



# 2019 OVO Group Ltd Scope 1 and Scope 2 carbon emissions basis of preparation

## 1. Overview

### 1.1. Purpose of this document

This document outlines the reporting approach used by OVO Group Ltd (“OVO”) to report on Scope 1 and Scope 2 carbon dioxide equivalent (CO<sub>2</sub>e) emissions.

### 1.2. Metrics

This document covers the following metrics:

- Scope 1 carbon emissions (tCO<sub>2</sub>e)
- Scope 2 carbon emissions (Market-based) (tCO<sub>2</sub>e)
- Scope 2 carbon emissions (Location-based) (tCO<sub>2</sub>e)
- Scope 1 and Scope 2 carbon emissions intensity relative to revenue (Market-based) (tCO<sub>2</sub>e/£m)
- Scope 1 and Scope 2 carbon emissions intensity relative to revenue (Location-based) (tCO<sub>2</sub>e/£m)

## 2. Scope

### 2.1. Organisational boundaries

There are two methods for establishing organisational boundaries that are described in the Greenhouse Gas Protocol standard: the equity share and control (financial or operational) approaches. An operational control consolidation approach was used to account for emissions. Table 1 describes the entities that are within the operational boundary approach.

**Table 1: Organisational boundaries**

Inclusions	Exclusions
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All owned reporting entities that OVO has operational control over including:

- OVO Energy Ltd (trading as “OVO Energy”, “Boost”, and “Lumo”)
- 4hundred GmbH (trading as “4Hundred”)
- Spark Energy Ltd (trading as “Spark”)
- Corgi HomePlan Ltd (trading as “CORGI”)
- Intelligent Energy Technology Ltd (trading as “Kaluza”)
- Hybrid Energy Solutions Ltd (trading as “ChargedEV”)
- OVO Energy Spain S.L.L. (trading as “OVO Energy Spain”)
- OVO Energy SAS France (trading as “OVO Energy France”)
- OVO Energy Pty Ltd (trading as “OVO Energy Australia”)
- Corgi Network Ltd (trading as “Kantan”)
- Emissions from entities where OVO has no operational control including associates
- Entities that are dormant or have no office headcount

We report on emissions for all entities from the date of acquisition to the date of divestment.

## 2.2. Reporting period

Reporting is aligned to the calendar year (i.e. 1st January - 31st December).

## 2.3. Carbon emissions sources

**Table 2: Scope 1 and Scope 2 emissions sources**

Inclusions	Exclusions
<b>Scope 1</b>	
<b>Buildings</b> Emissions associated with the combustion of fuels in the premises that OVO operates including gas, diesel and refrigerant loss.	N/A
<b>Fleet</b> Emissions associated with the combustion of fuels in the vehicles that OVO operates including petrol and diesel vehicles.	Emissions associated with the combustion of fuels in company vehicles, grey fleet (personally owned cars used for company business) and rental vehicles.
<b>Scope 2</b>	
<b>Buildings</b> Emissions associated with the electricity, heat and steam used in the premises that OVO operates.	N/A



**Fleet**

Emissions associated with the electricity used in the vehicles that OVO operates.

Emissions associated with the electricity used in company vehicles, grey fleet (personally owned cars used for company business) and rental vehicles.

**3. Calculation methodology**

**3.1. Unit of measure**

Scope 1 and Scope 2 carbon emissions are reported in tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e).

Scope 1 and Scope 2 carbon emissions intensity is reported in tonnes of carbon dioxide equivalent relative to revenue (tCO<sub>2</sub>e/£m). We use independently audited revenue figures (£m) provided by OVO’s Finance team. Our scope of environmental reporting is in line with the company’s financial reporting boundary.

**3.2 Emissions factors**

Market-based emissions factors are used where available. For market-based emissions reporting, the following hierarchy of emission factors is applied:

1. Emissions factors provided by electricity attribute certificates or equivalent instruments
2. Emissions factors provided by contracts for electricity, such as power purchase agreements (PPAs)
3. Emissions factors provided by energy suppliers
4. Emissions factors provided by the Association of Issuing Bodies (AIB) for the residual mixes in Europe
5. Other grid-average emission factors (subnational or national)
6. Factors provided by the International Energy Agency (IEA).

For location-based emission reporting, the following hierarchy of emission factors is applied:

1. Regional or subnational emission factors
2. National production emission factors
3. Factors provided by the International Energy Agency (IEA).

**3.3. Constituent indicators and data sources**

**Table 3: Constituent indicators and data sources**

<b>Emission source</b>	<b>Description</b>	<b>Business unit</b>	<b>Data source and collection process</b>	<b>Unit</b>
<b>Scope 1</b>				
<b>Building gas use</b>	Purchased gas	All business units	Gas consumption information is based on supplier invoices provided directly to OVO where OVO holds the contract or to OVO through the respective landlord at the site. Invoices are based on actual meter	kWh



			readings or estimated consumption from billing systems.	
<b>Building diesel use</b>	Diesel fuel consumed by backup emergency generators	All business units	Diesel consumption is calculated by the number of hours the generators are used for. The estimation is based on the estimated run time per annum and fuel consumption as per the machine's specification.	Litres
<b>Refrigerant loss</b>	Refrigerant loss from air conditioning systems	All business units	Emissions from refrigerants are based on maintenance reports issued by our Facilities department and third-party service providers. Total loss of F-gas is equal to the size of the air conditioning unit less the quantity of refrigerant removed.	Kg
<b>Commercial fleet petrol and diesel vehicle use</b>	Fuel used by vehicles leased by OVO	Field force	Fuel is bought using fuel cards from independent fuel suppliers. Fuel card data is provided by independent fuel suppliers to the OVO Fleet team.	Litres
<b>Scope 2</b>				
<b>Building electricity use</b>	Purchased electricity	All business units	Electricity consumption information is based on half-hourly consumption data or invoices provided from the supplier directly to OVO where OVO holds the contract or to OVO through the respective landlord at the site. Invoices are based on actual meter readings or estimated consumption from billing systems.	kWh
<b>District heating and cooling</b>	Purchased district heating and cooling	4hundred	District heating and cooling is based on supplier invoices provided directly to OVO where OVO holds the contract or to OVO through the respective landlord at the site.  Where unavailable, secondary sources are used to estimation consumption.	kWh
<b>Commercial fleet electric vehicle use</b>	Electricity used by vehicles leased by OVO	Field force	Every electric vehicle is fitted with an odometer. Records of mileage are automatically fed into the fleet telematics system. A mileage report for the relevant period is pulled from the system.	Miles

### 3.4. Calculations

The following calculation is applied to convert activity data into carbon dioxide equivalent emissions:

$$\text{activity data} \times \text{emission factor}$$



The following calculation is applied to calculate Scope 1 and Scope 2 carbon emissions intensity relative to revenue:

$$\text{Scope 1 and Scope 2 carbon emissions (tCO}_2\text{e)} / \text{Revenue (£m)}$$

### 3.5. Estimations

Where information is unavailable in time for year-end reporting deadlines, for example due to delayed invoices, we estimate data by extrapolating primary data for previous months of the year.

To measure fugitive refrigerant emissions from air conditioning equipment leakage, the following estimation methodology is used: Total loss = size of unit – amount removed.

Where fugitive refrigerant emissions data are unavailable, primary data from other sites are used as a basis for estimating refrigerant emissions.

For office sites where consumption is unknown (e.g. serviced or multi-tenanted sites where the landlord has control over utilities and it hasn't been possible to share the data), full-year estimates are made by calculating the average consumption per floor area from sites where primary data are available, and multiplying that to the floor area coverage of the sites where consumption is unknown.

### 3.6. Assumptions

In the case of sites where data are estimated or sites where it has not been possible to obtain the supplier-specific electricity fuel mix for market-based reporting, a hierarchy of emissions factors is applied as outlined in section 3.2.

### 3.7. Restatements

Every effort is made to ensure that data we report is accurate. However, should more accurate data become available for prior years, we will only restate if it results in a movement of more than 5% in the reported data. When prior year figures are restated, details will be provided alongside the reported data.

## 4. Data reporting frequency

### 4.1. Reporting frequency

**Internal reporting:** information is gathered and monitored internally on a quarterly basis.

**External reporting:** information is reported on an annual basis in the Annual Accounts and on the website.