



Plan Zero: 2022 and beyond

Our refreshed strategy

PLAN ZERO



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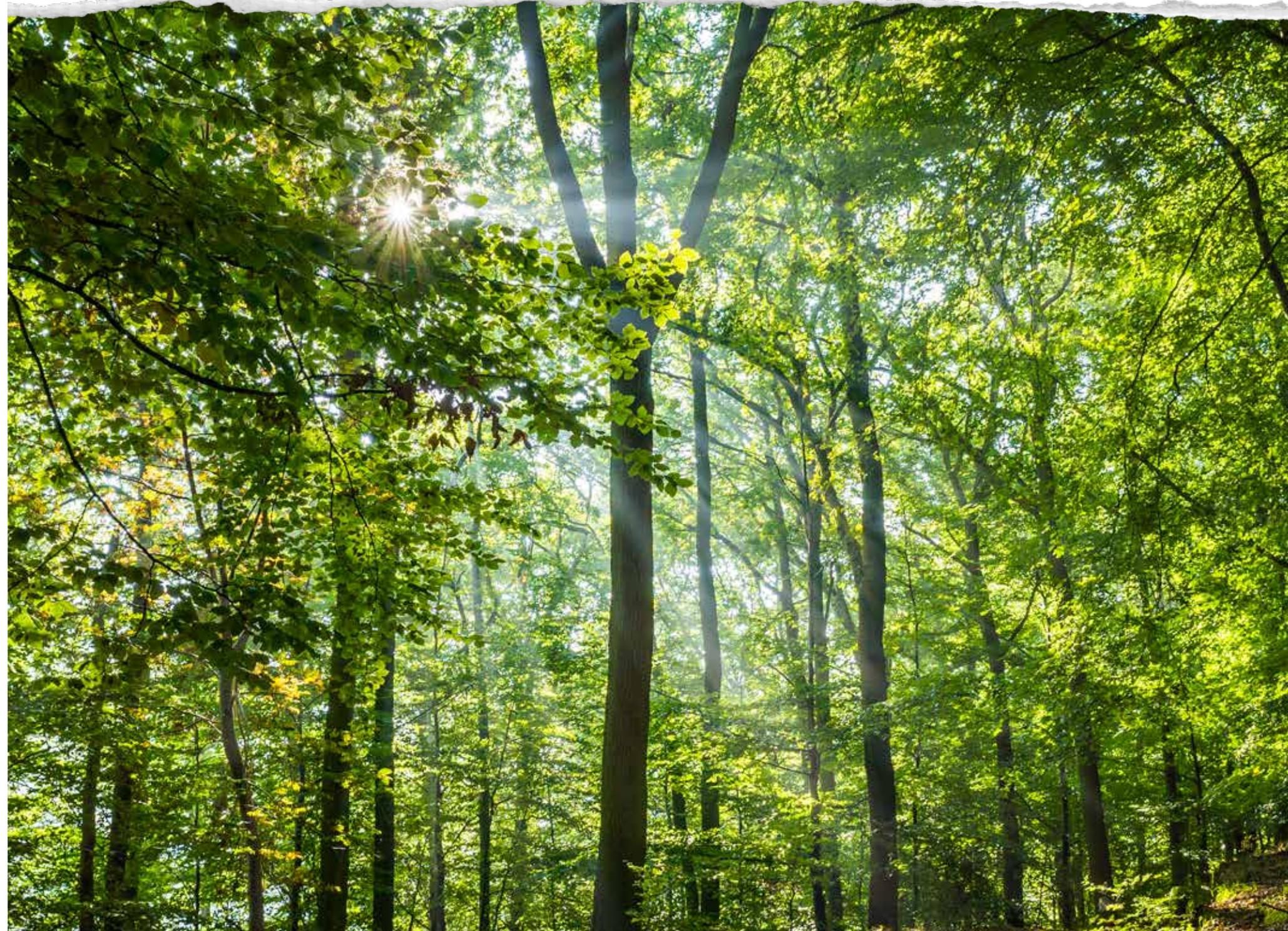
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“We were one of the first energy companies to announce a net zero target, and we committed to following the science.”



Plan Zero: our refreshed strategy

Simpler. More focused. More measurable.

About Plan Zero

In 2019, we launched our sustainability strategy, Plan Zero, in response to the climate crisis. It sets out our purpose: **to drive progress to zero carbon living.**

Plan Zero has set a path for us to become a **zero carbon living partner** for our customers. From offering them ways to power their homes and cars with clean electricity, to helping them use energy efficiently and make the switch to electric heating.

And for the people at OVO who'll make all that happen, Plan Zero has shaped how we'll build a leading place for them to work. So that everyone feels safe, welcome and able to perform at their best.

Refreshing our Plan Zero strategy

Since Plan Zero launched, our teams have been working hard to drive progress to zero carbon living. Around us, the world has been transformed by a global pandemic, and plunged into a cost of living crisis. It's a stark reminder that **on the journey to net zero, we must leave no one behind.**

Industry guidance to help companies set truly sustainable net zero targets has also changed. We were one of the first energy companies to announce a net zero target, and we committed to following the science. Our refreshed strategy is doing just that.

We'll now reach net zero by 2035, rather than 2030. We're still aiming to cut 60% of our total carbon footprint by 2030, the same as before. The difference is, now, we'll reach net zero with less reliance on carbon offsetting. We'll only offset the emissions we can't avoid or reduce – about 10% of our carbon footprint. You can read more about this in the Net zero section.

To make sure no one is left behind, **we've also raised the importance of social impact and affordability** in our strategy. And to make it easier to see how we're getting along more regularly, **we've created a new live reporting structure.**

Our commitment to reaching net zero is unchanged. Next, we'll take you through our strategy to get there in a simpler, more focused and more measurable way.

Plan Zero in focus

CLIMATE

CUSTOMERS

CULTURE



Climate

Reaching true net zero by 2035

Reducing our carbon emissions

Energy use makes up about 80% of [global carbon emissions*](#). This means, collectively, we need to change both the type of energy we use and how we use it.

As an energy supplier, we have a responsibility to reduce the carbon emissions from the energy we sell and support the transition to a low carbon energy system.

From getting our electricity grid ready to run on renewable energy all the time, to helping our customers decarbonise their homes by electrifying their heating and vehicles.

Our **Climate** focus is how we'll make that happen. It's now been refreshed to follow the latest industry guidance – meaning we'll be reducing more of our carbon emissions, and relying less on carbon offsetting. You can read more about this in the Net zero section.

How we'll do it

To reach net zero, we need to reduce our total carbon emissions – that's emissions from our offices and fleet of vehicles, and from the energy we sell to customers.

This means reducing our carbon footprint by 90%, and offsetting up to 10% of the emissions we can't reduce or avoid.

Emissions from our offices and fleet of vehicles

While only a small part of our carbon reduction story, we're now taking huge strides to reach net zero operations by 2025. For our vehicles, we're working towards a 100% electric vehicle (EV) fleet, all charged with renewable electricity.

We're also switching all our offices and sites to 100% renewable electricity tariffs and improving building management, so that we're using energy as efficiently as possible.

Emissions from the electricity we sell

This makes up about 33% of our total carbon footprint. In the past, to sell green energy tariffs, OVO Energy has purchased

Renewable Energy Guarantees of Origin (REGO) certificates for each kWh of electricity we sold.

Now, we're starting to see our role as an energy retailer beyond the supply of 100% renewable electricity backed by REGOs. Instead, we're focusing on the impact we can make on bringing about a fossil-free UK electricity grid.

To get there, we'll need a grid that can better match demand with the supply of renewable electricity – so we can make the most of the UK's green power. One part of this will be encouraging more of our customers to get a smart meter.

At home, smart meters will help our customers track and better understand their energy use. And on a national scale, they'll collectively help our grid forecast peak demand more accurately, opening the door for us to use more power when the grid is greener and cheaper.

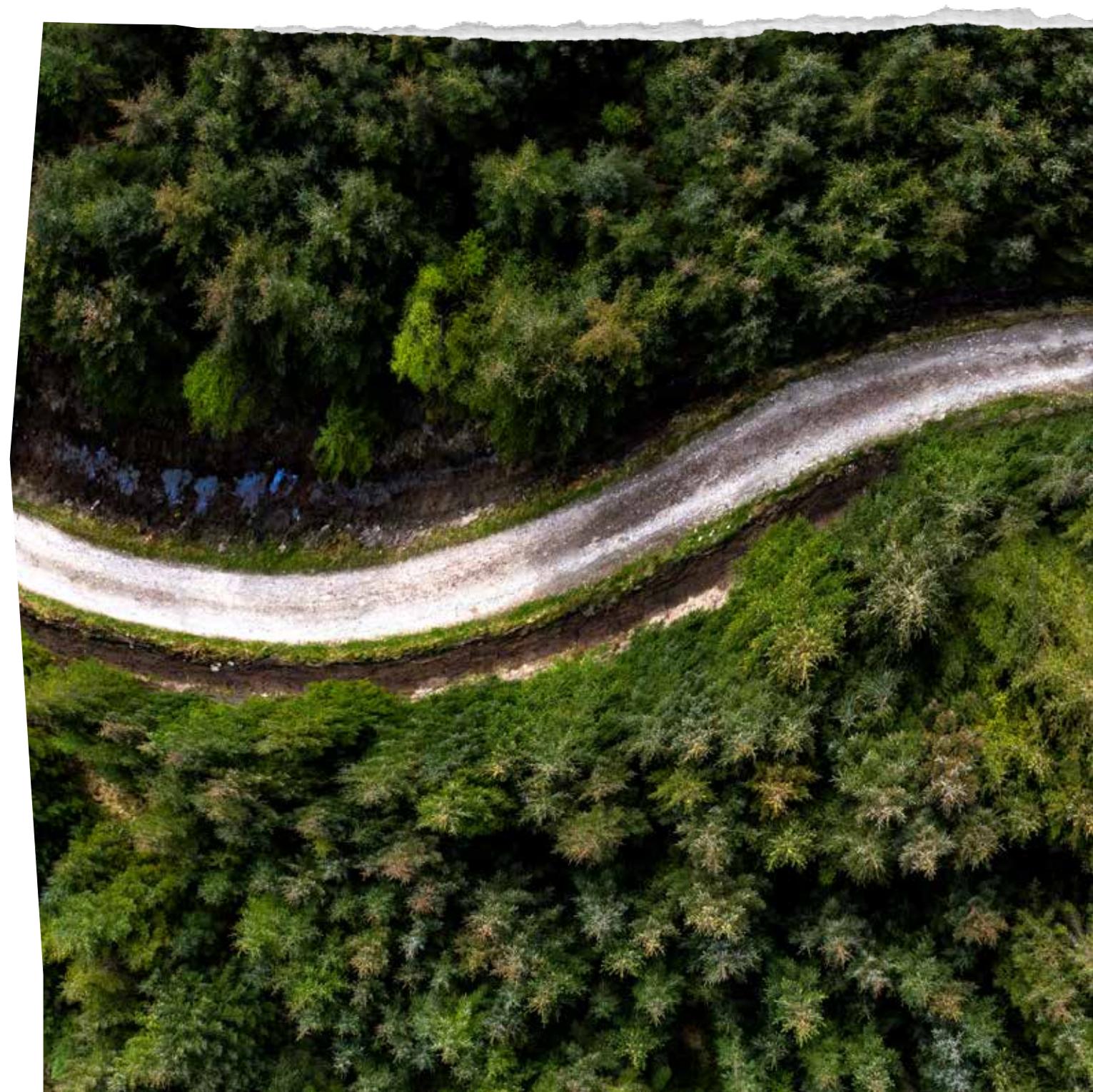
We'll also need to get more low carbon technology into our customers' homes. From smart thermostats and insulation to improve energy efficiency, to EV chargers and heat pumps to decarbonise heating and transport. Each one installed will help us avoid carbon emissions.

Emissions from the gas we sell

This makes up about 66% of our total carbon footprint. To reduce this, we'll need to help our customers electrify heat in their homes.

The technology needed for the electrification of heating isn't available at scale and the running costs haven't come down. So we'll be building on our efforts to install heat pumps, while at the same time, pushing for energy bill reform to make them more affordable to run.

In the meantime, we'll help our customers use gas more efficiently. We'll do this by helping customers insulate their homes – meaning they'll use less gas for heating and save money. We'll also educate our customers on energy efficient behaviours, like turning down the thermostat one degree.



Customers

Reaching net zero with no one left behind

Being there for our customers

As an energy supplier, we sit between the energy system and our customers. This means it's our responsibility to help our customers cut their carbon footprint and save money on their bills.

The energy and cost of living crisis has made that responsibility even greater. Our most vulnerable customers need our support more than ever. And it's never been more important to make sure everyone, no matter their financial situation, comes along on the journey to net zero. That's the purpose of our **Customer** focus.

How we'll do it

To help the planet, we need to help our customers become part of an engaged zero carbon community on the path to net zero. With us as their trusted guide.

And as an energy retailer, we must leave no stone unturned in our support for our most vulnerable customers, particularly now.

Mobilising a zero carbon community

We want our customers to see OVO as their trusted zero carbon living partner. So we're going to build that trust, in a challenging environment for energy suppliers, and become known as a leading green energy company taking its customers to net zero.

It's also important to engage our customers with their energy use. By making small changes to reduce their energy use, our customers can cut carbon and their bills. To make this simpler, we're encouraging more customers to use our energy tracker.

With insights into their energy use and ways to reduce it, our energy tracker can help customers save money and cut carbon in the short term, while we scale up our decarbonisation products and services.

Being there for our most vulnerable customers

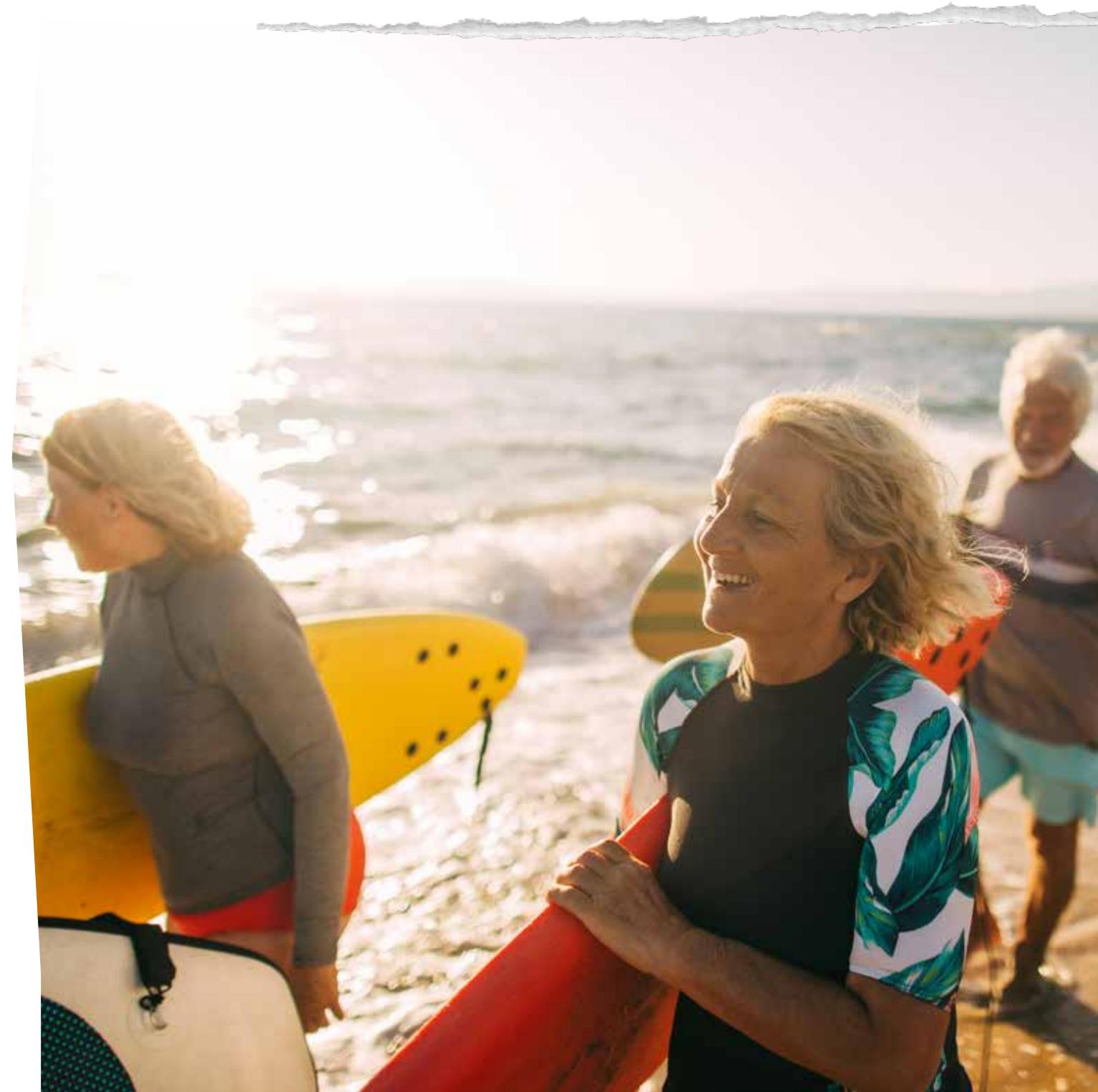
It's never been more important to be there for our customers in need. We want all our customers to feel supported, and for our most vulnerable customers to have easy access to the help they need when they get in touch. That's why we're constantly innovating and finding new ways to support them all.

From Hackathons to develop new technology that'll help our customers manage their energy in smarter ways. To investing in different kinds of specialised support ahead of winter, like financial aid and free energy-saving technology. We want to make sure that our customers get the kind of help they need.

Front and centre to the support we give our customers is our customer care team – so we're focussing on maintaining the service they provide, especially when it comes to helping our most vulnerable customers get access to extra support.

And since progress towards net zero must be made together, the OVO Energy Solutions team is continuing to work with local authorities and housing associations to make a range of homes greener and more energy efficient.

By installing green features like heat pumps, solar panels, and insulation, we're easing the cost of keeping homes warm – and not just for OVO customers.



Culture

Becoming a leading workplace for world-changers

Being there for our people

The secret to our power? Our people. That's why we want to build a leading place to work for people who will change the world. We can't do it without them.

This means creating a thriving work environment where everybody can be themselves and feels valued. Our **Culture** focus sets out who we are at OVO, and how we'll continue to build a workplace where everyone belongs.

How we'll do it

Building a diverse and inclusive team

The fact is, we're a kinder, stronger team when we work together. And we can't change the world unless we bring everyone along for the ride. That's why we work tirelessly to promote Inclusion and Diversity, in all sorts of ways.

No matter how you think, what you believe, who you love, what age you are, how your body works, or what gender you identify as – at OVO, you can be your whole self.

To learn more about the progress we're making across Belonging at OVO, head over to our [Belonging report](#).

Improving our people engagement

At OVO, we use Peakon surveys to understand what motivates and drives our people – and importantly, how they feel about working here.

To make sure we're getting it right for our people, we want to improve our overall employee engagement Peakon score. And to make sure people understand Plan Zero and the part they can play in it, we want to boost our Plan Zero Peakon score.

We're also committed to improving our Belonging Peakon score, not just because it's the obvious and right thing to do, but also because a more diverse and inclusive workforce is a happier, more engaged and more productive one.

Boosting our green skills

We're continually investing in our people and their personal development. A big part of this is boosting green skills. Not just to help us deliver Plan Zero, but also because we want to tackle the UK-wide green skills gap.

With over 99% of our carbon emissions coming from the energy we sell to our customers, we need our people in the field to have the skills needed to retrofit homes with energy efficiency measures and low carbon technology on a large scale.

As well as attracting new talent into green roles, we'll also be looking to retain and transfer the existing skills our people have, to meet the needs of the future green economy. To do this, we're upping the number of training hours our people will spend on boosting their Plan Zero knowledge and green skills.



Our refreshed pathway to net zero

Cutting more carbon. Relying less on offsetting

The net zero pathway explained

Our net zero commitment covers emissions from our operations (that's our offices and fleet of vehicles) and our value chain (mainly from the energy we sell to customers).

This commitment is made up of our carbon reduction target – the amount of carbon we're going to cut from our total emissions. And carbon offsetting – the amount we're going to invest in carbon removal projects like tree planting.

Following the science: our new pathway

In our original net zero pathway, we set out to reduce our carbon emissions by 60% by 2030, based on the 1.5 degree limit set by the Science Based Targets initiative (SBTi). And we'd planned to offset the remaining 40% by investing in carbon removal projects.

Since we announced our original net zero target, the SBTi has released new guidance on how we can make it truly sustainable. The bottom line was that companies shouldn't offset more than 10% of their total carbon footprint to reach net zero.

The only part of our target that has changed is our reliance on carbon offsets. We'll still reduce our total emissions by 60% by 2030. But then we'll keep going to reach a 90% reduction by 2035. We'll only offset up to 10% of emissions we can't avoid or reduce.

New targets. Same commitment

Our net zero target may have changed from 2030 to 2035, but our commitment to reduce 60% of our carbon emissions by 2030 is the same as before.

What this change represents is a truly transformational reduction in carbon for our business – with an increased commitment to reduce 90% of our carbon emissions by 2035.

We're also committed to moving faster where we can. That's why we've introduced a new target to reach net zero operational emissions by 2025, by cutting carbon emissions from our fleet of vehicles and workplaces.

We're still aiming to cut 60% of our total carbon footprint by 2030

Our original pathway



Carbon reduction

Carbon offset

Our new pathway by 2035



Carbon reduction

Carbon offset



CLIMATE METRICS

% reduction in total carbon footprint

Target: 60% Reduction by 2030, 100% reduction by 2035.

Reaching net zero is central to Plan Zero, so reducing our carbon footprint is the ultimate measure of success. This will measure our total impact across our operational emissions and the emissions from energy we sell to our customers.

% EVs in vehicle fleet

Target: 100% EV fleet by 2025.

By 2025, all the vehicles in our fleet will be fully electric, reducing their carbon footprint to zero.

% of renewable electricity used in offices

Target: 100% by 2025.

By switching to green tariffs, all the electricity used by our people in our offices will be renewable. This will mean a net zero carbon footprint in all our offices.

Energy efficiency of facilities (kWh/m²)

Target: 200 kWh/m² by 2030.

We do this through more automation and building management systems and increased efficiency in our existing systems and equipment.

% of meters that are smart meters

Target: 100% by 2025.

In line with OFGEM targets, we want all of our customers who can have smart meters to get these installed by 2025.

Tonnes of carbon emissions avoided through offering decarbonisation products and services (tCO₂e)

Target: 10,000 tCO₂e by 2023.

This covers the carbon emissions we can avoid by selling non-energy products, like heat pumps and EV chargers, to our customers.

% reduction in gas sold

Target: 15% by 2025, 50% by 2030, 100% by 2035.

Technology that helps customers cut carbon and save money, like smart meters and our energy tracker, will help drive progress at first. This gives us time to scale up our efforts to install decarbonisation technology like heat pumps. Any gas that we can't reduce or avoid will be offset, up to a maximum of 10%.

CUSTOMERS METRICS

% customers that consider us a leading green company

Target: 90% by 2030.

So that our customers come on this journey of decarbonisation with us, we need to build trust so they come to us to decarbonise their homes.

% customers who are actively engaged in their energy use

Target: 100% by 2025.

One of the first steps our customers can take to engage with their energy use – and learn how to make it more efficient – is by using our energy tracker.

% of most vulnerable customers who feel OVO provided the support they need

Target performance: 100% by 2024.

Offering a tailored service to our most vulnerable customers will mean they feel supported throughout their time with us.

Number of homes that OVO has installed energy efficiency measures into (absolute)

Target: 1,770 homes by 2022

Installing features such as insulation, heat pumps and solar panels not only makes homes greener, but also more energy efficient. They can also save our customers money on their bills.



CULTURE METRICS

Overall Peakon Score

Target: 8.0 by 2025.

These Peakon questions will look at how engaged our employees are throughout the organisation as a whole.

Plan Zero Peakon Score

Target: 9.0 by 2025.

These Peakon questions will look at how our employees understand Plan Zero, what we are trying to achieve and their role within it.

Proportion of training hours on Plan Zero skills (%)

Target: 30% by 2025.

We need to upskill our employees so they can support Plan Zero, and a future green economy. Boosting Plan Zero training hours will fill this skills gap.

% female representation at a leadership level

Target: 40% by 2025

We want to do more to attract and retain diverse talent at OVO – so we're going to make sure that our leadership reflects our commitment to gender diversity.

% ethnic minority representation at a leadership level

Target: 10% by 2025.

Another key focus towards attracting and retaining diverse talent at OVO is the ethnic diversity of our leadership. There's still a way to go – but this target is our commitment to get there.

Metric 6: Belonging Peakon score

Target: 9.0 by 2025.

This Peakon survey will tell us what our employees think about diversity across OVO. This includes their sense of belonging and satisfaction over working here.

This is just the beginning...

We've already started turning our refreshed Plan Zero strategy into a net zero reality. For all the updates on how we're getting along, head to the [Plan Zero website](#).

