

2019 OVO Group Ltd statement on modern slavery and human trafficking June 2020

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") to manage the risk of modern slavery and human trafficking in its operations and supply chains during the financial year ending 31 December 2019.

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's structure and business

Founded in 2009, OVO redesigned the energy experience to be fair, effortless, green and simple for all customers. Today OVO is driving progress to net zero carbon living.

OVO Retail

As of 31 December 2019, OVO Retail served nearly 1.5 million customers with intelligent energy technology solutions. OVO's retail businesses supply electricity and gas and related products and services to domestic customers within the UK.

Kaluza

Kaluza is OVO Group's technology platform ecosystem that is driving the transition to a zero carbon energy system. Its software platforms enable energy suppliers to empower their customers with unique digital experiences and smart home technologies that not only reduce energy bills, but lay the foundations for a more flexible energy system.

International

OVO's International business unit supplies electricity and gas to domestic customers in France, Spain and Australia.

OVO Labs

OVO Labs makes investments in a number of early stage companies that align with OVO's strategy and mission.

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

OVO Energy Ltd (trading as "OVO Energy", "Boost" and "Lumo")
Spark Energy Ltd (trading as "Spark")

OVO (S) Energy Services Ltd (formerly, SSE Energy Services Group Ltd, and trading as "SSE Energy Services") and its subsidiaries are not covered in this statement because they were acquired by OVO Energy Ltd after the end of the period to which this statement relates. The statement relating to SSE Energy Services will be published separately.

OVO's workforce

As of 31 December 2019, OVO employed approximately 2,300 direct employees. Some services (e.g. facilities management, customer call centre, IT services, meter and device installations, debt collection and the manufacture of intelligent energy technology devices) are partly outsourced to third parties.

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

OVO's supply chains

During the 2019 financial year, OVO worked with approximately 1,500 Tier 1 suppliers.

OVO's main 2019 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; and
- the provision of marketing services and software/ technology platforms.

Over 99% of OVO's 2019 Tier 1 supplier spend was with suppliers based in countries that are considered to have a low prevalence of slavery according to the [Global Slavery Index](#).

Policies in relation to slavery and human trafficking

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

Policies relevant to OVO's own business

Internal policies include the OVO Code of Ethics, setting out the core values and principles underpinning how OVO operates, a Grievance Policy outlining the process for raising and addressing grievances and a Whistleblowing Policy outlining the process for escalating and handling illegal and improper conduct. OVO has initiated a review of the OVO Code of Ethics to enhance its requirements and make it more relevant to OVO's

business operations. The revised Code of Ethics, which includes an explicit commitment to eradicating modern slavery and human trafficking, will be implemented in 2020.

Policies relevant to OVO's suppliers

In 2019, OVO implemented a Supplier Code of Conduct to set out the standards, principles and values to which OVO expects its suppliers to adhere, including a commitment to eradicating modern slavery. The Supplier Code of Conduct requires suppliers to cascade these commitments through their supply chain. OVO is asking all existing key suppliers (who make up 80 percent of OVO's procurement spend) and all new suppliers to provide written confirmation that they will adhere with OVO's Supplier Code of Conduct.

Risk assessment

OVO recognises that the manifestations of modern slavery can be complex and hidden. OVO is developing a risk assessment process for both OVO's own business operations and OVO's supply chain, with an initial focus on business or supply chain activities that occur in countries that are known to have a higher prevalence of modern slavery or forced labour.

These include:

- Business operations that OVO has outsourced to third-parties in countries that are considered to be higher-risk in terms of labour and human rights issues.
- Upstream supply of raw materials required for the manufacture of OVO's electronic and energy technology hardware products (e.g. smart meters and vehicle chargers) that are considered to be higher risk in terms of labour and human rights issues during raw material extraction or processing.

Due diligence processes

OVO is committed to conducting business in a lawful and responsible manner, including engaging with suppliers who uphold the same standards.

OVO is continuing to strengthen its procedures for onboarding new suppliers and monitoring and engaging suppliers in-life.

Assessment of effectiveness

OVO recognises the need not only to tackle modern slavery but also to assess the effectiveness of the measures that have been taken. During 2019 OVO started to develop a set of key performance indicators to monitor performance of OVO's modern slavery risk management initiatives.

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. OVO intends to develop communications and training on slavery and human trafficking risks for relevant employees with procurement / buying responsibilities.

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:

- Implementing a revised OVO Code of Ethics.
- Looking at ways to engage further with OVO's suppliers to promote responsible business practices.
- Developing OVO's supplier due diligence processes as part of the Procurement process.
- Continuing to strengthen employee awareness of modern slavery and forced labour.
- Developing a set of key performance indicators to monitor performance.

Bill Castell

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