

Levelling Up Impact Report



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LEVELLING UP
GOALS



Foreword

Rt Hon Justine Greening
Founder of the Levelling Up Goals and
former Education Secretary

Widening inequalities globally is one of the many devastating outcomes of climate change.

While it is indiscriminately threatening species and human life across the planet, we know that some of the world's poorest people live in those areas that are most vulnerable.

Rising sea levels, crop failures, drought, and heatwaves are among the manifestations of climate change that are unfairly targeting low-income nations.

The race to reach net-zero, then, is not merely an environmental challenge. It becomes a battle to ensure the divide between haves and have nots does not become irreparably great, and that global poverty does not spiral even further beyond control.

It is now incumbent on the richest nations, whose carbon output of the last century has perhaps most contributed to climate change, to take responsibility.

On a company level, SMS plc has certainly answered this call. The firm's entire operations are underpinned by a focus on decarbonisation and providing more sustainable energy choices.

SMS is showing real leadership within its industry - both in the net positive impact of its products and innovation; as well as the social impact the company is having in its local communities.

The business is also striving to maximise its positive impact on the UK homes and communities it services and supports, directly and indirectly.

Amid rising energy prices and a cost-of-living crisis, it is innovating towards a more balanced energy mix and, ultimately, more sustainable, and affordable choices for consumers.

It joins a growing stable of other purpose-led institutions, covering public and private sectors in a wide range of industries, which are aiming to take their purposeful outcomes to the next level. We hope this report provides valuable and practical insights that others can follow and take inspiration from.



Tim Mortlock,
Chief Executive Officer, SMS plc

The scale and urgency of global action required for climate change to be halted and reversed has come to the forefront of the political and economic agenda.

As an organisation which considers sustainability and carbon reduction at the core of our business strategy, we feel a responsibility to tackle this issue, which without doubt poses one of the greatest challenges of our time.

Climate change is therefore something we take incredibly seriously, and we are proud to be utilising our passion, energy expertise, and innovation every day at SMS to work with the global community as part of the solution.

As Justine Greening emphasises in her opening words to this report, however, climate change is not merely an environmental challenge. It also presents a distinct socio-economic problem as well, with the least well-off in society set to be the worst affected by environmental and energy-related issues.

The ongoing cost-of-living crisis in the UK punctuated by rising energy costs – a direct correlation with our continued dependence on carbon-intensive fossil fuels – offers stark evidence of this conundrum.

Our purpose – “to serve our customers and protect the environment” – could therefore not be more relevant considering these climate and economic pressures we are currently all facing.

Building on over 25 years of experience helping customers reduce their energy consumption, we are today – as you will read in this report – working on various new strategies, services, and products to address the issue of energy affordability and sustainability.

This clear commitment to sustainability – enshrined by our core values and manifested through our target to become a carbon neutral business by 2030 – proudly upholds everything we do at SMS. That means not just doing what we can to help our environment; it means contributing to the prosperity of people and society in general.

We aim to achieve such positive social impacts through responsible corporate governance, as much as we do through the direct and indirect effects of our innovative energy solutions.

For organisations like SMS, that means promoting policies that prioritise wellbeing, open recruitment, and fair career progression, as well as nurturing a truly diverse and inclusive workforce.

Alongside our work to harness the energy transition as a force for social and environmental good, it is encouraging such best-practice policies that are at the heart of the Levelling Up Goals, which aim to demonstrate how all organisations, no matter their industry, can make a meaningful contribution to the Levelling Up agenda.

We’re extremely proud to be part of this movement through our membership of the Purpose Coalition, and hope that this report – which sets out our progress towards achieving the Levelling Up Goals – helps inspire other like-minded organisations to follow suit.

Introduction to SMS and its approach to purpose

The work of SMS in contributing to the UK's 2050 net-zero carbon target spans a range of activities and focus areas across a number of carbon reduction assets and technologies, including the installation, management, and operation of smart meters, energy data, battery energy storage systems (BESS), and electric vehicle charge points.

In the backdrop of climate change and a cost of living crisis largely driven by rising energy costs, SMS's mission – “to deliver the future of smart energy” – is more important than ever before. SMS is trailblazing within the sector both in terms of its net positive impact within its products and innovation; as well as its wider social impact.

The smart meter devices that SMS installs across the country equip consumers with the data and knowledge to manage their energy consumption, reduce costs, and reduce carbon emissions – both through empowering sustainable action on an individual level, and through enabling a smarter, more flexible, and more affordable energy system powered by renewable energy.

This makes the energy market work better for people, which is particularly important in the context of increasing cost of living pressures. We are also delivering grid-scale solutions which facilitate this smarter more flexible energy network.

SMS also supports other organisations in a consultancy, asset funding and delivery capacity to navigate their own sustainability and decarbonisation journey. This is helping businesses manage their energy consumption and costs too, as well as supporting the wider objective of the UK's net zero agenda.

The company also 'walks the walk' in this area too, having committed to reaching net zero carbon emissions within its own business by the year 2030.

The company's five core values are lived out under an overriding commitment of putting its people first. These values are safety, customer excellence, innovation, pride, and sustainability, which spans from its commitment to colleagues internally as well as delivering for customers and communities externally.

While the vision of the business is to lead the smart energy revolution, it is delivering purposeful outcomes in several areas in addition to the environment and sustainability.

This report sets out how all of this culminates in SMS' contribution to the levelling up agenda through its creation of skilled jobs across the UK, as well as its solutions to the cost of living crisis through products and services that enable smarter energy use.

SMS has partnered with the Purpose Coalition to set out its commitment to levelling up through the framework of the Levelling Up Goals. This framework focuses on how businesses are delivering on equality of opportunity and providing solutions to many of the challenges that society now faces.

SMS has demonstrated its contribution to levelling up particularly through the lens of five Levelling Up Goals. This includes Goal 3: Positive Destinations Post 16, Goal 5: Open Recruitment, Goal 6: Fair Career Progression, Goal 8: Good Health and Wellbeing and Goal 13 Harnessing the Energy Transition.



The Journey to the Levelling Up Goals

In 2015, as Secretary of State for International Development, Justine Greening MP led the UK delegation to the United Nations (UN). Along with 184 international partners, she helped to establish the UN's Sustainable Development Goals (SDGs).

In 2017, the SDGs were made more 'actionable' by a UN resolution adopted by the General Assembly which identified specific targets for each goal, along with indicators used to measure progress towards each target.

These 17 interlinked global goals were designed to be 'a blueprint to achieve a better and more sustainable future for all'.

They marked a shift from the previously established Millennium Development Goals (MDGs), following the Millennium Summit of the United Nations in 2000.

In contrast to the MDGs, the SDGs were nationally owned, country-led, and targeted wealthy, developed nations as well as developing countries.

The SDGs emphasised the interdependent environment, social and economic aspects of development by centralising the role of sustainability. As Secretary for State, Justine recognised how useful a common set of accessible but ambitious objectives could be in galvanising action to effect change.

Since then, the COVID-19 pandemic has only exacerbated many of the problems relating to social inequality in the UK. The recovery is a chance for the United Kingdom to address these issues and level up but that requires updated and specific goals in order to outline, inspire and measure progress.

The Purpose Coalition aims to improve social mobility in the UK and has responded to this challenge with the launch of their own Levelling Up Goals in February 2021.



These new Goals build on the foundations laid by the UN's SDGs by outlining 14 clear goals and draw on expertise provided by academia and businesses which has been applied to the unique challenges facing the UK in closing the opportunity gap.



They focus on key life stages and highlight the main issues that need to be resolved in order to create a level playing field for all in this country. The Levelling Up Goals are intended to guide how the urgent ambition to level up the UK can actually be achieved. The impact of the work carried out to do this can, and should, be measurable.

Sub-goals with quantifiable targets and measurements against which progress can be charted within the 14 goals are being developed by the Purpose Coalition in partnership with Purpose Coalition organisations like SMS.

This will create a more transparent and measurable framework with which to monitor and subsequently address problems of social mobility and inequality. The Purpose Goals are designed to look at the outcomes of CSR strategies and measures that organisations operate.

Many organisations are doing outstanding work and making important contributions to society but are still measuring this via inputs – a measure that focuses on pounds, pennies, and numbers rather than real impact on human lives.

Crucially, these Goals are a shared framework. Justine and the wider Purpose Coalition believe that with a common understanding and objectives, there can be action that drives change on the ground.

Distinct entities, including universities, businesses, policymakers, communities, and public sector organisations, can work together, with the shared Goals being a uniting and motivating foundation for progress.

As the problems which cause social inequality in the UK are interlinked, it seems that the response to these problems must also be collaborative.

The Purpose Coalition has encouraged businesses and universities to share their own best practice with other organisations, so they are not only demonstrating their own commitment, but creating a shift towards purpose-led organisations.

The Goals can encourage an extension of this co-operative exchange of information which can be used to help level up Britain.



Mapping SMS's activities against the Levelling Up Goals

SMS has demonstrated a strong contribution to the levelling up agenda in various areas, but specifically in line with five Levelling Up Goals.

This includes strong and clear contributions within Goal 3: Positive Destinations Post 16, Goal 5: Open Recruitment, Goal 6: Fair Career Progression, Goal 8: Good health and wellbeing, and Goal 13: Harnessing the Energy Transition.

3 Positive destinations Post 16+



Goal 3: Positive Destinations Post 16+

SMS is a strong example of how the energy transition is delivering opportunities and levelling up. The company has over 1,400 employees (and growing) in various roles, from operations, engineering, administration, sales, and IT, - all working hard to empower people with better management of their energy consumption.

SMS Technical Training Academy

To support, train and retain its new and existing engineers and business partners, SMS has developed a state-of-the-art technical training academy and test laboratory in Bolton, Lancashire. The facility provides health and safety, customer service, and technical gas and electric training and assessments, ranging all the way from the company's internal inductions to industry-certified and accredited courses in smart metering, domestic and commercial gas, electrical engineering, and smart control systems.

As SMS moves into new carbon reduction asset classes, future technology areas are also being developed to provide an end-to-end learning experience for electric vehicle (EV) charging, battery storage, and renewable energy technology installations and maintenance.

SMS has created pathway learning programmes and already enrolled a number of their direct engineers onto these new courses. Customers, industry experts and engineering operatives have all been part of the training academy journey and have provided excellent feedback as SMS starts expanding its testing facilities to look at new products, such as air-source heat pumps and hydrogen pumps.

The fact that the training academy is located in Bolton is also a significant detail that highlights SMS' impact on the levelling up agenda, as the challenge of relative deprivation in Bolton is clear.

According to the Index for Multiple Deprivation produced by the Office for National Statistics, 25% of the Bolton population live in an area that is among the 10% most deprived nationally, while 56% of the population lives in the one-third most deprived areas nationally. In terms of how it compares to other areas, Bolton is the 29th most income-deprived local authority in England, out of a total of 316 local authority districts (excluding the Isles of Scilly).

This stark reality of deprivation in Bolton makes the investment, creation of opportunities, training, and upskilling by companies like SMS all the more crucial to making the levelling up agenda real locally; and to deliver real and tangible outcomes towards equality of opportunity.



Apprenticeships

In June 2019, SMS launched its first Warehousing and Storage Apprenticeship programme to two employees based in Doncaster, and during 2020 expanded the offering to include Customer Service, Management, and Cyber Security.

In 2021, the company introduced further apprenticeships in Coaching, IT, and Digital Application Support, and enrolled 31 of their people onto a formal apprenticeship. In 2022 to date, SMS has enrolled a further 8 employees onto their chosen apprenticeship, with work underway to launch a further two new apprenticeships focusing on Software Development and IOSH Safety, Health, and Environment (SHEQ).



Goal 5: Open Recruitment

SMS has a thriving open recruitment approach which begins with its work with school-leavers, through to universities, career-changers, and disadvantaged groups of all ages. Various activities enable it to recruit new talent from the broadest possible range of backgrounds.

It works with Career Ready, a national social mobility charity that helps disadvantaged young people to unlock their potential, the Aleto Foundation, which works with employers including SMS to offer mentoring support to high potential individuals from BAME communities, and through its Career Transition Partnership it has demonstrated its commitment to support military veterans back into civilian life.

SMS has also demonstrated a wider range of best practice, including a commitment to being an accredited 'Living Wage' and 'Living Hour;' employer, as well as publishing the required gender pay gap report with additional narrative. It has also been accredited as a Disability Confident Leader and a signatory of the Race at Work Charter.



Career Ready

SMS's partnership with Career Ready, one of the UK's leading charities on social mobility, is a strong demonstration of its commitment to ensure that it is a company that is open to talent from all backgrounds.

Founded in 2002, Career Ready was launched with the objective of boosting social mobility by empowering young people and enabling them to flourish in the workplace. The charity has now reached over 200,000 young people and is supporting over 30,000 young people on its post-16 impact programme.

SMS is one of 1,000 employers that have committed to this and is working with Career Ready on their mentoring scheme, which involves work placements, to impact the lives of young people, and particularly those from the most disadvantaged backgrounds that face the highest barriers to entering meaningful employment.

Aleto Foundation

Through the Aleto Foundation, SMS also provides mentoring support to high potential individuals from BAME communities.

The Aleto Foundation was created to provide significant lifetime opportunities for young, often socially disadvantaged minorities, with high potential. It has a focus on identifying and developing the next generation of leaders from communities that may typically face higher barriers to entering those opportunities, progressing, and thriving.

The Aleto Foundation's programme combines different methods of making a difference and impacting young lives, including seminars, workshops, inspirational talks, networking and mentoring through its integrated mentoring programme with employers.

Career Transition Partnership

SMS also strives to open its opportunities to military veterans, who can be unfairly disadvantaged in accessing new career pathways.

Military veterans can struggle in the transition back into civilian life - whether through post-traumatic stress disorders or wider associates' challenges, or even a general need to re-skill and retrain to enter the workforce. SMS recognises this and has introduced a strategic partnership to enable pathways into careers in the company for this group of people.

This work centres around a relationship with the Career Transition Partnership, an initiative backed by the Ministry of Defence (MoD) to help employers connect with armed forces leavers.

The Career Transition Partnership provides resettlement services for those leaving the Royal Air Force, British Army, Royal Navy, or Marines and is open to all who have served in the Armed Forces, regardless of time served.

To date, the Career Transition Partnership has assisted over 300,000 service leavers with the transition back into civil life, with the support of thousands of employers who are looking to employ military veterans. SMS are currently working with them on IT based roles.

Wider Best Practice

Open recruitment is catalysed further by the provision of a fair pay and reward framework for incoming staff. SMS recently worked with external agency 'Verditer' to develop a consistent pay and reward framework, built with the input of employee feedback.

The company is an accredited 'Living Wage' and 'Living Hour' employer, paying above minimum wage for all entry-level jobs, making them viable to a wider pool of talent.

SMS is also involved with organisations that seek to change the disproportionately low number of women working in technology and engineering sectors. Activities include the creation and sharing of case studies of successful female employees in these roles and being a member of 'Tomorrow's Engineer Code', to increase the diversity, and number of young people entering engineering careers.

SMS advertises vacancies internally and externally, as appropriate, and on a broad spectrum of jobs boards. It also uses social media to share opportunities with local community groups.

SMS have recently established a partnership with the Women's Engineering Society (WES) and are currently using their job board to post vacancies.

Applications are initially managed centrally, to ensure a fair and consistent approach, and reasonable adjustments are made to interview and selection processes to support individuals with disabilities.

Regular HR training sessions to encourage open recruitment best practice are also offered to managers within the group and an eLearning Recruiting Managers module is used for anyone involved in recruiting.

SMS recently audited its job descriptions to ensure that all requirements are fair, necessary, and relevant to the role, to avoid unnecessarily restricting the number of potential applicants with disabilities or particular health conditions and to ensure the best person for the role is appointed.

Furthermore, new staff starter packs include a voluntary equality, diversity & inclusion questionnaire that helps the firm to better measure the performance of its open recruitment policies and identify any unmet employee needs, which it can then work towards addressing.

6 Fair career progression



Goal 6: Fair Career Progression

SMS understands social mobility doesn't stop at the point of someone beginning a career or starting a job, but that fair career progression is a crucial next step.

Everyone should have an equal opportunity to progress in the workplace, and no one should be held back by gender, ethnicity, religion, disability, or any other protected characteristic. SMS has demonstrated that fair progression is a priority for the company.

Gender

SMS is currently working towards ensuring more gender diversity at the very top of its organisational structure, with a 50:50 split already in its Non-Executive Board of Directors.

Whilst the engineering sector and wider STEM industries are traditionally male-dominated and women are under-represented, SMS has set out a commitment to increasing the representation of women at all levels within the company.

SMS has a 67% male and 33% female workforce, an increase of 3% female since 2020. This is compared to women making up 16.5% of all engineers from the wider industry, meaning while SMS is indeed above the industry average of women representation in an engineering company, there is still clear room for improvement.

This is something the company understands – and while this is also due to other factors such as academic subject of study in schools, colleges, and universities – it is something the company is working hard itself to tackle through its outreach, early talent pipeline and recruitment.

Colleague Engagement

SMS believes that the happiest colleagues are often those who are engaged, included, and feel firmly part of the company's mission and purpose.

Enabling continual staff engagement with the leadership and direction of the company supports fair career progression at SMS.

As part of this work, the company runs engagement surveys with employees via Best Companies, an organisation specialising in workplace and employee engagement and an accrediting body for the country's 'Best Companies to Work For'.

The surveys help to identify areas of improvement, based on employee feedback, as the company works towards becoming an employer of choice among jobseekers. In 2021, 75 per cent of the workforce responded to the survey, showing high levels of employee engagement within the company, and attaining the 'One to Watch' status, with it being retained in 2022.

Upskilling & Training

Internal upskilling is a major factor in career progression at SMS. For example, the company sees around 30 apprenticeship places each year taken up by existing employees in a range of disciplines and fields. SMS dedicates around £1.1M of internal funding per year to training, in addition to external grant and apprentice levy funds.

Flexible working practices are also utilised by SMS to help all new and existing staff to thrive despite geographic or availability restrictions they may face.

Disability

SMS also works extensively to ensure disability is not a barrier to career progression. It is officially accredited as a 'Disability Confident Leader', following a self-assessment and external validation process. It also works to support other organisations in becoming disability confident.

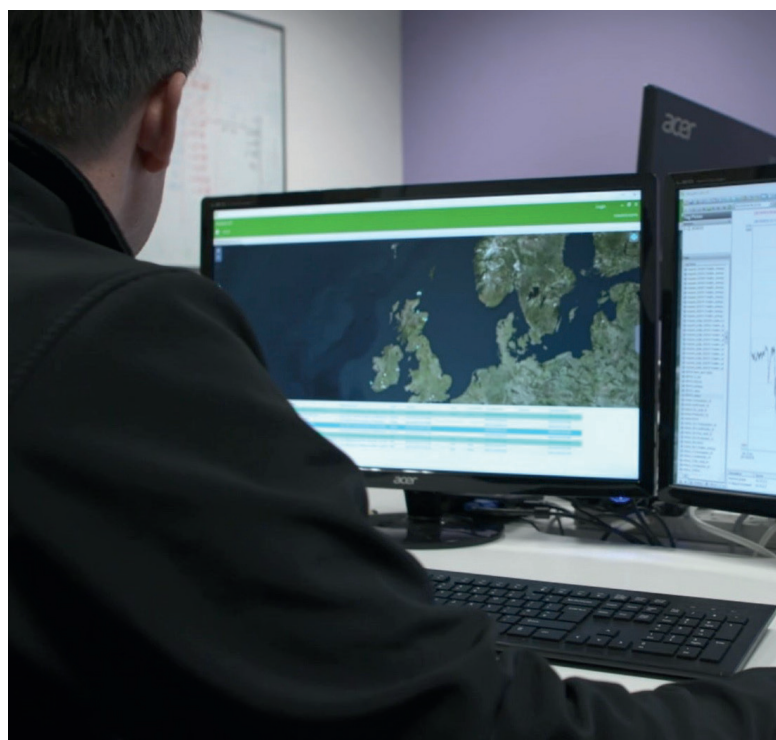
In less than three years, SMS has progressed from the third tier to the top level of the Disability Confident Leader scheme. SMS are proud to be working with the Disability Connect Mentoring Scheme. This is a reverse mentoring programme, whereby 3 employees within Group HR, Recruitment, and Marketing, will be mentored by an external industry expert with a disability. The first meeting has taken place and each employee will have monthly sessions with their mentor over a 6-month period, with goals to improve the following three areas;

- ▶ SMS Policies and Procedures – to ensure they are fully inclusive.
- ▶ SMS Recruitment and Interview Processes – to ensure they are accessible and welcoming, with reasonable adjustments where required.
- ▶ New SMS website – to ensure it is accessible and welcoming to all.

A thorough and robust approach to equality, diversity, and inclusion (EDI) also helps to remove barriers to progress within the company.

Supporting Progression through understanding Diversity & Inclusion

As a member of the Employers Network for Equality & Inclusion (ENEI), SMS is dedicated to ensuring a diverse, inclusive work environment that promotes wellbeing and supports all communities and wider society. Through this commitment, it has provided its people with EDI training, with a 93 per cent completion rate.



Board-members and management have themselves led the way by undergoing EDI training via educational partner, Hive Learning.

The company also provides a voluntary EDI form which employees complete, enabling an ongoing gauge of the inclusive nature of the firm's workplaces.

SMS celebrates annual EDI initiatives such as Pride Month and Black History Month, and recently encouraged staff to decide on a new EDI-based behaviour as part of its 'Pride' core value. The winning suggestion was "celebrate our differences". SMS is also a signatory of Business in the Community's Race at Work Charter.

Core values (that support internal progression) are reinforced at SMS through the Living Our Values (LOV) Awards. Employees can nominate a teammate who demonstrates commitment to any of the five core company values of Safety, Sustainability, Customer Excellence, Innovation, and Pride. The ability of SMS to support fair career progression is informed by a thorough exit meeting process.

8 Good health and well-being



Goal 8: Good Health and Wellbeing

SMS proactively supports the good health and wellbeing of its staff.

Policies, for example, include covering the cost of flu jabs for all staff, the recent provision of mental health first aid training to 33 managers across the group, and wider mental health awareness via MIND for 90 managers. This commitment is supported by a dedicated wellbeing intranet page, which provides a host of regularly updated resources across areas the pillars of mental, physical, and financial health.

Various additional health and wellbeing-focused benefits are provided to staff, including membership of its Employee Assistance Programme (EAP) that provides 24/7 access to confidential support. The EAP's services include counselling and, crucially, it is accessible to employees' family members.

Employees also have access to a Medicash, a health insurance plan which supports day-to-day medical expenses and is supported by Smart Health, a service delivered by AIG that enables access to GPs, mental health support, and other health and wellbeing experts.

Additional support is also provided via a partnership with 'Integral', an organisation providing expert occupational advice from specialist doctors in a range of health areas, including support during the pandemic for COVID related advice, and safety-critical roles at the firm.

The company is also accredited by Healthy Working Lives, a programme which was run by Public Health Scotland which helped organisations identify and improve issues related to health, safety, and wellbeing in a structured and productive way.

Employee Resource Groups, meanwhile, play an important role in empowering employees to support each other, spread morale and encourage camaraderie and community spirit. They are informal, welcoming forums which unite users by shared interests and support wellbeing.

Since the pandemic, the company has stepped up its approach to staff wellbeing. During the pandemic, resilience training and resources were provided. Bespoke fitness and mindfulness videos were also produced and continue to be shared via its intranet.

Other recent measures include increased investment in occupational health provision and the launch of a wellbeing calendar highlighting festivals and celebrations globally.

The company also runs a busy programme of 'Awareness Days' which provide a platform for learning and sharing among staff, including around key health and wellbeing issues.

Topics covered in 2022 include suicide prevention, smoking, autism, breast cancer and urology.

Fun but impactful and educational fitness initiatives such as the Distance Challenge – a month-long scheme aimed at getting employees active – also contribute to health and wellbeing outcomes. Another example of the company's commitment to health and wellbeing is a competition encouraging staff to take the best sunrise photo, an activity designed to raise suicide awareness and promote good mental wellbeing.

Others include its role in the launch of a suicide prevention alliance, through which it seeks to raise awareness and provide support. The company has also updated its compassionate leave policy to include provision for people affected by baby loss and those undergoing fertility treatment.

Furthermore, it currently has around 33 trained mental health first-aiders representing a range of departments and providing confidential support across the organisation.

Other activities towards Goal 8 include being a signatory of a domestic abuse initiative and raising awareness among staff of the issue, increased menopause support, and various financial wellbeing and education packages.

SMS also supports sport in the community, including through the sponsorship of grassroots football clubs such as Coatbridge AFC, Burwell Swallows AFC, and Altofts Juniors AFC, a not-for-profit linked to the Altofts Community Sports Foundation charity. The small village club has over 400 children registered from ages 5 to 17 and is a big part of the community in the deprived borough of Wakefield. The club has a diverse membership with a strong focus on girls' football and encouraging participation with children from all ethnic backgrounds.

Externally, the business contributes to four nominated cancer charities (Velindre, the Beatson, Bluebell Wood Children's Hospice and Bolton Hospice), for a three-year period. These influence support for wellbeing in communities nationally. Recently, it donated more than 100 tablet devices for use by children in a variety of local areas as suggested by employees, including an NHS site in South Yorkshire.

Additional charitable donations and activities are driven by suggestions and feedback from staff and in 2021 SMS supported: Holibobs children's cancer charity, MIND mental health charity, National Autistic Society, Prostate Cancer, Altofts Juniors AFC, Burwell Swallow's under 14's, Coatbridge Athletic football club, Panda Playgroup and Bloxwich Ranger Devils under 11's, a grassroots team.

13 Harness the energy transition



Goal 13: Harness the Energy Transition

SMS' purpose is to serve its customers, whilst protecting the environment. This is manifested by investing in, owning, operating, and optimising energy infrastructure that drives carbon reduction.

The organisation develops and maintains sites, projects and innovative economic models which are providing new solutions to the net-zero challenge for customers. SMS has itself also committed to reaching carbon neutrality across its operations (Scope 1 & 2 emissions) by 2030.

While smart metering makes up a large proportion of activities and investments currently, the future of the company will increasingly be shaped by the deployment of other types of sustainable energy infrastructure.

These emerging areas include grid-scale battery energy storage systems (BESS), domestic applications including its domestic smart solar and battery storage solution, and electric vehicle charging solutions.

Further areas of exploration by the firm include the use of smart meter technology to play a broader function in driving energy efficiency and decarbonisation, and the use of its proprietary software, FlexiGrid, which monitors and intelligently controls a range of distributed energy resources (DERs) to create smart, flexible local energy systems.

FlexiGrid has already been put to use on a Government-backed project that aims to fully decarbonise the Orkney Islands in Scotland and is the brains behind SMS's new solution for social housing- Solopower- which aims to tackle fuel poverty and household carbon emissions.

Solopower boasts an innovative system of battery storage, solar panels, and intuitive software that results in a smart energy system. This works on both an individual basis – serving the home itself – as well as linking into a wider network to support the balance of energy critical to the stability of the UK National Grid.

Hundreds of units in the same region effectively create a 'virtual power plant' (VPP) which can respond to the needs of the network. The project can significantly reduce household energy costs, vastly decarbonise electricity supply to the home, and improve the EPC rating of housing stock – in doing so addressing a core tenet of the UK and devolved Government's fuel poverty strategies.

Whilst initial focus is on social housing market, with so much impact to be made in the cost of living crisis more widely, this technology can be rolled out across any domestic or commercial application making it a potentially hugely impactful solution.

Further innovations are also underway. In Bolton, the firm has established a smart test centre which continues to explore numerous potential game-changing solutions to energy and environmental challenges, largely using smart tech as a platform for new applications.

The integration of new technologies into smart systems is also tested, typically in partnership with leading manufacturers and industry partners such as Alt HAN Co (the regulated co-operative of the UK's energy suppliers).

In all research and development projects, long-term economic viability is a critical consideration.



Case Studies

Employee Perspective, 2022

"I wanted to express my thanks to SMS for the level of support I was shown during an incredibly difficult time in my personal life. I was given one-to-one support and a slow-paced return to work, which allowed me to ensure I felt comfortable and ready to be back at work. I had moments when I wasn't quite ready to go back to lone working and my manager and HR gave me the extra time working alongside a colleague.

"I was referred to occupational health who also helped with a weekly call to discuss any issues and to give feedback when needed. I know that I could approach my manager and HR at any time if needed, which helped to put myself and family at ease knowing I had this support from my employer."

Employee Perspective, 2022

"After receiving the unfortunate news of Quinn's liquidation – which had been a long-time engineering sub-contractor for SMS – 70 of my colleagues and I were onboarded as SMS employees as part of a TUPE transfer.

"I can't praise [SMS] enough [on] how seamless this was. The level of care, and sensitivity from SMS's management and HR teams was second to none. The onboarding process was incredibly swift, efficient, and well organised, with our immediate transfer communicated and wheels set in motion the very same day that Quinn's liquidation was announced. This was incredibly important for our sense of morale and stability.

"In the space of a week, we were all officially inducted without having to miss even one day of work. SMS even backdated our salaries for the month that Quinn's had not been able to honour, without any delay whatsoever to our normal payday. Needless to say, we've all been made to feel very welcome since we joined and throughout our integration into the company."



Ruth Leak, non-executive director:

"I'm a big believer that businesses make better decisions when a diversity of views, life experiences, and backgrounds are part of the debate. The rollout of Hive Inclusion Works e-Learning to the group's senior leadership has therefore been a hugely welcome addition to its management training programme.

"On a personal note, as a passionate advocate of the importance of EDI in the workplace – and indeed across our everyday human interactions – I was an enthusiastic participant in the course and was pleased to find the content and learning experience both engaging and thought provoking.

"The modules did a great job of breaking down EDI as a topic and the practicalities of applying it, rather than just treating diversity as an awareness exercise. What I found particularly useful was the interactive element of the course, whereby participants were able to share thoughts and stimulate discussion around the course content. This made the whole experience more impactful and memorable.



I was an enthusiastic participant in the course and was pleased to find the content and learning experience both engaging and thought provoking.

"Overall, the introduction of the Inclusion Works programme is a hugely positive step for SMS, and it is notably symbolic that the executive leadership was introduced to the course first, showing just how seriously the group is taking the issue of diversity and inclusion. I look forward to seeing the programme cascade through the organisation's management teams."



Analysis

SMS has demonstrated a strong commitment to the levelling up agenda and operating as a purpose-led business.

The services that SMS deliver to consumers are more important than ever before. In the face of a cost of living crisis, the smart metering devices and other energy solutions that SMS deploys across the country equip consumers and business alike with the data and knowledge to manage their energy consumption, reduce costs, and reduce carbon emissions. This makes the energy market work better for people, which is particularly important in the context of increasing cost of living pressures.

SMS has demonstrated its commitment to levelling up particularly through the lens of five Levelling Up Goals. These include Goal 3 on Positive Destinations Post 16, Goal 5 on Open Recruitment, Goal 6 on Fair Career Progression, Goal 8 on Good Health and Wellbeing and Goal 13: Harnessing the Energy Transition.

The company's contribution to Goal 3: Positive Destinations Post 16 clearly shows how the delivery of smart meters is also having the added benefit beyond empowering people to control their energy use and costs but is also delivering opportunities in areas where they're needed. SMS employs over 1,400 people and is delivering technical training and skills through its training academy in Bolton, alongside delivering opportunities for young people in apprenticeships.

SMS has delivered comprehensively in line with Goal 5 on Open Recruitment. It works with Career Ready, a national

social mobility charity that helps disadvantaged young people to unlock their potential, as well as the Aletto Foundation. SMS also provides mentoring support to high potential individuals from BAME communities, and through its Career Transition Partnership it has demonstrated its commitment to support military veterans back into civilian life.

It has also shown clear commitment to Goal 6 on ensuring Fair Career Progression, with a continued commitment to social mobility beyond the point of recruitment. This has been demonstrated with its commitments to progression for people of all backgrounds, regardless of gender, ethnicity, religion, disability, or any protected characteristic.

As we emerge from the pandemic, commitment to health and wellbeing is an increasing expectation from society, and SMS' performance on this is commendable.

SMS is delivering strongly on Goal 13: Harnessing the Energy Transition through its mission as a company to deliver the future of smart energy. The company objective of SMS is to lead the smart energy revolution; by investing in, owning, operating, and optimising energy infrastructure that drives carbon reduction.

In a cost of living crisis largely driven by energy supply, this is a clear societal good that marks SMS out amongst most companies in terms of how its purpose and existence as a company is benefiting people, communities, and its customers.

Conclusion and Recommendations

This impact report shows clearly that SMS's purpose of delivering the future of smart energy is providing crucial solutions to critical challenges facing the UK – including how we deliver on Net Zero, ease the cost of living crisis through managing energy use; and how we level up the country as part of that.

SMS recognises that as it delivers solutions on responsible energy, such as the installation of smart metering systems across the country, this also has an impact on levelling up – by delivering opportunities for skilled work and also delivering solutions on living costs. As a company this is an integral net-positive of its products and its core operations; but SMS does not want to stop there.

The company is ambitious about how it continues its commitment to levelling up and how the positive impact it has can be scaled even further. It has worked with the Purpose Coalition to set out recommendations on where it takes its delivery of a positive social impact next.

6.1 Targeting community impact towards the most deprived areas

SMS can have a more significant impact on levelling up by targeting its community efforts.

SMS should assess how its social impact and programmes can focus on the most deprived areas around its key sites – including around Glasgow, Cardiff, and Bolton.

This might include tilting its Career Ready and similar partnerships towards local social mobility cold spots, which will enable the company to deliver the greatest impact for the local communities and people that need it most. It can use the Office for National Statistics' Index for Multiple Deprivation to enable this. This includes widely-used datasets within the UK to classify the relative deprivation (essentially a measure of poverty) of small areas. It considers how all areas across the country (32,844 areas in total) rank in terms

of deprivation by income, employment, education, health, crime, living environment, and barriers to housing and services.

This will both enhance and drive forward the impact of SMS on the levelling up agenda in a way that also delivers operationally for the business.

6.2 Thought Leadership and Advocacy

SMS has considerable expertise that can help shape the wider levelling up agenda with key stakeholders, including both government and industry. As a purpose-led business that has produced its own report on levelling up, SMS is a company that is positioned to lead by example.

SMS should use its expertise and positioning in the energy sector to be a firm and clear advocate for responsible business and business-led levelling up. Through effectively using its relationships with key stakeholders and supply chains, SMS can leverage its own efforts on social impact and create a significantly greater impact for local people and communities.

6.3 Measurement and Reporting

SMS should build on their existing measurement and reporting on socio-economic diversity. Measuring the socio-economic background of all employees, potential recruits and customers, would help not only SMS but the wider Purpose Coalition's understanding of what exactly needs to be done to improve socio-economic diversity and identify challenges among people with less privileged backgrounds.



LEVELLING UP GOALS



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