2019 to 2020
Gender Pay Gap report

Octopus Energy Ltd

Gender pay Gap Report
2019-20

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 the 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 four 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.

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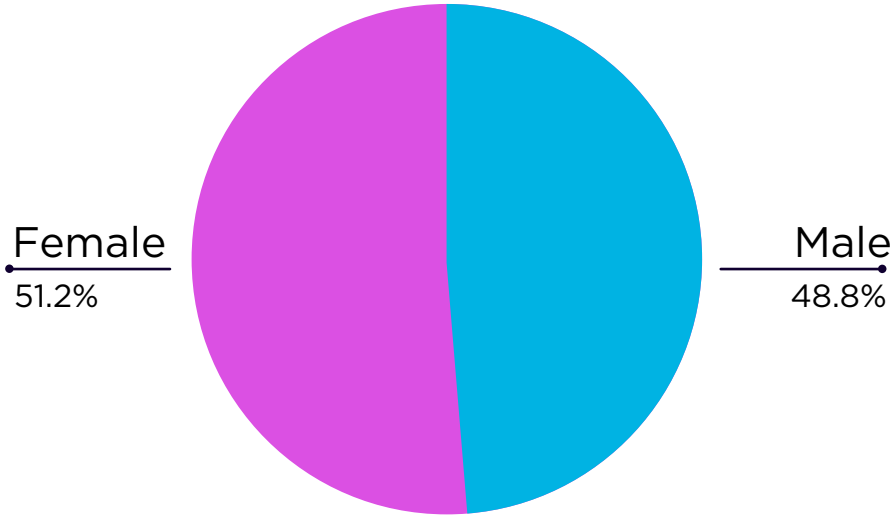
UK businesses with 250 or more employees are required to publish information showing calculations of any pay gap between male and female employees. This report covers Octopus Energy Limited (OEL) which is the only UK based entity within the Octopus Energy Group that has more than 250 employees, accounting for 81% of Octopus Energy Group's UK-based staff as of the 5th of April 2020.

This report covers overall differences in average pay for all men and women and includes data up to the 5th of April 2020. It does not compare what men and woman are paid for doing the same job.

The gender split at Octopus Energy is almost equal.



*On the 5th of April 2020, Octopus Energy Ltd employed 295 Women and 281 Men:



Gender Pay Gap

	2019 data	2020 data	Year to year difference
Pay gap mean[1]	28%	14%	-14%
Pay gap median[2]	3%	-6%	+9%

[1] The mean is the average of a list of numbers

[2] The median is the middle value in all of the numbers listed in numerical order

Our gender pay gap has significantly improved in the last year

Octopus Energy was founded by three men who built out our tech arm early on 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.

Through these activities we were able to considerably decrease our mean pay gap between 2019 and 2020. In 2019, men at Octopus Energy earned on average 28% more per hour than women. By 2020, male employees at Octopus were paid only 14% more per hour than women, reducing the mean gender pay gap by 50% within just one year. The median pay gap at Octopus is even smaller, with men being paid 6% 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 even further in next year's report.

Pay Quartlies

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:

	2019		2020		
	Men	Women	Men	Women	Year on Year Difference
highest pay quartile	72%	28%	55%	45%	18%
second-highest pay quartile	43%	57%	36%	64%	7%
third-highest pay quartile	61%	39%	49%	51%	12%
lowest pay quartile	46%	54%	56%	44%	-10%

Many more women joined the highest paid groups within Octopus Energy in 2020. The share or women in the highest quartile increased by 61% from 28% to 45%, the share in the second-highest quartile grew by 12% to 64%. Only in the lowest pay group are women with 44% slightly underrepresented, an imbalance we're trying to remove by next year.

Bonus

Octopus Energy does not have a bonus culture. We believe that a clear mission combined with shared values and a good monthly salary are better suited to motivate our team.

A few employees do still receive bonus payments at Octopus Energy, but that number is decreasing year after year. UK regulations states that bonus payments have to be compared to the previous year. However, the very small number of bonuses paid at Octopus Energy in 2020 distorts the comparison between 2019 and 2020.

	2019	2020
Pay gap mean[1]	-27%	44%
Pay gap median[2]	0%	11%

[1] The mean is the average of a list of numbers

[2] The median is the middle value in all of the numbers listed in numerical order



Bonus

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

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



Due to the low percentage of people receiving a bonus in the year leading up to April 2020, bonuses paid to one or two individuals influence the average for that year and have significantly changed over the last 2 years:

For 2020: on average, men at Octopus Energy Ltd 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.



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 areas, including our gap in mean[1] (average) hourly pay which has halved.

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 2020.
- 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.

Development

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.

Greg Jackson - CEO and founder of Octopus Energy

“What really matters to us is giving our people the space and opportunity to thrive by 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.”



octopus energy