

2020 OVO Group Ltd statement on modern slavery and human trafficking

June 2021

Introduction

This statement has been published in accordance with the UK Modern Slavery Act 2015 (the “Act”). It sets out the steps taken by OVO Group Ltd (“OVO”) to manage the risk of modern slavery and human trafficking in its operations and supply chains during the financial year ending 31 December 2020.

OVO fully supports the aims of the Act and recognises that slavery and human trafficking is a global issue that needs to be addressed by all companies within all industries. OVO is committed to protecting human rights and eradicating the risk of modern slavery in its own operations and supply chain.

OVO’s structure and business

OVO was founded in 2009 as an energy retailer. It has since grown rapidly to become a group of energy technology companies with a mission to drive progress towards net zero carbon living. OVO has two main business units: OVO Retail and Kaluza.

OVO Retail

OVO Retail is the largest of the group's business units (in terms of both revenue and number of employees). OVO Retail comprises energy retail brands that sell gas, electricity, and home energy technology solutions to nearly five million domestic customers. As of 31 December 2020, we had four energy retail brands serving UK customers: OVO Energy, SSE Energy Services, Boost and Spark Energy. Our OVO Energy brand also serves a growing number of customers internationally in France, Spain and Australia.

Kaluza

Kaluza is a software platform that enables energy suppliers to empower their customers with unique digital experiences and smart home technologies that not only reduce energy bills, but lay the foundations for a more flexible energy system.

This statement covers all OVO subsidiaries required to provide a statement under the Act and includes:

- OVO Energy Ltd
- OVO Field Force Ltd
- OVO Electricity Ltd
- OVO Gas Ltd
- Spark Energy Limited

- OVO (S) Gas Limited
- OVO (S) Electricity Ltd
- OVO (S) Metering Limited
- OVO (S) Retail Telecoms Limited

OVO's workforce

As of 31 December 2020, OVO employed approximately 7,200 direct employees. Some services (e.g. facilities management, customer call centre, IT services, meter and device installations, debt collection and the manufacture of intelligent energy technology devices) are partly outsourced to third parties.

All of OVO's direct operations and employees are based in countries that are considered to have a low prevalence of slavery according to the [Global Slavery Index](#).

OVO's supply chains

During the 2020 financial year, OVO worked with approximately 2,000 suppliers.

OVO's main 2020 supplier spend related to:

- the procurement of electricity and gas from OVO's wholesale commodity provider;
- the manufacture, supply and installation of smart gas and electricity meters by third parties; and
- the provision of marketing services and technology platforms.

Over 99% of OVO's 2020 direct supplier spend was with suppliers based in countries that are considered to have a low prevalence of slavery according to the [Global Slavery Index](#).

Policies in relation to slavery and human trafficking

OVO has, and is further developing, several policies that are relevant to the prevention of slavery and human trafficking, both across OVO's own business and within OVO's supply chain.

Policies relevant to OVO's own business

Internal policies include the OVO Code of Ethics, setting out the core values and principles underpinning how OVO operates. OVO has started a review of the OVO Code of Ethics to enhance its requirements and make it more relevant to OVO's business. The revised Code of Ethics, which includes an explicit commitment to eradicating modern slavery and human trafficking, is expected to be implemented in Q2 2021.

In 2020, OVO refreshed its Speaking Out (whistleblowing) Policy outlining the process for escalating, investigating and resolving illegal and improper conduct, including potential instances of modern slavery. Employees can raise concerns with fear of repercussions, and anonymously if they choose. OVO also has a Grievance Policy outlining the process for raising and addressing grievances.

Policies relevant to OVO's suppliers

OVO's Supplier Code of Conduct sets out the standards, principles and values that OVO expects suppliers and business partners to uphold, including a commitment to eradicating modern slavery. The Supplier Code of Conduct requires suppliers to cascade these commitments through their supply chain. OVO is asking all existing key suppliers (who make up 80 percent of OVO's procurement spend) and all new suppliers to provide written confirmation that they will adhere with OVO's Supplier Code of Conduct.

Risk assessment

Each financial year, OVO completes a desktop modern slavery risk assessment of third party spend generated through OVO's procurement and sourcing system, Workday. This risk assessment involves a review of the goods and services categories OVO purchases from, along with the geographical location of the supplier, and allocating a risk rating based on publicly available third party data about the prevalence of modern slavery.

Due diligence processes

OVO is committed to conducting business in a lawful and responsible manner, including engaging with suppliers who uphold the same standards.

OVO is developing an approach for working with new and existing suppliers to assess and manage the risk of modern slavery. This will be done through a questionnaire issued to the top suppliers and suppliers that operate in OVO's highest risk goods and service categories or regions.

Assessment of effectiveness

OVO recognises the need to assess the effectiveness of the measures that have been taken to tackle modern slavery. In 2020, we developed a set of key performance indicators to monitor performance of OVO's modern slavery risk management initiatives. OVO will start reporting against these indicators next year. The indicators include:

- Number of modern slavery cases reported

- Number of people in procurement roles that have completed training on modern slavery and sustainable procurement
- % key suppliers aligned with the Supplier Code of Conduct

Training and capacity building

OVO is aware of the importance of raising awareness of modern slavery and human trafficking in OVO's organisation and supply chain. Members of our Group Sustainability team attended a modern slavery training workshop with the Supply Chain Sustainability School. Learnings were cascaded through a capacity building workshop with the procurement team. OVO intends to develop further training on slavery and human trafficking risks for relevant employees.

In 2020, OVO joined the Slave-Free Alliance Utilities Sector Modern Slavery Working Group, a coalition of businesses working together towards eradicating slavery and exploitation in the utilities sector. We believe that acting together with others in our industry will help drive progress on eliminating modern slavery.

Looking ahead

OVO recognises that the eradication of modern slavery and human trafficking is a continuing, collaborative and evolving process.

OVO's priorities for the year ahead are:

- Implementing a revised OVO Code of Ethics.
- Developing OVO's supplier due diligence processes around modern slavery risks.
- Looking at ways to engage further with OVO's suppliers to promote responsible business practices.
- Continuing to strengthen employee awareness of modern slavery and forced labour.

Adrian Letts

CEO, OVO Energy