

PLAN ZERO



OUR
SUSTAINABILITY
STRATEGY

2019

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ABOUT OVO



We are a collection of companies with a single vision: to power human progress with clean affordable energy for everyone.

The need to transition from fossil fuels to renewable energy is the biggest, most pressing challenge facing humankind.

Our technology will enable grids to be powered by 100% renewable energy, and give our customers the ability to power their lives whilst protecting the planet.



Founded in 2009, OVO Energy is OVO's flagship brand, offering its pay-monthly customers an unparalleled suite of digital energy services, solutions, and technologies. OVO has smart data capabilities allowing people to take control of their energy and take advantage of our market leading technology.

boost

Boost is a dedicated prepayment energy brand, founded on the belief that customers want the freedom to top up their energy when and where they'd like. Introduced by OVO in 2017, Boost is an evolution of OVO Energy's Smart PAYG+, the first truly smart prepayment platform in the UK. This revolutionary service removed the need for inconvenient card or key top-up systems, instead letting customers add credit through a smart meter-linked smartphone app.



Established in 2007, Spark Energy is a UK multi-utility provider committed to serving the needs of home movers across the country. Spark works with letting and estate agents, large-scale social housing landlords and property managers to deliver lower move-in prices and a range of fixed and tailored price plans. In 2018, OVO acquired Spark Energy.

International Expansion

The global energy market is moving rapidly towards a new era of digitisation and decentralised clean power generation, which will place more control in the hands of consumers. In parallel, international energy retail markets are liberalising and becoming more competitive, creating enormous opportunities for OVO.

Our business is built for global scalability and we have global ambitions. We believe that our best-in-class energy retail know-how, technology portfolio and customer centric business model can be applied to international markets.

We have recently launched in France and are continuing our international expansion plans further into Europe as well as Australia.



Kaluza is an intelligent grid technology company leading the digital transformation of the electricity system. It was created to solve the challenge faced by grid operators, energy suppliers and device manufacturers of integrating millions of energy intensive appliances such as electric vehicles onto the grid. Kaluza's mission is to securely connect all devices to an intelligent zero carbon grid and facilitate a global transition from fossil fuels to renewable energy.



Founded in 2016, Lumo is an app-based brand offering low prices, and an excellent comparison and switching service – all made possible by digital-only account management. A Lumo account is created when a customer chooses to switch suppliers and Lumo provides ongoing insight and recommendations when it is in a customer's interest to switch again.



Founded in 2011 and acquired by OVO in April 2017, CORGI HomePlan is the UK's third largest home services provider. The company is aligned with OVO's focus on delivering exceptional customer service at fair prices.

PLAN ZERO INTRODUCTION

OVO launched ten years ago, with the knowledge that the energy sector is of fundamental importance to society and a belief that there must be a better way. But while we've always worked to be better -- for our customers, for the environment and for our communities -- we haven't always done enough. That's about to change.

Global warming is the single biggest challenge facing humanity today. For the past 200 years, we've been on a roller coaster ride of industrialisation, modernisation and soaring population rise, with the fire of fossil fuels powering society's insatiable appetite for growth.

Now, we have to stop focusing on more; we must do better. We have to be the generation that re-imagines energy for the world's 7.5 billion people today, and for all those who will follow.

The UK government has recognised the urgency of this situation. It has set out a greenhouse gas emissions target of net-zero by 2050, making it the world's first major economy to commit to real progress. But how we get there is up to us.

At OVO, we want to move even faster to create a world without carbon. We are calling our new direction Plan Zero.

Plan Zero is our response to the climate crisis, based on a thorough assessment of our own carbon footprint and the recognition that change starts at home. It sets out how we will start to transform our entire business in order to help drive progress toward zero carbon living.

Through Plan Zero, we commit to achieving net zero carbon emissions across our own operations by 2030. We will lead by example and, in so doing, hope to earn the respect and trust of our communities.

We will mobilise our customers to form a zero carbon community, helping them halve their total lifestyle carbon emissions and eliminate their household emissions completely by 2030. We will enable them all to be active participants in a newer, more resilient, flexible and intelligent grid and to play their part in transitioning to a zero carbon world.

Finally, we commit to tirelessly advocating for a transition to a zero carbon world that does not leave the poorest behind. We will work together with government, regulators, businesses and other organisations to ensure we are creating a fair new energy system where everyone in society shares in the benefits of our collective progress.

It's a bold plan, and there will be myriad difficulties and challenges ahead. Yet, it is our hope that others will read this, be inspired to join us, and that together we will work toward a better way forward.

We are living in extraordinary times. Faceless corporations, globalisation, and the relentless pace of technological change have led to ordinary people feeling insignificant and unheard. And yet, like no time before in history, individuals have immense power to affect great change.

Whether it is a 16-year-old girl leading a student protest, environmental activists bringing Europe's largest city to a standstill, or a local group investing in a community solar project, citizens everywhere are doing what they can to create a brighter future.

More than ever before, companies must listen to these voices calling for change. Consumers are tired of economic models that drive greater inequality, polarisation and environmental destruction. Businesses must work harder to create value for society and protection for the environment, to fulfil the most basic social contract, to leave the world a better place than we found it.

Putting the needs of customers, employees, community and the planet first is not just a moral imperative, it is the basis for long term commercial success for any enterprise in the 21st century.

It is with this knowledge that we begin our next chapter at OVO, continuing our mission to power human progress through clean, affordable energy for everyone. Welcome to Plan Zero.



Stephen

STEPHEN FITZPATRICK
OVO GROUP CEO

OUR EVOLUTION

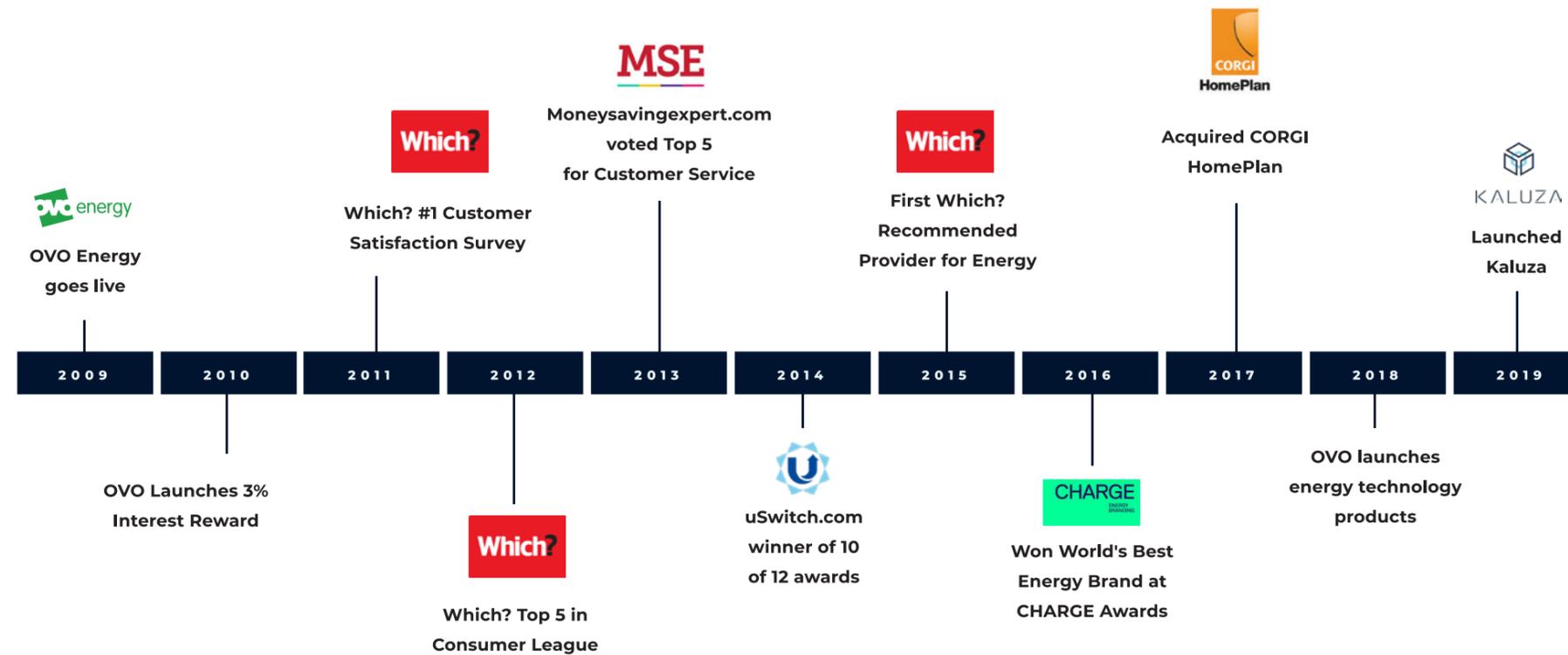
OVO grew out of the belief that there was a better way to sell energy. We started with the ambition to make energy cheaper, greener and simpler and with the commitment to make every decision as if the customer was in the room. With this focus on transparency and fairness, we challenged the status quo and set the standard for new entrants to the market. OVO has consistently ranked among the UK's most loved energy brands, even at a time when public trust in the industry has been historically low.

The energy market is going through profound change with companies of all sizes struggling to adapt. Increased competition, digitisation, the growth of big data, and changing consumer demands are eroding traditional business models. The past few years have seen OVO develop from a top-rated energy retailer into a group of companies delivering innovative energy services underpinned by smart technology.

Now, as a rapidly growing group of companies, we have reached a point in our evolution where we need to reconsider our commitments and purpose. We are also at a pivotal moment in history, where our response to the climate crisis in the next few years is going to define the future. We all have a shared responsibility to take action. It is time for us to do even more for our customers and for the planet.

That is why, in our next ten years, OVO will drive progress towards net zero carbon living.

CUSTOMER GROWTH



ABOUT PLAN ZERO

OVO's mission is to power human progress with clean affordable energy for everyone. Plan Zero is our response to the climate crisis, based on a thorough assessment not only of our own carbon footprint but also the broader impacts of all our products and services.

Our goal is to drive progress to zero carbon living. Plan Zero sets out how we will achieve this goal, as we look ahead to 2030.

Plan Zero has two pillars, POWER and PEOPLE, that set out our ambitions to transform the energy system and enable 100% renewable and decentralised power and to empower people to lead more sustainable lives. Within these pillars, we have six strategic aims, each with a target time-bound to 2030, to guide our work and drive impact across our business and beyond.

Our strategic aims and targets represent where we can differentiate ourselves. They allow us to respond to the social and environmental issues that are most material to our business, and to ensure we create value for our planet, our customers and our people. Underpinning these strategic aims are a series of supporting aims that reflect our commitment to being a successful, responsible business. We have developed key performance indicators for Plan Zero and will formally track progress. We plan to report annually on our progress against the Plan Zero targets and other relevant KPIs to ensure that we are being open, transparent and held accountable for our work.



OUR STRATEGIC AIMS

POWER

Champion the net zero carbon transition

A 2018 Intergovernmental Panel on Climate Change (IPCC) report outlined the need to reduce global greenhouse gas emissions by 45% by 2030 from 2010 levels and achieve net zero emissions by 2050 in order for the planet to stay within a 1.5°C increase in global heating. Earlier this year, the UK Government agreed to a legally binding target of net zero emissions by 2050.

It is time for us all to act to address the climate breakdown. We cannot be complacent or think others will come up with solutions – everyone must mobilise whatever resources they have and act. Coalitions of businesses and stakeholders can take action today to help decarbonise the economy.

This is why we have committed to have net zero carbon operations by 2030, to lead the transition to a zero carbon energy system through investing in technology and to fight the climate crisis.

PEOPLE

Empower people to lead more sustainable lives

The climate crisis is the biggest challenge of our age. For millions, it has already become a frequent, difficult, and even devastating reality. We are all concerned about the climate crisis but it is currently hard for people to know how to take impactful actions to address the challenge. Many solutions involve sacrifice, are too expensive, or too difficult.

Our people and our customers are at the centre of everything we do: we want them to feel inspired by our purpose and our ambitions, we want them to share in our values, and we want them to trust us to support them in progressing to zero carbon living.

At OVO we want to work towards zero carbon living by giving people a tangible understanding of their carbon footprint and clear ways to reduce it, using our technology to drive progress.



DRIVING PROGRESS TO ZERO CARBON LIVING



A unified team - every individual, every team, every brand within OVO will play their part in reducing carbon

A clean energy system - we will support the electrification of heat and deliver flexibility to balance the grid



Change starts at home - we will achieve net zero operations and engage our people at every step

Deserve our customers' trust - we will serve them with integrity to become the most trusted company in the UK



Use our voice - we will call for greater action on climate change

Together we are greater than the sum of our parts - we will help our customers understand their impact on climate change and provide them with actions to play their part in the fight against climate change

POWER

**ACHIEVE ZERO
CARBON OPERATIONS**

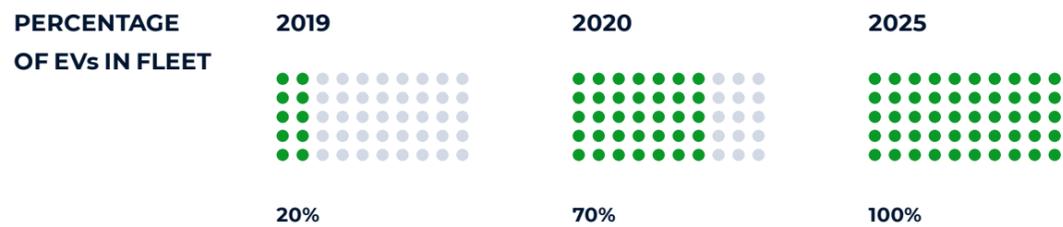
**LEAD THE TRANSITION
TO A ZERO CARBON
ENERGY SYSTEM**

**FIGHT THE CLIMATE
CRISIS**

ACHIEVE NET ZERO CARBON OPERATIONS

The Paris Agreement adopted in 2015 saw 195 of the world's governments commit to preventing dangerous climate change by limiting global warming to well below 2 degrees celsius. In order to align with the goals of the Paris Agreement, science-based targets provide companies with a clearly defined pathway to future-proof growth, specifying by how much and how quickly they need to reduce their greenhouse gas emissions. Targets adopted by companies are considered "science-based" if they are in line with what the latest climate science says is necessary to limit warming to 1.5°C.

SUSTAINABLE DEVELOPMENT GOALS



Scope 1 relates to emissions associated with the direct combustion of fuels for example, natural gas for heating or petrol for vehicle fuel. Scope 2 relates to the emissions associated with purchased energy, for example building electricity and district heating and cooling. Scope 3 emissions are all indirect emissions (not included in Scope 2) that occur in the value chain, which in this case is the emissions associated with the provision of electricity and gas, such as transport and distribution losses.

TARGET

Achieve net zero carbon operations

Our 2030 target will see OVO deliver net zero carbon emissions from our own operations by achieving science-based targets for Scopes 1 and 2 and using offsets for the remainder. We have also set science-based targets for our Scope 3 emissions based on our gas and electricity supply to customers.



OUR APPROACH

Science-based targets

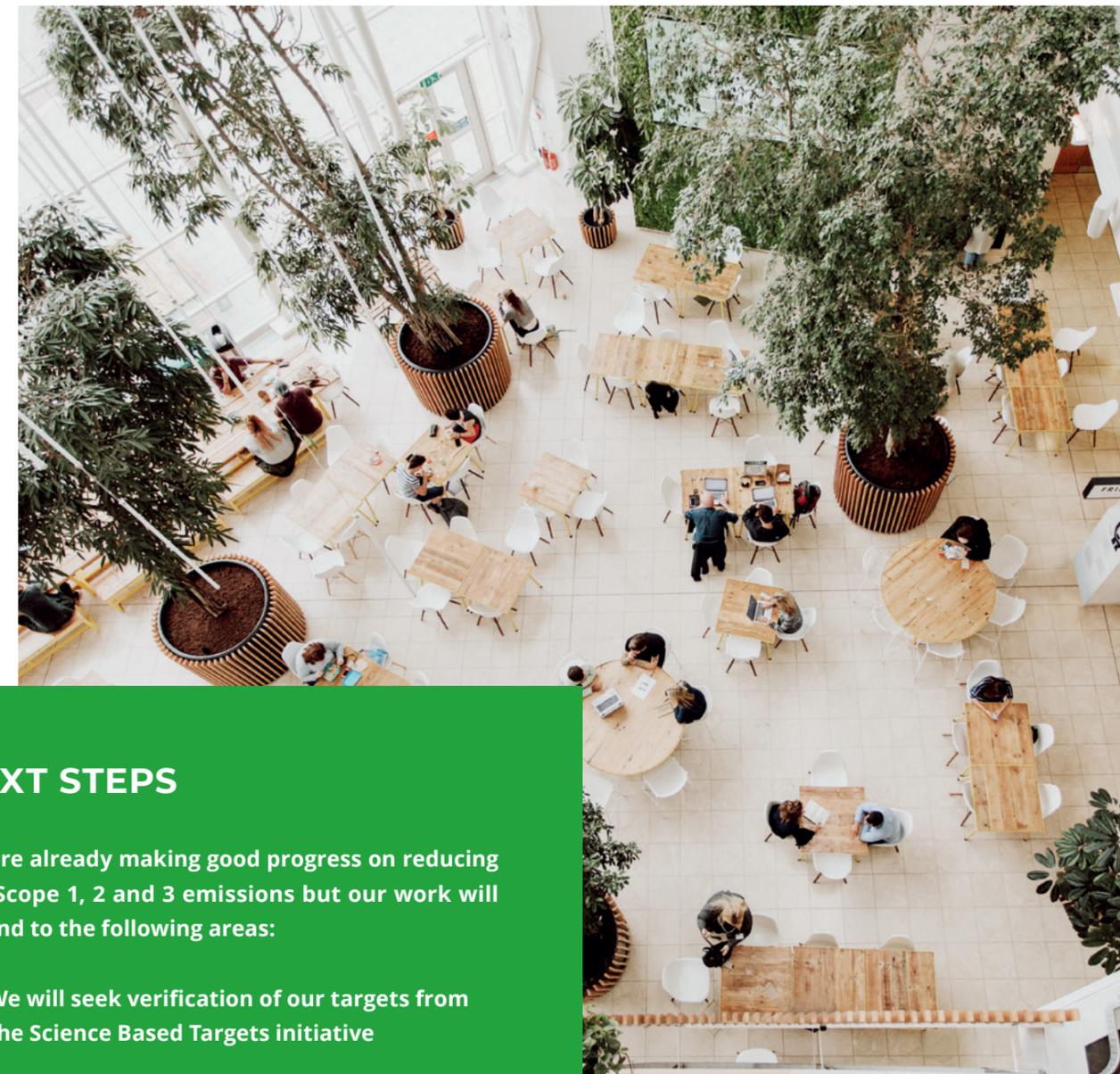
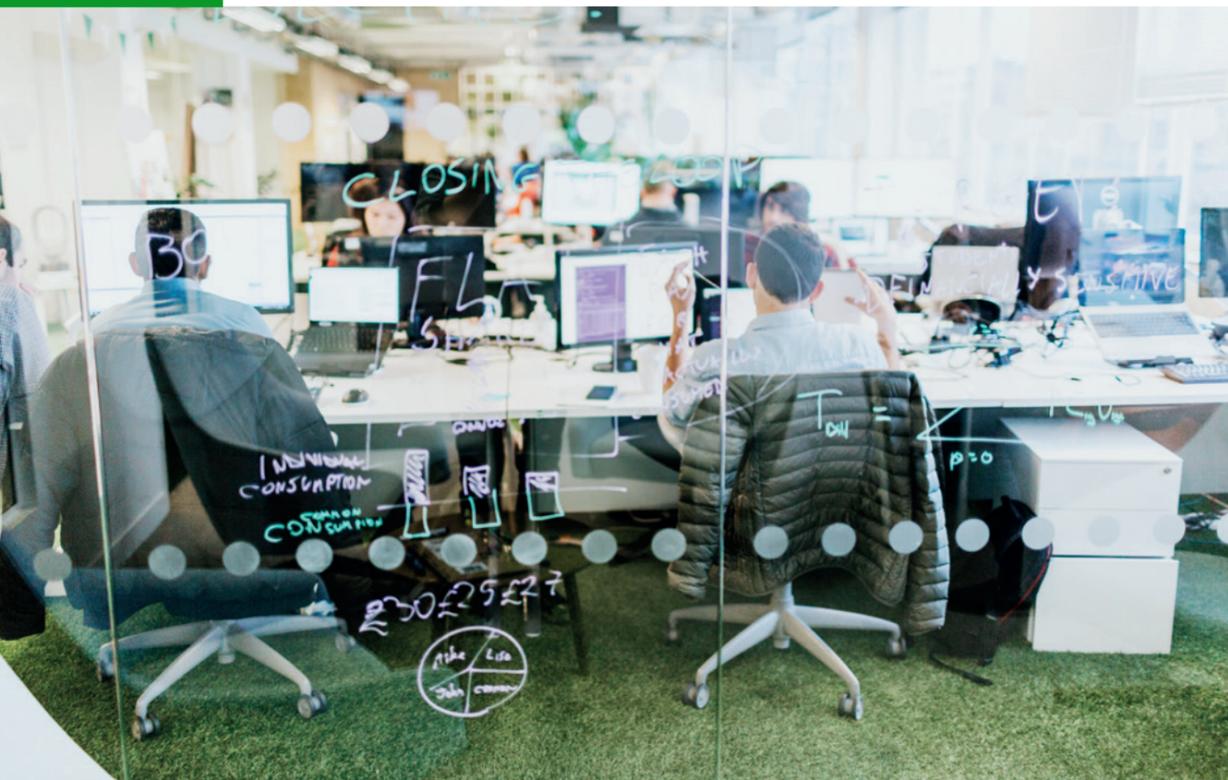
We want to do everything we can to reduce our own impact so that in the future we can work towards being net positive. In 2018 we measured our carbon footprint for the first time, and worked with the Carbon Trust to set science-based targets for our Scope 1, 2, and 3 emissions that are aligned to a 1.5°C increase.

We have already made progress. Our Scope 1 and 2 emissions are primarily caused by our fleet of engineering vehicles and the electricity and gas we use to power our buildings. Within our fleet, we are increasing the numbers of EVs, with goals of 70% EVs by the end of 2020 and 100% EVs by 2025. We are also implementing fuel efficient driving training for all engineers and telematics to monitor driver behaviour for fuel consumption. All offices under our control are on a renewable energy tariff. We are implementing the recommendations from a recent Energy Savings Opportunity Scheme (ESOS) assessment, including replacing inefficient chillers, replacing the existing lighting with LEDs and strengthening the efficiency and effectiveness of our building energy management systems.

Improving sustainability in our workplace

We have also improved the sustainability of our offices and workspaces generally. We have removed most single-use plastic in our offices and are taking steps to eliminate it completely. We are reducing the proportion of general waste we produce, recycling more and taking food waste to anaerobic digestion. In August 2019 we moved to a new office in West London, in which sustainability considerations were integrated into every stage of the refurbishment. We have various initiatives in place to engage our people in sustainability, such as organising events like beach/river clean ups, running a cycle to work scheme, having a Sustainable Travel Guide to shape behaviour on commuting and work travel, and paying our people to travel by bike between meetings. We have also recently established a network of environmental champions within the business to initiate and carry out actions to drive behaviour change.

Our most material source of emissions is the energy that we sell to customers. Our Scope 3 footprint is based on our supply of gas and electricity. We are working hard to develop products and services that reduce the carbon intensity of the energy we supply, see *'Mobilise a zero carbon community'* for more information.



NEXT STEPS

We are already making good progress on reducing our Scope 1, 2 and 3 emissions but our work will extend to the following areas:

- We will seek verification of our targets from the Science Based Targets initiative
- We will incorporate circularity principles into our product design; wherever possible we will aim to design out waste and pollution
- We are carrying out life cycle analyses of some of our products and calculating their carbon abatement potential
- We are assessing broader Scope 3 emissions and will develop further policies to reduce these.

SUSTAINABILITY AND WELLBEING

CASE STUDY

OUR NEW OFFICE

Sustainability and wellbeing were central considerations to the fit out and refurbishment of our new West London office. Highlights include:

- BREEM Excellent and SKA Gold certifications
- 56 solar panels that will produce 15.12 kWp. The remainder of our energy needs will come from a renewable energy tariff
- Maximum amount of natural light
- We have followed biophilic design principles - we have a moss wall and lots of plants to improve air quality and enhance our wellbeing
- We reused equipment from our old office wherever possible and no waste was sent to landfill during the refurbishment
- All materials used have sustainability certifications or have been industry leading. For example, hardwood flooring, kitchen fittings, workstations and tables are FSC certified, soft flooring is BRE Rating A+ certified or EPD certified, and all appliances are A-rated for energy efficiency.

LEAD THE TRANSITION TO A ZERO CARBON ENERGY SYSTEM

A new type of energy system is possible. One where decentralised renewable energy and intelligent flexible energy devices work together to deliver a zero-carbon society at low cost. The benefits of the electrification of heat, transport, and other sectors, with the transition to renewable energy, are profound: fewer carbon emissions and cleaner air for everyone. However, to achieve this, the current energy system needs to change to address the UK's reliance on natural gas for heating, intermittency of renewables and a lack of infrastructure to support electric vehicles (EVs).

We can realise the full potential of 100% renewable energy when the energy system is decentralised, flexible and smart. This requires investment in infrastructure, low-carbon technologies and accessible data, allowing us to shift consumption away from peak times (when demand is highest and carbon intensity the greatest) and to store cheap renewable energy when it is available.

To meet the UK's net zero carbon by 2050 target, we need to decarbonise all heat in buildings and shift to electric vehicles. The replacement of gas central heating with a zero carbon alternative represents a particular challenge. Currently 80% of UK homes rely on burning natural gas for heating; and heat from buildings and industrial processes represent more than a third of the UK's carbon emissions².

The rise of EVs is well underway but there are a number of obstacles that need to be overcome such as range anxiety and charge point infrastructure installation. EVs can also play an important role in renewables integration as the intelligent charging of up to 11m EVs in 2030³, each with a 7kW battery, can provide an enormous source of grid flexibility.

² National Grid (2019) Future Energy Scenarios

³ National Grid (2018) Future Energy Scenarios

SUSTAINABLE DEVELOPMENT GOALS



TARGET

Optimise 5 million homes with flexible and low-carbon technologies

'Optimise' is defined as either:

- (i) Supply of electricity incorporating a smart meter and provision of energy insights, or
- (ii) Where a property has an electric vehicle, electric heating or cooling, or a micro-generation system

- Supply of electricity incorporating a smart meter and provision of energy insights
- Management of electricity flows for grid balancing through Kaluza, or
- Sale of electricity back to the grid on behalf of a customer, for instance from a micro-generation system.

By achieving this target, OVO will enable nearly 20% of UK homes to actively participate in the transition to a zero-carbon energy system.

OVO APPROACH

We need a whole system view across electricity, gas, heat, transport, industry and agriculture to successfully transition to a net zero carbon energy system. Our approach is to decarbonise power and electrify everything. Given the dramatic cost reductions in renewable energy and storage, and the advancement in electric vehicles, smart grids and other technologies, this approach is rapidly becoming accepted as the most pragmatic strategy for reducing global carbon emissions.

We believe that everyone should play a dynamic role in this transition. Instead of being passive consumers, our technology will enable our customers to generate their own clean energy and make it easy for them to store, use and export it back to the grid to balance the load. We're building the distributed energy system of the future: one that is customer centric, secure and built around households and their connected energy storage devices.

We are developing a range of scalable technology platforms to support this transition to a decarbonised energy system. We have built a world class energy platform that delivers outstanding customer service and incorporates the data requirements of smart-metering and intelligent energy. We have also invested in a series of technology tools that make the process of delivering energy services to our customers faster, easier and more rewarding. These technologies include Kantan - a workflow management tool for the fulfillment of heating services from engineering professionals, and Tili - a platform for setting up essential home utilities for tenants.

Balancing the grid

We created Kaluza to enable the coordination and control of millions of connected devices, creating a fully flexible and decentralised energy system. Kaluza is one of the world's first intelligent energy platforms that responds in real time to the grid's energy supply and demand balance as well as wholesale prices and weather data, to optimise the energy use of smart home devices, including heating systems and electric cars. By coordinating these devices at scale, the technology creates flexibility to help push demand away from peak times, saving customers money off their energy bills and reducing carbon emissions.

In 2018, we undertook significant modelling with Imperial College London to demonstrate the value that residential

flexibility will bring to a post-carbon society⁵. The analysis found that there could be potential annual cost savings of £6.9bn as a result of residential flexibility. Flexible storage located near consumption and found in EVs, smart electric heating and home energy storage devices offer a perfect solution to ease grid capacity issues by reducing the need for back-up generation and limiting the need for expensive grid upgrades and reinforcements.

We are developing strategic partnerships with industry-leading hardware manufacturers and service providers as it helps drive the transition towards a distributed, zero-carbon grid. We recently entered into a partnership with sonnen that involves integrating Kaluza's intelligence platform with sonnen's home energy storage system to provide innovative grid balancing services. Owners of these devices will be able to import energy when costs are low and export it when prices are high, or when called upon by grid operators.

Electrifying heat

We're convinced that smart electric heating can be delivered at comparable costs to gas heating today and is the most practical route to decarbonising heat. There are approximately 1.5m homes with electric storage heating in the UK, which equates to a combined peak capacity of 12GW⁴ and can manage peak load equivalent to around 8GW (that's around 2.5 Hinkley Point C nuclear power stations). This represents the largest grid-connected storage asset in the UK. This allows customers to use cheap renewable electricity at off peak times, and store it to release heat on demand whenever it's needed. The ability to use this capacity intelligently through the Kaluza system, as a flexible energy source, can lower the cost of electrification and enable more renewables.

OVO is working to electrify heat through developing a series of partnerships. One such partnership is with Dimplex, the world's largest manufacturer of electric heating, and focuses on maximising the in-built flexibility of electric storage heaters through integration with the Kaluza system. Another recent partnership with Sunamp was awarded £1.6m of grant funding from the Government's Low Carbon Heating Technology Fund with the aim of showing that zero carbon electric heating can be commercially viable. The project combines OVO's smart energy management platform with Sunamp's groundbreaking UniQ Heat Batteries.

⁴VCHARGE (2017) Smart Electric Heat, Kickstarting a Revolution in Heat

⁵Imperial College London and OVO (2018) Blueprint for a post-carbon society: How residential flexibility is key to decarbonising power, heat and transport"



Electrifying transport

We have focused much of the past two years on exploring the kinds of technologies that would be necessary to make mainstream EV adoption feasible. To address industry challenges – such as range anxiety, charge point infrastructure installation, off-peak and urban charging, grid stability, and customer engagement – we have sought to acquire businesses and create partnerships to drive forward the transition to a zero carbon, smart transport system.

We supply 100% renewable energy to the POLAR network, which is the largest EV charging network in the UK, through our partnership with BP Chargemaster. We launched EV Everywhere, our first EV offering for customers, in August 2018, with 100% renewable household electricity and free membership to the POLAR network, offering a one-stop zero carbon solution at home and on the road.

Our investments in ChargedEV and Indra Renewable Technologies (an EV components and services supplier) enabled us to develop and launch the world's first domestic Vehicle-to-Grid charger in 2018. This provides grid balancing services (using our Kaluza technology platform) and automatically optimises charging patterns to take advantage of off-peak energy pricing. It allows EVs to function as mobile batteries, balancing renewable energy on the grid and allowing drivers to sell back unused energy. This alleviates grid stress at critical peaks as the demand for electricity intensifies, allowing for considerable savings on investment in legacy infrastructure reinforcement and accelerating decarbonisation.



NEXT STEPS

We have the capabilities to lead the transition to a zero carbon energy system. In the coming years we will further develop our software and intelligence platforms and our proprietary hardware to electrify transport, heat and micro-generation. We will also continue our strategic investments in early stage technologies and our strategic partnerships, such as our investments in blockchain technology company Electron and renewable energy marketplace, The Renewables Exchange.

The energy industry is going through a fundamental upheaval that will require continuous change and disruption. While OVO has access to a constant stream of internally generated ideas and world leading external start-ups, leadership in the energy transition requires continuous innovation. OVO Labs is our response to this need. It will be a central point of coordination and resource within OVO for the assessment and development of new ideas and businesses that do not sit within OVO's existing core businesses or priorities. It will consist of two closely linked and complementary activities, enabling OVO to participate at every stage in the startup lifecycle:

- OVO Incubate! – an incubator for developing new ideas in-house from concept stage
- OVO X Fund – an investment fund for start-ups aligned to OVO's vision and investment thesis.





OPTIMISING THE GRID

CASE STUDY

SMART ISLANDS ENERGY SYSTEMS "SMILE"

Kaluza is one of 19 partners across Europe involved in the Orkney-based Smart Islands Energy Systems (SMILE) initiative, which is one of the biggest smart grid projects in the world. The project aims to demonstrate how connecting smart domestic storage devices to an intelligent energy platform can optimise the efficiency and decarbonisation of the local grid. The Orkney Islands are one of the windiest locations in the UK, but they often create too much energy for the capacity of the island and the interconnector to the mainland, and are consequently switched off during strong winds, resulting in approximately £250,000 worth of renewable energy being lost per turbine per year.

Kaluza is creating an extra 0.5MW of storage capacity for the smart grid by installing 30 smart EV chargers, 45 domestic storage and low-carbon heating devices and integrating them onto the Kaluza platform. This will allow Kaluza to control charging and storage behaviour, so that when there is surplus wind generation, Kaluza can respond in real time and optimise devices to import and store energy. This will allow residents to consume energy when needed and prevent wasteful wind curtailment.

DEMOCRATISING THE GRID

CASE STUDY

VEHICLE TO GRID CHARGING

In the first project of its kind, Indra Renewable Technologies, Kaluza's manufacturing partner, has built a revolutionary wall-mounted domestic vehicle-to-grid (V2G) charger, developing all hardware and software components from scratch. Integrated with Kaluza intelligence, the platform receives live signals from the grid and optimises charging so that energy is bought at times when cost and carbon levels are low, while ensuring that vehicles are ready by the time scheduled by the electric car owners. Time of generation is decoupled from time of use.

As project partners, OVO Energy has developed innovative customer propositions in tandem with their bespoke electric vehicle tariff 'EV Everywhere' to encourage early adopters of the V2G technology to participate in the trial. To take part, charger recipients must drive a Nissan LEAF and be an OVO Energy customer. OVO Energy will pay customers 30p per kWh sold back to the grid, saving some customers hundreds of pounds on their energy bill, and in some cases, allowing driving for free. With Kaluza integrated across 1,000 V2G units, grid operators can harness new flexibility to offset demand peaks and generate more renewable energy that can be dynamically stored across a more distributed ecosystem.



VEHICLE-TO-GRID CHARGER



SMART CHARGER



HOME ENERGY STORAGE

FIGHT THE CLIMATE CRISIS

In June 2019, the UK government committed to cutting greenhouse gas emissions to net zero by 2050. The UK is the first major nation to propose this target and this commitment has been met with significant praise from businesses and environmental groups and widespread public support.

While the UK's target is ambitious, the action to date is lagging far behind what is required. As the Committee on Climate Change highlighted: while UK emissions have fallen by 40% since 1990 and 18% in the last five years almost all progress in the past five years has been in electricity generation. It is clear that new and strengthened policies are urgently needed in all other sectors. We believe that there is a clear role for businesses to step up, inject a sense of urgency and lead the UK's journey to net zero.

SUSTAINABLE DEVELOPMENT GOALS



TARGET

Advocate for greater action to address the climate emergency

This target requires us to use our voice to call for greater action to reduce greenhouse gas emissions. The scale of the challenge demands that we work collaboratively and through partnerships with a broad range of stakeholders including our competitors. This means challenging the UK Government, regulators, businesses and other stakeholders to do more to address the climate crisis. It's about finding our voice and standing up for what we believe will benefit the planet and our customers in the long term.



OVO APPROACH

Companies often try to avoid politicising their business, but when it comes to the climate crisis, it's essential that companies support policies and even advocate and champion more aggressive measures to lead us to net zero emissions. We welcome the UK Government's strengthened target on greenhouse gas emissions but a goal alone is not enough. Business needs a simple, investable set of rules and incentives that leave room for companies to innovate and find the most effective means of switching to low-carbon technologies. We need a framework to support and accelerate the transition.

Lead by example

We want to lead by example. We're demanding more from ourselves, from government and will more actively engage and work with our customers. We all need to step up and take action and do our bit: governments, citizens and business. We will be advocating for changes that support achieving the net zero target without putting the burden on those least able to pay.

A large part of demand comes down to consumer choices and behaviour. We believe if governments create the right conditions, businesses can provide clear and simple solutions and make it easy for consumers to choose the path to a zero carbon future. We want to see well-balanced taxes that put a price on pollution. Stephen Fitzpatrick, OVO's Founder and CEO, has launched ZeroC, a personal campaign that calls upon the UK Prime Minister to introduce a General Carbon Charge. OVO fully supports this

call; we believe putting a price on carbon emissions would benefit our customers by providing transparency and ensuring that those most responsible for pollution pay while protecting those who can least afford it.

The need for collaboration

We have long advocated the value of flexibility services in the energy system of the future. We have set up a cross-sector forum to promote the value and benefit of flexibility. We will continue to call for the Government, regulators and industry to work together and adapt to this new energy system where supply no longer has to match demand, and flexibility makes energy cheaper for everyone.

Our investment in developing advanced technology and agile ways of working has put us in a great position to transform the industry. However, we know that we don't have all the answers and that we can only achieve so much on our own, especially given the interconnected and complex challenges of decarbonisation. We are actively seeking partnerships, collaborations and shared learnings to ensure that we bring parties together to have a greater impact. If we and our partners throughout industry, government, civil society and academia can collaborate on ways to maximise the sustainability benefits of emerging technologies, then the next 10 years can see us make significant progress on reducing greenhouse gas emissions.



NEXT STEPS

Some of our near term advocacy will include:

- **Calling for policies that will better incentivise customers to adopt new, flexible residential energy technologies, including the introduction of price signals in the energy market to reward customers for using their energy flexibly**
- **Demanding the Government to bring forward its "all new car purchases to be Electric Vehicles" date to 2030. We also want an EV charge point on every street and new building obligations to ensure capacity for smart electric heat in new homes**
- **Actively supporting policies that facilitate the transition to a smarter system. These include the roll out of half-hourly settlement to reduce operational costs and enable innovative proportions to compete on a level playing field. We advocate clear manufacturer standards and changes that facilitate smart meter export.**

CHAMPIONING FLEXIBILITY

CASE STUDY

FLEXIBILITY FIRST CAMPAIGN

OVO has long advocated the value of flexibility services in the energy system of the future. We believe that Ofgem and the UK Government can play a major role in helping the transition to a smart, flexible energy system that will not only enable deep decarbonisation of our society, but also represent significantly better value overall for consumers.

To maintain pressure on the UK Government, regulators and the network companies to deliver the energy system of the future, OVO set up the Flexibility First Forum, an affiliation of organisations that span the energy flexibility services supply chain. The organisations have come together to promote the value and benefit of flexibility to the energy system and to customers. The campaign calls on the UK Government and Ofgem to take the necessary actions to help the transition to a smart, flexible, decarbonised energy system in a way that reduces, not increases consumer bills.

Our Flexibility First approach centres on key principles for network companies, including:

1. Tackle network constraints by procuring flexibility services as a first measure
2. Target 'whole-system' outcomes, helping us achieve carbon reduction at the lowest possible cost to the consumer
3. Be rewarded for making better use of the existing network rather than building new infrastructure
4. Remain separated from users by not controlling distributed energy resources such as electric vehicles.

PEOPLE

**BUILD THE BEST PLACE
TO WORK**

**DESERVE OUR
CUSTOMERS' TRUST**

**MOBILISE A ZERO
CARBON COMMUNITY**

BUILD THE BEST PLACE TO WORK

In the past 10 years, transformations in society, government, culture, technology, communications and the legal landscape have changed the workplace dramatically. The labour market is becoming more competitive and is facing increasing and sometimes contradictory pressures from a range of issues such as the introduction of new technology, societal changes and even Brexit. As such, the battle for talent is intensifying and businesses have to work harder to attract and retain the best talent.

Within this context, expectations from employees have shifted beyond salary and role security to focus more on the culture, work environment and flexibility of their employer. A company's purpose and values are often critical for employees seeking an exciting and varied career as they look for companies who share their values and who respect and honour their opinions and perspectives. They are looking for opportunities to grow both professionally and personally and they expect an open and transparent work environment built on strong two-way communication channels.

SUSTAINABLE DEVELOPMENT GOALS



TARGET

Be the best company to work for in the UK

How we measure this may evolve over time, but for now this means being at the top of the UK's Best Workplaces by 2030 as measured by the Great Place to Work programme.

OVO APPROACH

Our people are the best representation of OVO – they are the creators of our culture and act as our ambassadors. It is because of our people that OVO has been able to achieve all that it has in a short space of time.

Values-driven business

We aim to be more than a team of employees; we aim to be a community of talented, innovative and passionate individuals, working towards the same ambitious vision and goals, constantly challenging each other and OVO to do better and achieve more. One way we do this is by making sure we all live and breathe the OVO Values: Make Yourself Proud, Find a Better Way and Build Something Great. We have recently updated our Values to be more purpose-driven and to incorporate our ideas on sustainability, wellbeing, and inclusion and diversity. Our Values are ingrained in OVO's culture, from recruitment where we test values before ability, to an annual awards ceremony celebrating the people who truly demonstrate these behaviours.

One of the principles on which OVO was built was to establish a company culture that excelled in harnessing and developing talent. Recognising and rewarding our people for what they have achieved and how they contributed to those results is an important part of this approach and this is why we provide biannual bonuses. Our performance evaluations for OVO Energy now include progress on our carbon targets and across OVO, everyone needs to demonstrate how they live the OVO Values; in fact their bonus depends on it. We are incorporating Plan Zero and the OVO Values into every interaction we have with our people, from our contracts and training to our reward and recognition.

Aligned autonomy

We have an agile, creative and entrepreneurial working environment. We don't want to tell our people what to do. We want to empower our people, giving them autonomy and freedom to find solutions, develop new ideas and make independent decisions that best deliver on our purpose and vision. Transparency and communication are key to this. Monthly 'Town Halls' are open forums where any employee can question senior management and everyone can hear more about OVO's vision and purpose first hand. We work hard to engage every individual, from our intranet site - the 'Kitchen Table' - to employee groups and feedback channels. We carry out regular engagement surveys for our employees to share their ideas, satisfaction, and concerns and because creating a great place to work is so important to us our performance on these surveys forms one of our key performance indicators. Managers are provided with customised dashboards and extensive tailored learning resources and are encouraged to discuss feedback with their teams to encourage greater transparency and accountability.

Supporting our people

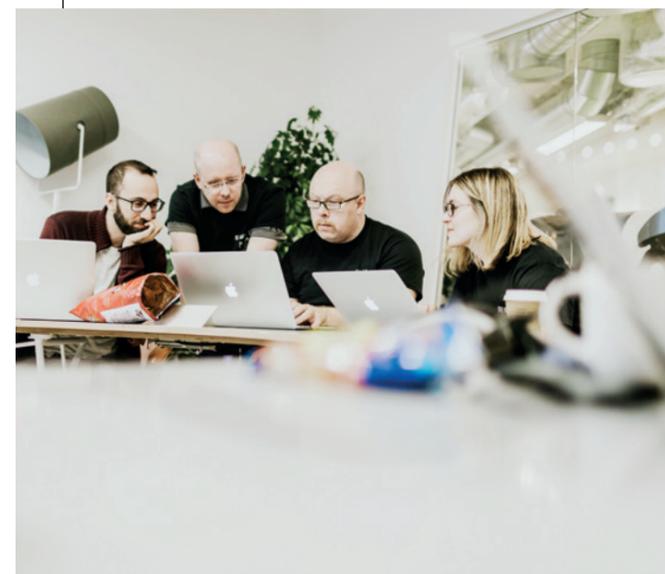
Our people are everything. We want OVO to be a supportive community where everyone at OVO feels they belong and has equal opportunities – wherever they're from, whatever they believe, and however they live their lives. Our differences strengthen us, lead to new ways of doing things and help us meet the needs of all our customers. We know our people's needs are as diverse as their talent and so we provide an extensive and award-winning flexible benefits package. We have an Inclusion and Diversity Steering Committee made up of leaders from across the business who meet regularly to discuss the inclusion and diversity workstreams (including age, gender, race and ethnicity) to ensure progress is being made against the broader strategy.



NEXT STEPS

To maintain our dynamic, ambitious and creative culture and to move towards our goal of being the highest rated company to work for, we will:

- Focus on making our people feel proud of OVO and active participants of our vision by developing further initiatives to engage our people in reducing their emissions both at home and at work. For example, we are looking into offering incentives for our people to make low-carbon shifts, such as switching to electric vehicles
- Expand our actions on mental health and wellbeing to go beyond those outlined in the 'Time to Change' pledge. This will include reviewing and updating policies to ensure that our work on mental health and wellbeing is appropriately reflected
- Increase the representation of women in Field Force, Tech and Director roles as outlined in our POWERful Women pledge by reviewing our hiring processes and ensuring we have a positive and inclusive working environment for women at OVO
- Strengthen the sense of belonging for all our people by creating and implementing two-year action plans for our eight inclusion and diversity areas, including age, gender, mental health and race and ethnicity.



CELEBRATING OUR DIFFERENCES

CASE STUDY

INCLUSION AND DIVERSITY

We know that our differences unite us and that great minds think differently. So, we've made OVO a place where everyone belongs. An international community with a universal vision – to power human progress with clean affordable energy for everyone.

We are developing our inclusion and diversity strategy, and have put in place strong foundations to help ensure everyone who joins OVO feels like they belong. This includes:

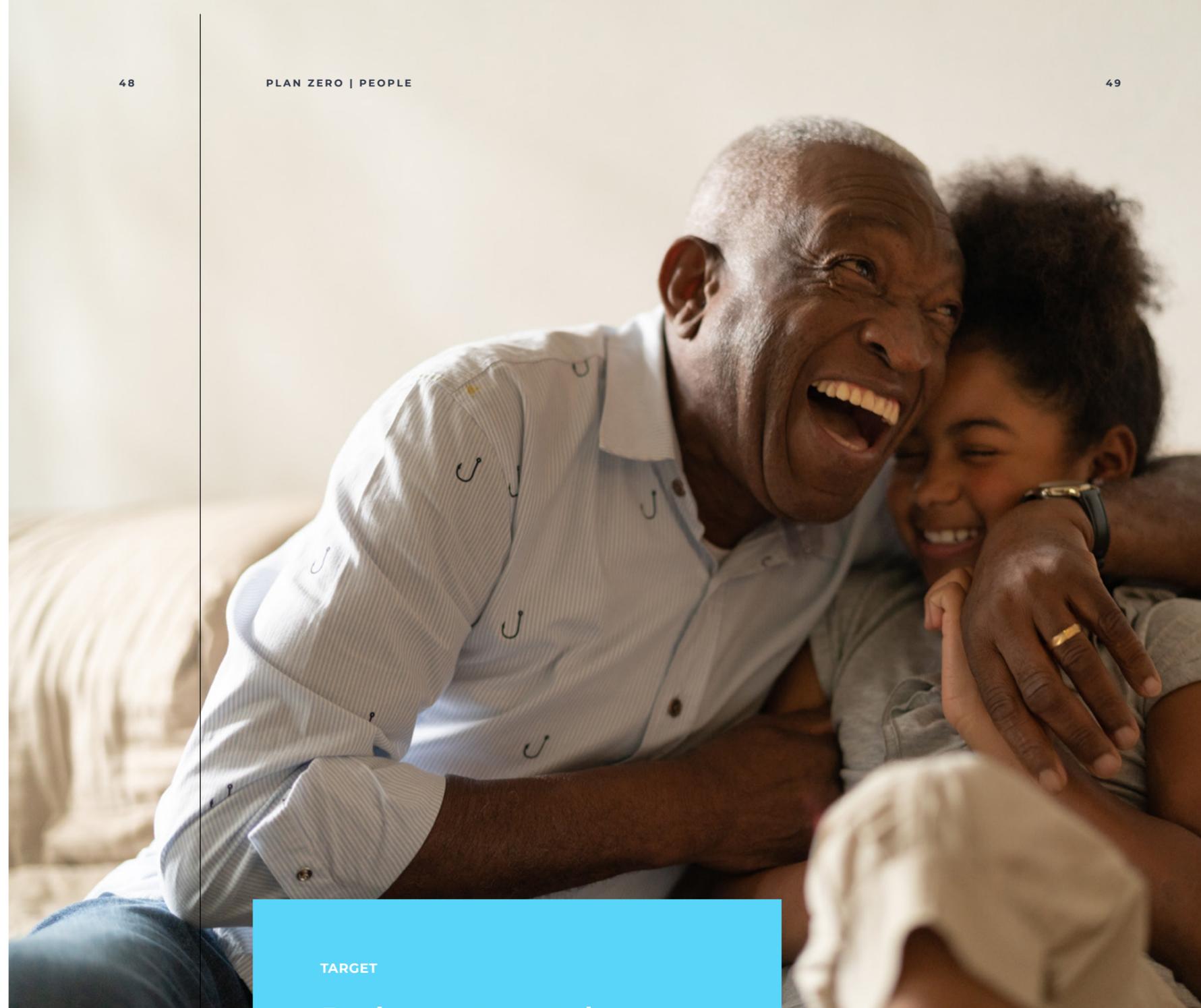
- An Inclusion and Diversity Steering Committee composed of senior management who champion different areas and ensure principles of inclusion and diversity are embedded across the business
- Making a public pledge to increase the number of women in traditionally underrepresented roles
- Normalising the conversation around, and increasing awareness of mental health in the workplace through the Time to Change pledge
- Tracking and reporting diversity data of both applicants and existing employees to identify challenge areas.

DESERVE OUR CUSTOMERS' TRUST

Consumers' expectations are changing. Retailers need to deliver more, better, faster and simpler than ever before. We operate in a sector where public trust is very low, and has been for some time. Customers are increasingly willing to switch energy providers whenever they want, and there is little sense of reward for loyalty. In this context, developing a nuanced understanding of our customers' needs and ensuring we stay ahead of their needs and expectations is increasingly important.

For companies to succeed in a service and experience-driven market, they must develop their capabilities beyond the mere delivery of products. All companies must improve customer service, transparency of pricing and reassure audiences that they are safe guardians of customer data if they are to win public confidence at a turbulent time for the industry. The complex challenge of decarbonising the energy system requires participation from everyone and this will only happen if trust increases, and technology and products are accessible and affordable.

SUSTAINABLE DEVELOPMENT GOALS



TARGET

Be the most trusted company in the UK

The way we measure this may evolve over time, but for now we will use customer Net Promoter Score (NPS) to assess our performance. Our aim is to be the most trusted company in the UK by 2030. This will require a concerted effort from everyone at OVO but we're passionate about our customers and our purpose, so we believe it's achievable.



OVO APPROACH

Building trust

When OVO started life a decade ago, our goal was to make energy cheaper, greener and simpler. From the beginning, our guiding principle has always been to make all of our decisions as if the customer is in the room. With this focus on transparency and fairness, we challenged the dominance of the Big Six and set the standard for new entrants to the market.

We focused on building trust by keeping our prices low through digitisation and delivering a great customer experience based on simplicity and transparency. At the time these were seen as real innovations in a sector that had not changed in decades. Our OVO Interest Rewards are just one way that we thank our customers for their loyalty, providing 3% interest on credit balances, rising to 4% the following year and 5% after that.

We believe that our approach of putting our customers' needs first and developing the technology that can give them more control over their energy usage is what will continue to make us successful. We have always worked to build a relationship with our customers and to earn their trust and we're proud of what we have achieved over the past 10 years.

Championing our customers

OVO has a history of championing consumer interests. We have spoken out about practices within the industry that we believe negatively impact our customers, such as our strong support for a price cap on energy bills, and we will continue to protect and advocate for our customers.

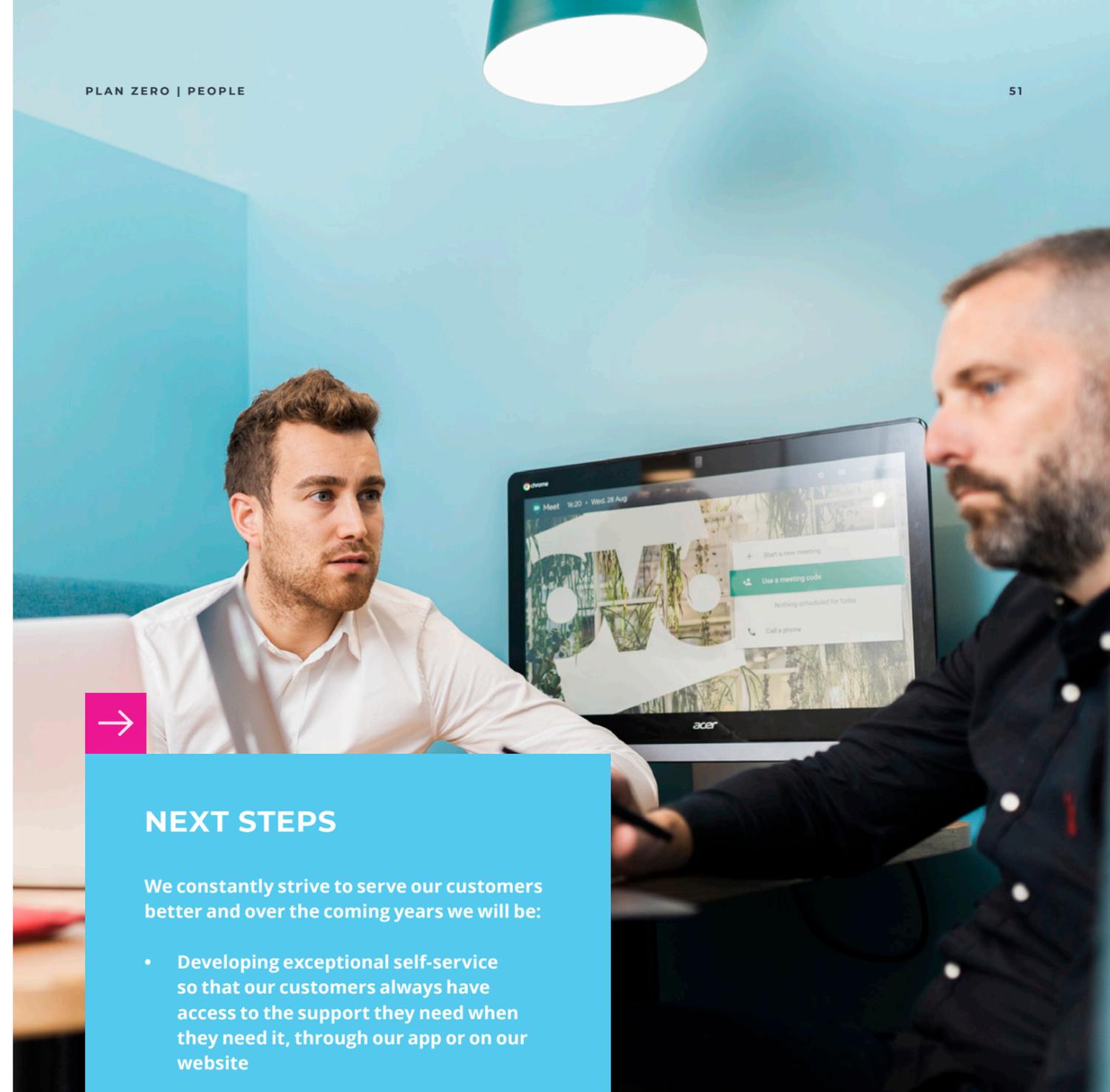
We want to empower customers to understand their energy, through transparent tariffs and flexible, smart technologies so that it's easier for them to reduce energy consumption as well as their spending. We are developing and strengthening our processes for vulnerable customers through accessible website design, products, training for customer service agents and a review of our third party providers.

Simple and transparent offerings

Our aim is to have affordable, clear, transparent, accessible and simple offerings. Across OVO we have different brands with different price points for our customers, but no matter which brand our customers use, our commitment is that the price will always be fair. For new products and services that rely on technology and can come with a potentially prohibitive upfront cost, we will factor in the cost of the technology into the full service term. This keeps costs low and ensures new technologies can be accessed by the masses and not just the few.

Award winning customer service

We pride ourselves on our customer experience and customer journey. As customer demands are changing, we need to adapt to interact with them on multiple touchpoints. We are working on providing easy and intuitive solutions to customers so that whether they are on the phone with our award winning call centre or using our app or our website, they know that we will go the extra mile for them and ensure they have the necessary support. Our approach of transparency, fair pricing and unrivalled customer service, has won us many awards including uSwitch Supplier of the Year 2019 - in fact we have been awarded this four times over the past five years.

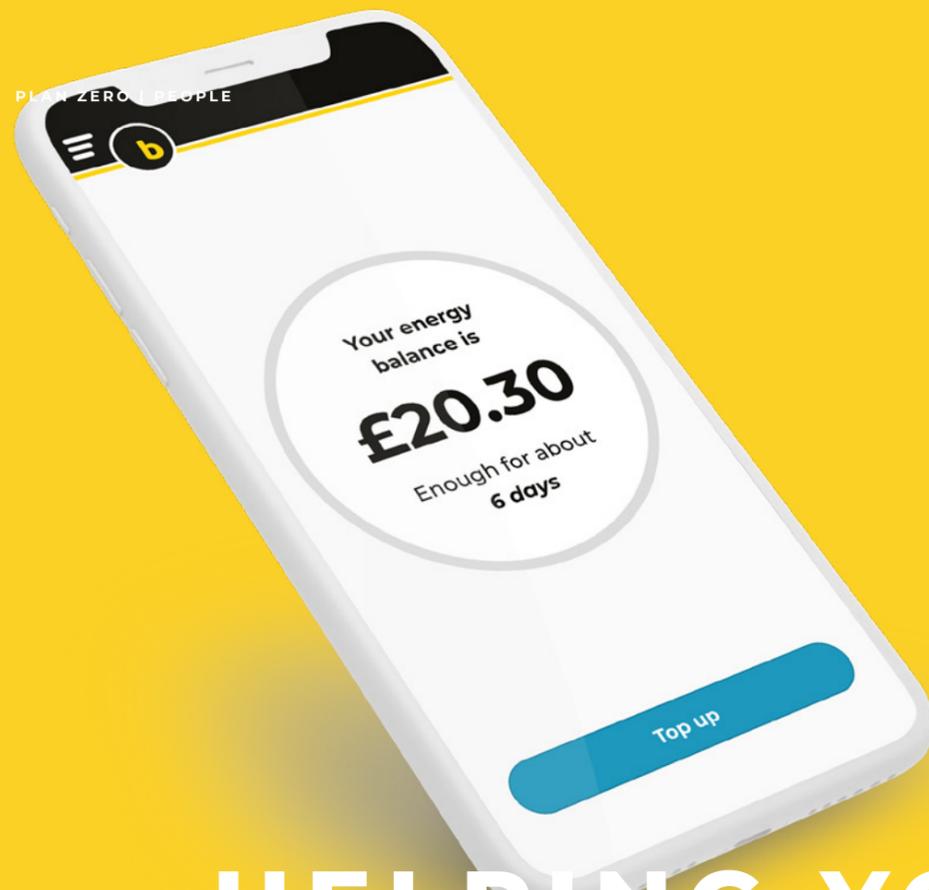


NEXT STEPS

We constantly strive to serve our customers better and over the coming years we will be:

- Developing exceptional self-service so that our customers always have access to the support they need when they need it, through our app or on our website
- Strengthening our strategy on vulnerable customers, and conducting a comprehensive review of our third party partners to ensure that this important group is being provided with the right support at the right time
- Making new energy services and technology more accessible by finding ways for customers to access new technologies that might have been prohibitive based on the high initial costs.





HELPING YOU MANAGE YOUR BILLS



CASE STUDY

BOOST'S WINTER WALLET

Our vision is to power human progress with clean affordable energy for everyone and for Boost 'affordable' is critical. We want to champion stretched and struggling families and find more ways to help them manage their finances beyond just topping up their energy. We asked our customers how we can better support them and they identified that the increasing costs of bills over the winter months were difficult to manage. As a response to this we launched the Boost Winter Wallet, which is a smart way for our customers to spread their energy costs over the year.

Boost customers pay as they go, topping up when they need energy, so they can find that their costs are much higher in the winter than in the summer. Using the Winter Wallet they can set a savings target and put aside credit during the warmer months, which they can then use in the colder months, therefore spreading the cost. Last year Winter Wallet was a great success with 25% of eligible customers opting in and saving a combined total of £1m, and we rewarded anyone who reached their target with a 5% bonus. This year we are helping our customers even more by giving them seven months to save instead of two, and enabling them to 'set and forget', where we work out how much they need to save every day to reach their target and put it aside for them.

MOBILISE A ZERO CARBON COMMUNITY

Over the past few years, people have begun to acknowledge the climate crisis. 80% of Britons are concerned about environmental issues and want to see affordable and clean energy, and two-thirds agree that we are in a climate emergency⁶. It is clear that most people want to do something about the climate crisis, but it is difficult to know what we can do as individuals and what impact our actions will have. Many options involve sacrifice, are too difficult, too expensive or are simply unclear.

SUSTAINABLE DEVELOPMENT GOALS



⁶Opinium Survey results (2019) <https://www.opinium.co.uk/two-thirds-of-britons-agree-planet-is-in-a-climate-emergency-2/>

⁷Analysis carried out by the Carbon Trust for OVO Group (2019)



TARGET

Help our customers halve their total carbon footprint

26% of an average individual's carbon footprint in the UK comes from energy and 33% from transport⁷. Our first step is to achieve our science based targets for Scope 3 emissions based on gas and electricity supply by helping people use their energy better and electrifying heat, and then aim for net-zero carbon homes for all customers.

We will continue to develop products and tools to reduce carbon emissions from heat and transport, but we want to do more. We want to work with our customers to reduce carbon emissions in areas of their lives that currently fall outside of the scope of our business. Through partnerships, incentives and providing tailored information, we want to play a part in supporting low-carbon behaviours and choices.

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OVO APPROACH

Society's long-term goal must be to transition to a zero carbon world. To help achieve it, we are starting by offering everyone a range of tools that help them make decisions about their energy that are right for them and right for the environment. We are developing products and services to empower our customers to reduce their carbon emissions, starting with energy and transport and then going further.

OVO membership

Through OVO Energy, we are moving away from having a solely transactional relationship with our customers simply buying energy and products from us. We are launching a membership model with the aim of working with our customers to achieve a net zero carbon future. We believe that a committed community of members who share similar values and a collective desire to contribute to tackling the climate crisis can make a difference. Our philosophy is simple, we believe we can lead the way to net zero carbon living through:

- **Information** - providing members with a tangible understanding of the contribution energy makes to their carbon footprint, including using smart meters and AI
- **Inspiration** - showing members how their individual contribution adds up to meaningful change and that they can be part of something bigger than themselves
- **Action** - providing members with achievable, personalised actions to reduce their carbon footprint, delivered through digital tools, products and services.

Understanding your energy and your carbon footprint

We want to change the relationship people have with the energy market by offering digital technologies, products and services that pave the way to living a full and zero carbon life.

We're starting by giving all of our members access to our Carbon Tracker, a tool that estimates a member's carbon footprint, gives them a science-based carbon target and

encourages them to take actions to reduce their impact. By providing our members with personalised data insights, advice, incentives and specific content, we aim to change behaviour towards leading a more sustainable life.

Another way we are providing personalised information is using smart meters. They are a critical technology on the path to an intelligent and clean energy system, delivering data people need to maximise their energy efficiency. At OVO we were quick to see the potential of smart energy services and have championed the rollout of smart meters to over 50% of our customers. They enable in depth understanding of an individual's personal energy usage and identification of opportunities to use energy better. This allows us to guide our members through the transition to intelligent zero carbon living, the first step of which is OVO Beyond.

Zero carbon homes

A core part of helping our members reduce their carbon footprint relates to what they do at home, especially regarding the energy they use to power and heat their homes and how they fuel their vehicles. The Carbon Trust estimates that energy consumed within the home (electricity and gas) accounts for 26% of the average UK person's carbon footprint and that transport accounts for a further 33%¹.

Helping members to reduce their impact starts with being as efficient as possible and establishing ways to reduce wasted energy use. Getting clean energy onto the grid is critical in the transition to a zero carbon world but so is using energy better and more efficiently. Our service agents will soon start to prioritise providing energy efficiency advice to members and our engineers will start to conduct home energy efficiency surveys.

¹This excludes emissions that are outside an individual's direct control, such as emissions from institutions or government bodies.



OUR APPROACH CONTINUED

Our aim is to mobilise a zero carbon community. One of the scenarios put forward by the Committee on Climate Change to get the UK to net zero states that 62% of emissions reductions require a combination of societal and behavioural change with the use of low carbon technologies, such as purchasing an electric car or installing a heat pump.

We have a series of offerings to help to achieve this:

- Renewable energy** - We can power our members' homes with renewable electricity, and electrify heat and transport. Through our work on balancing the grid we can also enable more people to adopt microgeneration
 - through our hardware and software that enables a smart, intelligent, distributed energy system
- Energy efficiency** - We can help our members use their energy better and more efficiently through flexible, smart technologies and services
 - **Data analytics** - We can empower our members with personalised information, engaging them and helping them understand their impact and their actions
- Low carbon technologies** - We can enable our members to be active participants in the grid, storing energy and releasing it back when needed,
 - **Rewards** - We can engage and incentivise our members to reduce their carbon footprint through partnerships and other rewards
 - **Offsets** - We can offer offsets for emissions that cannot yet be avoided.

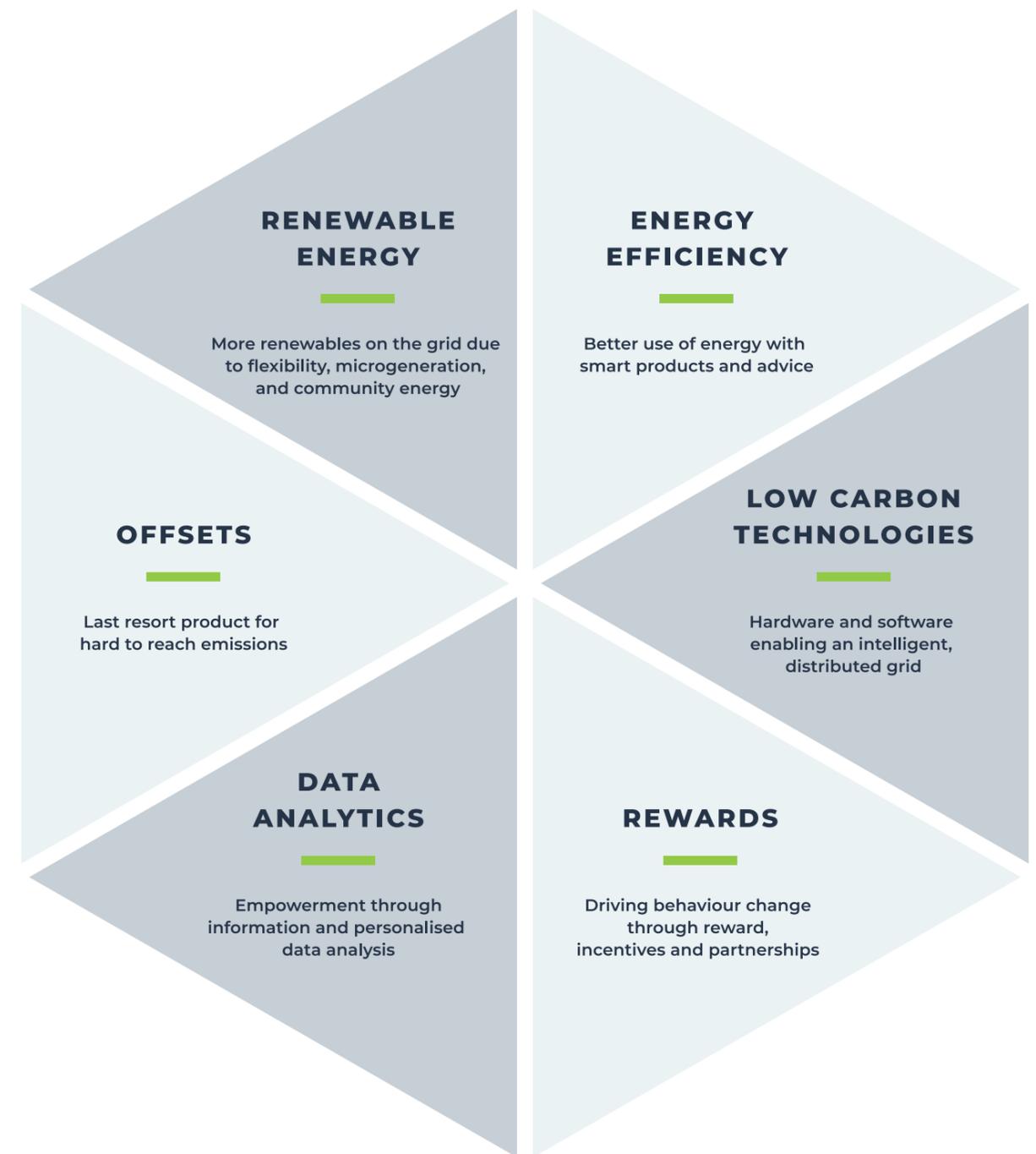


NEXT STEPS

Harnessing the power of the community will be a central focus for us over the coming years and we will further develop our digital technologies, products and services under the membership model. These will include:

- **OVO Smart Heat** - Selling heat as a service in a digital world allows our members to have heat that works around them and their needs
- **Content, championing events and education** - We want to encourage our members to engage with the climate crisis and help their understanding and awareness of actions that can be taken to do their bit
- **CORGI HomePlan engineers and OVO service agents** - Our engineers and service agents will prioritise providing energy efficiency advice to members.

MOBILISING A ZERO CARBON COMMUNITY



OUR MEMBERSHIP MODEL

CASE STUDY

OVO BEYOND

The tools we provide through membership will help everyone to understand their own impact and how to reduce it. Individually, everyone is able to play their part. Together, we can change the world. From September 2019, OVO customers will automatically become members of an OVO community that is focused on carbon reduction and is facilitated through the provision of technology and insight to support engagement and action to address carbon impacts. Our vision is to revolutionise the energy market with services that pave the way to living a full and zero carbon life without sacrifice.

Through a tiered membership framework we plan to develop packages of products and benefits to help members reduce their carbon footprint. OVO Beyond is our first step for members looking to tackle the climate crisis: an upgrade that provides 100% renewable electricity and 100% carbon neutral gas (15% green gas and all other emissions offset) as well as personalised insights on a member's home energy use (using their smart meter data) and specific actions that can reduce energy use by an estimated 10%, as well as access to our trusted boiler repair network and discounts on services.

OUR SUPPORTING AIMS

Plan Zero is underpinned by strong supporting aims that ensure we act as a sustainable and responsible business.

Create value for our communities

We are passionate about being better for everyone. Not just for our customers, but also for our communities, locally and further afield.

We set up the OVO Foundation in 2014 to expand OVO Energy's charitable giving and bring caring closer to home. It has three key areas that cover issues on our doorstep as well as bigger global concerns: energy access, youth poverty and educational inequality and we're in the process of reviewing our Foundation's aims to align them more closely with Plan Zero.

The OVO Foundation also funds and runs an employee volunteering programme called OVO Gives Back. This is our way of giving back to our local communities. Each year, OVO employees choose charities in London and Bristol to support through grants and volunteering. Since 2016, we've invested over £250,000 in local charities and OVO volunteers have spent 1,000s of hours directly helping out. We're investing a further £100,000 in 2019/20. This funding will go towards:

- Tackling air pollution in London by monitoring air quality in and around schools and playgrounds and using evidence to campaign for change with policymakers (in partnership with the British Lung Foundation)
- Inspiring a youth movement committed to conservation by supporting young people to design and deliver environmental projects that positively impact biodiversity and increase connection to nature (in partnership with Action for Conservation)

- Tackling littering and plastic pollution in and around Bristol's waterways (in partnership with Clean Up Bristol Harbour)
- Supporting young people to talk openly about their mental health (in partnership with Off the Record)
- Fighting food poverty with children, families and youth groups (in partnership with Square Food Foundation).

OVO has had a four-year partnership with 'I Dig Trees', which sees us plant five trees through the I Dig Trees programme for every customer with a Green Electricity Upgrade. The I Dig Trees legacy has grown year after year. So far, an incredible 728,000 trees have been distributed across the UK as communities have come together to improve their local environment and make a difference for future generations too. This is an example of an existing environmental project linked to our core customer offering. We are planning to expand these over the coming years to also include other environmental initiatives such as offsetting, local renewable energy projects and a continued focus on reforestation.

Safeguard data and privacy

New laws are taking effect internationally to regulate the collection, use, retention, disclosure and disposal of personal information. At the same time, the rate of cyber attacks, data breaches and unauthorised use of personal data is growing exponentially.

SUSTAINABLE DEVELOPMENT GOALS



Our customers are at the centre of everything we do at OVO. So as well as providing them with great value and excellent service, we're committed to protecting our customers' privacy. We ensure that our customers are safe from cyber attacks and that their data is protected as they connect devices needed to transition to a zero carbon energy system.

We have an Information Security team that covers security engineering, enterprise security, business continuity, and security compliance. We work with different teams within the business to carry out threat modelling workshops, provide consultancy, and tools to help them improve their security. The team creates procedures and policies which are aligned with ISO27001, PCI DSS, and helps technology teams improve the security of their products and services.

Strengthen the supply chain

Modern slavery can affect people of any age, gender or race. However, most commonly, slavery affects people and communities who are vulnerable to being taken advantage of. No country is free from modern slavery and the UK government estimates that there are tens of thousands people trapped in modern slavery in the UK. The manifestations of modern slavery are complex and hidden and they can pose a significant risk to companies.

As a business that prides itself on being responsible and aims to be sustainable, OVO has a zero tolerance approach to all types of modern slavery and human trafficking within our business and supply chains. We have and are further developing, several policies that are relevant to the prevention of modern slavery and human trafficking, both across our own business and within our supply chain.

In 2018, OVO initiated the development of a Supplier Code of Conduct to set out the standards, principles and values to which OVO expects its suppliers to adhere, including a commitment to eradicating modern slavery and human trafficking. The Supplier Code of Conduct is being implemented in 2019 and will require suppliers to cascade these commitments through their supply chain.

Protect health and safety

We want to have a healthy, engaged workforce so we do our best to look after our people's physical and emotional wellbeing. We do everything we can to provide safe and healthy working conditions in which our people can thrive. We expect our partners, suppliers and contractors to apply the same commitment and approach. We aim to 'do no harm'.

In 2019, we completed an internal review of health and safety management and have set up a health and safety working group to drive positive change across the business. We will continue to develop our health and safety management system and our health and safety culture.

Our engineering field services team has reviewed and strengthened health, safety and governance through the appointment of a Technical Compliance Team and implementation of an electronic quality management system (EQMS) to support governance in three core areas: quality assurance of safety onsite, health and safety document control and training and competency of our teams. We have successfully obtained our Achilles safe contractor accreditation and are now seeking continued development of our health and safety practices through completion of ISO 9001 and 45001 accreditations.



A group of diverse school children, mostly girls in pink shirts and grey skirts, are smiling and waving their hands in front of a building. The building has a corrugated metal roof with several solar panels installed. The sky is blue with some clouds.

GIVING BACK TO THE COMMUNITY

CASE STUDY

OVO FOUNDATION

OVO Foundation was created in 2014 with the mission of supporting inspiring organisations with smart ideas to give young people across the world a better and brighter future. OVO Foundation develops projects in three programme areas: energy and the environment, youth poverty and education. OVO Foundation is funded by 70,000+ OVO Energy customers (who donate at least 25p each month) as well as OVO Energy who matches all customer donations and provides 'top-up' donations to ensure an annual income of £1m.

Recent examples of the OVO Foundation's work include:

- **Future Builders** – We give young homeless people the chance to renovate derelict homes that they'll actually live in, as well as training and skills to live and work independently. This programme is run in 4 UK cities and has supported 100 young people since 2016 through the renovation of 7 properties
- **Project Jua** – 'Jua' means 'sunshine' in Swahili. The perfect name for a project that installs solar panels on schools and health clinics in rural Kenya. We've provided almost £2m to electrify 320 schools and health clinics and benefit 100,000s of children and people. Through the project, we are powering human progress with clean and affordable energy – as well as leapfrogging the need for grid extension and polluting fossil fuels
- **When I Grow Up** – Our new £300,000 early years portfolio focuses on closing the disadvantage gap for children aged 0-5 from less advantaged families in deprived areas of the UK by developing their communication, language and vocabulary and engaging parents in positive behaviours to create a strong and effective home learning environment.

APPENDIX

Our methodology

Plan Zero sets out the direction of travel for OVO and is the first step on our journey. We recognise that it will evolve, that some areas will develop more quickly than others, and that we will face many challenges along the way. We will not be able to achieve our aims without help and without collaboration and coming together. But at this time of climate emergency, we all need to take a look at our own actions and purpose. This is our plan to do everything we can to make a positive difference.

In order to develop this Plan, we carried out a thorough assessment to identify and prioritise topics that are material to OVO and its community. This involved tracking trends, engaging with internal and external stakeholders and mapping our strategy against external global standards such as the United Nations Sustainable Development Goals (SDGs).

OVO has grown quickly over the past 10 years and this was our first comprehensive materiality assessment. We plan to refresh this annually to ensure that our approach remains relevant and that we are meeting the expectations of our stakeholders. We plan to report annually on our progress against the Plan targets and the other relevant KPIs to ensure we are being open, transparent and held accountable for our work.

Governance and capacity building

We have put in place an internal and external governance structure to ensure that we make good progress on our targets, that we are accountable and transparent, and that we continue to address the most material social and environmental issues for our business. We have Business Principles across the Group, which are based on the OVO Values, the UN Global Compact for responsible business, and our commitment to sustainability. They are backed up by our Board Statement on Sustainability, our internal policies on specific issues and our Supplier Code of Conduct.

Our Sustainability Steering Committee, comprising senior leaders from across OVO, meets quarterly to review progress against our strategic and supporting aims. We are putting in place the OVO Sustainability Advisory Panel to advise and challenge us on implementation, associated initiatives, and the continuous improvement of Plan Zero, including best-practice recommendations, advice on technical challenges and solutions, and advice on stakeholder engagement.

Plan Zero outlines our path to net zero carbon living. This refocus on working towards net zero carbon means that we need to build the knowledge, skills and expertise of our people to understand the causes and consequences of the climate crisis and how this will impact their work through to 2030 and beyond. We will do this through a comprehensive training program that is integrated throughout the employee journey. We want to equip our people with the motivation and understanding to find solutions that change behaviour and deliver a clean energy system.

We engaged PwC to conduct limited assurance over selected sustainability information in this plan, including our Scope 1, Scope 2 and Scope 3 carbon emissions. See www.ovo.com/2018-pwc-assurance-report for more details.

SUSTAINABLE DEVELOPMENT GOALS



Global standards

Global standards such as the UN SDGs aim to tackle the most pressing global challenges. Business can't succeed in the long run unless these aims are met. The SDGs guide us to consider our impact in relation to a wider global and social context. This allows us to align our programmes and purpose to ensure that we are addressing the needs of the global community.

We considered our business impacts across all 17 SDGs and have identified the specific SDGs that are relevant for each of our aims and where there is the greatest potential for impact. This included the SDGs that are most relevant to our business, but also specific SDG targets that relate to how we will manage performance improvements over time. For more details see the Table.

MAPPING THE SDGS WITH PLAN ZERO

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
POWER																	
Achieve zero carbon operations							●						●				
Lead the transition to a zero carbon energy system							●		●								
Fight the climate crisis							●		●		●	●	●				●
PEOPLE																	
Build the best place to work					●		●	●									
Deserve our customers' trust							●	●			●	●					
Mobilise a zero carbon community							●				●	●					
SUPPORTING AIMS																	
Creating value for our community							●		●		●	●					
Safeguard data and privacy																	●
Strengthen the supply chain					●	●											
Protect health and safety				●													
GOVERNANCE																	
Governance and capacity building													●			●	●



PLAN ZERO

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Registered in England and Wales

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Net zero carbon printing.

Plan Zero is printed on Evolution 100% recycled paper. This is recycled from 100% post consumer waste to FSC standards in a chlorine-free process. The printing process used the latest digital press technology, creating 10% of the waste and consuming 25% of the power compared to typical digital press technology. All carbon has been offset.

