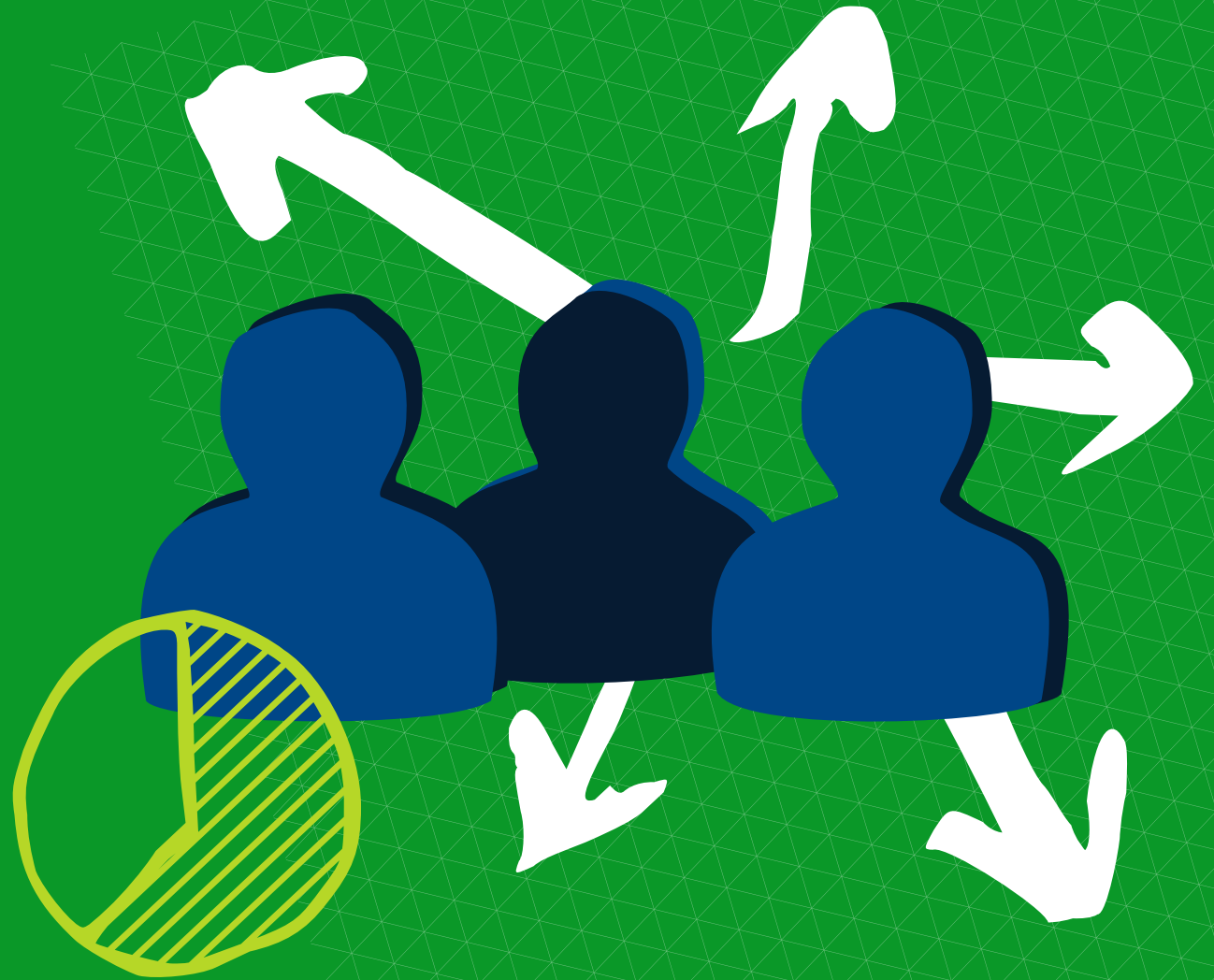


OVO pay gap report

2021



At OVO, we're more than a team of people. We're a community of passionate individuals, all working towards the same ambitious goals.

We're serious about building a culture of belonging, where everyone has equal opportunities and rewards – no matter who they are or what they believe.

This report is about the gender pay gap. Its purpose is not only to fulfil a legal obligation but to challenge ourselves to be better. It explores the reasons behind our gap, and the steps we're taking to address it.

Our hope is that it will drive an open and honest discussion as we challenge ourselves to go further and faster in the year ahead.

Charlotte Eaton
Chief People Officer



What are pay gaps?

When we talk about pay gaps, we're **not** talking about **equal pay**. Equal pay is a legal requirement set out in the Equality Act 2010 that states employers must not pay an individual less because of any protected characteristic.

Pay gap reporting shows us:

- ▶ The difference in average hourly earnings between groups across our organisation – irrespective of their roles, the nature of their work, or seniority
- ▶ The difference in amounts paid in bonuses to different groups, and the proportion of each group receiving a bonus
- ▶ Our workforce profile – including those areas where different groups are underrepresented



Let's dive into the data



Making sense of the figures

We know that if you're not used to reading data like this, it can be tricky to understand. That's why we've put together this small glossary of terms:

Mean: the mean is the average value. We use it here by taking the hourly rates of all our people, then dividing that by the total number we employ.

Median: the median is the middle value. We're using it here to show the middle of the range when everyone's pay is lined up, lowest to highest. It's seen as a more representative figure in pay gaps because the mean can be skewed by a small number of high or low paid people.

Pay quartiles: just as the median splits the numbers in half, quartiles split the numbers into quarters. They're created by arranging everyone's pay from lowest to highest, then splitting it into 4 equal groups. Q1 = lowest pay and Q4 = highest pay.

Pay gap numbers: gender pay gap data is reported as men's pay compared to women's, with men's being the comparator value. This means a positive number shows a gap in favour of men, and a negative number shows a gap in favour of women.

Representation at OVO

The gender representation across the people we're reporting on is

57%

male

43%

female

Some important notes on the language we're using:

- ▶ Although we've used the terms **men/women** and **male/female** throughout this report, our figures are based on the binary legal definition of sex (male/female). The government has asked us to report in this way, which is different from the way we talk about gender within OVO – as a spectrum of gender identities.
- ▶ You'll also see that we've separated the data in this report into the legal entities: **OVO Energy**, **OVO (s) Electricity**, **OVO Field Force**, and **OVO (s) Metering**. This is because the government needs us to report on all entities with over 250 employees. The last 2 entities involve field-based work – like fitting smart meters – while the first 2 cover many areas, from marketing to product development and customer care. The 4 entities we've listed here make up 93% of our people.



Our gender pay gap in



2021

Pay gap

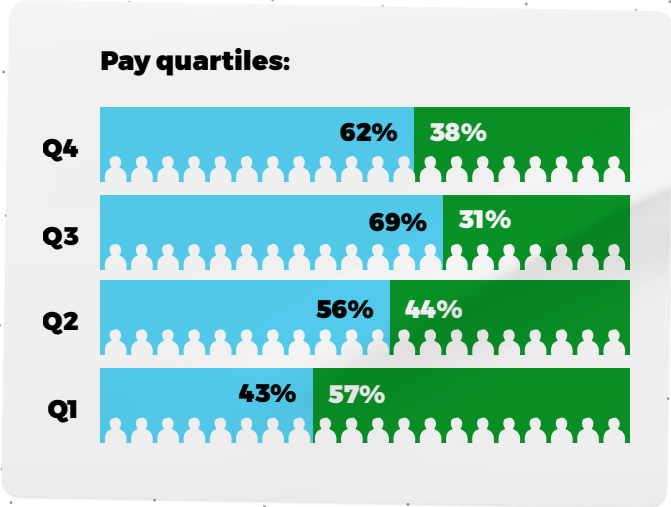
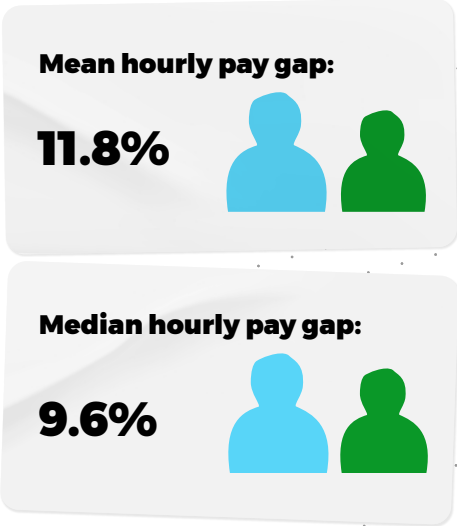
Why do we have a gender pay gap?

At OVO, we have uneven proportions of men and women across different parts of our organisation.

We have a higher male representation in leadership roles, and in roles across technology, data, product, and smart meter engineering. Roles in these areas tend to have higher pay, and our volume roles in smart meter engineering have higher average pay than other large volume operational roles. This means we have more men represented in our upper 2 pay quartiles, which leads to higher average pay for men overall.



Key: Male Female



OVO's mean and median pay gaps show that in 2021, men had higher average pay than women.

Bonus gap

Why do we have a gender bonus gap?

Our bonus gap is impacted by not paying an annual bonus in 2021 – this is typically paid to a broad range of our team members.

We continued with these other bonus payments: incentives, commission, Refer a Friend bonuses, and Smart bonuses. 40% of these payments were Smart bonuses. These are standard payments paid out across the energy industry to Smart Energy Engineers – to retain their in-demand skill set for smart meter installations. The Smart Energy Engineers eligible for these bonuses are 94% male.

Paying Smart bonuses but not an annual bonus has significantly impacted our bonus gap in 2021, and made it much bigger than in a typical year. We analysed the annual bonus payments we made in March 2022, which will count towards our 2022 bonus gap figures. The analysis confirmed that our bonus gap in 2021 was much bigger than in a typical year.

Key: **Male** **Female**

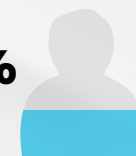
Mean bonus gap:

82.8%



Proportion receiving bonuses:

46%



26%



Median bonus gap:

96.1%



OVO's mean and median bonus gaps show that in 2021, men had higher value bonus payments than women on average.

What we're doing

to improve our pay gaps



1. We're working to get better data and improve our insights

We're developing more sophisticated metrics to help us spot potential causes of pay gaps. This includes monitoring the gender breakdown of all pay increases – both during our pay review cycle, and off-cycle too.

We're also doing a lot of work to analyse roles and teams across the business to spot trends and areas where improvements are needed.

We'll follow this with targeted work around performance and progression. We'll identify potential areas where women might be experiencing less career progress, or leaving OVO earlier than men – and use this information to open up conversations with teams and leaders.



2. We're focusing on attracting more women to join OVO

Our Talent Acquisition Team continues to work hard on improving gender balance through our hiring process. We've been attending recruitment events aimed at women in tech.

We're also looking at creating early career opportunities – like internships and apprenticeships – to encourage more women to start, and grow, a career in our sector.



3. We're working on ways to help people progress in their roles

It's really important that women feel supported to stay and progress at OVO. To help them, our Belonging team is continually working with our People Development team and people leaders.

Our **OVO Engender** equality network helps women to accelerate their careers through mentoring and coaching schemes.

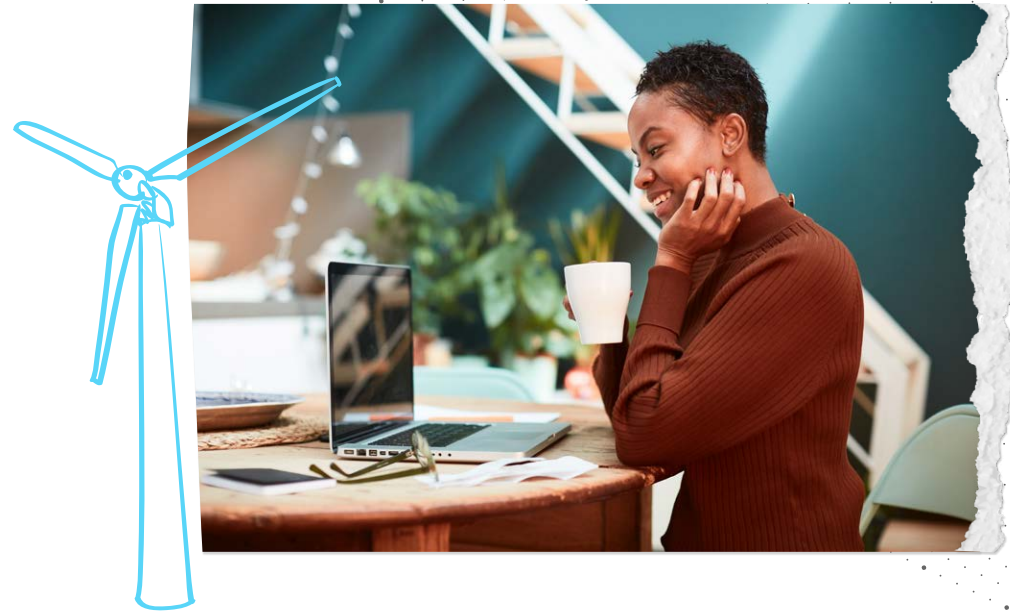


4. We're committed to getting external advice and staying accountable

We've pledged that by 2025, women at OVO will represent:

- ▶ At least 40% of our leadership team
- ▶ 25% of our tech teams
- ▶ 10% of our Smart Energy Engineers

And to hold us accountable for reaching these goals, we're engaging with the **Powerful Women Initiative**.



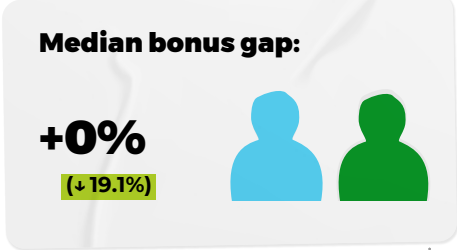
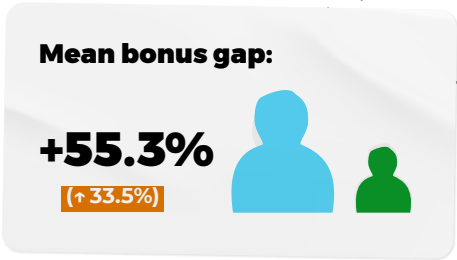
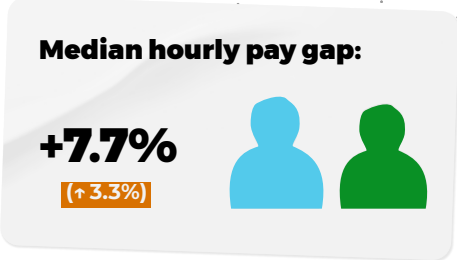
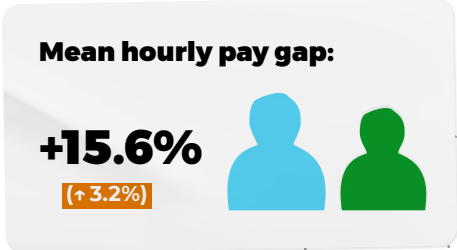
Data by our legal entities



OVO Energy

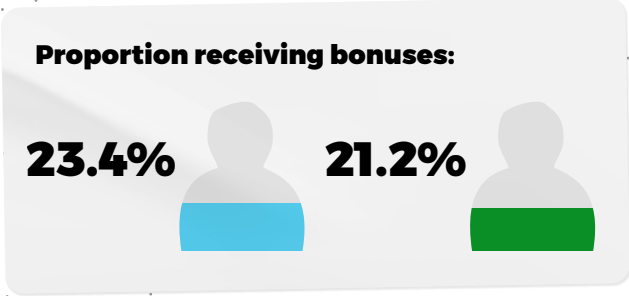
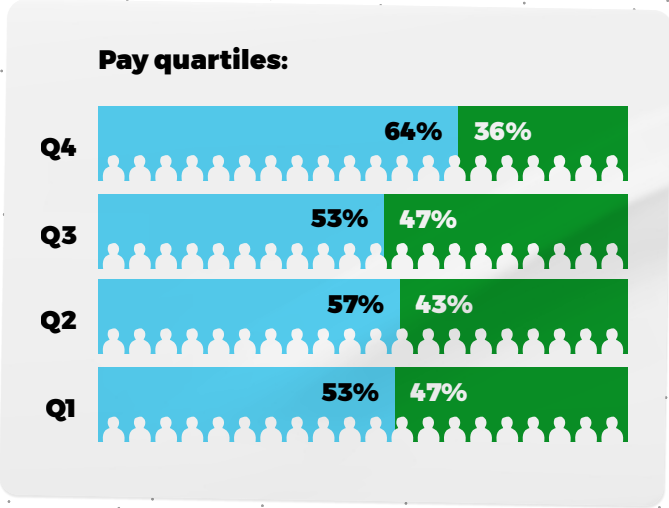
(23% of our overall business)

- This group is 57% male and 43% female
- Our teams here make up the majority of OVO's core business areas: from customer care, finance and projects, to technology, data and more



Key: **Male** **Female**

(↓ %) indicates a decrease
(↑ %) indicates an increase
compared to 2020 GPG data



OVO (s) Electricity

(44% of our overall business)

- ▶ This group is 43% male and 57% female
- ▶ This includes our core business areas such as: customer care, collections, sales and support teams, finance, technology, data and more

Mean hourly pay gap:

+13.0%

(↑ 2.4%)



Median hourly pay gap:

+4.4%

(+2.2%)



Mean bonus gap:

+76.8%

(↑ 16.2%)



Median bonus gap:

+37.5%

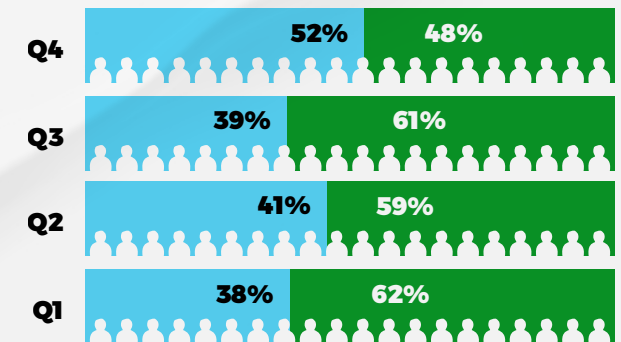
(↓ 25.0%)



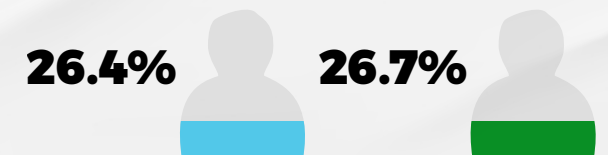
Key: **Male** **Female**

(↓ %) indicates a decrease
(↑ %) indicates an increase
compared to 2020 GPG data

Pay quartiles:



Proportion receiving bonuses:



OVO Field Force

(5% of our overall business)

- ▶ This group is 86% male and 14% female
- ▶ Field Force includes OVO Energy's Smart Engineers and the operational teams supporting them

Mean hourly pay gap:

-6.7%

(↓ 9.2%)



Median hourly pay gap:

-0.8%

(↓ 9.2%)



Mean bonus gap:

+22.2%

(↑ 11.4%)



Median bonus gap:

+33.5%

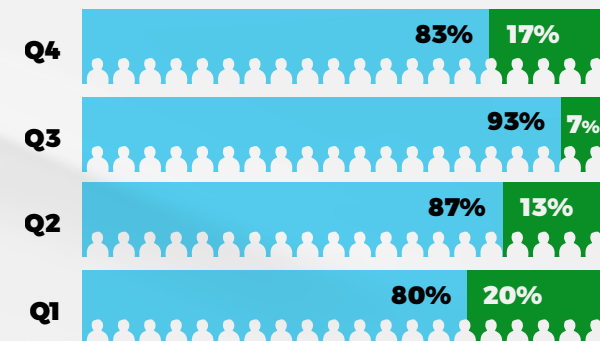
(↑ 6.0%)



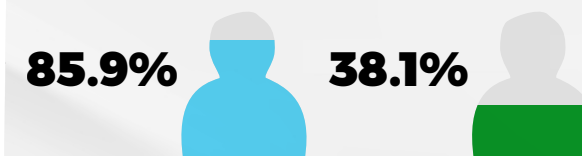
Key: **Male** **Female**

(↓ %) indicates a decrease
(↑ %) indicates an increase
compared to 2020 GPG data

Pay quartiles:



Proportion receiving bonuses:



OVO (s) Metering

(21% of our overall business)

- ▶ This group is 86% male and 14% female
- ▶ Metering includes our field engineers, smart meter installation teams – and the operational teams supporting them

Mean hourly pay gap:

-1.8%

(↑4.7%)



Median hourly pay gap:

+4.1%

(↑7.5%)



Mean bonus gap:

+10.8%

(↑29.5%)



Median bonus gap:

+14.3%

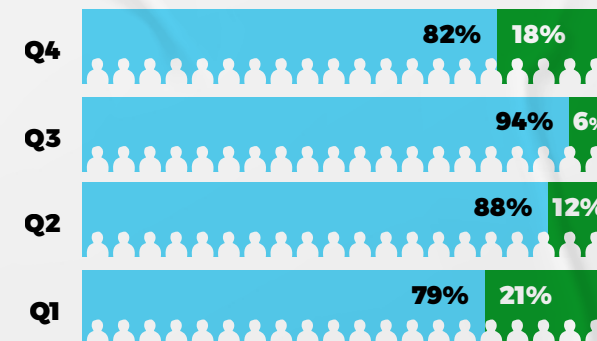
(↑13.3%)



Key: **Male** **Female**

(↓%) indicates a decrease
(↑%) indicates an increase
compared to 2020 GPG data

Pay quartiles:



Proportion receiving bonuses:

68%



6%



Statement

The information and data in this report are accurate, and in line with our legal obligation.

Together with my leadership team, I'll use the insights in the report to work towards reducing our pay gap.



Raman Bhatia
CEO, OVO

