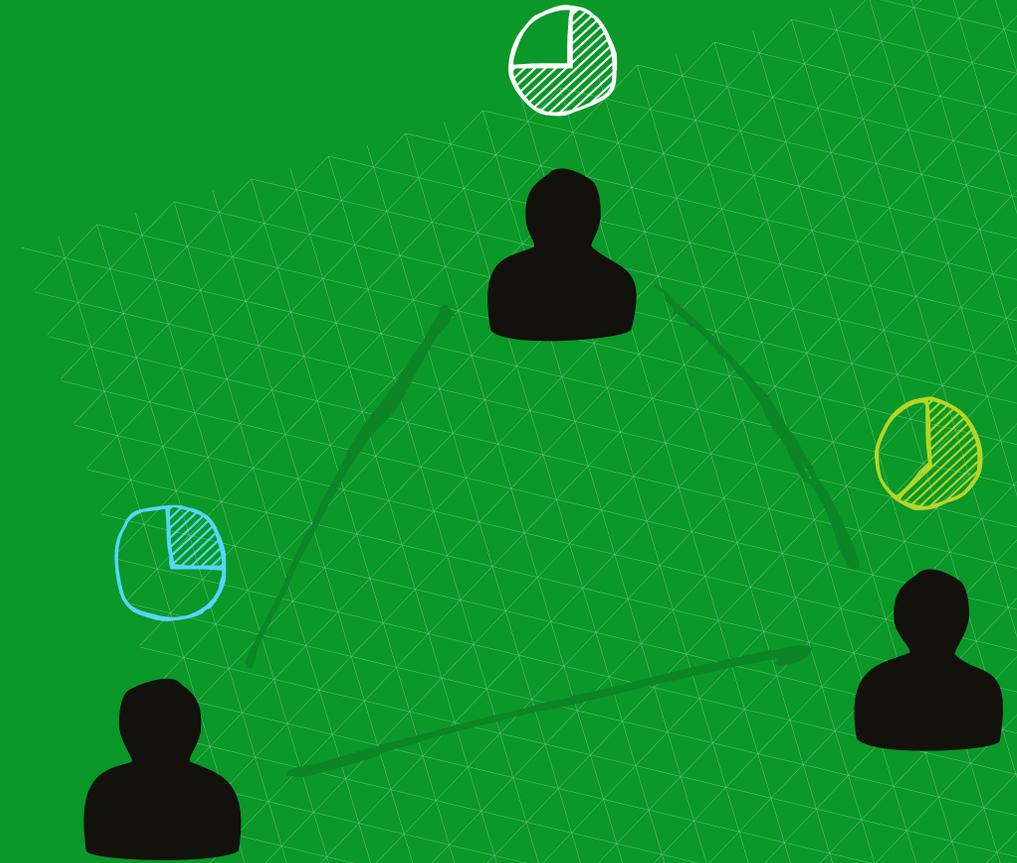


OVO Gender Pay Statement

2021 report



“Closing our gender pay gap is crucial to us building an inclusive environment and the company we want to be; where everyone has equal opportunities, feels valued and can thrive.”

Charlotte Eaton

Chief People Officer

At OVO, we're more than a team of people. We're a community of passionate individuals, all working towards the same ambitious goals. Always challenging each other – and OVO – to find a better way.

We want OVO to be a supportive community, where everyone has equal opportunities – wherever they're from, whatever they believe, however they live their lives. Our differences strengthen us, give us new ways of doing things, and help us meet the needs of all our members. In this report, we explore some of the steps we're taking to build a culture where we all belong, and where people are treated equally – regardless of their gender or any other aspect of their identity.

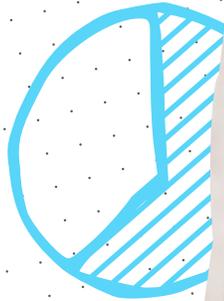
Across the country, men are still **collectively** paid more than women. It's a gender pay gap that's reflected at OVO too, but one we're working hard to close. We've made **progress in some areas** over the last year, but there's more we need to do. Closing our gender pay gap is crucial to us building this environment and ultimately the company we want to be; where everyone has equal opportunities, feels valued and can thrive. The purpose of this report is not only to fulfil a legal obligation, but to keep the conversation going – to drive more open and honest discussions about gender equality, and to challenge ourselves to do better.



What is the gender pay gap?

When we talk about the gender pay gap, we're not talking about equal pay. Equal pay is where men and women receive the same pay for doing a similar job. In contrast, the gender pay gap report shows us:

- The difference in average hourly earnings of men and women across our organisation - irrespective of their roles, the nature of their work, or seniority
- The difference in how much men and women are paid in bonuses, and the proportion of men and women receiving bonuses across our organisation
- The difference in the collective salaries of all men and all women
- Our workforce profile, including the parts of the business where women or men are underrepresented



The latest report

The latest gender pay gap report shows where we were on 5 April 2020. This report focuses on the 5 OVO entities that employ 250+ people and make up 90% of the business: OVO Energy, OVO Field Force, SSE Home Services, SSE Metering, and SSE Electricity*. On 5 April 2020, these companies employed a total of 8,236 people. The other 10% of the business included our smaller companies, such as Kaluza. These had fewer than 250 people at the snapshot date, so they aren't included in the report. We can't show an overall snapshot here because in 2019 (our acquisition year) our systems were still separated. In future, we'll be able to show a single view, right across OVO.

*We are all one OVO, but it's a legal requirement to report on our separate entities. This is why we have to distinguish between these different areas.

Furlough and executive pay reductions

In line with government reporting rules, our calculations don't include any people who weren't paid in full during the April 2020 payroll period. This means anyone who was on furlough due to the coronavirus lockdown, as well as a number of our executives who took a voluntary pay reduction during this time.

Because of the pandemic, we had an unusually high number of people not on full pay at the time of reporting. So we also ran an exercise internally to calculate our gender pay gap without these exclusions. We did this to see what our pay gap would look like in a more typical year, and to make sure we can continue to work on a meaningful action plan to reduce it. Without the exclusions we still saw the same trends in each area over the year, but the improvements between 2019 and 2020 were less pronounced.

Total number of people in the report on furlough in April 2020: **2,904**

OVO Energy – 3%

OVO Field Force – 51%

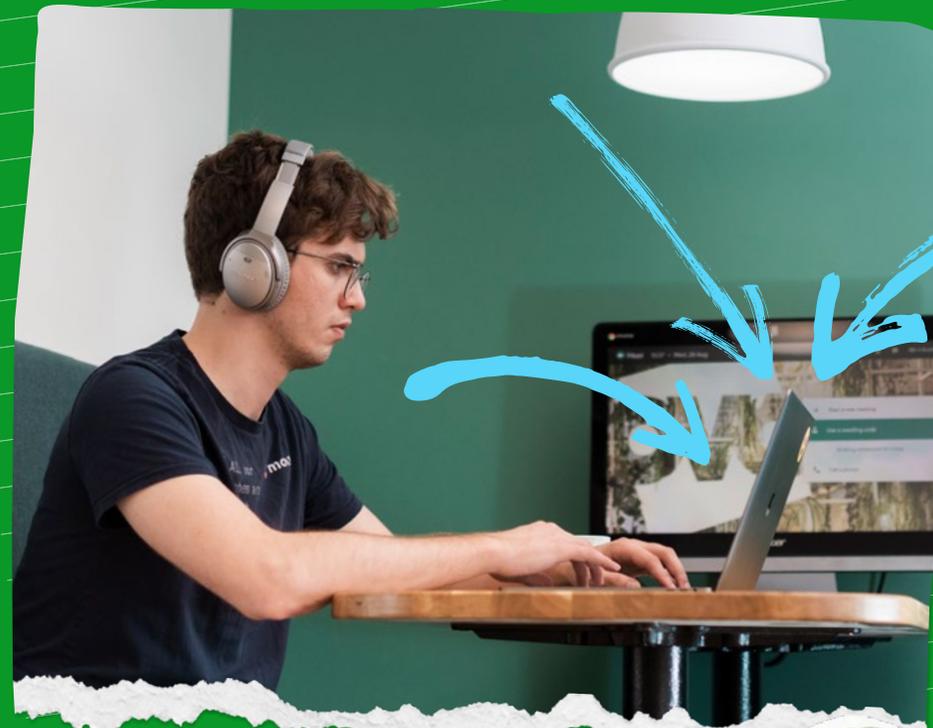
SSE Metering Ltd – 62%

SSE Electricity Ltd – 25%

SSE Home Services Ltd – 61%



Let's dive into the data



How we get an idea of OVO's pay gap

We track our gender pay gap in a variety of ways, from mean hourly pay to median bonus gap. We've put together a small glossary of terms to make things easier to understand:

Mean: the mean is the average value. It's calculated by adding up the hourly rates of all our people and then dividing that by the total number we employ.

Median: the median is the "middle" value. It falls in the middle of a range when every person's pay is lined up lowest to highest. The median is typically viewed as a more representative figure in the gender pay gap figures, as the mean can be skewed by a small number of high or low-paid individuals.

Pay quartiles: quartiles split the numbers into 4 pay categories. They're created by arranging all our people's pay from lowest to highest and then splitting it into 4 equal groups. Q1 is the lowest pay quartile and Q4 is the highest pay quartile.



A snapshot of our overall **gender split**

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

59%

male

41%

female

*Good to know: although we've used the terms "men/women" and "male/female" interchangeably throughout this report, our figures are based on the binary legal definition of sex (male/female). The government has asked us to report in this way, which is different from the way we prefer to talk about gender at OVO – in terms of a spectrum of gender identities, including man, woman and non-binary.

Our gender pay gap in 2020



OVO Energy

(17% of our overall business)

Our teams here make up the majority of OVO's core business areas.

- This group is **59% male** and **41% female**.
- We've made good progress in improving the gender balance of our senior teams.
- Female representation has increased across both the 3rd and 4th pay quartile.
- The proportion of men in the 4th quartile reduced from 74% in 2019 to 68% in 2020, which contributed to the reduction in both our mean and median pay gap in comparison with 2019.
- There are still more men overall in each of the 4 pay quartiles, with the highest proportion of men in the 4th quartile. This is a key factor driving our gender pay gap and bonus gap.

Mean hourly pay gap:



Median hourly pay gap:



Mean bonus gap:



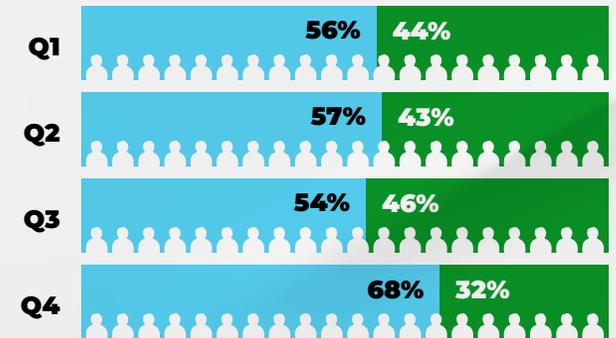
Median bonus gap:



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

(↓ %) +/- compared to 2019 GPG data
(↑ %)

Pay quartiles:



Proportion receiving bonuses:



OVO Field Force

(5% of our overall business)

Field Force includes all of OVO Energy's field engineers and the operational teams supporting them.

- This group is **80% male** and **20% female**.
- 51% of this team were on furlough as a result of the lock-down. These people weren't included in our gender pay gap calculations this time (although they were included in our bonus gap data).
- The bonus gap is driven by the fact our Dual Fuel Engineers (94% male) are eligible for monthly incentives, which are included in the bonus calculations.



Mean hourly pay gap:

+2.5%
for men

(↓ 7.9%)



Median hourly pay gap:

+8.4%
for men

(↓ 2.8%)



Mean bonus gap:

+10.8%
for men

(↓ 3.9%)



Median bonus gap:

+27.5%
for men

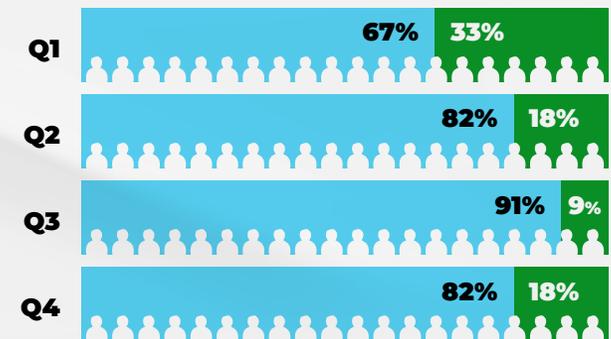
(↑ 1.9%)



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

(↓ %) +/- compared to
(↑ %) 2019 GPG data

Pay quartiles:



Proportion receiving bonuses:

81%
of men



62%
of women



SSE Electricity

(44% of our overall business)

This includes our Customer Care, Collections, Sales and Support teams for our supply business.

- This group is **55% male** and **45% female**.
- Women sit relatively evenly across pay quartiles, but they have the lowest representation in the highest pay quartile (Q4).
- Compared with 2019 there were fewer women in each pay quartile – but most notably the upper middle (Q3) and highest pay quartile (Q4).



Mean hourly pay gap:

+10.6%
for men

(↓ 4.3%)



Median hourly pay gap:

+6.6%
for men

(↑ 3.9%)



Mean bonus gap:

+60.6%
for men

(↑ 1.2%)



Median bonus gap:

+62.5%
for men

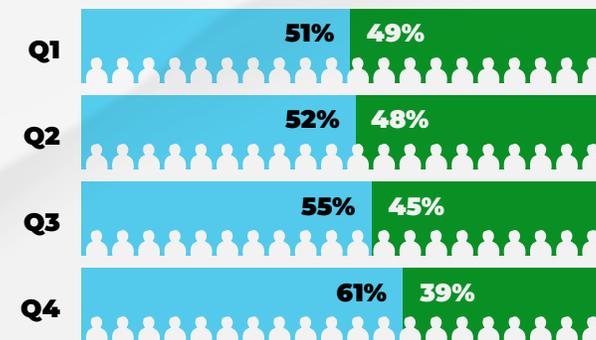
(↓ 12.6%)



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

(↓ %) +/- compared to
(↑ %) 2019 GPG data

Pay quartiles:



Proportion receiving bonuses:

34%
of men



33%
of women



SSE Metering

(22% of our overall business)

This includes SSE's field engineers – including smart meter installation teams and service engineers – and the operational teams supporting them.

- This group is **82% male** and **18% female**.
- Women in the organisation sit predominantly in the lowest (Q1) and highest (Q4) pay quartiles.
- The number of women in Q4 increased in 2020, compared with 2019. This increase in the highest pay quartile has helped to close the gender pay gap in this area, with women now reporting higher than men.

Mean hourly pay gap:

+6.5%
for women

(↓10.1%)



Median hourly pay gap:

+3.4%
for women

(↓15.2%)



Mean bonus gap:

+18.7%
for women

(↓16.9%)



Median bonus gap:

+1%
for men

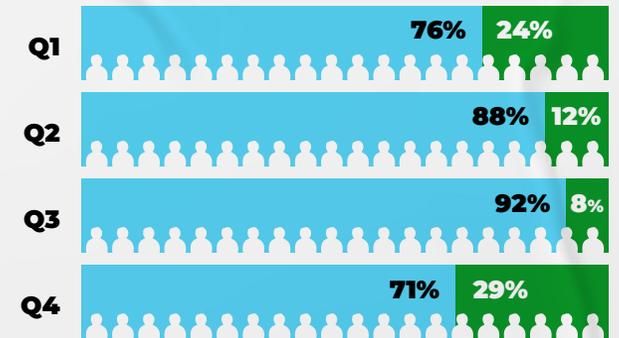
(↑5.7%)



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

(↓%) +/- compared to
(↑%) 2019 GPG data

Pay quartiles:



Proportion receiving bonuses:

32%
of men



12%
of women



SSE Home Services

(2% of our overall business)

This team consists of our gas and electrical engineers who work in members' homes, plus all the people who support them.

- This group is **79% male** and **21% female**.
- Women sit predominantly in the lowest pay quartile (Q1). There were significantly more women in Q1 in 2020 compared with 2019, and fewer women in the highest pay quartile (Q4) compared with 2019.
- The bonus gap is driven by the gender split of this population and the distribution of bonuses. There are many more men than women in this area, so a smaller number of women received a bonus (although the bonuses they received were of a higher value). This is one key area where we need to make big improvements in our gender balance.



Mean hourly pay gap:

+33.2%
for men

(↑ 14.1%)



Median hourly pay gap:

+39.1%
for men

(↑ 16.7%)



Mean bonus gap:

+67.7%
for men

(↑ 41.6%)



Median bonus gap:

+98.9%
for men

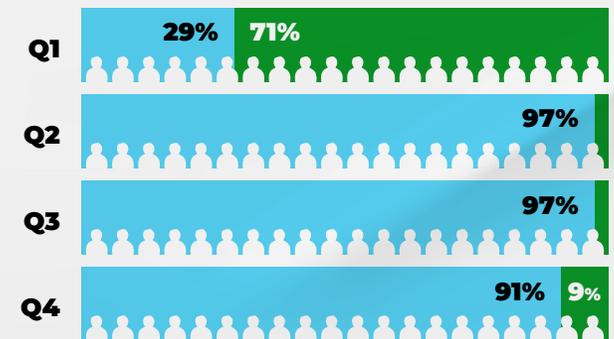
(↑ 49.4%)



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

(↓ %) +/- compared to
(↑ %) 2019 GPG data

Pay quartiles:



Proportion receiving bonuses:

87%
of men



19%
of women



What we're doing

to improve our gender pay gap



We're making our hiring strategy as inclusive as possible

We've completed an independent review of our **hiring policies and processes**, to make sure they're as objective and inclusive as possible. We also increased our focus on our **Early Talent** hiring strategy, particularly in STEM (Science, Technology, Engineering, and Mathematics), to make sure we're hiring from underrepresented groups. And we're offering support for those individuals to grow and develop at OVO.

We're increasing female representation at OVO

Through the **Powerful Women Pledge** we made a commitment to reach 40% female representation in leadership positions by 2025. Having already hit this target for OVO Energy last year, we're well on track to achieve it for the whole OVO Group – and we're already working towards setting new gender-equality targets. As part of this pledge, we also have a target of 25% women in tech by

2025 and 20% women working as Smart Metering Engineers by 2025, which we're continuing to work towards. We also became a signatory to the **Tech Talent Charter**, publicly promising to drive measurable change in diversity and inclusion in tech. We're already working towards setting new gender-equality targets, inclusive of trans and non-binary identities.



We're making conversations about pay easier

We're continuing to track our yearly salary reviews to check they're being looked at fairly. And we're also working on adding gender pay equity checks to all of our reward processes, such as pay rises for people being promoted. On top of that, we've been educating our line managers on how pay works – and we'll be doing more of it in 2021. The idea is that they'll be able to have better, more open conversations with their teams about it.

We've kicked off our OVO Belonging programme

We introduced a full-time, permanent Inclusion and Diversity Specialist to develop and deliver our OVO Belonging strategy. And we've launched 8 networks, including OVO Engender, which champions gender equality and empowers women across OVO. We also launched our first **Belonging Report**, which outlines our commitment to building an inclusive and diverse culture. It includes our current diversity data, the steps we took in 2020 and our priorities for 2021/22.



We're building data so we can accurately report on gender

We've worked hard to increase the number of people sharing their diversity data, which helps us build a better picture of our community. This meant we could build and launch our People Metric dashboard, and give team leaders high-level visibility of their teams' gender diversity, as well as their age and ethnicity. The data is anonymous and completely confidential. It's never used on an individual basis, but it's part of a company-wide data set that allows us to track diversity within OVO.

We're working on our culture and biases

We want everyone at OVO to have an equal chance to progress. So we're reviewing anonymised data trends around career progression to spot any areas we can improve. We're complementing this with voluntary ethnicity pay gap reporting from 2022 to develop more intersectional insights.

We're also promoting the OVO Way of Flexible Working, which we've redesigned to encourage our people to get more balance in their day-to-day working lives. And we've kicked off a full-scale review of all our policies through a gender equality and inclusion lens, to make sure we're as progressive as we can be.



Statement

I confirm that the information and data provided is accurate and in line with requirements.



A handwritten signature of Adrian Letts in black ink.

Adrian Letts
Retail CEO, OVO Energy

