

2023 Energy Transition Holdings Ltd statement on modern slavery and human trafficking

1. Introduction

This statement has been published in accordance with the UK Modern Slavery Act 2015 (the “**Act**”). It sets out the steps taken by Energy Transition Holdings Ltd (“**Energy Transition Holdings**”) and its subsidiaries (for the purposes of this statement, collectively “**OVO**”) to manage the risk of modern slavery and human trafficking in its operations and supply chains during the financial year ending 31 December 2023.

OVO fully supports the aims of the Act and recognises that slavery and human trafficking is a global issue that needs to be addressed by all companies within all industries.

OVO is committed to protecting human rights and eradicating the risk of modern slavery in its own operations and supply chain.

2. OVO’s structure and business

OVO was founded in 2009 as an energy retailer. It has since grown to become a group of energy technology companies whose collective purpose is to drive progress towards zero carbon living.

OVO Group Ltd is a holding company and does not trade in its own right.

OVO Energy Ltd (“**OVO Retail**”) is the group company through which the majority of OVO’s retail energy operations are conducted .

Kaluza Ltd (“**Kaluza**”) is an energy technology business, born out of OVO Retail. Kaluza builds B2B software, which seeks to enable energy utilities to simplify their systems and launch new propositions rapidly to unlock the full value of a connected, decarbonised world.

The principal activities of the OVO group are set out below:

OVO Retail

- the procurement and supply of gas and electricity from the wholesale markets and renewable sources;
- the installation, repair and maintenance of boilers and the provision of boiler and heating cover;
- the installation of smart meters and the provision of related services;
- the installation of Zero Carbon Living technologies like solar panels that help customers to decarbonise their energy consumption; and
- the supply of energy efficiency solutions.

Kaluza

- the development of technology solutions to enable energy utilities to transform their operations, reducing cost to serve and bolstering customer engagement

This statement seeks to capture the business activities of all relevant OVO subsidiaries including but not limited to:

- OVO Energy Ltd
- OVO Electricity Ltd
- OVO Gas Ltd
- OVO (S) Gas Ltd
- Kaluza Ltd

3. OVO's workforce

As of 31 December 2023, OVO directly employed approximately 5,500 people.

OVO pays the Real Living Wage across all of its operating subsidiaries. The [Real Living Wage](#) is an hourly rate of pay set independently by the Living Wage Foundation and voluntarily paid by businesses who believe their people deserve a wage which meets everyday needs. It is separate from the Government's 'National Living Wage' and 'Minimum Wage'.

OVO has progressive policies to protect and nurture the wellbeing of their people, including flexible bank holidays, unlimited bereavement leave and health benefits as standard. This ensures we build a positive culture where people thrive at work and are fairly rewarded..

Prior to commencement of their employment, OVO ensures that the relevant right to work checks are carried out. These checks are processed by a specialist independent company. All our people start with a criminal records check and right to work in the UK. For specific roles, OVO will also complete a financial records and Director background check. Some roles require further checks depending on the area of the business and/or the level of the role.

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

Some services (e.g. facilities management, customer call centre, IT services, meter and device installations, debt collection and the manufacturing of intelligent energy technology devices) are outsourced to third parties. OVO undertakes initial due diligence before deciding to contract with suppliers; and maintains a supplier selection process that includes assessment of risks including product and service type, country and sector risks. More detail on OVO's supply chain due diligence procedures are detailed below.

4. OVO's supply chains

During the 2023 financial year, OVO worked with approximately 1,500 suppliers. The main 2023 supplier spend related to:

- the procurement of electricity and gas from OVO's wholesale commodity provider;
- the manufacture, supply and installation of smart gas and electricity meters by third parties;
- the sourcing of Zero Carbon Living technologies like solar panels that help customers to decarbonise their energy consumption;
- the maintenance of the UK's electricity distribution network and other standard energy industry costs; and
- the provision of marketing services, technology platforms and outsourced service partners.

Kaluza works with approximately 200 suppliers. The majority of Kaluza's spend in 2023 fell in the following categories:

- the provision of critical IT infrastructure: including "Tier 1" IT infrastructure providers that perform essential services to support our software products
- IT software tooling: SaaS (Software As A Service) IT software tooling to support Kaluza developers
- Tools to support our people and offices, sales & marketing activities and outsources services partners to support ;our product and business

All of OVO's Tier 1 suppliers are based in countries with low risk of modern slavery and corruption as per the [Global Slavery Index](#) and [Corruption Perceptions Index](#).

5. Policies

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

OVO's [Human Rights Policy](#) details commitments to respecting and upholding human rights in relation to people, supply chain workers, customers and communities that are embedded across the business.

a. OVO business policies

Internal policies include the [OVO Code of Conduct](#), which forms part of OVO Retail's commitment to being a sustainable, ethical and responsible business. The Code of Conduct sets out expectations of how OVO Retail people should conduct business activities, treat one another and external stakeholders and uphold the [OVO Values](#): 'Find a Better Way', 'Do What's Right' and 'Build Something Great'.

The OVO Code of Conduct specifies OVO Retail's zero tolerance approach to all types of modern slavery and human rights abuse within the OVO Retail business and supply chains. Our digital learning module on the OVO Code of Conduct policy had over 6,700 completions in 2023.

Distinct from OVO Retail values, Kaluza has its own set of [5 key values](#): 'we're on a

mission', 'we build together', 'we're inclusive', 'we get it done' and 'we communicate with purpose'. These values underpin Kaluza's commitment to building a collaborative environment that welcomes everyone. In addition, Kaluza has a range of policies that seek to uphold these values and ensure that Kaluza adopts suitably sustainable, ethical and responsible business practices

OVO maintains and operates whistleblowing policies. This includes OVO Retail's Speaking Out Policy which aims to ensure that any illegal or improper conduct is dealt with appropriately and is included in the [OVO Code of Conduct](#). People can raise concerns without fear of repercussion, and anonymously via our Vault Platform (our Speaking Out tool) if they choose to.

OVO also maintains and operates grievance policies that outline the process for raising and addressing grievances.

b. OVO supplier policies

OVO expects all suppliers and business partners to act and behave in a way that upholds OVO's values.

[OVO's Supplier Code of Conduct](#) sets out the standards, principles and values that OVO Retail expects suppliers and business partners to uphold, including a commitment to eradicating modern slavery. The Code of Conduct includes explicit reference to expecting business partners to respect and uphold human rights in accordance with legal requirements and international human rights standards and ensure that they are taking appropriate steps to prevent modern slavery and human trafficking existing within their business and supply chains.

Since 2020, OVO Retail has required all of its new suppliers to provide written confirmation that they adhere to OVO's Supplier Code of Conduct. OVO Retail are also undertaking an exercise to get existing Tier 1 suppliers to sign the Supplier Code of Conduct. Currently, 83% of our Tier 1 suppliers have signed the Supplier Code of Conduct.

Kaluza's Supplier Code of Conduct requires business partners to respect and uphold human rights in accordance with legal requirements and international human rights standards, and ensure that they are taking appropriate steps to prevent modern slavery and human trafficking existing within their business and supply chains.

Risk assessment

Each financial year, OVO Retail completes a desktop modern slavery risk assessment of Tier 1 suppliers based on procurement spend data from its central procurement and sourcing system, Workday. This annual assessment assigns a modern slavery and human rights risk rating to each supplier, based on the category of goods and services purchased, and the geographical location of the supplier (by country). We use publicly available third party data

to determine the level of risk associated with each country and category of goods, like the [Global Slavery Index](#) and [Corruption Perceptions Index](#).

This assessment enables us to identify potentially high risk Tier 1 suppliers to investigate further and develop improvement action plans if necessary. This process is validated by the OVO Retail procurement team.

Due diligence processes

OVO is committed to conducting business in a lawful and responsible manner, including engaging with suppliers to uphold our values.

OVO Retail has an established sustainable procurement process. Due diligence is performed on potential suppliers that present a higher level of inherent sustainability risk, as per OVO Retail's Sustainability Risk Criteria. Suppliers are considered to present a higher level of inherent sustainability risk if their product or service, or country of operation, present environmental, social or governance risks.

Potential suppliers are asked a series of standard questions relating to their management of these risks. Depending on the industry the supplier works in, the product or service being provided, additional sector specific questions are asked.

This questionnaire also considers whether the supplier's country of operation has a high prevalence of modern slavery or corruption. It also requests information on the supplier's Human Rights and Modern Slavery policies that outline their approach to safeguarding human rights, including if any prior instances of labour or human rights abuses have been identified.

The responses are reviewed by OVO Retail's Sustainability team, and to ascertain whether modern slavery, social and environmental risks are being adequately managed.

OVO's internal Modern Slavery Approach document also outlines this approach.

With respect to Kaluza, adherence to the Kaluza Code of Conduct seeks to ensure suppliers meet suitable compliance standards across a range of key topics including with respect to anti- Modern Slavery standards.

Kaluza has an established procurement process. Where appropriate supplier contracts will be subject to through legal, information security and data protection review.

Supplier management

OVO understands the need to continue working with suppliers once the relationship is live to ensure they are continuing to adhere to the values and standards set out during the due diligence and contracting process.

The OVO Retail procurement team engages with suppliers to improve performance across a range of issues and risks, including sustainability. This aims to uphold performance among suppliers and ensure any modern slavery and sustainability risks continue to be identified, assessed, managed and monitored once the relationship has gone live and throughout the lifecycle of the relationship.

In 2023, the OVO Retail procurement and sustainability teams started to devise category specific approaches to supplier management. This means that for each category of procurement spend, specific sustainability risks are identified relevant to that category, including modern slavery and human rights risks. For example, manufactured goods are likely to have a higher level of forced labour risks than energy procurement. This gives a more tailored and sector-specific approach to supplier management and is currently being piloted for OVO's solar proposition.

In 2023, no instances of modern slavery were identified across OVO's Tier 1 suppliers base. Where opportunities for improvement were identified, OVO Retail procurement and sustainability teams worked with the supplier on appropriate remedial action plans.

In the event of modern slavery practices being identified, or the supplier being unable to raise standards when required to do so, OVO will take action which may result in termination of the business relationship and reporting to the relevant authorities where appropriate as per the OVO Supplier Code of Conduct.

Assessment of effectiveness

OVO recognises the need to assess the effectiveness of the measures that have been taken to tackle modern slavery. In 2023, OVO Retail updated the key performance indicators used to monitor the progress of OVO's modern slavery risk management initiatives. These are as follows:

- Tier 1 suppliers who have signed OVO's Supplier Code of Conduct (%);
- Tier 1 suppliers with a low level of residual social risk (%); and
- Social value generated from Tier 1 suppliers (£)

As stated above, OVO already tracks performance against the percentage of Tier 1 suppliers who have signed the OVO Supplier Code of Conduct. For 2023, this was 82%.

The OVO Retail sustainability team is currently implementing ways of quantifying and monitoring the latter two KPIs.

Kaluza recognises the importance of understanding the effectiveness of the controls we put in place around Modern Slavery. Kaluza already tracks the percentage of suppliers that sign up to the Kaluza Code of Conduct.

Training and capacity building

OVO is aware of the importance of raising awareness of modern slavery and human trafficking in OVO's organisation and supply chain.

Members of OVO Retail's sustainability and procurement teams continue to be members of the Supply Chain Sustainability School. This gives access to online training modules that cover a range of topics relevant to supply chains including sustainable procurement and modern slavery.

Looking ahead

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

OVO Retail's priorities for the year ahead are to:

- Continue to devise and implement category specific strategies for other categories of spend;
- Roll out refreshed sustainable procurement training for these different category strategies;
- Implement and embed the reporting tools for the remaining effectiveness KPIs

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our group's slavery and human trafficking statement for the financial year ending 31st December 2023.

Justin King CBE

Chair of the Board, OVO