



In progress

OVO PLAN ZERO REPORT 2021

PLAN ZERO



About this report

We launched our sustainability strategy, Plan Zero, back in 2019. It sets out our purpose: to drive progress to zero carbon living.

Since then, it's been a whirlwind couple of years for our growing business, with the energy industry in transition and a world transformed by the global pandemic. Yet through this period of radical change, our commitment to Plan Zero hasn't wavered.

This yearly report shows the progress we made in 2021...

It covers our activities and achievements for the financial year ending 31 December 2021. Where possible, we've compared our 2021 performance to our baseline year (2020 in most cases) to show our progress. We've highlighted challenges as well as successes, and called out what we're learning on our Plan Zero journey.

Here, we report on the activities of all our energy retail businesses – including OVO Energy, SSE Energy Services, and Boost¹. In a change to last year, we haven't included our sister company, Kaluza, in this report². As Kaluza sets off on delivering its own plan, Mission Transition, this feels like the right moment to tell our sustainability stories separately.

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¹ The Spark energy retail brand was retired at the end of 2020 and is therefore not included within the scope of this report.

² Kaluza's contribution to our baseline data was not material, so we have not rebaselined our data for this organisational change.



A word from our CEO, Raman Bhatia

A year like no other

The past 12 months have been a time of crisis and change. As the world emerged from the Covid pandemic, we faced a new challenge in our energy markets, with global factors contributing to a situation rarely seen in our lifetime.

This is a unique period in history, and we will be judged on the ways in which we responded. So I'm extremely proud of the way that OVO has come together to support the UK in its time of need, and to prepare our nation's energy supply for the future.

To help customers who need us right now, we have launched a £50m Customer Support Package to come into effect throughout the winter. We've formed new partnerships with charities who'll be a lifeline to so many people. And we'll soon be offering free energy-saving technology and services like smart thermostats, electric throws, and boiler checks.

But these are near-term fixes, and we need to go much further to deliver the long-term solution. It's my firm belief that the energy crisis must be a wake up call to fix the system for good. Our mission is far from over, and we must rise to the important challenge of improving our energy system for future generations.

Time to refresh Plan Zero

When OVO's Plan Zero first launched, we promised to reach net zero by following scientific guidance. We're now updating our plan to make sure it's up to scratch and offers a transition for everyone, with clear social impact and affordability goals.

To do that, we've brought our net zero goal in line with the latest guidance from the Science Based Targets initiative. This ambitious new target represents an immense challenge – but

it's one we're eager to face. We've also simplified our goals and reporting, to make it easier to see how we're getting on – you'll see this in next year's report.

Powering progress: key highlights from 2021

Throughout the year, we've focused on tackling the rising cost of energy and supporting our customers, while delivering important improvements against our plan:

- ▶ We installed over 700,000 smart meters in customers' homes
- ▶ We planted 1 million native trees across the UK with our partners
- ▶ We helped 138,000 customers track their energy, giving them a better picture of their energy use as well as efficiency tips
- ▶ And we reduced emissions from our offices and fleet of vehicles to 31% below our 2018 baseline, compared to a 19% reduction in 2020

We're also reviewing the way in which we buy renewable energy certificates. In line with this review, our total carbon footprint increased by 9% – but we believe this is the right thing to do in the long term. We're committed to the best, most transparent methods to reduce carbon emissions for everyone – and we'll continue to update you on what that means for our journey to net zero.

Our commitment to fighting the climate crisis remains as strong as ever. Plan Zero is one of the guiding principles of OVO, and I'm honoured to take it to its next evolution.

Raman Bhatia,
CEO of OVO



**Our commitment to
fight the climate crisis
is as strong as ever**

About us

OVO Energy started life back in 2009...

Our aim was to make energy **cheaper, greener, and simpler** – by putting customers at the heart of everything we do. As we’ve grown to become the UK’s 3rd largest energy supplier, that goal has grown too: to help millions more customers decarbonise their homes.

We know this will take a total transformation of the energy system. Energy use causes around 65% of global carbon emissions³. So, if we’re to avoid the worst effects of climate change, electricity needs to be fossil-free by 2035⁴.

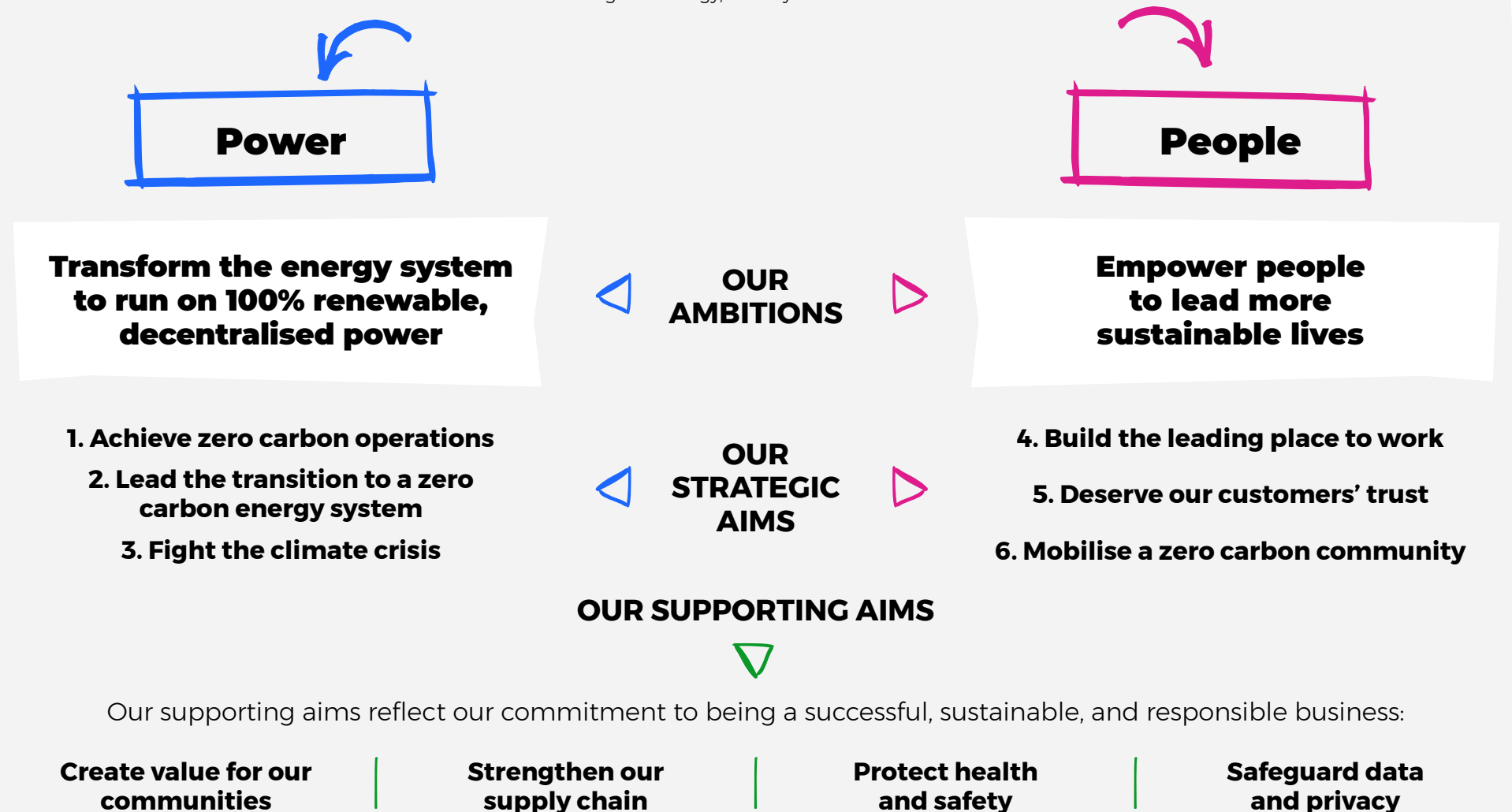
And getting to zero will take more than just renewable power. Smart meters, electric cars, and electric heating in homes all have a big part to play. It’s about completely changing the way we all use energy.

These are changes we can’t make alone – but we’re determined to lead by example. That’s where Plan Zero comes in. It’s our ambitious strategy to become a net zero carbon business by 2035, while helping our customers reduce their own carbon footprints too.

OUR STRATEGY

How we’ll drive progress to zero carbon living

At the start of 2022, we reevaluated our Plan Zero strategy to bring it in line with the latest science on the climate crisis. The energy sector has changed a lot since 2019 and we need Plan Zero to evolve on the journey to zero carbon – so that it can really help us get there. We’ll be reporting against our [new strategy](#) in next year’s report and you can learn more about the changes at ovo.com/planzero. This document covers our progress in 2021 and we’ll report it against the original strategy, which you can see here:



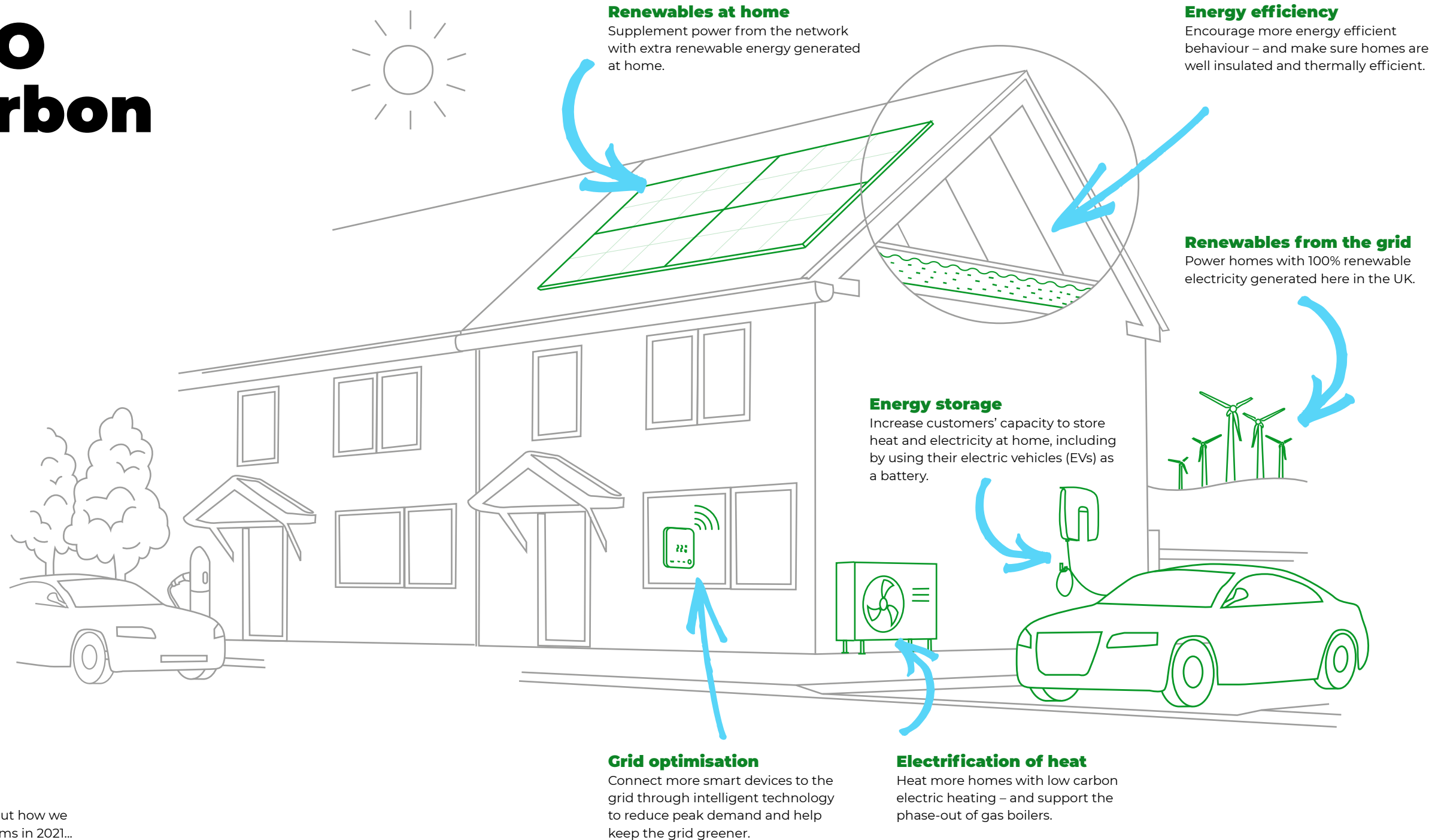
³ IPCC AR5, 2014.

⁴ According to the UK Climate Change Committee.

The OVO zero carbon home

Our vision is to help everyone go greener at home – in all kinds of ways.

This means widening what we do as a business right now. To help the UK get to net zero, we want to offer our customers everything they need. So one day, everyone can power their homes and cars with clean electricity, use energy really efficiently, and make the switch to electric heating.



Read on to find out how we progressed our aims in 2021...

At a glance

2021 was the year that we:

- 
United to become one OVO.
 We brought together all our brands by starting to work as one team.
- 
Returned to our offices.
 We welcomed working together in-person again, while keeping a truly flexible approach to the way we work – in terms of where, when, and how.
- 
Experienced the start of the energy crisis.
 We moved quickly to shore up our business and support our customers at a very difficult time.
- 
Supported climate action at COP26.
 We joined the call for urgent action on climate change.

Our progress in 2021

This year, we put Plan Zero at the heart of our team culture, thanks to the launch of our new People Offer. Here, we set the foundations, and we'll be building on them in the years to come.

The progress we've made in reducing the carbon emissions from our own operations was another highlight. These emissions are now 31% below our 2018 baseline, compared to 19% in 2020.

However, in 2021, our total annual carbon footprint did increase by 9% compared to 2020. The average carbon footprint of the energy we sold to each customer was 3.06 tCO₂, up from 2.6 tCO₂ in 2020. This is because we made a conscious decision to look again at our role in the energy transition, and reflect on what progress to net zero actually looks like.

Ultimately, tackling climate change is about stopping carbon emissions from entering the atmosphere in the first place.

Our thinking on that led us to buy fewer Renewable Energy Guarantees of Origin (REGOs) than we have in the past⁵. This caused our carbon footprint to rise – since REGOs can be used as a way of accounting for carbon emissions when calculating a carbon footprint. But whether we buy more REGOs or fewer, the same amount of carbon is released, unless less energy gets used overall – or used in a smarter way. So, instead, we focused on energy efficiency at home, the smart meter roll-out, and pioneering the electrification of heat and transport.

Tangible actions to change the way we all use energy will make the most difference on the road to net zero. You can read more about this decision and what's changed in the section "[Reducing our carbon emissions](#)".

In 2022, we adjusted our net zero target – which is now based on the latest industry guidance. We're still on the same science-based emissions reduction pathway, just with less reliance on carbon offsetting than before.

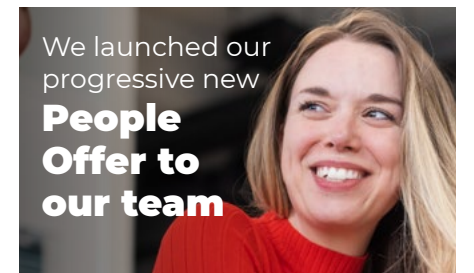
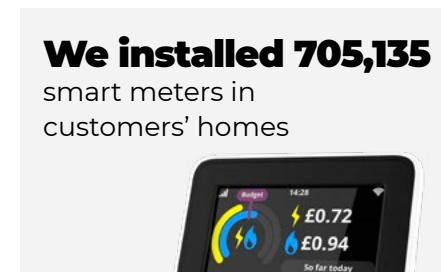
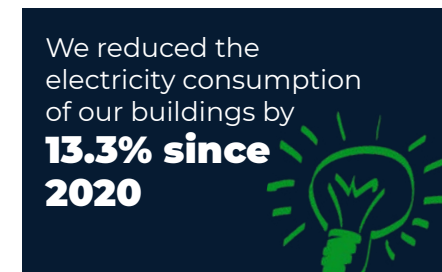
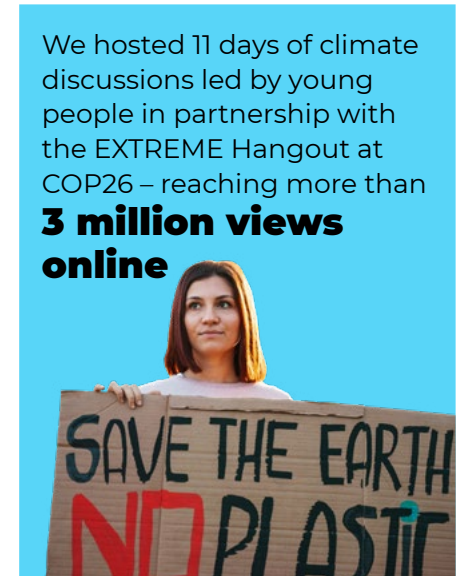
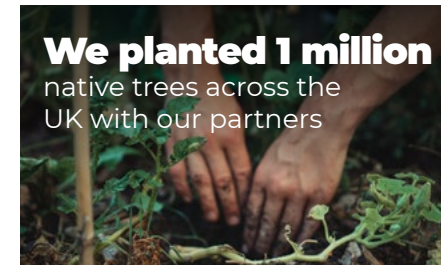
During 2021, our efforts also went into protecting and supporting our customers as the energy crisis began and the wholesale price of energy reached record highs. It's a firm reminder that affordability and sustainability must go hand in hand – as we move towards a just transition to net zero which leaves no one behind.

What's next?

Our focus is on accelerating the energy transition. We want to build a smart and flexible grid, ready for renewables. We need to change our customers' behaviour around how they use energy at home. And we want to reduce how much gas we sell – through energy efficiency and by electrifying home heating.

And we'll do all this while supporting our customers through what we expect to be a very difficult period – with the hope of a cleaner, fairer future for energy. One that's more affordable for everyone.

A snapshot of the positives in 2021



⁵ We're still buying enough REGO certificates to match the electricity we sell through our green energy plans and green energy upgrades.

Our goal: net zero

The science is clear: it's now or never if we want to avoid dangerous levels of climate change (IPCC⁶). It's also clear that a truly clean future for energy will only be possible if our grid can run on renewable electricity.

The reason we're reevaluating our strategy and targets is to make sure every part of Plan Zero is realistic, practical, and in line with the latest science.

We're still on the same ambitious carbon reduction journey that we started 2 years ago. The difference is that now – following the most up-to-date industry guidance⁷ – carbon offsetting will make up no more than 10% of how we reach our net zero goal. We believe this will have a greater impact than before. That's because we'll be focused on stopping carbon from being released into the atmosphere – rather than offsetting once the damage is done.

This is why we're now aiming to become a zero carbon business⁸ by 2035 (rather than 2030). And we've decided to move faster in other areas, with a new near-term target: to reach net zero operational emissions⁹ by 2025 (that's emissions from our offices and fleet of vans). You can read more about this change at company.ovo.com/planzero

Why we've adjusted our aim to become a net zero carbon business to 2035

⁶ <https://www.ipcc.ch/2022/04/04/ipcc-ar6-wgiii-pressrelease/>

⁷ The Science Based Targets initiative (SBTi) – an organisation that helps companies define target-setting to get to net zero – released new guidance in October 2021 that net zero should be achieved using no more than 10% offsetting (neutralisation).

⁸ Scopes 1, 2, and 3.

⁹ Scopes 1 and 2.



Our new carbon targets

Reducing our carbon emissions

TARGET

We'll reduce our total carbon emissions by around 60% by 2030, in line with a science-based target



HOW WE'LL GET THERE

We've calculated a 1.5°C-aligned overall target for 2030, and changed our incremental targets to match

Removing carbon from the atmosphere

TARGET

We'll become a net zero carbon business across our value chain⁸ by 2035
We'll achieve net zero operations⁹ by 2025



HOW WE'LL GET THERE

We'll find ways to balance out any emissions we can't avoid or reduce by helping to remove carbon from the atmosphere through carbon offsetting projects. But now we'll rely on these less than before for our Plan Zero targets

What are value chain emissions?

Value chain emissions make up our complete carbon footprint. They include the operational emissions⁹ from our vehicle fleet and offices, as well as our supply chain emissions⁸ – which are mainly driven by the gas and electricity that we sell to our customers.



Our plan

Reducing our carbon emissions

To reach our target, we have to reduce our total carbon emissions by around 60% by 2030¹⁰. And there are 3 main ways we'll get there:

1. Changing how our customers use power

If we're going to slow down climate change, we all need to change how we use energy in our homes. As an energy retailer, we're supporting this by:

- ▶ Making the way people use electricity at home smarter, by installing more smart meters and connected energy devices – like smart thermostats
- ▶ Offering products and services that help our customers waste less energy and use less energy overall
- ▶ Installing renewable technologies – like solar panels, smart EV chargers, and storage batteries

We're also encouraging more customers to buy renewable electricity, because greater demand for cleaner, greener power will get the UK to net zero quicker. And we'll explore how to source this energy in a way that supports the growth of UK renewables. This includes buying directly from generators of green power.

2. Electrifying the way we heat our homes

We're aiming to halve the carbon emissions from the gas we sell by 2030. Since around 90% of UK homes use gas boilers, we're finding ways to make low carbon heating easier to access for more people. Then, one day, home heating can run on renewable electricity instead of fossil fuels.

Our priorities between now and 2025 are to:

- ▶ Cut home heating emissions through energy efficiency measures and changes in how people use energy at home
- ▶ Develop low carbon heating solutions that our customers will want, aided by innovative research and trials
- ▶ Push for government policy that supports the roll-out of low carbon heating solutions across the UK

3. Championing energy efficient behaviours

We want to encourage people to change the way they use energy. So we're investing in ways to help people track their energy use and understand exactly where it's going. The goal is to empower, educate, and inspire customers to live lower carbon lives – starting at home.

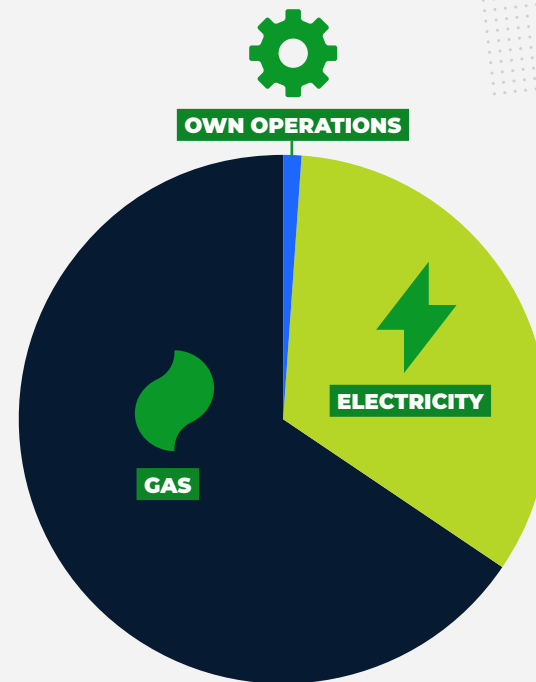
At the same time as working on these key areas, we're also reducing our own emissions – by switching to electric vans, powering all our offices with 100% renewable electricity, and improving office energy efficiency.

Removing carbon from the atmosphere

The number one aim of Plan Zero is to keep carbon emissions from entering the atmosphere in the first place. And, in line with this mindset and the latest industry guidance, we'll now be making carbon offsetting the very last resort on our journey to net zero.

Our new approach is that we'll only offset if we still need to balance out the final 10% of our footprint. This means the main focus is always on stopping emissions altogether.

Our carbon footprint



● Own operations

<1% comes from our own operations.

Our plan: switch to electric vans, power our offices with 100% renewable electricity, and make our offices and fleet more energy efficient.

● Electricity

About **one-third** comes from the electricity we sell to our customers.

Our plan: make home electricity use smarter and help customers use energy at greener times – and use less energy overall.

● Gas

About **two-thirds** come from the gas we sell to our customers.

Our plan: develop affordable low carbon heating solutions that people will want to have in their homes, and help our customers be more energy efficient with their heating too.

¹⁰ From a 2018 baseline.



Our progress in 2021

Reducing our carbon emissions

Each year since 2018, we've measured our carbon footprint to work out how to reduce emissions from our operations¹¹ and value chain¹² – and we've reported on it transparently.

Since 2009, we've been buying certificates called Renewable Energy Guarantees of Origin (REGOs). These certificates prove that, for every unit of electricity we sell, a unit of electricity has been added to the UK grid from a renewable source.

In 2021, we only bought REGO certificates to match the electricity we sold through our green energy plans. Unlike in 2020, we decided not to buy extra REGOs to "top up" the renewables in our fuel mix. This meant our 2021 fuel mix was less renewable (2021: 30%; 2020: 50%). Unfortunately, our carbon footprint increased because of that. It's now 9% higher than in 2020, but still 16% below our 2018 baseline.

We're always thinking about how best to reduce our footprint. From now on, we won't rely on REGO certificates as the main way to lower it. Instead, we'll focus on supporting projects that will help reduce emissions entering the atmosphere and speed up the energy transition. This is because we believe they'll make more of a long-lasting impact for our customers and the planet than buying REGOs alone.



Supporting green power in the UK

In 2021, we boosted our efforts to buy green electricity directly from renewable generators. Through our Power Purchase Agreement (PPA) with Ørsted, we'll buy 100% of the power generated by the 90MW capacity Barrow Offshore Wind Farm. And through our PPA with Eneco, we'll buy 100% of the power generated by the 62.5MW Crystal Rig Wind Farm operated by Fred Olsen Renewables in East Scotland. Buying green electricity like this is just one way we're supporting the renewables industry in the UK.

CARBON EMISSIONS

Key Performance Indicator (KPI)	2018	2019	2020	2021	2021 vs baseline year (2018)	2021 vs previous year (2020)
Total Scope 1 and 2 emissions – tCO ₂ e	9,145	11,775	7,444	6,345 ^Δ	-31%	-15%
Total Scope 3 emissions – tCO ₂ e	15,110,947	12,464,410	11,645,643 [◇]	12,639,252 ^Δ	-16%	+9%
Total Scope 1, 2, and 3 emissions – tCO ₂ e	15,120,092	12,476,185	11,653,087	12,645,598	-16%	+9%
Scope 3 emissions intensity per customer (tCO ₂ e per customer)	Not measured	Not measured	2.6	3.06	N/A	+18%

◇ PricewaterhouseCoopers LLP (PwC) was engaged to provide independent limited assurance over selected information in the Plan Zero Report for the year ended 31 December 2020. Information that is within PwC's limited assurance scope is marked with the symbol ◇. See PwC's Assurance Statement at ovo.com/sustainability-assurance-report/. This covered 99% of our total 2020 footprint.

Δ PricewaterhouseCoopers LLP (PwC) was engaged to provide independent limited assurance over selected information in the Plan Zero Report for the year ended 31 December 2021. Information that is within PwC's limited assurance scope is marked with the symbol Δ. See PwC's Assurance Statement at ovo.com/sustainability-assurance-report.

Offering a truly green energy plan

A net zero future is only possible if we have a smarter energy grid that's ready for more green power. We also need greener, more energy efficient homes that use less power while still keeping us warm.

To do this, as well as making homes greener and more efficient with technology, we're going to develop more truly green energy plans throughout 2022 and beyond. Plans that go beyond renewable certificates by rewarding customers for making greener choices, like getting a smart meter and using energy at greener times for the grid.

With a truly green energy plan, our customers can make a more meaningful impact on the UK energy transition – and help slow climate change.

¹¹ Scopes 1 and 2.

¹² Scope 3.

Task Force on Climate-related Financial Disclosures (TCFD)

In 2021, we assessed the climate change risks and opportunities for OVO for the first time, following the guidance of the Task Force on Climate-related Financial Disclosures (TCFD). We started by identifying our biggest potential risks: climate-related impacts on our supply chain, operations, and customers. Our future assessments will go deeper – to help us understand, manage, and transparently report on our climate-related risks and opportunities.



AIM 1

Achieve net zero carbon operations

TARGET

Achieve net zero carbon emissions in our operations by 2025

2021 PROGRESS

We've reduced operational emissions by 31% compared to our 2018 baseline

What it means

To run our business, we use energy to power our offices and fuel for our fleet of vans, both of which cause carbon emissions. We're working hard to reduce these emissions, so that we can reach net zero emissions in our operations by 2025.

Our 2021 progress

We reduced the emissions from the energy used to power our offices. This was done by streamlining our property portfolio, bringing more offices on to renewable energy plans, and putting energy efficiency measures in place. Unfortunately, microchip shortages slowed the production of electric vehicles globally, meaning we couldn't add more electric vans to our fleet as quickly as we wanted to.

KPI	2020	2021	Trend
Annual reduction in operational emissions (%)	37%	15%	●
Electric vehicles in group-wide fleet (%)	8%	12%	●
Energy productivity ¹³ (£/kWh)	£110	£130	●
Scope 1 and 2 carbon emissions per full-time employee (tCO ₂ e/FTE)	0.9	1.05	●
Scope 1 and 2 carbon emissions per revenue (tCO ₂ e/£m revenue) ¹⁴	1.67	1.41	●

● On track ● At risk of not being met ● Not on track

Emissions from our operations relative to revenue improved this year – this means we emitted **15.8%** less carbon to generate each £ in revenue.

¹³ Measured as revenue relative to energy consumption by our buildings and fleet operations.

¹⁴ Emissions from our operations relative to full-time equivalent (FTE) increased this year due to changes that downsized our workforce.

Improving energy productivity

Lowering total energy use

We're embracing a flexible way of working. So, with freedom to choose where they work, many of our people are working from home, some of the time. We've also been streamlining our offices and depots since we acquired SSE Energy Retail Services in 2020. We decided to leave 19 sites of offices and depots in 2021 – reducing our energy use by 30% (saving 550,000 kWh).

These changes helped us improve energy productivity by 17.9% in 2021 (against 2020), as we work towards our [EP100](#) initiative target to double energy productivity across our operations by 2030 against a 2018 baseline.

Switching to renewable energy

In 2021, we increased our use of renewable energy by switching the energy supplier for 2 of our properties. These sites used 3.54 million kWh of energy over the year – which is now powered by renewable electricity. We also switched 10 sites that we share with SSE to renewable electricity plans – another 96,000 kWh of green power!

Driving energy efficiency in our buildings

In 2021, we put more energy efficiency measures in place – from installing LED lighting to reducing office operating times (where this was practical). We created the new role of Energy Manager and activated new building energy management platforms at our offices in Bristol, London, Cardiff, and Cumbernauld. These steps will help us monitor energy use, spot problems, and minimise wasted energy.

Altogether, we reduced electricity use in our buildings by 13.3% this year and cut gas use by 3%.

Electrifying our fleet of vans

We plan to electrify our entire fleet of company vehicles by 2025. And in 2021, we made good progress by buying 26 all-electric Nissan e-NV200s.

After plenty of research, we chose the Vauxhall Vivaro-e to be our next Field Force van. We initially ordered 1,084 vans to be rolled out across 2021 and 2022, and welcomed the first 5 vehicles in December 2021. We also made life easier for our engineers by installing charging points at 78 of their homes.

We removed over 300 diesel or petrol-powered vehicles in 2021, helping to increase the percentage of EVs in our fleet from 8% to 12%.

Getting rid of single-use plastic

Getting to net zero carbon operations isn't just about reducing emissions. It's about reducing our reliance on fossil fuels in whatever we do – and that includes getting rid of single-use plastic.

Our Field Team highlighted the amount of plastic packaging we use for equipment during our "Final Mile" activities. Supported by our partner ByBox, we held workshops to find better alternatives. We chose a reinforced paper packaging option, which will remove 0.25 tonnes of plastic from our supply chain annually.

Improving air quality

We're also doing our bit to reduce air pollution by phasing out aerosol sprays that contain volatile organic compounds (VOCs) from our field activities. VOCs contribute to air pollution, which is harmful. That's why we're holding trials with our field engineers and supply chain partners to find safer atomiser products.

Next steps

- We're going to upgrade our whole fleet to 100% EVs by 2025
- We'll think about our net zero targets as we upgrade our offices and continue improving our energy productivity

Our new E-van: the Vauxhall Vivaro-e

Smart meter engineer, Andrew Drennan, got his new Vauxhall Vivaro-e van at the end of 2021. He shares his experience of the "Medium Van of the Year" (*What Van? Awards 2022*).



Range

The 75 kWh battery has a range of up to 205 miles (in perfect factory conditions). You can charge it up to 80% in just 45 minutes at a 100 kW public charger or plug in overnight at home.



Payload

The batteries are mounted under the floor so the 1,000kg payload – the same as the Ford Transit Custom (the current SSE van) and greater than the Nissan e-NV200 (used by OVO).



Technology

The Vivaro-e uses clever sensors and data-monitoring technology to give a detailed overview of driving conditions, range, and key operating systems.



AIM 2

Lead the transition to a zero carbon energy system

TARGET

Optimise 5 million homes with flexible low carbon tech

2021 PROGRESS

We installed more than 700,000 smart meters

What it means

We're taking action to speed up the UK's transition to a cleaner energy system of the future. How? By upgrading our customers' homes with the latest tech that's smart and low carbon.

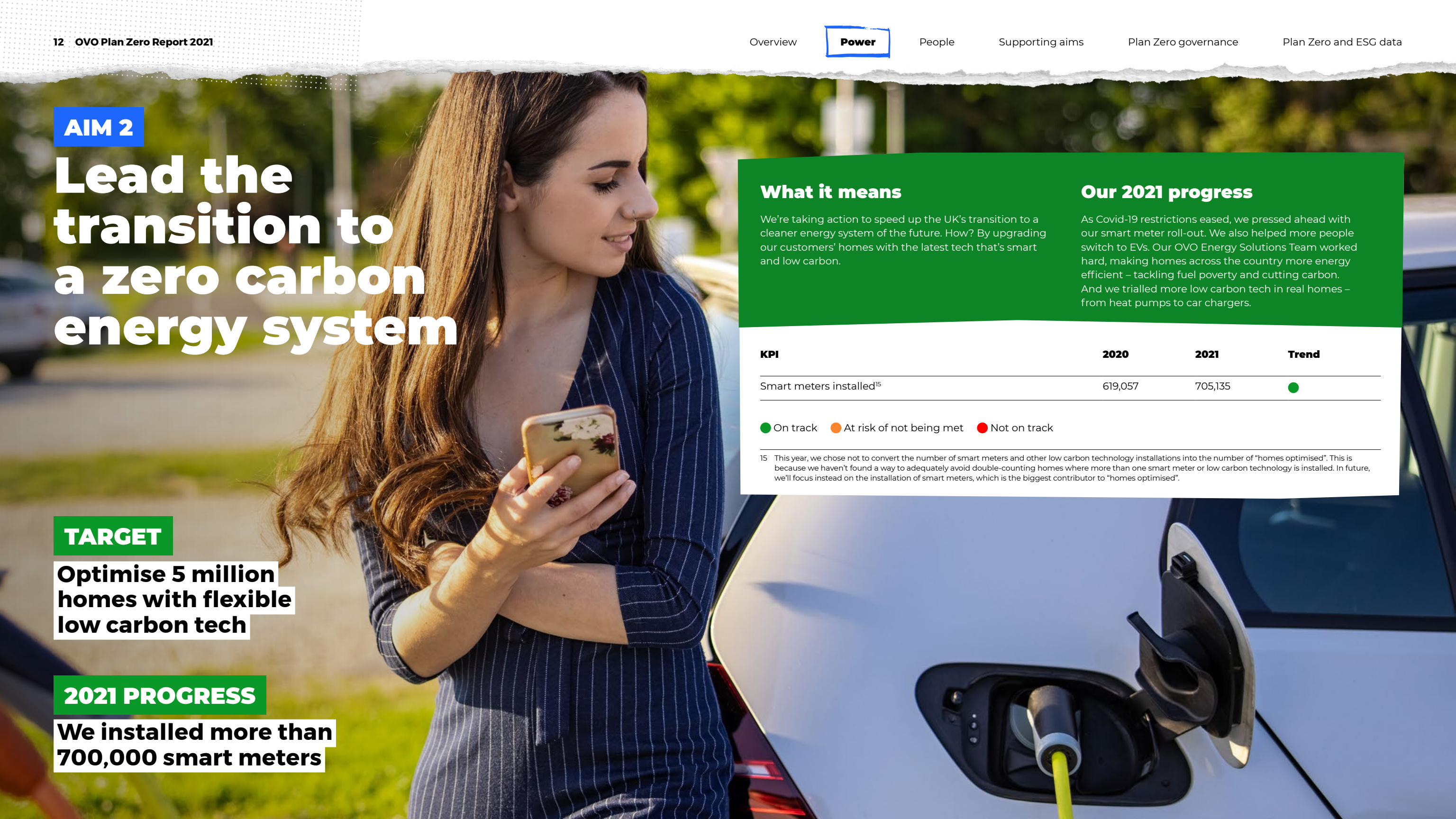
Our 2021 progress

As Covid-19 restrictions eased, we pressed ahead with our smart meter roll-out. We also helped more people switch to EVs. Our OVO Energy Solutions Team worked hard, making homes across the country more energy efficient – tackling fuel poverty and cutting carbon. And we trialled more low carbon tech in real homes – from heat pumps to car chargers.

KPI	2020	2021	Trend
Smart meters installed ¹⁵	619,057	705,135	●

● On track ● At risk of not being met ● Not on track

¹⁵ This year, we chose not to convert the number of smart meters and other low carbon technology installations into the number of "homes optimised". This is because we haven't found a way to adequately avoid double-counting homes where more than one smart meter or low carbon technology is installed. In future, we'll focus instead on the installation of smart meters, which is the biggest contributor to "homes optimised".



Upgrading UK homes

In the future, central heating systems need to be low carbon and much more energy efficient. Saving energy helps the climate and brings down customers' bills too – which is especially important, given the rise in energy prices in late 2021.

Getting energy efficiency measures into old, draughty UK homes is a big job. But our OVO Energy Solutions Team is up to the challenge. In 2021, we improved more than 1,100 homes across 11 projects – mostly in Scotland and South West England – by retrofitting community housing with energy efficient tech. The goal with this work is to help end fuel poverty and cut carbon at the same time. As well as fitting 332 air source heat pumps and 265 efficient gas boilers, we installed external wall insulation on 453 homes, and cavity and loft insulation in more than 80 homes.

Our award-winning work in renewable heat

We're proud to have won the 2021 Renewable Heat Project of the Year at the National Energy Efficiency Awards. The winning initiative – OVO Energy Solutions' Warm & Well project in partnership with Argyll Community Housing Association – saw us install more than 600 electric heat pumps and 600 external wall insulation measures since 2019.



Encouraging energy behaviour change

We believe that we need to show people exactly how their home is using energy – so that they can see where they could use less and be more efficient. That's why we've started to show people this info through our energy tracker.

It uses smart meter data to help customers really understand their energy use – breaking it down from cooking to entertainment. And it also shows people when it's greenest to use energy, with a "carbon forecast" – which highlights the times of the day when there's more renewable power available on the grid.

Since its launch in April 2021, 284,700 OVO Energy customers have viewed and used the tracker, and 75% of those polled said it helped them cut carbon and bills¹⁶.

75% of OVO Energy customers said our energy tracker has helped them cut carbon and bills

Cutting the carbon from home heating

The emissions from the use of natural gas we sell to customers make up about two-thirds of our total carbon footprint. So moving more of our customers from gas boilers (currently used by 90% of UK households) to low carbon alternatives is essential if we want to drive down emissions.

In 2021, we continued to participate in 3 pioneering, government-funded trials. As part of the Electrification of Heat Demonstration Project, we installed more than 100 air and ground source heat pumps. And in our Zero Carbon Homes trial, we're testing solutions that use both heat pumps and heat batteries. These trials are giving us and our partners valuable information about the real-world challenges of installing and operating low carbon heating systems.

As well as the technology, we're also offering energy plans that make heat pumps more affordable, giving customers more of a reason to make the switch.

The UK's first "type-of-use" heat pump energy plan

In 2021, we developed the UK's first "type-of-use" energy plan for heat pumps, as part of the Local Energy Markets innovation project. This innovative plan separates the energy used by the heat pump and prices it at about 5p/kWh lower than the standard rate, incentivising customers to switch to low carbon heating.

We're trialling it with a small group of customers throughout 2022, but we hope we'll be able to roll out this plan more widely in the future.



Driving the electric car revolution

In 2021, we began rolling out our free Anytime add-on, which works with our OVO Drive energy plan. Together, they make up an innovative new type-of-use energy plan for EV drivers. Customers benefit from clever tech that separates the electricity used to charge their EV from their home electricity use. This gives them an ultra-low rate for car charging.

The rate is available to customers with a smart EV charger connected to the energy optimisation software platform Kaluza. This system uses live data on energy pricing, weather, and local network constraints to intelligently shift EV charging away from peak times. This means the car only charges when the grid is at its greenest and cheapest.



Next steps

- We're scaling up our work to retrofit more low carbon solutions in UK homes
- We'll keep finding new ways to make switching to EVs more affordable and accessible
- We'll help more of our customers manage their energy use through our energy tracker tool

16 We asked 157 energy tracker users "Did you find information here to help you reduce your carbon and bills?" between November 2021 and March 2022, and 117 (75%) said yes.

AIM 3

Fight the climate crisis

TARGET

Call for greater action to address the climate crisis

2021 PROGRESS

We carried out 150 actions¹⁷ to call for change on climate issues

What it means

We're pushing for progress on climate issues by calling on and working with people outside of OVO who can help make a difference. That means government officials, regulators, businesses, and organisations within and beyond the energy industry.

Our 2021 progress

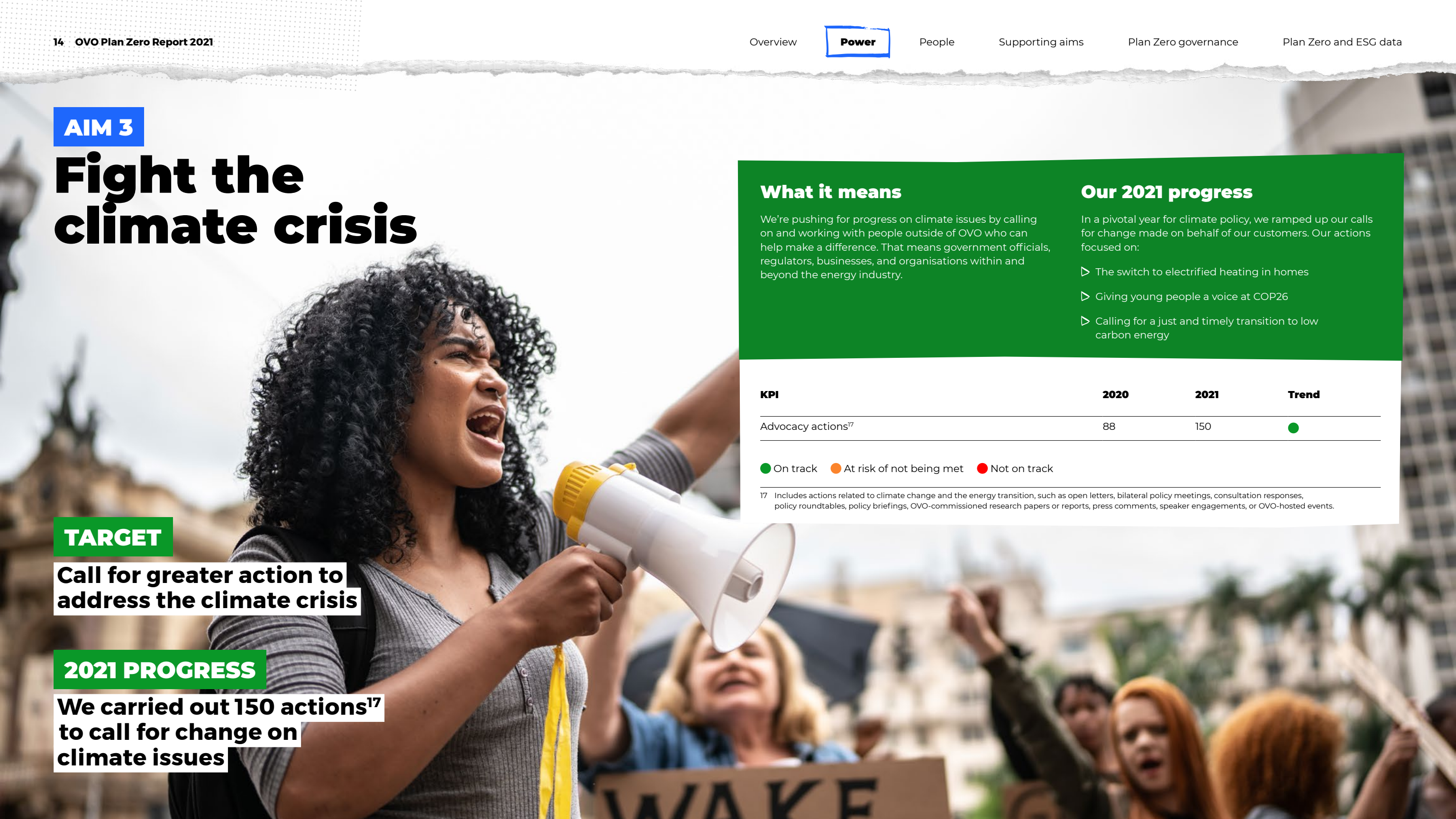
In a pivotal year for climate policy, we ramped up our calls for change made on behalf of our customers. Our actions focused on:

- ▷ The switch to electrified heating in homes
- ▷ Giving young people a voice at COP26
- ▷ Calling for a just and timely transition to low carbon energy

KPI	2020	2021	Trend
Advocacy actions ¹⁷	88	150	●

● On track ● At risk of not being met ● Not on track

¹⁷ Includes actions related to climate change and the energy transition, such as open letters, bilateral policy meetings, consultation responses, policy roundtables, policy briefings, OVO-commissioned research papers or reports, press comments, speaker engagements, or OVO-hosted events.



The electrification of home heating

As an energy retailer, we can't reach our ambitious net zero goals without our customers starting to switch from gas heating to low carbon alternatives like heat pumps.

That's why we joined the first industry-wide campaign for switching to heat pump technology. The Campaign to Electrify Heat, funded by the European Climate Foundation, is pushing for the political support and policy conditions needed to roll out cleaner, greener heating systems for UK households.

We also continued our talks with the UK government on the benefits of electrified heating for both the climate and our customers. And we set out the policy changes needed to support the roll-out in homes. We shared our expertise on electric heat technology with the team behind the first UK government Heat and Buildings Strategy. We also outlined the policy measures needed to make sure this tech gets adopted widely.

We supported a number of measures that were part of the published strategy in October 2021, including:

- ▶ A phase-out date for fossil fuel heating in homes
- ▶ An obligation for fossil fuel heating manufacturers to develop cleaner technologies
- ▶ A larger grant scheme offering households a discount on the upfront cost of heat pumps
- ▶ A promise from the government to look at how policy costs added to energy bills could be changed to make electrified heating systems more attractive to households

While we fully supported the publication of the Heat and Buildings Strategy, there is still a huge challenge ahead to make sure no households are unfairly left behind in the transition to zero carbon heating.

We're proud to have won Green Energy Supplier of the Year at the Better Society Energy Awards in October 2021

Pushing for energy bill reform

At the moment, many policy costs – like Feed-In Tariffs, Renewable Obligation Certificates, and Contracts for Difference – are added to electricity bills. But they're not added to gas bills, which penalises those who invest in electric heating for their homes. Unless policy changes, UK households choosing an air source heat pump will pay £305 more a year for their energy in 2030 than those with a gas boiler.

Our work influencing the Heat and Buildings Strategy was supported by us commissioning research by Public First on energy bill reform – a key step towards the electrification of home heating.

In April 2021, as an industry first, we reported:

- ▶ How the UK compares to other countries on uptake, policy, and incentives for decarbonised heating and heat pumps
- ▶ The implications of different ways to charge policy costs

The report earned national media coverage. We then spoke with the Department for Business, Energy and Industrial Strategy (BEIS) about the options we thought were strongest. These were to move the right costs off electricity bills and into government expenditure, and to introduce a carbon tax levied across both electricity and gas. This would give the best balance between:

- ▶ Incentivising heat decarbonisation
- ▶ Pricing carbon emissions properly
- ▶ Avoiding negative impacts on average customers and especially those affected by fuel poverty
- ▶ Limiting the overall impact on the Treasury



We need a just transition to low carbon energy

During 2021, the wholesale price of gas rose sharply, leading to an unprecedented period of high energy prices. This meant that over the winter, suppliers had to buy energy for much more than they could sell it for.

The reasons behind this were complex. They included:

- ▶ An increase in global demand caused by lockdowns ending and cold winters in Asia
- ▶ Low levels of energy storage in Europe
- ▶ Geopolitical issues that affected the supply of gas

The energy crisis continues to have far-reaching consequences. That's why we've shifted the focus of our work to helping protect our customers from price rises (read more on [page 19](#)).

The energy crisis is another reason to double down on the energy transition and end our dependence on fossil fuels. While our attention right now is rightly focused on energy affordability, we're still as committed as ever to pushing for a more renewable, smart, and flexible energy system. We believe the 2 issues go hand in hand.

Next steps

- We'll push for policy measures that support a just transition to net zero, leaving no one behind
- We'll continue using our voice to help make real change happen

Giving young people a voice at COP26: the EXTREME Hangout

In November 2021, Glasgow hosted the COP26 climate conference. As nation states set tangible targets to keep a rise in global temperature below 1.5 degrees Celsius, we wanted to make sure the voices of the next generation were heard.

That's why we sponsored the EXTREME Hangout, an 11-day showcase of live discussion, education, and entertainment – in partnership with One Young World on The Ferry in Glasgow. We curated Day 4 of the youth event with the theme "Sustainable Pleasures". It explored zero carbon living, fashion, transport, and music – and brought together experts and youth activists to debate how we can still do the things we love without impacting the planet.

As well as hundreds of people joining in person, the panel discussions racked up nearly 3 million views online.



AIM 4

Build the leading place to work

TARGET

Be the leading place to work for people who will change the world

2021 PROGRESS

We announced our new People Offer to our team

What it means

We'll need to attract the best people if we're going to tackle the climate crisis. So we're building a culture where everyone feels safe, welcomed, and able to perform at their best.

Our 2021 progress

In a volatile year for the energy industry, we focused on nurturing and advancing the careers of our people. We're proud to have launched our new People Offer, rewarding our team with new benefits and more progressive policies.

KPI	2020	2021	Trend
Peakon ¹⁸ engagement score	7.2	7.6	●

● On track ● At risk of not being met ● Not on track

¹⁸ We use Peakon to conduct our employee engagement survey. The platform gives real-time visibility into employee engagement, sentiment, and productivity, and converts feedback into useful insights that drive success.

Our progressive new People Offer

In 2021, we introduced our new People Offer – bringing in more progressive policies, as well as greater choice and flexibility on benefits. It rewards our people and makes OVO an even more inclusive place to work.

Our new People Offer is designed to be:

- ▷ **Simple** – there's one platform for everyone, as well as job frameworks and levels that are consistent
- ▷ **Green** – we've put Plan Zero at the heart of our offer
- ▷ **Progressive** – with innovative and inclusive policies, which are based on choice

The new elements of our offer include:

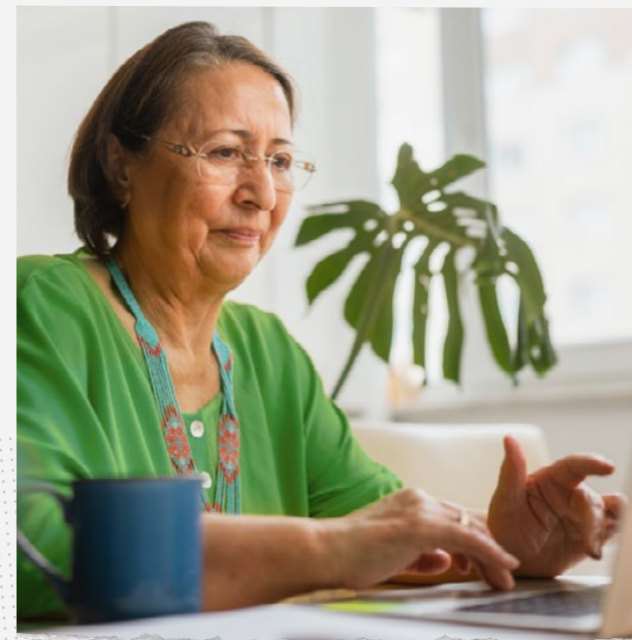
- ▷ **Better benefits:** from health benefits and life assurance to greener pension pots, we made our benefits selection bigger and greener
- ▷ **Progressive policies:** we now offer more family leave and additional time off for moments that matter
- ▷ **Learning opportunities:** our new learning and development approach will help people spread their wings at OVO and beyond
- ▷ **Wellbeing package:** from virtual GPs to Cognitive Behavioural Therapy, we boosted our wellbeing support

A pension scheme fit for Plan Zero

In 2021, we signed up to the Green Pensions Charter. This is an initiative by the Make My Money Matter campaign for companies that want their employees' pension pots to help build a better world.

Naturally, we had Plan Zero in mind when we were picking a pension scheme for our new People Offer. We checked the environmental, social, and governance (ESG) credentials of potential pension providers, as well as their financial performance. These factors reassured us that our people's pensions will be invested in ways that line up with our Plan Zero ambitions.

We also looked at self-select pension fund options designed to invest in assets that speed up the transition to a low carbon economy.



OVO Belonging: inclusion and diversity

It's been a great year for OVO Belonging and our 8 Belonging Networks. In June 2021, we launched our first [Belonging report](#) and set a clear vision of how we'll build a culture of belonging at OVO around 4 key aims:

- ▷ Diversity in our DNA
- ▷ Inclusive culture
- ▷ Engaged community
- ▷ Driven by data

The report covered our plan and all the achievements made throughout 2021 in detail. Here are some of the highlights we're most proud of:

- ▷ **We increased our Belonging engagement score** from 7.5/10 in 2020 to 8.1/10 in 2021, showing that our people feel a growing sense of belonging at OVO.
- ▷ **We continued growing our brilliant Belonging Networks**, as well as their resources and engagement activities – and over 1,500 people got involved with these.
- ▷ **We launched a new Belonging podcast**, ran Network Spotlight months, and added over 100 new pieces of educational content to OVO Learn with over 20,000 enrolments.
- ▷ **We made our careers site more diverse and inclusive** by investing in diversity job boards and an external review – which improved our careers pages and talent acquisition practices.
- ▷ **We wrapped up a full review of our People policies** to make sure they're fully inclusive. This included the launch of a new Transitioning at Work guide to support our trans people and their managers.

- ▷ **We helped our people feel more comfortable sharing their diversity data** by collaborating with them on using better language. We saw an increase in the number of people sharing their data, going from 71% in March to 80% in December.
- ▷ **We built strong relationships with new partners to help us grow** and hold us accountable. These included:
 1. Trans in the City
 2. The Faith & Belief Forum
 3. Renegade Generation
 4. Makers
 5. Mental Health at Work
 6. Time for Inclusive Education
 7. Bristol Women in Business
 8. POWERful Women
- ▷ **We won the Diverse Company Award** at the 2021 National Diversity Awards.

Our targets for ethnic minority representation, gender equality, and diversity data

Our [Belonging report](#) also set out a number of targets to keep us on track and measure our progress in key areas.

Target	% by end of 2021†
14% ethnic diversity in our OVO community by 2025 (in line with UK population)	6%
10% ethnic diversity in OVO leadership by 2025	9%
40% female representation in leadership by 2025	34%
25% female representation in tech roles by 2025	24%
Reduce non-disclosure rate of sexual orientation to 5% or less by the end of 2021	8% (down from 11%)

† Please note that some of these performance indicators may look different to those cited in our latest Belonging report. This is because this report measures progress from 1 January 2021 to 31 December 2021. The Belonging report covers performance over a different time period, causing variances in the reported performance.

Building a movement of world changers

We continued to bring our people with us on the journey to zero carbon, helping them learn how they can play a part in Plan Zero – at work and at home.

In 2021, we launched our Plan Zero speaker series, and hosted 11 webinars with external experts in different fields of sustainability and sustainable lifestyles. These offered fresh insights on topics including food waste, sustainable supply chains, biodiverse gardening, and managing eco-anxiety.

We also launched 3 Plan Zero e-learning modules on our digital platform, OVO Learn. These are designed to help our people understand the energy transition and how to reduce their personal carbon footprint. We also made all our e-learning modules freely available on the [Plan Zero website](#).



Next steps

- We'll continue to create a culture of belonging by educating and engaging our teams, improving diversity in recruitment, and improving our data tracking
- We'll help our people connect with Plan Zero – to strengthen their understanding of their role and build our movement of world changers

Reverse-mentoring pilot programme

In 2021, 10 of our most senior leaders, including CEO Raman Bhatia and CPO Charlotte Eaton, started a year-long "reverse mentoring" pilot programme.

Spending time with colleagues who identify as ethnic minorities and LGBTQ+, our leaders were able to truly connect with each person's lived experience and understand some of the challenges they face.

We're pleased to have now launched our full mentoring programme, OVO Experience, so that everyone can benefit from sharing their lived experiences and learning from others.



“ The platform allowed me to share the experiences of a queer person within OVO with our senior leaders. It allowed us to discuss some difficult and emotive subjects, and see things from each other's perspective. The programme also gave us the chance to celebrate our journey so far and recognise the support and joy our Belonging networks bring. **Donna Young, reverse mentor to Raman Bhatia, CEO** ”



“ I found it very beneficial to build such an open and honest relationship with Donna. This allowed me to understand more of the lived experiences and challenges they have faced, and gave me a safe space to be curious. It has helped change my thinking and my approach, to be more consciously inclusive in and out of work. ” **Raman Bhatia, CEO**



AIM 5

Deserve our customers' trust

TARGET

Be the UK's most trusted company

2021 PROGRESS

We successfully introduced a new customer service model

What it means

We want to take our customers on the journey to zero carbon – with no one left behind. To do that, we must earn their trust. That means being a genuinely supportive energy supplier – with excellent service and sound advice at a volatile time for energy prices.

Our 2021 progress

We know that, as the energy crisis began, 2021 was a difficult year for both customers and energy suppliers. Trust became more important than ever. Many customers needed our support in the face of the largest energy price rises in modern history. We were committed to offering the help they needed, as efficiently and effectively as possible.

KPI	2020	2021	Trend
Net Promoter Score (rolling 3-month average)	21	36	●

● On track ● At risk of not being met ● Not on track

Our new account management approach

Great customer service is one of the main ways we can build trust. But we found that our old approach could lead to frustrating and fragmented experiences for customers. This was partly down to having different operating platforms, complex systems, and many teams. Not every issue was resolved quickly, which meant customers had to contact us repeatedly – not the best experience.

So, in 2021, our teams started using a new way of working. This new “account management” approach is a much more personalised customer service experience, and it’s really improved efficiency.

Squad teams

Our new approach focuses on keeping each customer’s journey within a single “squad”, from when someone first gets in touch to when their issue is all sorted. This way, our customer service advisors are better placed to solve people’s problems – even complex ones – because all the specialist skills they might need are within their own squad. Teams and advisors support each other, developing skills and problem solving. And then they’re also supported by other teams that act as “centres of excellence” on the trickiest issues.

Using data insights, our squads often look at the main reasons customers are getting in touch or making a complaint – to understand and resolve the causes. We encourage innovation so our squads can trial, monitor, and assess new products, and feed back to our product and technology teams on how to improve them.

By the end of 2021, we’d launched 4 squads with 72 advisors. And we’ve seen great results already, including a 20% improvement in customer experience (measured by Net Promoter Score) and a 4-fold increase in advisor satisfaction.

Greater accessibility

We’re trialling new ways to help all our customers get the information and support they need from us. In 2021, we made the British Sign Language video interpretation service, SignVideo, available to more customers – and we handled almost 2,000 British Sign Language calls. We also took more than 5,000 foreign language calls translated through our partnership with LanguageLine.

How do we measure trust?

We use a number of metrics to measure customer trust, including:

- ▷ Net Promoter Score (NPS)
- ▷ TrustPilot scores
- ▷ Surveys to measure brand and corporate reputation – how consumers rate us as “a company I can trust” and whether we offer “value for money”

For Plan Zero, we use NPS as the main measure. In 2021, our NPS improved by 15 points, from 21 to 36. And even though we passed our NPS target of 30, there’s still lots more we can do.



By the end of 2021, we saw a 20% improvement in customer experience

Supporting our customers through unprecedented times

Towards the end of 2021, wholesale energy prices started to increase to unprecedented highs. This spike forced many energy suppliers to exit the market, and left more and more people struggling to pay for their energy.

During this difficult period, we’ve worked hard to give our customers the help that they need:

- ▷ **We identified customers who could need additional support** and told them about the help available to them. In 2021, more than 1,000 of our customer care advisors used our Priority Service Register toolkit to do this.
- ▷ **We launched an industry-first Payment Support Tool.** This was designed to offer payment plans tailored to each customer’s financial situation – helping to spread energy costs and make payments more manageable.
- ▷ **We helped customers access financial support schemes.** These included the OVO Energy Fund, which gave more than £800,000 of debt relief to customers in 2021 – as well as other schemes, like the Warm Home Discount. And, in partnership with IncomeMax, we ran more than 1,500 Benefit Entitlement Checks, to make sure people were getting all the support they were entitled to. These checks identified over £2 million in benefit support for customers. That’s an average of £1,200 per customer.
- ▷ **We grew our partnership with the debt support charity StepChange.** We have a 3-year agreement to donate £205,000 a year to StepChange. In 2021, we referred more than 3,800 customers for support through the organisation.

Doing the right thing for our customers

In July 2021, we came together with other energy suppliers to recommit our support for customers struggling financially over the winter months. These commitments – drawn up with energy regulator Ofgem and energy industry association Energy UK – included pledges to:

- ▶ Make more people aware of the help available
- ▶ Give people different ways to get in touch, so it's easier for customers in financial difficulty to reach us
- ▶ Improve the accuracy of bills
- ▶ Install smart meters for more Pay As You Go customers



These new commitments went beyond the existing commitments for energy suppliers. And they built on measures that were put in place at the start of the pandemic, in 2020. Those included payment holidays, adjusted repayment plans, and emergency credit to keep Pay As You Go meters topped up for customers impacted by Covid-19.

Because we saw the growing need to support customers with energy costs, we wrote to the BEIS Secretary of State in December 2021. We urged the government to protect people in financial difficulty from drastic price rises, as well as shielding all customers from price volatility. We pushed for a rebate given directly to customers most in need of it, and for policy costs to be removed from energy bills for everyone. We accompanied our letter with an opinion piece in *The Times* by Stephen Fitzpatrick, our founder.

All of this led to an emergency energy industry roundtable meeting with the Secretary of State. We welcomed the announcement of the government's energy bill rebate in early 2022. But we'll continue to do the right thing and fight for our customers, as the energy crisis continues.

Next steps

- We'll deepen our support for customers through the cost of living crisis
- We'll work with StepChange to help customers with financial advice
- We'll roll out our new customer service approach to more teams, so that more of our customers get a better experience

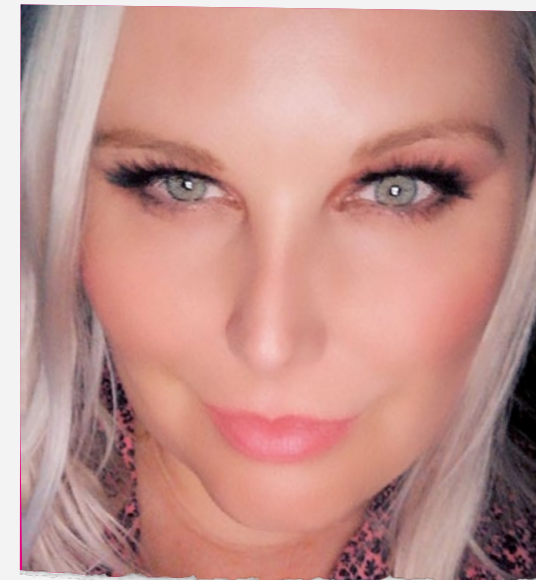
Our Pay As You Go Extra Care Team went digital

Zowie Thomas-Green, Pay As You Go Team Manager

Our team of Pay As You Go Extra Care specialists – who are there for our customers who need the most support – helped 11,266 customers in 2021. But as demand increased, access to the service was limited because customers could only reach us when their phone call was transferred by one of our advisors.

We decided to try a new channel for those who felt comfortable in contacting us digitally. In May 2021, we introduced a WhatsApp service and built in bespoke responses to guide our customers to the best support.

Using WhatsApp meant we could reach more customers who needed us, while freeing up capacity for those who prefer to use the phone. During the year, we helped 3,718 customers digitally – that's around a quarter of the total number of people we supported through Extra Care.



OVO Energy Solutions, "Warm and well" Renewable Energy Project of the Year

Here's what our customers had to say:

“Excellent, compassionate service.”

“Thank you. You have never once left me without electricity to heat my house or feed my children, and I've always had polite responses and no judgement.”

“The advisor understood my needs and helped me during a difficult time.”

AIM 6

Mobilise a zero carbon community

TARGET

Help our customers halve their total carbon footprint

2021 PROGRESS

52% of the OVO Energy customers surveyed say we're committed to helping them reduce their carbon footprint

What it means

Almost all of our carbon emissions – around 99% – come from the energy we sell to customers. So if we're serious about reducing our own carbon footprint, we need to help our customers to reduce theirs too. That means educating, motivating, and empowering every customer to start their journey towards zero carbon living – and it all begins at home.

Our 2021 progress

We want to help customers reduce their carbon footprints by promoting more sustainable lifestyles. In 2021, we built on our strong partnerships to promote zero carbon lifestyles to a wider audience through new channels.

KPI	2020	2021	Trend
OVO Energy customers surveyed who agree that "OVO is committed to helping customers reduce their carbon footprint" ¹⁹	60%	52%	● ²⁰

● On track ● At risk of not being met ● Not on track

¹⁹ On behalf of OVO Energy, Ipsos MORI surveyed an online quota sample of 5,100 adults across Great Britain (England, Scotland, and Wales) aged 18 and over, among those who are solely or jointly responsible for choosing an energy (electricity or gas) supplier. Within that audience, 136 claimed to be OVO customers. The results above are among this audience. Surveys were conducted online between 29 September 2021 and 22 December 2021. Survey data was weighted at a total sample level on age, gender, and Public Electricity Supply (PES) region to the known population proportions of this audience.

²⁰ Due to the small sample size (150 or less), this decrease is not seen as statistically significant.

Encouraging greener energy use at home

Our 2021 brand campaigns focused on easy steps that people can take to make their home energy use greener. We wanted to bring as many people with us as possible by making the steps optimistic, compelling, and accessible. We also sponsored Channel 4 weather to encourage people to switch to 100% renewable electricity.

“

We Brits love to talk about the weather but we don't talk about how powerful it truly is. We want to remind the British public of the magnificent power of the weather in helping to create a greener, cleaner future for us all. ”

Kayley Cracknell, OVO Head of Brand and Advertising

We were delighted to be named one of the winners of the 2021 Sky Zero Footprint Fund, a £2 million advertising fund designed to accelerate sustainable initiatives. Our winning ad campaign showed the power of small changes, like switching off the lights while enjoying your favourite film on TV.

Getting customers excited about electric cars

We're putting our brand behind the electric car revolution to get more people to think about making the switch. As part of this, we exhibited at Fully Charged Live – an event focused on EVs and clean energy. It was a great opportunity to tell more people about our OVO Drive + Anytime offer for cheaper and greener EV smart charging, which launched in 2021.

We also established a partnership with Move Electric, an online source of EV info, articles, and videos. Engagement with Move Electric content went up by more than 30% month-on-month as more people began to explore switching.

Helping customers live more sustainable lives – outside of the home

We helped our customers with their carbon footprint in other parts of their life too – from gigs to eating out to getting around in greener ways.

Better by bike

In July 2021, we teamed up with nextbike to launch our bike hire scheme, **OVO Bikes**, in Glasgow, Cardiff, and the Vale of Glamorgan. Our campaign featured BBC Radio 1 DJ Arielle Free, who helped us curate a “Green Route” map of Glasgow with sustainable shops and cafés for cyclists to visit. We created a similar route for Cardiff, and both were brought to life with influencer outreach and media coverage. More than 9,000 free rides were redeemed in the first week, and our OVO Bikes campaigns reached 2 million people.

Greener arenas rock!

We welcomed 2 iconic arena sponsorships in 2021 – the **OVO Arena Wembley and the OVO Hydro in Glasgow** – to give us a great opportunity to showcase sustainable entertainment.

Not only was the OVO Hydro the backdrop for COP26 in November 2021, but it also became the first arena in the world to gain a “Greener Arena” certification, awarded by A Greener Festival.

Our tree-planting

We've been investing in nature and planting trees since 2015. But 2021 was a record year for us – we planted over 1 million trees with our partners The Conservation Volunteers (TCV), the Woodland Trust, and Forest Carbon.

Here are some of the highlights:

- ▷ Dwight School London's Tree Twinning Project used a Woodland Trust wildlife sapling pack to plant 2,000 saplings. Each tree planted in Barnet, London, will be matched by trees planted in Nepal by Nepalese students. The initiative was awarded a certificate of innovation from the Mayor of Barnet.
- ▷ With the support of TCV, around 100 volunteers from the We Are Halton community group in Leeds planted 100 trees in just under 2 hours. The volunteers created a peaceful copse where people can go to reflect.

Because we know that planting trees without careful planning can do more ecological harm than good, we only work with carefully selected partners who follow our “right tree, right place” policy. These organisations source UK trees with biosecurity in mind – trees that are planted by volunteer groups in publicly accessible green areas and schools where local communities can enjoy them most.

Next steps

- We'll continue to build awareness of our brand as the UK's zero carbon living partner at home – helping our customers to live more sustainably
- We'll keep developing our products and services to help customers lower their carbon footprint – like our OVO Beyond upgrade and energy tracker tool
- We'll encourage the uptake of renewable generation tech as part of our work to create a more transparent “hour-by-hour” renewable energy certification scheme



We planted our 2 millionth tree early in 2021



Create value for our communities

Our performance in 2021

- ▶ We reached 183,510 people through our charity projects, via the OVO Foundation
- ▶ We avoided 10.3 tCO₂e carbon emissions, thanks to our energy access project in Kenya

A greener, fairer future for the next generation

We're working hard to be a force for good in our communities, both at home and abroad. Because we want to give children and young people a greener, fairer future to grow up in. We do this work through our charity, the [OVO Foundation](#), and by volunteering our own time too.

Our progress in 2021

In 2021, the OVO Foundation gave over £780,000 to our charitable projects, which reached 183,510 people. We continued with our award-winning energy access project in rural Kenya, where we've been installing solar panels. And we helped kids in the UK learn how to fight the climate crisis. As lockdown restrictions eased in 2021, our own teams were also able to start volunteering again.

Bringing solar power to rural Kenya

Working with [Energy 4 Impact](#), we've now installed solar panels in 320 schools and health clinics in Kenya. Every day, the panels bring more than 55,000 people clean, renewable power – helping to avoid 10.3 tonnes of carbon emissions in 2021.

Many clinics now have power for medical equipment and refrigerators. And 40 clinics can now offer emergency services that were impossible without lighting – especially at night. What's more, 90 schools have been able to buy laptops, now that they have energy to run them.



Helping children fight the climate crisis

The OVO Foundation's Climate Changers projects help children and young people understand why they should care about the environment and how they can protect it. Our funding covers these 3 projects:

- ▶ We're giving children the online tools and resources to make their schools more energy efficient, through our project with [Energy Sparks](#). In 2021, more than 2,200 children from 226 schools across England, Scotland, and Wales took action, leading to a 10% reduction in electricity use over the last 2 years.
- ▶ We're creating the next generation of conservationists and supporting students from less advantaged areas – with the help of [Action for Conservation](#). In 2021, we completed 387 environmental projects and ran campaigns on vegetable growing, sustainable transport, litter, air pollution, and climate policy.
- ▶ We're growing "Tiny Forests" all over the UK! These are spaces roughly the size of a tennis court, planted with around 600 trees. They'll become amazing outdoor classrooms for children to learn in. In 2021, we planted 6,000 trees at 10 Tiny Forest sites. With our support, 794 young people joined the planting days and other events. Plus, 334 teachers got training that will go on to benefit more than 9,200 students. We did this all in partnership with [Earthwatch Europe](#).

Learning about nature in Liverpool

At North Liverpool Academy, a series of workshops were held outside on the school playing fields – run by Action for Conservation. These sessions gave young people a great chance to be in the middle of nature while learning about it.

The students were encouraged to raise awareness about air pollution in the area. And they got their hands dirty – learning about tree-planting and how to create animal habitats on their school grounds.

One group of students went one step further, campaigning locally about issues that came up. They appeared on Sky News, talking to the Mayor and Deputy Mayor of Liverpool about local air pollution and litter. They were even invited to present at COP26, at the Transform our World Summit.



Every £1 given to the OVO Foundation's projects has the power to create over £10 of social value



Planting a Tiny Forest in Glasgow

In October 2021, the Tiny Forest Team visited Avenue End Primary School and Ashton Secondary School in Glasgow to host a teacher training workshop and a Science Day roadshow.

The training meant teachers could get to know the science behind their local Tiny Forest, and learn how to use the space as a living science lab. The training builds teachers' subject knowledge, confidence, and motivation, so that they can offer brilliant outdoor learning. It's all run by our partners, Earthwatch Europe.

We then ran a Science Day with kids from Avenue End Primary, who took part in hands-on research. And the Earthwatch team will be back at the school in the summer of 2022 for another Science Day.



Helping young people beat homelessness

The OVO Foundation's Future Builders project helps young homeless people learn new skills and find work, as well as teaching them how to turn derelict houses into safe, affordable homes. In 2021, the project saw 3 flats refurbished in Perth, Scotland. Which means we've now fixed up 17 homes in Bristol, Sheffield, Norfolk, and Perth since 2016. These have provided 40 young people with homes. With 94 young people joining the project in 2021, we've helped more than 250 people in total.

What's more, by the end of 2021, 93% of young people who had lived in a Future Builders home had made progress with skills such as developing confidence or improving their budgeting, and 89% had gained professional experience.

Our team of Plan Zero volunteers

Over the years, we've supported many different projects by our team giving up their own time through our volunteering scheme, OVO Gives Back.

As restrictions eased, we were excited to get back out there in 2021, with a fresh new focus on activities that support local communities and the environment. This includes a new partnership with The Wildlife Trusts, a group of 46 grassroot charities that manage more than 2,300 nature reserves – covering 98,500 hectares – across the UK.

Our team can volunteer with their local Wildlife Trust as part of a Plan Zero Day. From planting trees to caring for natural habitats, all projects help restore nature and create sustainable communities near where we live and work. In 2021, 502 people from OVO took part in Plan Zero Days!



Strengthen our supply chain

Doing good through our supply chain

We want our suppliers to share our values and our vision of a more sustainable future. That's why we consider sustainability when we pick who we work with, and support them as they set off on their own sustainability journey.

Our progress in 2021

When we acquired SSE Energy Services (SSE plc's retail arm) in 2020, we laid the foundations for a united Procurement Team. Since then, we've put a number of controls in place to strengthen our supply chain. This helps us manage the risk of exposure to bad environmental or social practices. It also encourages our partners to think about improving sustainability in their own businesses.

In 2021, we automated the process for risk screening and added a set of sustainability criteria, via our digital platform. High-risk suppliers fill in a questionnaire that's reviewed by our Sustainability Team. This gets checked for any issues and mitigation measures can be introduced if needed. This means we have Plan Zero in mind from the very start, whenever we select suppliers.

We also started to talk about sustainability with some of our key suppliers, inviting them to Modern Slavery Lunch and Learn sessions, along with the OVO Procurement Team at the Supply Chain Sustainability School. We're excited to work with them more and highlight why it's so important our supply chain lines up with Plan Zero.

Sweater for the Planet

In October 2021, we hosted a series of events to celebrate our people returning to the office. And we gave everyone who came along a gift – the latest OVO-branded sweater to keep them warm (without having to turn up the thermostat!).

We wanted our sweaters to be sustainable through and through, and our procurement analysis process gave us confidence that Teemill was the supplier for us. With industry-leading sustainability practices, Teemill uses natural materials like organic cotton, recycles worn-out materials to create new ones, runs its factories on renewable electricity, and fulfils orders in plastic-free packaging.

We want our suppliers to share our values and our vision of a more sustainable future



Protect health and safety

Our 2021 performance

- ▶ Our Total Recordable Injury Rate remained fairly stable at 0.12 injuries per 100,000 hours worked
- ▶ Our serious road traffic collision rate increased to 0.35 collisions per million miles
- ▶ Our high-potential incident rate reduced to 0.01 incidents per 100,000 hours worked

Our progress in 2021

Returning to offices

Our people started to return to our offices during 2021, as Covid-19 restrictions eased. While making our workplaces secure with hand-sanitising stations and ventilation systems, we also wanted to make them welcoming as our teams got back together again.

We did things like introducing social distancing lanyards for those who wish to signal that they'd like to keep a safe distance. And we signposted support for mental wellbeing, as we knew that coming back to the office was a big change for our people.

Getting the safety basics right

Understanding our safety practices and controls, and where they can be improved, is essential for keeping all our people safe at work.

In August, we completed our safety review programme to make sure we're managing risks effectively in 10 high-risk areas: gas, electricity, asbestos, working at height, contractor safety, hazardous substances, fire safety, first aid, lone working, and display screen equipment.

Our review pinpointed the improvements needed to make sure that safety is being managed correctly across all our workplaces. Our teams are already getting to work, so that our safety performance continues to improve.

Our injury record

There were 16 recordable injuries at OVO in 2021, mainly caused by muscle injuries like back strains. We also recorded 5 serious road traffic collisions – mainly due to collisions with third-party vehicles – and one high-potential electrical incident.

Understanding how and why incidents happen

Our Technical Safety Working Group reviews incidents to understand how they happened and find ways to prevent them in the future. The group's work led to a 59% reduction in technical incidents in 2021 compared to 2020 – an achievement to be proud of.

Monitoring our use of computer screens

Many of our people use computer screens, laptops, and monitors, both in our offices and while working from home. To protect their health and prevent injury, we set up a new standard for workstations in 2021.

We also launched an e-learning module on how to set up a workstation safely and comfortably. Rolled out on our online learning platform, OVO Learn, the module guides people through a self-assessment of their workstation and helps them make improvements to suit their individual needs.



Safeguard data and privacy

A trustworthy energy company

We're building our business around what's best for customers. Deserving their trust is Aim 5 of Plan Zero – and that's why safeguarding their data and privacy is a top priority. Security is built into all our services, infrastructure, and processes. Because of this, our customers, investors, partners, and colleagues can feel confident that we're protecting their data from cyber attacks.

Our progress in 2021

We looked again at our information security programme, with a focus on building a resilient business. The goal was that everything we do should be supported by technology and processes that are secure by design. We increased our investments in security engineering, so that OVO Tech makes use of more secure tech. We also firmed up our governance and risk oversight – building on our smart metering know-how. And we set up an in-house cybersecurity Threat Detection and Response function, to detect and anticipate threats.

Building a secure culture

A culture of security starts with everyone being aware of it. That's why our Information Security Team is always looking for new ways to make sure we all see the value in security, within our day-to-day work. As a regulated company, we're audited regularly – auditors have commended us for our security awareness courses and 100% attendance by our smart metering teams. Across the company, more than 85% of our team completed 3 essential learning modules on security topics.

Giving back to the security community

Our Security Engineering Team is always looking for ways to make the most of new tech and services.

We run a private Bug Bounty service to spot vulnerabilities that aren't picked up during development. Through this, we found a particular issue that was dominating researcher findings: subdomain takeovers.

Our team built a tool to scan our Amazon Web Services and Google Cloud Platform infrastructures every 24 hours. This reduced potential threats and freed up security researchers to focus on other issues. The tool was written in a modular way, making it easy to add code for detecting new issues as they're spotted. And we made it open-source so that others could benefit too.

A new OVO team: threat detection and response

We created a dedicated Threat Detection and Response Team in 2021 and they faced an early test. Barely 3 months after being set up, a critical cybersecurity vulnerability, "Log4j", was reported in open-source software used by companies all over the world.

As most companies scrambled to find where they were using the software, the Threat Detection and Response Team systematically hunted across our systems to spot weaknesses and defend our systems and customers' data. They worked closely with our OVO Tech teams and stakeholders across the business to cover key systems that could've been affected. They also worked with partners to make sure plans were in place to tackle this area of vulnerability.



Plan Zero governance

Responsibility and oversight

In 2021, we began to unite our Plan Zero ambitions with the commercial side of our business. Our CEO and Leadership Team are responsible for how we perform – in terms of both our commercial goals and our Plan Zero goals. Ultimately, they're accountable to our board of directors, who oversee everything we do.

Performance metrics and data

When we put together our 2020 Plan Zero Progress Report (published in October 2021), we ran a review to check our Plan Zero metrics and performance data. The review improved both the data's accuracy and how complete the data was. It also helped us learn what else we should measure, monitor, and manage to drive progress with Plan Zero.

We want to make sure this framework always stays relevant, even as our business evolves. We'd like to focus on fewer metrics and then fully integrate them with our governance structures and decision making. In 2022, we'll reflect on what we've learnt, and carry out another strategic review.

We share regular updates on performance and trends to our Leadership team, helping to demonstrate progress and identify and address any challenges to our plan.

As we mentioned earlier in this report, we'll be introducing changes to Plan Zero before we publish our next performance report for 2022. You can read all about these changes at ovo.com/planzero.



Plan Zero and ESG data

METRIC ^{21, 22}	Unit	2020	2021
Achieve net zero carbon operations			
Annual reduction in operational emissions	%	37%	15%
Electric vehicles in group-wide fleet	%	8%	12%
Energy productivity (revenue relative to energy consumption)	£/kWh	110	130 [*]
Total Scope 1 carbon emissions	tCO ₂ e	7,125	5,884 [*]
Scope 1 and 2 carbon emissions per revenue	tCO ₂ e/£m	1.67	1.41 [*]
Scope 1 and 2 carbon emissions per full-time equivalent (FTE)	tCO ₂ e/FTE	0.9	1.05 [*]
Total Scope 2 carbon emissions	tCO ₂ e	319	463 [*]
Total operational emissions (Scope 1 and 2 emissions)	tCO ₂ e	7,444	6,345 ^Δ
Total Scope 3 carbon emissions [*]	tCO ₂ e	11,645,643 [◊]	12,639,252 ^Δ
Total Scope 3 carbon emissions per customer [*]	tCO ₂ e/ customer	2.6	3.06 [*]

²¹ Our Scope 2 and 3 emissions are market-based emissions, calculated in line with GHG Protocol standards.

²² Scope 3 emissions from fuel and energy-related activities and use of sold products (electricity and gas).

* Includes our UK operations.

◊ PricewaterhouseCoopers LLP (PwC) was engaged to provide independent limited assurance over selected information in the Plan Zero Report for the year ended 31 December 2020. Information that is within PwC's limited assurance scope is marked with the symbol ◊. See PwC's Assurance Statement at ovo.com/sustainability-assurance-report/

Δ PricewaterhouseCoopers LLP (PwC) was engaged to provide independent limited assurance over selected information in the Plan Zero Report for the year ended 31 December 2021. Information that is within PwC's limited assurance scope is marked with the symbol Δ. See PwC's Assurance Statement at ovo.com/sustainability-assurance-report/

† Please note that some of these performance indicators may look different to those cited in our latest Belonging report. This is because this report measures progress from 1 January 2021 to 31 December 2021. The Belonging report covers performance over a different time period, causing variances in the reported performance.

METRIC ^{21, 22}	Unit	2020	2021
Lead the transition to a zero carbon energy system			
Smart meters installed	#	619,057	705,135
Fight the climate crisis			
Advocacy actions	#	88	150
Build the leading place to work			
Peakon engagement score	#	7.2	7.6
OVO leadership who identify as female	%	36.5%	34% [†]
OVO employees who identify as Black, Asian, and minority ethnic	%	7%	6% [†]
OVO leadership who identify as Black, Asian, and minority ethnic	%	7.6%	9% [†]
Deserve our customers' trust			
Net Promoter Score (rolling 3-month average)	#	21	36
Mobilise a zero carbon community			
OVO Energy customers surveyed who agree that "OVO is committed to helping customers reduce their carbon footprint"	%	60%	52%

METRIC ^{21, 22}	Unit	2020	2021
Create value for our communities			
People reached through OVO Foundation projects	#	54,828	183,510
Carbon emissions reduced and/or avoided due to OVO Foundation funding	tCO _{2e}	2‡	10.3
Value of OVO Foundation grants	£	£975,817	£780,000
Protect health and safety			
Total Recordable Injury Rate (per 100,000 hours worked)	#	0.10	0.12
Serious road traffic collision rate (per million miles)	#	0.06	0.35
High-potential incident rate (per 100,000 hours worked)	#	0.04	0.01
Governance and economic			
Revenues*	£m	4,459	4,513
Operational costs*	£m	298	266
Employee wages and benefits*	£m	310	329
Payments to providers of capital*	£m	57	34
Average monthly full-time equivalent (FTE)	#	8,000	6,000
Number of properties	#	88	53

21 Our Scope 2 and 3 emissions are market-based emissions, calculated in line with GHG Protocol standards.

22 Scope 3 emissions from fuel and energy-related activities and use of sold products (electricity and gas).

* Includes our UK operations.

‡ This figure was reported as 2,086 tCO_{2e} in last year's report but this should have been reported in kgCO_{2e}. We have adjusted this year to report in tCO_{2e}.

This is our second Plan Zero progress report. We're proud of the progress we've made since publishing our first a year ago. But we know that there's still much more to do.

So we'll keep searching for the most effective ways to tackle the climate crisis – all while supporting our customers in every way we can.

If you have any feedback on the content of this report, our strategy, or our performance, we'd like to hear it. Please email sustainability@ovoenergy.com – we really welcome all comments and suggestions.

company.ovo.com/planzero

