

2022 OVO Group Ltd statement on modern slavery and human trafficking

June 2023

Introduction

This statement has been published in accordance with the UK Modern Slavery Act 2015 (the “**Act**”). It sets out the steps taken by OVO Group Ltd (“**OVO Group**”) and the subsidiaries listed below to manage the risk of modern slavery and human trafficking in its operations and supply chains during the financial year ending 31 December 2022.

OVO Group and its subsidiaries (“**OVO**”) fully support the aims of the Act and recognise 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.

OVO’s structure and business

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

OVO Group is a holding company of the OVO group of companies and does not trade in its own right. OVO Energy Limited is the principal group company through which the majority of the OVO group’s retail energy operations are conducted (“**OVO Retail**”). Kaluza Ltd is the technology arm of the OVO group. Kaluza builds B2B software, aiming to make retail operations more efficient and customer-focused and to optimise supply of devices (“**Kaluza**”).

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 supply of energy efficiency solutions.

Kaluza

- the development of technology solutions to support the energy market

This statement covers all relevant OVO subsidiaries required to provide a statement under the Act and includes:

- OVO Holdings Ltd
- OVO Finance Ltd
- OVO Energy Ltd
- OVO Electricity Ltd
- OVO Gas Ltd
- OVO (S) Energy Services Limited
- OVO (S) Gas Limited
- OVO (S) Electricity Ltd
- Kaluza Ltd

OVO's workforce

As of 31 December 2022, OVO employed approximately 4,500 direct employees.

From January 2022, OVO paid above 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 our people, including flexible bank holidays, unlimited bereavement leave and health benefits as standard. This ensures we build an open culture where people are fairly remunerated and rewarded.

OVO ensures that everyone before they start their employment has all of the relevant right to work checks completed. These checks are processed by an independent company that specialises in employment checking for various companies in the UK. 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.

OVO's supply chains

During the 2022 financial year, OVO worked with approximately 3,000 suppliers. The main 2022 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 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;

Policies in relation to slavery and human trafficking

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.

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

Policies relevant to OVO's own business

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](#). The OVO values are to: 'find a better way' for our customers and our people, to 'do what's right' by being honest and fair in everything we do, and to 'build something great' which may not be the quick and simple solution.

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 11,000 completions in 2022.

Kaluza has its own set of [5 key values](#). The Kaluza values are 'we're on a mission', 'we build together', 'we're inclusive', 'we get it done' and 'we communicate with purpose'. These values form Kaluza's commitment to how to treat others and make decisions. Kaluza has a range of policies pertaining to people, finance and information security that uphold these values.

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.

Policies relevant to OVO's suppliers

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. The Code of Conduct is updated annually and in 2022, we added a clause stating that if OVO are not satisfied with any documentation or audits provided by a supplier, then OVO may require business partners to undertake an improvement plan.

Since 2020, OVO Retail has required all of its new suppliers to provide written confirmation that they'll adhere to OVO's Supplier Code of Conduct. OVO Retail is in the process of engaging all other existing suppliers to confirm their adherence.

In its last assessment (2021/22), 80% of all OVO Retail Tier 1 suppliers had confirmed their adherence to OVO's Supplier Code of Conduct. OVO Retail is currently undertaking a project to reclassify its supplier ecosystem and improve compliance to this Code of Conduct.

Kaluza's Supplier Code of Conduct also includes explicit reference to expecting its 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. The Kaluza Code of Conduct is regularly updated and suppliers are required to sign the Code of Conduct at the supplier set up or renewal stage.

Risk assessment

Each financial year, OVO Retail completes a desktop modern slavery risk assessment of its supply chain 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. This assessment enables us to identify potentially high risk suppliers to prioritise for future supplier engagement and investigation 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 who uphold our values and as such have implemented a due diligence process during supplier procurement.

In 2022, OVO Retail began enacting its sustainable procurement process to enhance supplier due diligence and management. As part of an initiative to identify and mitigate risk, OVO Retail has integrated checks into its central procurement platform, Workday Strategic Sourcing. These checks determine whether a purchase poses a risk from a sustainability perspective, based on the type of product or service, and location of the supplier. Higher risk suppliers are flagged for further review and are required to populate a sustainability questionnaire that is designed to collect information on how the supplier considers and manages the sustainability impacts of their operations and supply chain.

This questionnaire 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.

Kaluza considers modern slavery risks as part of its supplier due diligence assessments.

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 process.

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

The 2022 supplier management process undertaken in 2022 did not identify any instances of modern slavery across OVO's suppliers base. Where opportunities for improvement were identified, we 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, we'll take action which may result in termination of the business relationship and reporting to the relevant authorities where appropriate

Assessment of effectiveness

OVO recognises the need to assess the effectiveness of the measures that have been taken to tackle modern slavery. OVO Retail monitors the following key performance indicators to measure the progress of OVO's modern slavery risk management initiatives:

- Key Tier 1 suppliers (Top 50 spend) aligned with our Supplier Code of Conduct;
- Applicable procurement led engagements that have a completed risk assessment.

Kaluza tracks supplier alignment with its Supplier 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.

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business, OVO Retail provides training to people. This includes considering sustainability in the procurement process and the main environmental and social risks across its supply chain.

OVO has implemented common spend taxonomies in order to improve the quality of data by implementing the use of unified language across the organisation. By categorising spend profile and suppliers under this common taxonomy OVO can better understand exactly what we are buying and from whom. This in turn increases transparency across the supply chain and helps identify more easily areas of modern slavery risk

Looking ahead

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

OVO's priorities for the year ahead are to:

- Build out a tailored approach to sustainability and modern slavery in its procurement function by creating category specific approaches that allow us to manage risk separately for Zero Carbon Living and Technology.
- Engage with high risk suppliers to develop and implement action plans to improve their performance in sustainability metrics and modern slavery risk.
- Continue to perform thorough due diligence of modern slavery risk, and other environmental and social factors, with new suppliers
- Continue to strengthen our awareness of modern slavery and forced labour.

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 2022.

Raman Bhatia

CEO, OVO Energy