



2020 to 2021 Gender
Pay Gap report

Octopus Energy Ltd



Octopus Energy Ltd. was launched in 2016 with a vision of using technology to make the green energy revolution affordable whilst transforming customer experiences. Today, the company is already serving more than 3.1 million customers across the UK, growing at over 100,000 customers per month.



Octopus has pioneered smart tariffs which unlock the power of the green grid, offering cheaper electricity when the sun is shining and wind is blowing. Its technology also achieves dramatically lower cost to serve than rivals, so cheaper, green power is delivered hand in hand with outstanding customer satisfaction levels.

At the heart of Octopus Energy is Kraken, an inhouse developed technology platform which enables unbeaten levels of efficiency and customer service excellence. Octopus is the only Which? Recommended energy supplier for five years in a row and the UK energy provider which has received the most awards in 2020.

Launched in	Offices in the UK
2016	10

With its smart tariffs proving customer appetite for flexibility, Octopus is pioneering a global system change to enable a cheaper, faster transition to renewables.

Gender pay Gap Report 2020-21

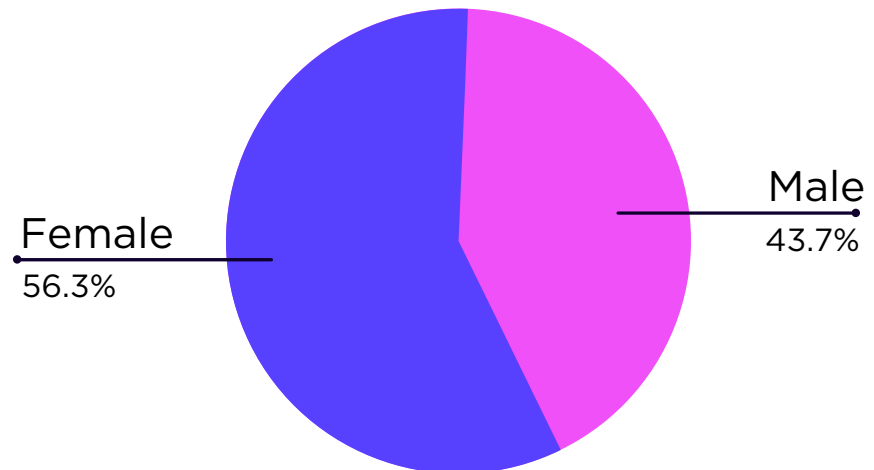


UK businesses with 250 or more employees are required to publish information showing calculations of any pay gap between male and female employees. This report covers Octopus Energy Limited (OEL) which is the only UK based entity within the Octopus Energy Group that has more than 250 employees, accounting for 70% of Octopus Energy Group's UK-based staff as of the 5th April 2021.

This report covers overall differences in average pay for all men and women and includes data up to 5th April 2021.

Higher % of women working at Octopus Energy

As of April 2021, the percentage of women working at Octopus Energy Limited has increased from 51% in April 2020



**8 people omitted from the analysis as they do not identify as either male or female*



Gender Pay Gap

	2020 data	2021 data	Year to year difference
Pay gap mean ¹	14%	16%	+2%
Pay gap median ²	-6%	-5%	+1%

¹ The mean compares the average hourly male rate to the average hourly female rate.

² The median compares the hourly rate of the middle male role to the middle female role

Our gender pay gap has significantly improved in the last year

Octopus Energy was founded by three men which meant that in early years the gender pay gap was skewed towards men being paid more than women.

We've worked very hard over the last few years to specifically attract senior women into the business, particularly in the tech function. Through targeted headhunting, dedicated content campaigns and speaking engagements, we successfully raised our profile with groups like Women Who Code and hired more women into senior tech roles.

In 2021 men at Octopus Energy earned on average 16% more per hour than women.

The median pay gap at Octopus is even smaller, with men being paid 5% less than women. Octopus Energy is one of the fastest growing companies in the UK. Between early 2020 and late 2021, it closed two large investment rounds, doubled its customer base, and almost tripled employee numbers. Given this remarkable growth, which allowed us to employ even more exceptionally talented women, we expect our pay gap mean to drop in next year's report.





Pay Quartiles

We have divided our workforce into four equal parts based on their hourly pay. These four parts are known as quartiles and shows women's representation at different levels of the organisation:

	2020		2021		Year on Year Difference
	Men	Women	Men	Women	
highest pay quartile	55%	45%	50%	50%	5%
second-highest pay quartile	36%	64%	32%	68%	4%
third-highest pay quartile	49%	51%	43%	57%	6%
lowest pay-quartile	56%	44%	50%	50%	-6%

Many more women joined the highest paid groups within Octopus Energy in 2021. The share of women in the highest quartile increased from 45% to 50%, the share in the second-highest quartile grew by 4% to 68%. In the lowest pay group women's representation increased from 44% to 50%.



Bonus

Octopus Energy does not have a bonus incentive culture but occasionally makes modest payments to thank people for extraordinary effort in areas such as operations as well as commission payments to the field sales team. These types of payment are required to be included as part of the bonus reporting.

The below chart shows the percentage of men and women receiving bonus pay:

Period	Men	Women	Difference
12 months leading up to April 2021	43%	28%	15%
12 months leading up to April 2020	7%	8%	-1%
12 months leading up to April 2019	55%	56%	-1%

Due to the gender split within our Sales teams, there are twice as many men receiving commission payments which has caused this year's difference to increase. The number of bonus payments made across the rest of the company is even but offset due to more women being employed across Octopus Energy Limited overall:

Area		Total in dept	Total receiving payment	% receiving bonus
Sales	M	51	39	76%
	F	20	16	80%
	T	71	55	77%
Non-sales	M	381	120	38%
	F	455	119	26%
	T	773	239	31%
Total	M	369	159	43%
	F	475	135	28%
	T	844	294	35%

Key: **M** = Male **F** = Female **T** = Total



Bonus

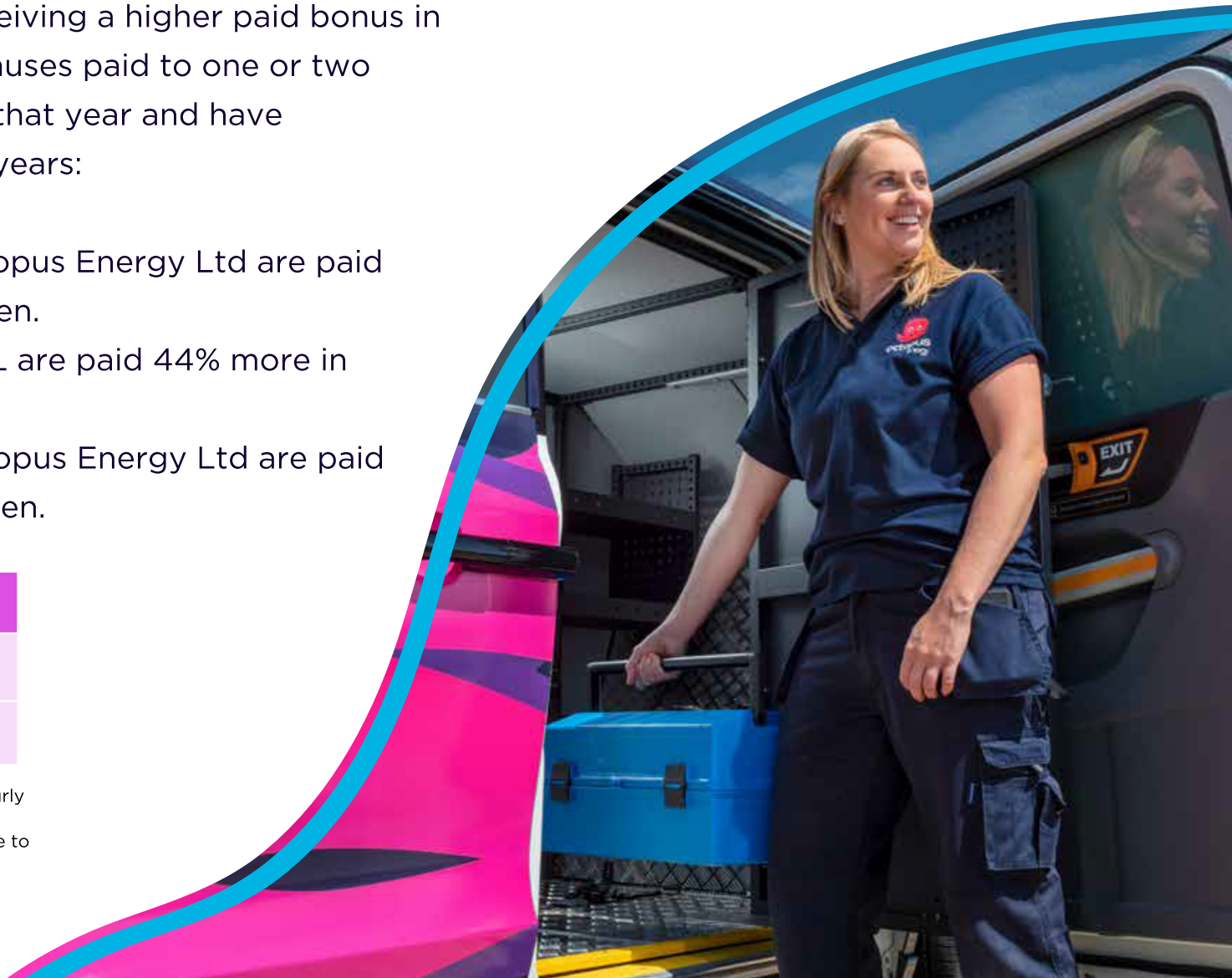
Due to the low number of people receiving a higher paid bonus in the year leading up to April 2021, bonuses paid to one or two individuals influence the average for that year and have significantly changed over the last 3 years:

- For 2021 on average, men at Octopus Energy Ltd are paid -61% less in bonus pay than women.
- For 2020 on average, men at OEL are paid 44% more in bonus pay than women.
- For 2019 on average, men at Octopus Energy Ltd are paid -27% less in bonus pay than women.

	2020	2021
Pay gap mean ¹	44%	-61%
Pay gap median ²	11%	0%

¹ The mean compares the average male bonus to the average hourly female bonus.

² The median compares the bonus amount of the middle male role to the middle female role








What have we done to reduce our gender pay gap

We have worked hard over the last few years to reduce our gender pay gap and make sure we offer equal pay to men and women in our company. Despite our exceptional growth, we have significantly reduced the gender pay gap across a number of the measures, including equal representation of women in the highest paid quartile.

Some of the major changes which have impacted our gender pay gap improvements include:

-  Octopus is growing rapidly and this is represented in our workforce almost doubling in size in the 12 month period leading up to April 2021.
-  Targeted headhunting to recruit women for tech and leadership roles
-  Dedicated content campaigns and speaking engagements to raise our profile within tech-focused groups like Women Who Code

...what are we doing to improve this going forward?

Recruitment

Development



Recruitment

We are actively improving our recruitment processes to become more inclusive - as part of this we have rolled out unconscious bias training and continuously discuss inclusivity to ensure we can make our team as diverse as possible.

We have increased the number of team members that get involved with the recruitment process so we can have a wider range of perspectives on who and how we hire.

We have also adopted a hybrid approach to working to provide as much flexibility and freedom to people as possible. This includes office and home working and a number of fully remote and agile teams to ensure this is not a barrier for people joining the company

We are improving our access and transparency in regards to development across the company. This includes introducing non-ops induction and supporting career progression within our operations function with a skills academy and by displaying internal opportunities centrally.

We have also celebrated a number of peoples progression with unusual career paths and published a number of blogs to shine a spotlight on a number of inspirational people.

Development



Greg Jackson - CEO and founder of Octopus Energy Group

“ What really matters to us is giving our people the space and opportunity to thrive by creating an environment in which individuals can be themselves, no matter who they are and what role they have within Octopus. The gender pay gap in a tech business is hard to close - and I'm thrilled at the progress we have made to narrow it over the last year - and we will not stop until we have closed it completely. ”

