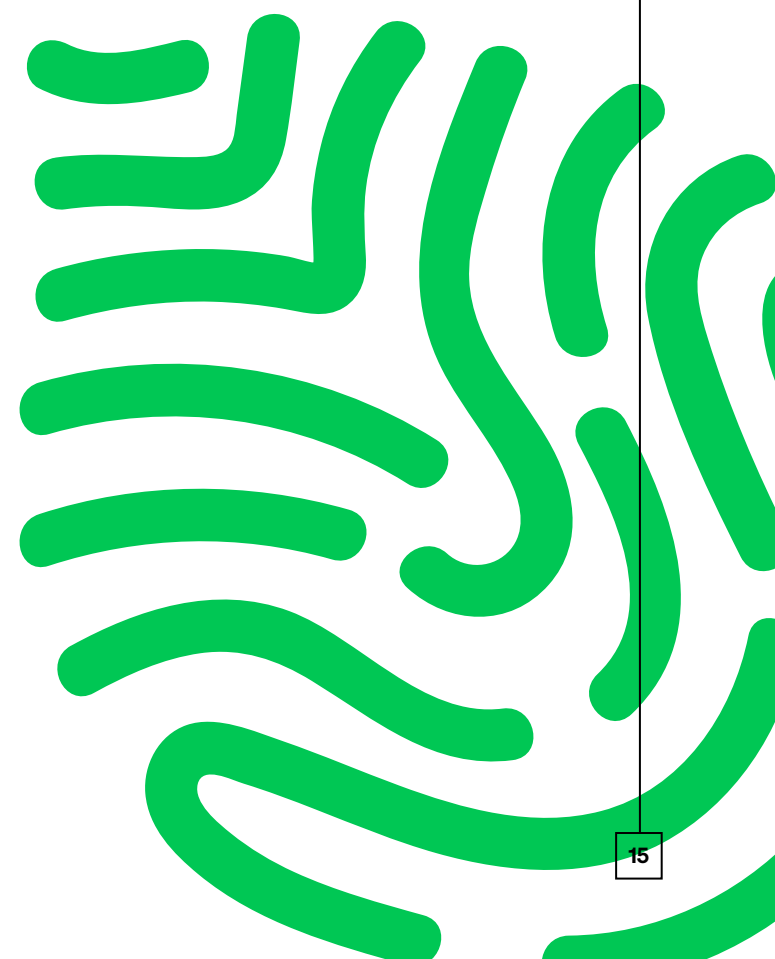
This pillar focuses on using technology responsibly to unlock low-carbon growth across the Group. It reflects Luxion's long-standing focus on smart technology and recognises the growing role of digital infrastructure, automation and data-led services in enabling a more flexible and efficient energy system.

This includes the role of Procode in supporting digital transformation, systems integration and data capabilities across the Group, helping create the infrastructure needed to support smarter operations and more connected customer services.

This pillar will support the Group to:

- Grow low-carbon and flexibility-focused products and services.
- Improve operational, carbon and resource efficiency through data-led optimisation.
- Support the adoption of integrated and electrified energy solutions.
- Strengthen the role of technology in improving customer insight and service delivery.
- Increase the use of circular and resource-efficient design principles.
- Support responsible, transparent and ethical innovation, including the use of artificial intelligence and emerging technologies.

Over time, this will help the Group deliver more efficient operations, support new areas of sustainable growth and improve the ability of customers and the business to respond to a changing energy system.



Luxion remains committed to supporting customer decarbonisation.

DELIVERING A CREDIBLE NET ZERO PATHWAY

Delivering net zero requires more than long-term ambition alone. It requires clear accountability, practical delivery mechanisms and transparent measurement of progress.

This pillar focuses on delivering a credible and operationally grounded pathway to decarbonisation across Luxion Group. It builds on the Group's existing net zero commitments while introducing a more structured and action-led approach to managing emissions, climate risk and long-term transition planning.

Luxion remains committed to supporting customer decarbonisation in line with the UK's broader net zero 2050 ambitions. However, as the business has evolved, it has become increasingly important to ensure the Group's operational net zero framework reflects technological reality, business growth and the areas where meaningful action can be delivered most effectively.

To support this, operational emissions will be managed through four delivery groups:

- Our sites.
- Our fleet.
- Our suppliers.
- Our people.

This structure is intended to strengthen ownership, improve accountability and align decarbonisation activity more closely with the operational levers available across different parts of the business. Under this framework:

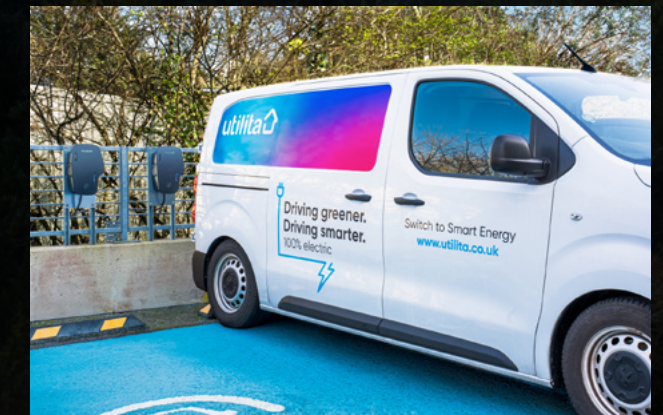
- Net zero 2030 is retained for our sites and our fleet, including a commitment to offset residual emissions at 2030.
- Our suppliers will transition to a supplier engagement and transition programme aligned to UK Sustainability Reporting Standards (UK SRS) by 2030.
- Our people will transition to an internal carbon pricing model supported by a published carbon budget by 2030.

Customer energy consumption remains aligned to the Group's long-term net zero 2050 ambition, reflecting the wider decarbonisation pathway of the UK energy system.

This pillar will support the Group to:

- Establish action-led targets aligned to operational delivery rather than relying solely on aggregate carbon metrics.
- Use carbon intensity measures alongside absolute emissions to better reflect business growth and operational performance.
- Accelerate operational decarbonisation across sites, fleet and supply chain activities.
- Strengthen supplier engagement and value chain emissions visibility.
- Embed climate-related risk and adaptation into business planning and decision-making.
- Maintain a transparent and evidence-based approach to climate and carbon claims.

This approach recognises that effective decarbonisation depends not only on ambition, but on governance, operational control, technology availability, external infrastructure and wider system change. Over time, the aim is to create a net zero framework that is more transparent, more resilient to external change and better aligned with the realities of delivering long-term decarbonisation in a growing business.



Sustainability governance and delivery

WHERE ARE THE METRICS?

Underpinning the strategy is a strengthened governance and delivery model that sets out how progress will be tracked, how accountability is assigned across the organisation, and how delivery is embedded into existing management structures. Rather than relying on a single overarching target, performance is assessed through a combination of operational metrics, group-level reporting, and embedded business KPIs aligned to each of the five pillars.

This reflects an important design principle of the strategy. You may notice the absence of a single headline carbon-based success metric in this document. This is intentional. The strategy has been designed as an enduring framework that defines the Group's vision and mission for sustainability, rather than a fixed delivery plan tied to static targets or programmes.

The way this strategy is delivered will necessarily evolve over time. As the business grows, diversifies, and responds to external change, the specific initiatives, projects, and delivery mechanisms that sit underneath each pillar will change. New programmes will emerge, existing ones will conclude, and areas of focus will shift in response to regulatory, technological and commercial developments. The strategy is designed to accommodate that evolution without requiring fundamental redesign.

GOVERNANCE MECHANISMS

Governance ensures this flexibility is controlled and transparent. Oversight sits with the relevant executive and Board-level structures, with formal reporting through established governance forums, including sustainability and risk committees and standard regulatory and non-financial reporting processes. These structures provide visibility of progress against each pillar and ensure alignment with broader corporate objectives and regulatory expectations.

At an operational level, delivery is embedded into the business through clear ownership within business units. Each pillar is translated into functional responsibilities and integrated into existing planning, performance and decision-making cycles. This ensures sustainability is not managed as a parallel programme, but as part of how the organisation runs, invests and prioritises.

This approach enables the strategy to remain stable in purpose but adaptive in execution. It ensures accountability is distributed, progress is measurable in practical terms, and sustainability becomes embedded into core business management rather than treated as a standalone initiative.

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