

OKA

Sustainability Progress Report 2022



“
Our sustainability vision
is to work with global
craftsmen and women to
create unique and timeless
pieces that are designed
to inspire practical living
and effortless entertaining
while respecting our
planet, our people and the
next generations.”



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About this Report

We are pleased to share OKA Direct Ltd's ("OKA") 2022 Sustainability Progress Report. This report is an opportunity for us to share our updated Sustainability Strategy, highlighting our focus on people, the planet, product quality and operational excellence. The updated strategy framework is designed to unlock greater value for our company, as well as our key stakeholders in our value chain. In this report we provide an update on our performance in 2022 against our new pillars and present our future sustainability ambitions and commitments.

This report focuses on our efforts to improve transparency for all our stakeholders. We conducted a comprehensive materiality assessment in 2020 to identify the key material topics for the business whilst establishing a robust approach to data collection and management of environmental, social and governance (ESG) matters.

Report scope and frameworks

This report is aligned to the same financial reporting period for the business (01.01.2022–31.12.2022), unless otherwise stated. The content of this report covers information from our global operations and has been prepared in accordance with the Universal Standards of the Global Reporting Initiative (GRI). The GRI Content Index can be found on page 76 in the Annex.

In 2019, OKA became a signatory of the UN Global Compact (UNGC) which is a voluntary initiative advancing universal principles on human rights, labour, the environment, and anti-corruption. Our Code of Conduct, Human Rights and Supplier policies, and Corporate Strategy are the cornerstones that enable us to live up to the standards set by the UN Global Compact. The progress we have made meeting the UNGC principles is being closely monitored and reported. This year, we will respond to the online Communication of Progress (CoP) questionnaire, in line with the updated CoP requirements.

We also use this report to communicate our contribution to the relevant UN Sustainable Development Goals (SDGs). At OKA, we are committed to playing our part in achieving the SDGs and these have informed our strategy development. We believe we can make the greatest contribution in relation to SDGs 8 (Decent work and economic growth), 12 (Responsible consumption and production) and 13 (Climate action).



We champion our vision through all our operational and strategic decisions to drive sustainable practices at the very core of our business, delivering value for all our stakeholders and shareholders.



About OKA

Founded in 1999 by Annabel Astor, Sue Jones and Lucinda Waterhouse, OKA is a leading high-end interiors and lifestyle brand in the UK and US. Synonymous with good taste and excellent style, we create unique collections of furniture and accessories that are designed to inspire practical living and effortless entertaining – we have furnished homes all over the world for more than 20 years.



New Westport Store

Our omnichannel business model includes an ecommerce platform, a portfolio of retail stores, an established trade department and an Interior Design Service. Headquartered in London, OKA's value chain spans 14 countries; it includes direct and indirect sourcing networks of suppliers, as well as OKA's operations. Our teams at OKA work with suppliers who can offer the quality and craftsmanship required for our ranges, developing and maintaining the strong relationships that are necessary to this. We work closely with these suppliers to champion our sustainability vision, keeping people and the planet at front of mind at every step of the way: designing collections, sourcing materials, and producing, packaging and transporting products from their factories to our warehouses and distribution offices, based in the UK and the US. Then, ultimately, into our customers' homes.

OKA in Numbers, 2022

260
EMPLOYEES
GLOBALLY



ORDERS SHIPPED
& 21,200 (US)
35,809 (UK)



137,843
CUSTOMERS SHOPPED GLOBALLY

£50.2m
TOTAL REVENUE
(£41.8M UK | £8.4M US)

47m
ORGANIC SOCIAL
IMPRESSIONS

Retail Stores
13 IN THE UK | 3 IN THE US



445
NEW PRODUCTS

8.5m
VISITS TO
OUR WEBSITE



61%
FEMALE EMPLOYEES



294K
SOCIAL MEDIA FOLLOWERS



3.6m
DIRECT MAILERS
SENT GLOBALLY



GLOBALLY WE SERVICED
44,951 CALLS
AND 67,858 EMAILS

Our Brand

OKA's brand is about inspiring people to confidently create a home that reflects their personality – a place where nothing is too precious or perfect to be enjoyed with family and friends. We celebrate effortless British style with a range of furniture and homewares that mixes elegant classics with characterful pieces designed and sourced from around the globe.

Our collections are a carefully curated celebration of design, colour and personality differentiating them from our competitors. OKA was founded by three great friends with a passion for beautiful, practical and comfortable homes. We still design with this in mind, creating effortless pieces that allow our customers to focus on the most important thing: enjoying precious time with loved ones.

We work hard to deliver our discerning customers high-quality products and excellent service at every step of their journey. We have a passion for design and proudly partner with skilled independent craftspeople and family-run businesses all over the world. We work closely with all our partners to support the needs of their businesses and ensure that all our products are made to high ethical standards.

At the heart of OKA's design process is a desire to preserve techniques and influences that have been passed down from generation to generation, some of which may be in danger of becoming extinct in the future. Rather than a passing trend that needs to be disposed of, each piece is timeless– it lives in, and becomes part of, an individual's home. The versatility of product design allows our pieces to fit seamlessly into both traditional and contemporary looks, and the timeless style ensures that as our customers' tastes and interiors adapt over the years, OKA pieces will continue to have a place



“
We celebrate effortless British style with a range of furniture and homeware that mixes elegant classics with characterful pieces designed and sourced from around the globe.
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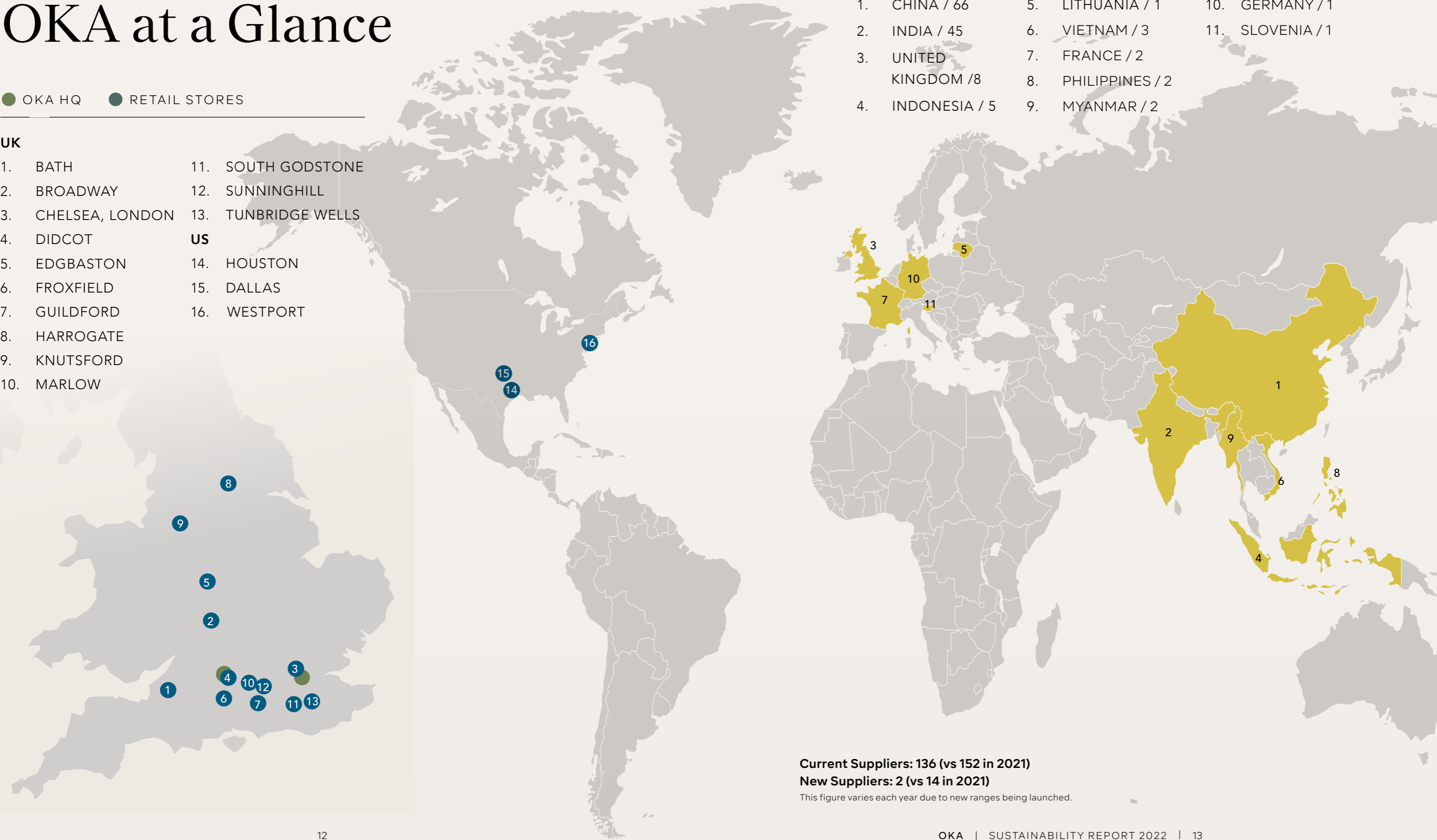
OKA at a Glance

● OKA HQ ● RETAIL STORES

- UK**
- 1. BATH
 - 2. BROADWAY
 - 3. CHELSEA, LONDON
 - 4. DIDCOT
 - 5. EDGBASTON
 - 6. FROXFIELD
 - 7. GUILDFORD
 - 8. HARROGATE
 - 9. KNUTSFORD
 - 10. MARLOW
 - 11. SOUTH GODSTONE
 - 12. SUNNINGHILL
 - 13. TUNBRIDGE WELLS
- US**
- 14. HOUSTON
 - 15. DALLAS
 - 16. WESTPORT

■ COUNTRIES WE SOURCE FROM / NUMBER OF SUPPLIERS

- 1. CHINA / 66
- 2. INDIA / 45
- 3. UNITED KINGDOM / 8
- 4. INDONESIA / 5
- 5. LITHUANIA / 1
- 6. VIETNAM / 3
- 7. FRANCE / 2
- 8. PHILIPPINES / 2
- 9. MYANMAR / 2
- 10. GERMANY / 1
- 11. SLOVENIA / 1



Current Suppliers: 136 (vs 152 in 2021)
New Suppliers: 2 (vs 14 in 2021)

This figure varies each year due to new ranges being launched.



Sustainability Highlights

REDUCTION IN PAPER USAGE FOR
DIRECT MARKETING ACTIVITY

-27.1 TONNES
VS 2021

-31%

REDUCTION IN TOTAL
LANDFILL WASTE



Supply Chain Auditing

84% OF OUR TOP 25 SUPPLIERS
(ACCOUNTING FOR 88% OF
OUR TOTAL PURCHASES) HAVE
BEEN THIRD PARTY AUDITED

LAUNCHED A PARTNERSHIP
WITH WOMEN'S AID IN THE UK

€45k

DONATED BY CUSTOMERS,
EMPLOYEES AND OKA DURING 2022

Launch of Illuminate Programme

OUR INAUGURAL INTERNAL
APPRENTICESHIP SCHEME

illuminate
PROGRAMME

women's aid
until women & children are safe

OUR SCIENCE
BASED TARGET
HAS BEEN
VERIFIED AND
PUBLISHED



A Message from our Managing Director

2022 was a challenging year for the business as we navigated some global challenges, faced by us all. OKA, like many of our competitors, was impacted by global factors, including the conflict in Ukraine, as well as high inflation rates, the energy crisis, and increasing costs of materials across our value chain, which affected both businesses and consumers alike. While challenging at times, the impact of these events on the business increased our drive to become more sustainable; we are ever more aware that by becoming a more responsible business, we not only reduce our environmental impact but improve our resilience and efficiency for the future.

In 2022 we further aligned our Sustainability and Corporate Strategies, continuing to embed our goals into our corporate brand pillars by adding a focus on 'planet'. This means that our ambitions are core to the business as it continues to grow, with accountability for our progress sitting not only with the board, but also with the Senior Leadership team.

Designing for a Better Planet

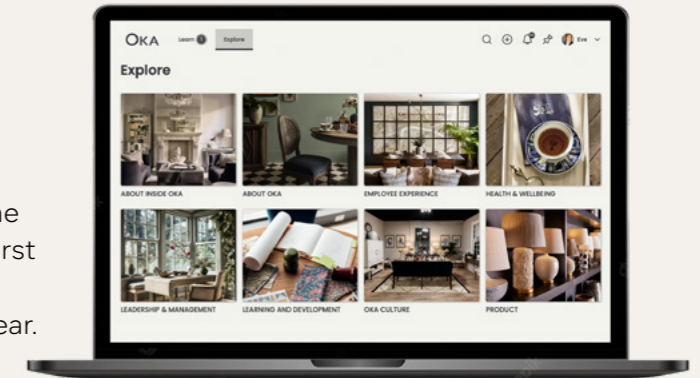
We are continually striving as a business to create a positive impact on the environment and society. We measure our Scope 1 and 2 greenhouse gas emissions on a quarterly basis, which enables us to look more closely at our operations regularly, and reduce waste wherever possible. In 2022, we had our science-based targets across Scope 1 and Scope 2 emissions (in our own operations and indirect emissions from our energy usage) validated by the Science Based Target initiative (SBTi). This clearly defines our pathway to 2030 and will ensure that we are aligned to the Paris Agreement's target of limiting global warming to a 1.5°C increase by this date.

Looking ahead, we are working towards improving our annual reporting of Scope 3 emissions. Our focus during 2023 is to improve our sourcing of renewable energy in our US operations to ensure all our energy is powered by renewables. We will reduce our emissions in line with our 2030 target, while continuing to invest in global carbon offsetting projects to compensate for our residual scope 1 and 2 operational emissions (see page 33).

Enhancing All Lives

During 2022, we launched a new charity partnership with Women's Aid. As a business founded by three female friends, OKA is built on the belief that home should be a sanctuary, a safe space reserved for precious moments with loved ones. We feel passionate about Women's Aid's important work; its mission to "create a future where survivors feel safe in their homes, and domestic abuse is not tolerated", resonates deeply with OKA's core values. We are committed to supporting our local communities as well as encouraging our teams and customers to contribute to the communities in which we live. I have been delighted to see the growing enthusiasm in the business to engage in activities – from sporting events to fundraising activations – in support of Women's Aid, and Boys & Girls Clubs of America, a network of organisations across the States whose mission is to enable all young people to reach their full potential. Alongside this has been donations to the crises in Ukraine and Pakistan. Our people remain the reason that OKA exists, and I was delighted to welcome our new Chief People and Sustainability officer to our Senior Leadership Team, this year to champion our people and drive forward our Corporate Strategy.

We value the loyalty of our employees, and I was pleased to see so many positive changes, such as the launch of a new 'Inside OKA' learning and development platform, as well as the essential support for the wellbeing of our teams with the introduction of Mental First Aiders throughout the business. At the start of 2023 we published our first Gender Pay Gap report and look forward to the launch of Employee Affinity Groups later in the year.



Responsible Business Practices

I was delighted to see our US business grow during 2022 as we continued to roll out our retail offering with our largest ever store opening in the US in December in Westport, Connecticut. It's an exciting time for the business, as we continue to grow our community in the US. We are aware of the need to ensure that this growth comes with ensuring our business is sustainable for the future and are committed to embedding our ambitions in the organisation and at the forefront of all our decision-making.

We remain committed to improving transparency on our sustainability strategy and achievements and making progress on our commitments. We will focus on reducing waste in our operations and becoming more circular.

We have much more work to do but I remain optimistic about achieving our ambitions. I am proud of what we have achieved. We are a business with strong growth and plenty of opportunity ahead of us and we will continue in our sustainability vision – "to work with global craftsmen and women to create unique and timeless pieces that are designed to inspire practical living and effortless entertaining while respecting our planet, our people and the next generation".



We will remain true to our desire to achieve sustainable growth for our business, the planet and our stakeholders.

Our teams, stakeholders and suppliers have once again continued to support OKA and I would like to thank them for their support and loyalty, their endless enthusiasm and determination to succeed.



Leila Bailey

Leila Bailey
Managing Director

Our Sustainability Strategy

Since the launch of our inaugural Sustainability Strategy in 2019, we have celebrated several milestones in our sustainability journey. We published our first annual sustainability report in 2019, became a UN Global Compact signatory, have made important progress to reduce the impact of the direct operations, and are working closely with our stakeholders to improve our wider value chain.

In 2022, we undertook a comprehensive review of our Sustainability Strategy. The current global challenges, including the ongoing situation in Ukraine, the global energy crisis and the turbulent economic conditions, have made it even more important for us to focus on flexibility and resilience. Against this backdrop, we reviewed our strategic focus areas and considered our next steps.

This process has resulted in the development of a fully integrated Corporate Strategy focused on five strategic priorities that cover our business and wider value chain. The updated strategy very much builds on the initial Sustainability Strategy framework as it is underpinned by multiple commitments and time-bound targets. As we look forward to the future, our new strategy will help us realise our vision of becoming the most loved British interiors lifestyle brand.

We have mapped our strategy against the UN Sustainable Development Goals where we think we can have the biggest impacts. We anticipate that our Corporate Strategy will continue to evolve and adapt as it responds to the changing operational context and environment.

Our Sustainability Vision is to work with global craftsmen and women to create unique and timeless pieces that are designed to inspire practical living and effortless entertaining while respecting our planet, our people and the next generation.

Materiality Assessment

In 2021, we conducted an in-depth materiality assessment to deepen our understanding of the sustainability-related risks and opportunities which are most material to our business. We engaged with internal and external stakeholders to gather their insights and perspectives. We also reviewed global sustainability frameworks and conducted a peer benchmark to inform our approach. The results of the materiality assessment formed the foundation of the development of our fully integrated Corporate Strategy.

Going forward, we will review our material topics and strategy on an ongoing basis, ensuring that our strategic priorities adequately respond to the changing business environment.

Brand Statements and Strategic Pillars

Purpose

Why we exist

OKA exists to ignite peoples' love of home through a curated collection of furniture and homeware.

Mission

What we want to do

To inspire our customers to break the rules and create a home that reflects their personality.

 <p>People Cultivate a high-performance culture, where every employee feels part of the OKA family and is empowered to make a difference.</p>	 <p>Operational Excellence Optimise and simplify our processes and ways of working.</p>	 <p>Global Performance Continue to grow in the UK while establishing the brand in the USA and build a sustainable business model.</p>	 <p>Dedicated to Quality Enhance the quality of our proposition across the business, from product development to customer retention.</p>	 <p>Planet Reduce our impact on the planet and positively contribute to the communities we interact with.</p>
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Our Progress

Our Commitment

Status

RESPONSIBLE BUSINESS PRACTICES

Ethics and integrity

We will act with integrity and to the highest ethical standards at all touch points; ensuring 100% of employees are trained on mandatory compliance modules, at least once annually by 2025.



To continue preventing bribery and conflicts of interest and criminal activity in our organisation, we will ensure that 100% of employees are trained on mandatory compliance modules at least once annually.



We will define our corporate identity, which we can share with our customers, employees, and prospective team members.



Data privacy and cyber security

Migrate from premise systems to cloud-based systems by 2025.



Customer satisfaction and experience

We will improve our NPS (Net Promoter Score) to 75 by 2025.



ENHANCING ALL LIVES

Labour and human rights

We will use third-party auditors to assess compliance with human and labour rights of our top 10 suppliers in each country (China, India, Indonesia and Vietnam) by 2021.



We will use third-party auditors to assess compliance with human and labour rights of our entire supplier base by 2025.



We will tackle labour and human rights issues in our supply chain by undertaking collaborative programmes with our suppliers to improve their practices.



Diversity and equality

We will continue to work to create an inclusive working environment that celebrates our differences and increases representation at all levels in the business.



Employee wellbeing, health and safety

We will develop an internal Health and Safety Committee by 2022 that is responsible for ensuring that workplaces are safe and contribute to the healthy development of people.



We will train 100% of our employees on our Health and Safety policies annually.



Our Commitment

Status

Employee engagement and development

We will create an annual learning calendar that aims to increase our overall employee training hours by 2025.



Community engagement and development

We will develop impactful community partnerships in four countries where OKA operates by 2027.



CREATING THROUGH INNOVATION AND CRAFTSMANSHIP

Product circularity

We will develop a long-term product circularity strategy that progressively adopts the principles of circular economy – reducing, reusing, recycling and transitioning to circular solutions.



DESIGNING FOR A BETTER PLANET

Low-carbon supply chain

We will measure our scope 3 emissions following the Greenhouse Gas Protocol Value Chain (Scope 3) Accounting and Reporting Standard.



Waste management

We will make 70% of our packaging (including plastics) recyclable by 2030.



Energy management

We will achieve a 46% reduction in Scope 1 and 2 greenhouse emissions (CO2) against a 2019 baseline by 2030 while exploring science-based targets for 2030.



Responsible sourcing of materials

We will improve our FSC certification of timber products by 2023.



To improve the transparency of our raw material sourcing and to work towards all key raw materials being sustainably sourced or recycled by 2025.



Governance

In December 2017, OKA Direct Ltd was acquired by an independently managed investment company indirectly held by Investindustrial Growth L.P. ("Investindustrial"). At the time of acquisition, a shareholders' agreement setting out the governance of the OKA group was signed at the level of Luxury British Design Holdings Limited (the controlling indirect shareholder of OKA Direct Ltd where management and founders invest).

Under the chairmanship of Annabel Astor, the board of directors of Luxury British Design Holdings Limited is responsible for the overall strategic direction of OKA and its subsidiaries, focusing on long-term value creation, the management of financial resources and the appointment of new members to the Leadership team. The responsibility of the board members is to constantly monitor the ethical conduct of corporate operations. Responsibility for sustainability sits within the board of directors, with the Leadership team taking responsibility for each of their sustainability commitments. The Board is responsible for reviewing and signing off this report.

A new Chief People and Sustainability officer has joined the Senior Leadership team with responsibility to report monthly to the board regarding progress as well as identifying sustainability related risks and opportunities. They are supported by the Environmental, Social and Governance (ESG) working group – made up of expert volunteers from OKA's global operations. The ESG working group's responsibility is to guide and monitor their progress on their sustainability activities. The group consists of members across the business who support various divisions in defining action plans, monitoring progress and reporting on agreed indicators. ESG matters are discussed on a quarterly basis, or as required.

OKA has a clearly defined Delegation of Authority to ensure that actions, decisions and matters are appropriately managed through established procedures and practices. This Delegation of Authority does not vary or substitute the shareholders' agreement which together outline OKA's policies with respect to Group conduct. They establish limits on various matters including the actors required to consent to Governance, Share Capital, Shareholder Payments and Business Plan changes. Consent from both Investors and the Board of Directors of Luxury British Design Holdings Ltd is required for any Director appointments, excluding any Founder Director, from any member of the Group. Investor consent and consent from the Remuneration Committee of Luxury British Design Holdings Ltd is also required for the establishment of any profit sharing bonus or incentive scheme which issues shares to employees or Directors. The Board of Directors of Luxury British Design Holding Ltd are further required to consent to any amendments to existing pension schemes. Remuneration of the non-Executive Chairman is determined by the Remuneration Committee of OKA's parent company; Luxury British Design Holdings Limited. The process by which conflicts of interest within the board are prevented and mitigated are detailed in Section 29 of the Articles of association.

The board members are:

- Managing Director (MD)**
- Chairwoman**
- Non-Executive Director**
- Non-Executive Director**
- Non-Executive Director**

Our Leadership Team is comprised of:

- Managing Director (MD)**
- Creative Director**
- Senior Vice President US**
- Chief Marketing Officer**
- Chief Transformation Officer**
- Global Director of Operations**
- Chief People and Sustainability Officer**
- Chief Technical Officer**
- Chief Financial Officer**

Risk Management Approach

OKA's risk management approach is designed to provide assurance that their strategic objectives are met and legal requirements are complied with. The Leadership Team is entrusted with all the risk management activities related to their operations and supply chain. We comply with all local, national and international regulatory requirements and are committed to adopting best practices in our disclosures. Risks are identified and monitored through regular reporting to the Board, including monthly financial updates which include commentary around key risks.



Responsible Business Practices

OUR TARGETS

We are committed to embedding Responsible Business Practices across our business. We believe that responsible business practices form the essential foundations of our Corporate Strategy. They also serve a vital role in strengthening our brand, as well as ensuring that we are a trustworthy and ethical business. Our focus on the following material topics, identified in our materiality assessment, will enable our business to thrive through achieving trust from employees, customers, and suppliers alike.

We are committed to nurturing a commercially viable, innovative brand that honours our DNA, and offers value to our customers. By creating a strong internal culture and values, we will stimulate our partners to be passionate and performance-driven people with a deep knowledge of sustainability and life at home. We will ensure that we have appropriate business practices and a corporate culture that promotes sustainability. We want to avoid a culture where short-term revenue generation is at the expense of sustainability performance.

ETHICS AND INTEGRITY

OUR TARGETS

To continue preventing bribery and conflicts of interest and criminal activity in our organisation by ensuring that 100% of employees are trained on mandatory compliance modules at least once annually.

Define and share our corporate identity, which we can share with our customers, employees, and prospective team members

We will act with integrity and to the highest ethical standards at all touch points; ensuring 100% of employees are trained on mandatory compliance modules, at least once annually by 2025.

We strive to be an ethical and trusted company offering decent work and economic growth (SDG 8 – Decent work and economic growth) and have set ourselves targets to reflect our efforts. We are committed to doing better for our local communities, the planet and future generations every day. We want to create an internal culture with strong values, nurture passionate and performance-driven people, and encourage a deeper knowledge of sustainability and life in the home.

We have developed a moral Code of Conduct to guide our strategic and operational management-related compliance practices. We will tackle non-compliance within the organisation and seek to ensure our partners work towards the same standards. We are committed to supporting them through collaborative programmes to improve practices.

By creating a strong internal culture and values, we will stimulate our partners to be passionate and performance-driven people with a deep knowledge of sustainability and life at home. We want to avoid a culture where short-term revenue generation comes at the expense of sustainability performance. We will continue to have strong controls in place to prevent negative and illegal behaviours such as bribery, conflicts of interest and criminal activity in our organisation. OKA's strong brand identity is vital and corporate transparency is key to ensuring this.

Our Progress

To support this, we have undertaken a project to review and redefine our employee values, which will be relaunched to the business in 2023. These values will act as a guide for how we should all act internally and with our customers. They will also underpin our communications and act as a cornerstone to building a strong corporate identity.

In 2022, we reviewed and updated our company policies, focusing on relaunching our Supplier Code of Conduct and a whistleblowing hotline run by a third-party organisation. We also redesigned our mandatory compliance training modules, focused on business stance on ethics and integrity. We are planning to launch this to all employees for completion in 2023.

Next Steps

With the relaunch of Inside OKA, our Employee Online Learning and Communication Platform, we have identified a number of mandatory compliance training modules that will be rolled out to all employees for completion in 2023. These modules will be supported by a relaunch of our core People Policies and a review of our existing Employee Handbook, with the aim of making these policies more user friendly and competitive with the market. During 2023 we will be relaunching our Employee Employment Policies and Mandatory Training via Inside OKA and finalising our updated Employee Values.

DATA PRIVACY AND CYBER SECURITY

OUR TARGETS

Migrate on premise systems to cloud-based systems by 2025

OKA is committed to protecting customer data and enhancing privacy and security. We understand that data can be personal, and individuals have the right to choose how their information is used and shared with other organisations. Our Data Privacy policy details how we collect and process our customers' personal data. Our business is increasingly dependent on technology, and we are aware of the cyber threats that we face. In a digital environment we must ensure that cyber security is embedded in the organisation.

Progress

As part of a review conducted within the business, roles and responsibilities have changed, as have the requirements for data privacy. We appointed a new Data Protection Officer (DPO) to review processes and documentation, and we are preparing to deploy additional training and testing and visibility to mitigate cyber risk. The DPO's role is to ensure employee and customer personal data is managed in accordance with regulatory requirements, while helping optimise upside and downside data governance for the benefit of all the business' constituents.

We have embedded privacy into the future architecture with our Information Security Management system along with privacy policies for customers, and marketing and cookie consent options that maximise conversion and minimise downside risks. We undertake Privacy impact assessments and have both a data governance framework and incident reporting process. Our policy changes, training, and cultural integration of privacy for all staff enable us to effectively manage liability.

Next Steps

As part of our commitment to sustainability, security and business continuity, we intend to migrate 90% of the internal server and services infrastructure to the cloud. This will be phased in line with business requirements and will ensure that OKA continues to have a platform(s) that can support growth.

The focus is to deliver the requirements for both the UK and US markets as the business continues to grow globally. The below remain priorities for the business during 2023:

- Board adoption of a Data Governance Policy and Data Privacy Manual.
- Business adoption of underpinning mandatory compliance procedures and maturing reporting capabilities.
- Intermediation with the Information Commissioner's Office, customers and other parties.
- Maturing an Information Security Management System.
- Supporting HR, Tech, CRM and ecommerce strategies.

RESPONSIBLE MARKETING AND SALES

We ensure that we adhere to principles of responsible marketing and sales by using systems and digital tools that maintain transparency and appropriate pricing of products, so that they are not misleading or inaccurate. To this end, we will explore new digital marketing solutions and innovate, while ensuring that all customer data is always protected.

We experienced no breaches of customer data during 2022. While the business undertakes direct marketing (via magazine mailings, for example) as one of the sales channels to customers, all our print materials are Forest Stewardship Council (FSC) certified. We are working with our suppliers in this area to always ensure best practice and, moving forward, look to source more sustainable options. Our marketing strategy will continue to be focused on improving our customer experience and establishing mechanisms to measure this. During 2022, no incidents of non-compliance with industry regulations were reported.

Progress

- We continued monthly calls with the DPO to ensure correct adherence to data privacy/compliance procedures and risk management.
- We created a more streamlined and secure customer unsubscribe process across Customer Service and Customer Relationship Management Teams.
- We continued to record our monthly email unsubscribed metrics.
- We followed the incident report process for any customers requesting clarity and an update to their communication consent preferences.

In 2022, paper usage decreased 5% across the UK & US, equating to a 21.7 tonnes with a reduced circulation in the UK leading to a -6% reduction and an adjustment in formats in the US a -5% reduction.

Where we print Point of Sale (POS) for promotions and campaigns, we continue to establish quantities on a minimum print for maximum impact basis. Where we do print collateral, Point of Sale, and signage in-store, we strive to use fully recyclable material.

For selected campaigns and promotions we have developed evergreen POS to reduce paper usage in both the UK and US and are continuing to find opportunities to add to this suite of materials. Additionally, we have developed our retail carrier bags so that they are made from 100% paper enabling easy recycling from domestic kerbside council collections.



We are working with UPM, our paper mill, to reduce the carbon emissions and improve the energy used in the mills through supporting their service UPM CO2ACT+ offsetting carbon emissions related to the production and transport of paper, as well as the emissions of the printing converting process. We started to order CO2+ paper in 2022, but due to some changes in the UPM scheme, as well as using up surplus stock, we remained with the FSC logos. From AW23 all paper used on catalogues, magazines and recruitment books will be carbon balanced CO2+.

Next Steps

In 2023, the UK direct mail (DM) paper usage is forecast to decrease by 40.2 tonnes equating to a 25% year-on-year reduction. We have strategically optimised circulation to decrease overall DM volume, reduced pagination and are reviewing the size of our catalogues.

We are continuing to work to significantly reduce collateral requirements. We have been consolidating flyers instore to create an all-encompassing 'overview' piece that will speak to all our in-store services. In the UK, we are implementing collateral standard operating procedures to help us monitor usage more accurately to ensure we are printing to the right volumes with reduced wastage.

UPM CO₂ACT⁺

CUSTOMER SATISFACTION AND EXPERIENCE

OUR TARGETS

To improve our NPS (Net Promoter Score) to 75 by 2025

We continue to track our customer satisfaction and are working towards reporting on NPS and Trustpilot. Our annual customer surveys and monitoring our performance via NPS will form an important part of our customer satisfaction and experience strategy.

Our Progress

Unfortunately issues with technical migrations during 2022 have delayed the planned improvements to our NPS customer journey to ensure correct targeting and timings. This has significantly impacted our customer satisfaction data collection, however we are aware of the importance of monitoring this data and are continuing to do so in ways that are available to us, such as reviews via Trustpilot.

In May, we sent a customer survey to our UK and US customer database to capture feedback on customer satisfaction, sentiment, and demographics. Our response rate was 1.9% in the UK (2.4% stripping out lapsed customers) and 2.4% in the US. This is inline with the average response rate for a survey of this nature which typically falls between 2-5%.

At the end of September 2022, we added a feedback function to the checkout area of our website, giving customers a convenient way to contact the Customer Service team if they need support during a transaction. We've received an average of 30 messages per week through this new feature, with users requesting assistance via a return call or email.

Next Steps

In 2023, we plan to review the NPS and customer feedback journey to ensure we capture more insightful feedback from our customers. We are looking to move to a new platform to support our objectives. The data feed into Salesforce Marketing Cloud is being worked on as part of a data reintegration progress. We plan to send another survey to our UK and US customers in Q2 of 2023. We will continue to work hard to ensure that this measure of customer satisfaction is a priority for the team and that feedback is actioned on to improve our customer experience.



Our Policies

Our sustainability commitments are supported by our governance structure and policies. The purpose of policies is to embed sustainability throughout the business and the supply chain in both day-to-day and strategic-decisions. Our internal employee handbook conveys many of our policies to our employees.

Code of Conduct (Updated in 2022)

At OKA we believe that everyone has a part to play. We all are focused on the same goals, with the same drive to succeed and help one another to do so. Our policy is to operate with integrity, honesty and fairness, including our compliance with all applicable laws.

The principles included in our employee handbook connect by establishing minimum standards in key areas. The policy provides clear guidelines to all employees regarding the conduct in working for and representing OKA, as well as establishing the responsibilities that employees have towards the company, customers and business partners. Above all, employees are expected to follow the law, act with integrity and honesty in all matters and be accountable for their actions.

The OKA Code of Business Conduct sets out our values, responsibilities, and obligations with regards to the handling of certain ethical situations commonly faced by the company and employees. The board will monitor the effectiveness and review the implementation of this policy, regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible. Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in managing the Code of Business Conduct effectively.

Employees are invited to comment on this policy and suggest ways in which it might be improved. Comments, suggestions, and queries should be addressed to the People Team at HR@oka.com

Whistleblowing Policy (Updated in 2022)

Our aim is to identify any concerns or issues employees might have and take the appropriate measures to remedy the situation. We believe that encouraging a culture of openness within our organisation will help to prevent malpractice. There are various ways for OKA employees to voice their concerns, including internally through their line manager, HR manager or directly to our MD. We have an independent whistleblowing hotline open manned by a third party with all data being captured and assigned to a member of the OKA Senior Leadership team.

Equality Policy

OKA recognises that discrimination and victimisation are unacceptable and that it is in the interests of the company and its employees to utilise the skills of the total workforce. Our aim is to ensure that no employee or job applicant receives less favourable facilities

or treatment (either directly or indirectly) in recruitment or employment on grounds of age, disability, gender / gender reassignment, marriage /civil partnership, pregnancy / maternity, race, religion or belief, sex, or sexual orientation (the protected characteristics). Our aim is for our workforce to be truly representative of all sectors of society, and for every OKA employee to feel respected and able to give their best.

Grievance Policy

The key aim of our grievance policy is to provide an internal mechanism for dealing with concerns raised by employees about their employment or working environment. It should aim to deal with these issues quickly, fairly, and at the lowest level possible within the company. Our policy is based on ACAS code of practice on disciplinary and grievance procedures in the UK.

Modern Slavery

We are committed to ensuring ethical working conditions in our supply chain and operations. We fully support the legislation put in place for the prevention of modern slavery and human trafficking, including UK legislation: Transparency in Supply Chains Provision (Section 54) of the Modern Slavery Act (2015) and USA California legislation: The California Transparency in Supply Chains Act SB657. We publish an annual slavery and human trafficking statement. This will allow us to share our efforts against slavery and human trafficking, with the aim to improve and measure our success each financial year.

Real Living Wage Commitment

From July 2021, OKA committed to paying the real living wage benefitting around 30% of UK employees. This is a voluntary arrangement and will ensure that the OKA starting hourly rate will be at least £9.90 per hour for OKA Employees based outside of London. The rate rises to £11.05 per hour in London. Both these rates are significantly higher than the government minimum for over 23s. OKA is in the process of being accredited with the Living Wage foundation, an organisation that sets fair minimum hourly rates above the National Minimum Wage. OKA joins other businesses who recognise that paying the real living wage is the mark of a responsible employer and believes that a hard day's work deserves a fair day's pay.

Maternity and Paternity Leave

At OKA, we endeavour to ensure all women are given support and encouragement before, during, and on their return to work from maternity leave. We believe that all female employees should be provided with sufficient assistance that they feel able to take as much time off to bond and care for their child. We aim to ensure that the employee's duties are adequately covered during maternity leave and that an effective dialogue is implemented at all stages, so that employees feel fully informed about their entitlements and the process to follow.

All employees taking maternity leave are covered by this policy, including those on part-time contracts. In addition, the Company endeavours to provide help and assistance to employees who wish to use their right to take paternity leave. Following paternity leave, you may be entitled to take further periods of leave under the shared parental leave scheme.

Anti-Bribery and Corruption

In line with the Bribery Act 2010, we have a strict anti-bribery and corruption policy in place. All employees are required to read and sign the policy at the start of their employment. We are committed to achieving the highest ethical standards for the business and any attempt to bribe another person or gain advantage in the conduct of the company's business, or accept a bribe, will be considered gross misconduct. We will undertake regular reporting on the above to ensure that the leadership team are aware of any cases. All of OKA's employees have received training on the organisation's anti-corruption policies and procedures.

Supplier Code of Conduct

We have developed and distributed our Supplier Code of Conduct, emphasising our commitment to doing business with zero tolerance for unethical practices in the supply chain. We have set high standards of responsible and ethical behaviour in our own operations and expect a similar commitment from our suppliers. Our Supplier Code of Conduct includes sections on human rights, child labour, working conditions, health and safety and environmental protection.





Enhancing all lives

People are at the heart of OKA. Their passion and love for the brand has been integral to our success to date. We respect each other and our communities. Whether people and partners are based in the UK, US or elsewhere in the world – including the teams of craftspeople who work with us to design and produce our collections – we will inspire and enable them to live better and more sustainable lives. This in turn creates a positive impact on the wider community. We continuously work to encourage teamwork, to build healthy employee relationships and to ensure a culture that is safe, open and rewarding for everyone and contributes to SDG 5 - Gender Equality; SDG 8 Decent work and economic growth; SDG 10 - Reduced inequality and SDG 17 - Partnerships for the goals.

We will work every day to create a high-performance team culture, where every employee feels part of the OKA family and is empowered to deliver results that make a difference. We will support our customers with impeccable service that drives sales and inspires trust and loyalty across every touchpoint and channel. We are aware of the importance of our communities and will strive to do better for our local communities, the planet and future generations every day.

We will achieve this goal by building an ethical and trusted company, with partners and suppliers offering decent work and economic growth (SDG 8 - Decent work and economic growth), inspiring people to create a sustainable home to be enjoyed with family and friends and supporting and guiding our employees. We will ensure that the organisation offers a safe and healthy environment and that our hiring and promotion culture embraces the building of a diverse and inclusive workforce (SDG 5 - Gender equality), actively working to increase gender and ethnic diversity across our teams. We are supporting and collaborating with our employees, partners, and suppliers to ensure that labour and human rights are always respected, to reduce inequality in our supply chain and direct operations (SDG 10 - Reduced inequality). We will look to work with relevant organisations and partnership to support this cause (SDG 17 - Partnerships for the goals).



HUMAN AND LABOUR RIGHTS

OUR TARGETS

To tackle labour and human rights issues in our supply chain by undertaking collaborative programmes with suppliers to improve their practices.

To use third-party auditors to assess compliance of our entire supplier base in each country (China, India, Indonesia and Vietnam) by 2025.

We acknowledge the basic rights and freedoms that are inherent to all human beings regardless of race, sex, nationality, ethnicity, language, religion, or any other status. Human rights include the right to life and liberty, freedom from slavery and torture, freedom of opinion and expression, the right to work and education, and many more. Throughout our organisation, from our supply chain through to our marketing channels, warehousing, and distribution, we will positively influence the way that we work, as well as the stakeholders and customers that we serve.

Our Progress

We expect our product suppliers to operate to the same standards that we uphold ourselves. We have issued a Supplier Code of Conduct to communicate our expectations to all current suppliers and any potential new suppliers to the business prior to them commencing a working relationship with us. As part of our plans to strengthen our vendor management and improve transparency in our supply chain we have made progress in the following areas:

Third-Party Audits

We use third-party auditors to assess compliance of suppliers and are working towards auditing the entire supplier base by 2025. We will look to support suppliers in our top four countries (China, Vietnam, Indonesia and India) in identifying partnerships to address and improve environmental and social challenges. We currently work with 136 suppliers to produce OKA products. 84% of our top 25 suppliers by spend currently hold a third-party audit (accounting for 88% of our product purchases). Our Asian Central Services team continues to support factories pre-audit to address some of the challenges. Due to COVID restrictions still being in place during 2022 in China there have been challenges faced as a result in this process.

Supplier Appraisals

The purpose of the annual supplier appraisals (launched in 2021) are to conduct a systematic review of all relevant aspects of OKA's supplier performance and relationships globally. Additionally, the programme helps us to evolve our supply chain and identify the strategic partners for long term business development. This enables improved supply chain transparency and allows us to put processes in place to support our suppliers across the globe. OKA's global suppliers reduced from 196 in 2021 to 136 by the end of 2022 as part of a consolidation strategy with ongoing monitoring and reporting of supplier performance.

The scorecard methodology ensures a balance between innovation, quality, service, delivery, price and ESG management. By carrying out the appraisals, OKA is able to strengthen relationships with suppliers by creating a forum for discussion, therefore enabling performance improvements by discussing challenges, facilitating communication and interaction, providing the opportunity for 360-degree feedback, identifying performance gaps, and working on resolution plans together. This will improve quality and lead to a reduction in customer complaints, visits to pick up defective items, or damaged goods.

During 2022 we continued to roll out the supplier appraisal programme with 40 of our top suppliers. We have further developed the appraisals with a new scorecard, which supports our ambitions to improve our understanding of suppliers' management of energy sourcing, water harvesting and waste management. In 2021, 15% of our suppliers achieved gold status, 50% silver status and 35% bronze status. In 2022, we focused on renewing the standards to improve the quality of our products as part of our appraisal programme. This will help to improve the lifetime of our product. Due to these changes, four suppliers dropped out of 'gold' status and 22 suppliers are currently under performing in this area. Our product team in the UK and the Asian Central Services team are working closely with these suppliers to support them in reaching the new standard – this will increase the lifetime of products as well as reduce waste due to poor quality. It will take time for some suppliers to reach this new standard.

Next Steps

We are focused on improving our supply chain performance; we are holding regular review meetings to improve communication, as well as to build and maintain a strong supplier base by structuring and streamlining the entire supplier lifecycle. We will continue to work on supplier consolidation to reduce supplier risk for our stakeholders as well as reducing administrative workload in managing poor product quality.

Our teams have been working to source suppliers that are 'close to home' both in the UK and the US, which remains a strategic priority for the business. From initial identification of a new supplier, to their approval, each supplier will be analysed and managed. We will continue to use our Supplier Performance Review meetings as a tool to improve communication with key suppliers through the support of the Asian Central Service team as we collaborate with suppliers to enhance the quality of our proposition. This will allow us to use the supplier scorecard result as an indicator to achieve the supplier consolidation plan.

Asian Central Services (ACS)

Asian Central Services is our vendor management and order management team (Established 2020) based in Delhi (India) and Ningbo (China). Their role is to visit factories and develop relationships with our suppliers, ensuring compliance, improving efficiency of order processing, and offering support to suppliers globally.

The teams make visits to the factories of our top suppliers (80% of sales value) monthly (and often more frequently for Quality Control). They engaged with our manufacturing partners during 2022 on the following topics:

- Increased use of non-toxic dyes and digital printing fabrics (Four new digitally-printed fabrics launched in 2022).
- Reducing plastic from our products packaging (continuity products) and ensuring all new products have improved packaging specifications.
- Supporting the production of retail shopping bags manufactured from FSC-certified materials.
- Supporting HR, Tech, CRM and ecommerce strategies.
- Supporting suppliers around the social and ethical requirements for our auditing process.

During 2022 we continued to train our team and obtain formal certification in Corporate Social Responsibility to share best practice with our partners. These included: ISO14064:2018 GHG Internal Auditor Training; SA8000:2014 Social accountability management system Internal Auditor Training.

Challenges

There have been considerable challenges faced by the team during 2022 as China continued to be under COVID restrictions. Restricted travel has negatively impacted the number of factory visits and internal audits.

Next Steps

We work on auditing every four years unless there is a change of ownership or factory location.



DIVERSE AND INCLUSIVE WORKPLACE

OUR TARGETS

Continue to work to create an inclusive working environment that celebrates our differences and increases representation at all levels in the business

To do this we will start by reviewing and reengineering our core people processes (specifically talent attraction assessment, promotions, career paths), increasing our focus on fairness and consistency, and minimising the impact of personal bias on decision making.

We are working every day to create a high-performance team culture, where every employee feels part of the OKA family and is empowered to deliver results that make a difference. We actively embrace a safe and healthy environment, building a culture (in both the UK and US) that aims to hire and promote a diverse and inclusive workforce, reflecting the makeup of local talent pools. We also have a formal Diversity, Equality and Inclusion policy to reflect this (SDG5 - Gender diversity). We will work to increase gender and ethnic diversity across all teams, including management and leadership, by considering diversity in the recruitment process and by developing diversity and equality training for employees at all levels.

Our Progress

During 2022, we launched a weekly newsletter to employees called 'Inside OKA'. This has enabled us to recognise, celebrate and share the importance of different religious and cultural holidays with all of our employees, inviting them to share insights and personal anecdotes. We also utilised the RISE Employee Survey to capture demographic data from our teams and in 2023 will aim to set tangible future targets to drive greater representation at all levels of the business.

We have further focussed our efforts on ensuring that core people processes are built on consistency and fairness, and minimise the impact of personal bias on decision making. We reviewed our retail recruitment approach by creating fair and consistent assessment materials, piloting a new approach to upskilling and training hiring managers on this process, as well as on the impact of unconscious bias in recruitment – we are looking to extend this approach across the wider business in 2023.

In regard to career development, our primary focus is the relaunch of 'My Review' our bi-annual performance review process. This process is the foundation of all careers, and performance conversations across the business. By introducing a globally applicable and locally relevant approach, we aim to foster fairness and consistency, and create a culture that enables and celebrates career development and advancement.

Next Steps

In 2023, we will publish our first Gender Pay Gap report in relation to the pay gap identified across UK employees as of April 2022. This data showed that 63% of OKA's UK workforce

identified as female and that the mean pay gap between male and female employees at the period was 4.3% (median: 4.8%). The main cause of our gender pay gap is due to the fact that although we have slightly more female employees in our highest paid quartile, the split between men and women in our highest paid quartile is not representative of the gender balance across our organisation; essentially, we have more males in senior roles than junior roles, driving this pay gap. Programmes, such as The Illuminate Programme, our internal management apprenticeship programme, aim to help close this gap, helping more females to progress within the business into more senior or management roles.

We will also further develop our employee groups (Environmental; Diversity, Equality & Inclusion; Mental Health and Employee Wellbeing and Social 'culture club') so that we can encourage cross-company (and level) communication and enable our employees to drive positive change throughout the organisation. We will plan and agree on our 2025 targets for diversity, equity and inclusion (DE&I) representation as well as exploring partnerships with external DE&I experts.

As per December 2022		2022	2021
Total number of FTE employees	Total	260 UK 219 / US 35 China 6	274 UK 242 / US 32
Number of part-time FTE	Male	1.8	1.8
	Female	39	43
	Total	40.6 UK 36.7 / US 3.9	44.82 UK 43 / US 2
Number of permanent FTE	Male	101 (38%)	99 (36%)
	Female	156 (62%)	172 (63%)
	Total	257 UK 217 / US 36 China 4	271 UK 239 / US 32
Number of temporary employees FTE	Male	2 (50%)	1 (33%)
	Female	2 (50%)	2 (66%)
	Total	4	3 UK 3 / US 0
Senior management	Male	4 (57%)	3 (50%)
	Female	5 (43%)	3 (50%)
	Total	9	6



EMPLOYEE WELLBEING, HEALTH AND SAFETY

OUR TARGETS

To develop an internal Health and Safety Committee by 2022 that is responsible for ensuring that workplaces are safe and contribute to the healthy development of people

New Target: Train 100% of our employees on our Health and Safety policies annually

We are tackling the issue of employee wellbeing, health and safety by creating and maintaining a safe and healthy environment that safeguards them against injuries, fatalities and illness. We recognise that healthy and safe work conditions are a basic human right. We are working to ensure that the health and wellbeing of all our employees across the company are a priority for the business. We also recognise the impact that the recent pandemic and other external factors have on our employees; we are committed to supporting them with training and other relevant partnerships and programmes to maintain a healthy and safe environment.

Our Progress

Our internal health and safety committee is responsible for ensuring that our workplaces are safe and contribute to the healthy development of people, reporting regularly on their progress. The committee consists of representatives from across the Company, and is responsible for reviewing and updating our policies and procedures, identifying potential hazards, and implementing appropriate controls. By involving employees from all levels of the organisation, we can ensure that health and safety is embedded in our Company culture and that everyone has a voice in creating a safe working environment. The committee is headed up by our Global Director of Operations, alongside members from elsewhere in the business. We also work with a third-party agency (Safewell) to assist with a safe system of work and risk assessments.

Next Steps

Embedding the use of mental health first aiders through regular business-wide communication is an essential step in achieving our goals. By raising awareness of mental health issues and providing support to our employees, we can create a positive work environment where everyone feels valued and advocated for. We will ensure that our mental health first aiders are trained to the highest standard (with refresher training every three years) and that their role is well-communicated to all employees. By doing so, we will enable them to provide confidential support and guidance to those who may be struggling with their mental health.

Our UK Facilities and Maintenance Manager will be trained in The National Examination Board in Occupational Safety and Health (NEBOSH) as part of our commitment to Health and Safety. NEBOSH is an internationally recognised qualification in occupational health and safety management, and it will enable our manager to identify and assess potential hazards, implement appropriate controls, and manage the risks associated with our facilities and maintenance operations. This training will help us to create a safer workplace and ensure that our facilities are maintained to the highest standards.

We are committed to ongoing training for our first aiders (we also have staff trained in the use of automated external defibrillators) and fire marshals. Regular training via refresher courses, conducted both internally and externally will ensure they are up to date with the latest procedures and techniques, and will enable them to respond quickly and effectively in the event of an emergency. By providing this training, we can ensure that our employees are in safe hands and that we can minimise the impact of any incidents.

Completing regular safety briefings with staff is an important part of our health and safety commitment. These briefings will cover a range of topics, including hazard identification, emergency procedures, and safe working practices. By keeping our employees informed and educated, we can minimise the risk of incidents and create a safe workplace for everyone.

	2022	2021
Total number of incidents resulting in injuries	20	17
Days lost due to work related injuries	3	1.8
Lost-time injury frequency rate	1.04	0
Absentee rate	2%	1.4%

Wellbeing

Our Wellness Centre is integrated into the business via our third-party reward gateway platform (My OKA) and has been rolled out to include US employees with discounts for retailers and other benefits. Our Employee Assistance programme (EAP) is available 24/7, offering confidential telephone counselling support 365 days a year. Support provided includes personal legal advice and financial information, plus healthcare advice across a range of medical and wellbeing issues.

We have continued to update our benefits to employees which have included:

- Long Service Awards to recognise employees achieving Five,10,15 and 20 years service – backdated to 2020.
- Workplace Nursery Benefits to support working parents with the cost of nursery fees.
- Launch of 'Give Back' Days – a company paid volunteering day for a cause of the employees choice (2023).
- Summer Fridays launch – with additional time off for employees who are not able to take advantage of this.

EMPLOYEE ENGAGEMENT AND DEVELOPMENT

OUR TARGETS

To create an annual learning calendar that aims to increase our overall employee training hours by 2025

We work every day to create a high-performance culture, where every employee feels part of the OKA family and is empowered to deliver results that make a difference. This ethos is underpinned by a holistic approach to employee learning and development that focuses on a blend of self-led learning, and in-role development opportunities, underpinned by more formal learning and development interventions.

Our Progress

During 2022, we saw a 3% uplift in the number of training hours completed by the business compared to 2021. To support this, we created our learning and engagement infrastructure to enable us to understand and track our learning and engagement needs, now and in the future. We have utilised external providers to create development and growth opportunities for internal talent, including the development and launch of our first internal apprenticeship schemes for supervisors or first line managers, so that we can effectively support high potential talent to progress within and throughout OKA.

Inside OKA

We have further improved our Employee Online Learning and Communication Platform, Inside OKA. The platform contains approximately 200 learning resources to date, enables the creation of user generated learning and development content so that our teams can upskill each other, and is also used to cascade business-wide communications via an online platform and easily accessible app for our non-desk based teams. This platform also enables us to automate the reporting and monitoring of training and learning activity across the business, including the completion of mandatory learning paths (for example compliance, management essentials, and recruitment essentials). 68% of our user population have logged in to Inside OKA since the launch in November 2022.

The Illuminate Programme

During 2022 we launched our first Internal Apprenticeship Programme designed in partnership with Corndel, to support first line managers or supervisors within the business. Our first programme cohort includes 18 participants from across eight departments (74% female, 26% male). The 13-month programme started in January 2023.

RISE Employee Survey

In December we launched our first employee engagement survey in over two years. The survey was designed to help the business to understand the key factors driving, or holding back employee engagement, and in turn enable the creation of actionable plans to drive improvements throughout 2023.

'Action Planning' was also undertaken at an employee level, with 100% of teams meeting to discuss their departmental results and agree one-to-two 'culture commitments' that will improve day-to-day working life in their teams. This survey was also used to obtain employee demographic data, which will enable us to take a more proactive focus towards Diversity, Equity and Inclusion in 2023 and beyond.

Next Steps

During 2023 we are aiming to achieve a 5% uplift in training hours vs 2022. We plan to do this via a number of learning and development initiatives, primarily identified through and driven by the insights garnered via our RISE Employee Survey, alongside the learning needs identified via relaunch of 'My Review', our bi-annual performance review process in 2023.

Employee Affinity Groups

In 2019 we established an internal ESG team made up of representatives from across the business, who were passionate about influencing change and supporting the strategy detailed in this report. This group allowed individuals the opportunity to share their ideas and experiences to add value to the strategy. During 2022 we worked to review this group to ensure its effectiveness for the future. From 2023, using the demographic and engagement insights provided by our RISE Employee Survey we will be looking to further improve our affinity groups, but with a greater scope to help drive meaningful change from within the business. Initial plans are for four Affinity Groups – Environmental, Diversity, Equality and Inclusion, Mental Health and Employee Wellbeing, and Social ('culture club') – although we will continue to review this ahead of relaunch.

	2022	2021
Number of indirect created and sustained jobs	300	201
No of indirectly created and sustained jobs occupied by women	201	135
Voluntary employee turnover rate	35%	30% *

*Staff were mostly furloughed and there were redundancies towards second half of the year. 2021 saw an increase in turnover after returning from lockdown and WFH.



COMMUNITY ENGAGEMENT AND DEVELOPMENT

OUR TARGETS

To increase develop our impactful community partnerships in four countries where OKA operate by 2027

We are aiming to create a positive impact on society by donating our time and resources to community engagement and projects, both in the UK and US, and in countries where we source our products and materials. As a business founded by three female friends, it is our ambition for OKA's charitable partnerships in the UK and US to support women, with a focus on the home as a place of safety and sanctuary. We are in the process of identifying and exploring opportunities and partnerships to enhance positive impacts on the communities across the world in which we operate by 2027. We will look to work with relevant organisations and suppliers in two additional countries to support education, nurture skilled craftspeople and develop apprenticeships. (SDG 17 – Partnerships for the goals)

Our Progress

- US** In the US OKA has supported the Boys and Girls Clubs of America, whose mission whose mission is to enrich and enhance the quality of life for young people by providing educational and developmental programmes. We were an official showhouse sponsor of Kips Bay Palm Beach in March, supporting the Boys & Girls Club and local charities.
- UK** During 2022 we launched a new UK partnership with domestic abuse charity Women's Aid. As a business founded by three female friends, OKA is built on the belief that home should be a sanctuary, a safe space reserved for precious moments with loved ones. We feel passionate about Women's Aid's important work; its mission "to create a future where survivors feel safe in their homes and domestic abuse is not tolerated" resonates deeply with OKA's core values. We work closely with the team at Women's Aid to evaluate the impact of our support and hear case studies, insights and stories, and communicate the positive impact directly to employees and customers.

Women's Aid has 170 members with good geographical coverage of local services and refuges, allowing good opportunities for staff engagement at a store level (product donations and services). We will also be able to donate end of life products to refuges wherever appropriate.

In addition, we will be engaging our employees in a variety of fundraising opportunities including runs and marathons to generate funding for the project. They have campaigns on key dates we can leverage (International Women's Day, Day for the Elimination of Violence Against Women). Our fundraising directly funds a full-time Direct Services Support Worker – Kat – who supports survivors of domestic abuse through the Live Chat Helpline, Survivors' Forum and via email. In 2022 these services were more in demand than ever. On average, their Direct Services Support Workers have hosted over 1,250 live chat conversations per month and responded to over 780 emails per month. In 6 months, The Survivors Forum received 1,000 new registrations and over 850,000 page views.



FUNDRAISING CAMPAIGNS

We launched the partnership on International Women's Day (8th March) and throughout the year, linked the partnership to key campaigns to drive donations, raising over £13,000:

- House of Tales podcast episode with Women's Aid ambassador Rachel Khoo
- Giving Tuesday
- Sample Sale

CHARITY PRODUCTS

We donated over £18,000 from the profits of sales of our charity products:

- Plain Velvet Charity Cushion Covers
- Bespoke charity Christmas Cards

EMPLOYEE ENGAGEMENT

Our teams fundraised over £11,000 by participating in head office fundraising activities and sponsored sporting events:

- Asics London 10K race
- International Women's Day bake sale and quiz
- 'Dash to Westport' internal company-wide challenge



Next Steps

In the UK we launched a new limited-edition charity artwork created in collaboration with British artist Alexandra Coe; the 360° campaign included an event at our Chelsea flagship. We will also embark on a refuge project to re-design and refresh a communal space within a UK refuge. We continue to engage with our employees by celebrating International Women's Day across the business as well as engaging with the Women's Aid's 50th birthday campaign 'Come together to end abuse' to make changes, dispel myths, take action and learn'. We will also participate in sporting events including the Royal Parks Half Marathon, Oct 23 to support the charity.

We are developing a US strategy for charitable partnerships to align with our global mission.





Creating through innovation and craftsmanship

Our vision at OKA is to inspire people to confidently create a home that reflects their personality, where nothing is too precious or perfect to be enjoyed with family and friends. We have a passion for design and proudly partner with skilled independent craftsmen and family run businesses all over the world. We design high-quality home furnishings that celebrate the OKA lifestyle. Our beautiful products are thoughtfully designed and look to spark imaginative ideas for the home, making for meaningful experiences with friends and families. We are committed to designing for a better planet through applying sustainable principles to transform the business. We proudly partner with skilled independent craftspeople and family run businesses all over the world, amplifying and sharing traditions with our customers. We are committed to working closely with all our partners to support the needs of their businesses and to ensure that all our products are made to high ethical standards, using renewable and ethically sourced materials wherever possible (SDG 12 - Responsible consumption and production). We will leverage innovation and technology to improve product safety and quality and work towards transitioning into a circular business. At every stage of production and delivery – from designing and sourcing materials to products reaching customers' homes – we are working to reduce our carbon footprint, while maintaining the high quality (and safety) of our products (SDG 13 – Climate action). We will contribute to the economic development of the countries in our supply chain by supporting local communities, and we are exploring opportunities around charitable partnerships: education and apprenticeships to contribute to SDG 11- Sustainable cities and communities.



PRODUCT CIRCULARITY

OUR TARGETS

To develop a long-term product circularity strategy that progressively adopts the principles of circular economy – reducing, reusing, recycling and transitioning to circular solutions

OKA will design and create quality pieces through innovation and craftsmanship, which will help people to translate the OKA way of life to their own homes. We will achieve this goal by leveraging innovation and technology to improve product quality, stimulating global craftsmanship and transitioning into a circular business. We are aware of the positive impact of transitioning into a circular business and are committed to exploring all avenues in creating a strategy to pursue this goal. We are developing a product circularity strategy that progressively adopts the principles of circular economy – reducing, reusing, recycling, and exploring circular solutions.

Through our refurbishment specialist we have continued to reduce the amount of products going to the skip. We started with this resource in August 2022 and will be reporting this moving forward. During 2022 significant numbers of stock was refurbished to be sold either at full prices or via our seconds outlets.

We aim to source our products responsibly and locally wherever possible. Moreover, we will increase our resource efficiency by focusing on product lifecycle management. Our product design process is committed to identifying the materials with a negative environmental impact and increasing our use of sustainable materials. We continue to explore opportunities to source more locally in the UK and Europe. We have developed a supply base of eight suppliers in the UK and are working to increase this number.

Our Progress

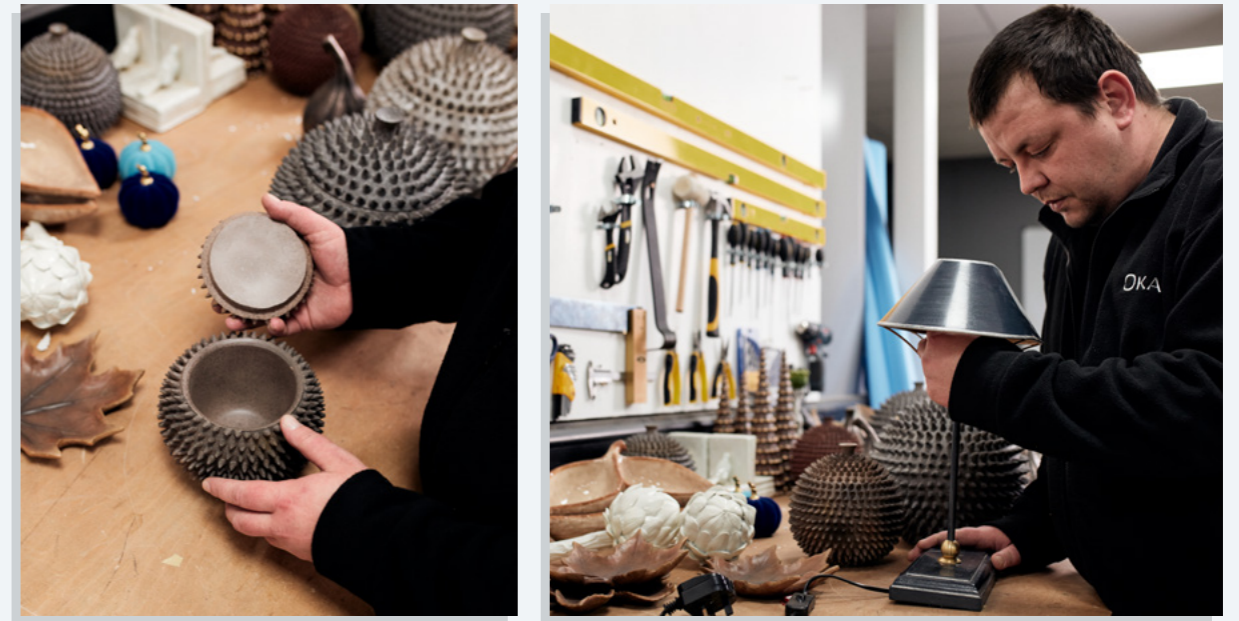
In 2022, we recruited a Product Restoration Specialist to the business to improve our repair and restore ability. Previously damaged products have been discarded or written off, however we have improved the processes in the warehouse to ensure nothing is thrown away without inspection by our Product Restoration Specialist. We look to repurpose and repair as well as create unique products (from damaged products) which can be sold through our outlets. We are currently exploring how this can be expanded to include the US market.

By working closely with our suppliers, we look to improve our understanding of their production processes and identify ways to reduce waste while ensuring the highest quality of the materials used in every product. We reuse and recycle wherever possible. We have also worked to improve packaging to prevent damage during transit.

We have introduced initiatives to support our product circularity. Our spare parts project (including items like handles, screws and bolts) is underway to enable repairs to be done in our warehouse as well as in customers' homes, to extend the life of our products for our customers.

We also continue to work closely with our partners, Homeserve, who visit customers to carry out minor repairs and adjustments in customers' homes. Homeserve visits to customers decreased to 35 for 2022 from 70 in 2021 with a success rate of 60%.

We continue to sell Seconds and end of lines through seasonal sales and outlet stores (in Didcot and Godstone UK) as well as via our website. This reduces waste in our warehouse, while giving customers the chance to buy at heavily discounted prices for a limited time. We also continue to look to rehome products that are no longer of value to the business to community projects and charities wherever possible.



Packaging

We are committed to reducing the quantity of packaging materials where possible and are taking steps to ensure the packaging we can collect is sent directly to local recycling companies, ensuring best circularity and best value with minimal energy used in the process.

During 2021, we started the process of reviewing all our packaging and delivering improved solutions to reduce waste and reuse where possible. We are collaborating with our suppliers to remove all packaging material that is more difficult to keep within a sustainable circular process. Plastic, oil-based products, polystyrene, foam and synthetic materials, for example, are being targeted for reduction. We are designing refined, engineered paper-based packaging that can easily be recycled.

In 2022, we reduced our reported Expanded Polystyrene (EPS) waste by 5.2 tonnes. We achieved this by working closely with our suppliers changing EPS polystyrene to paper cardboard standard packaging corner and edge pieces that are easy to source. We are working on further reductions, planning to eliminate all EPS that is not recyclable at kerbside council recycling schemes across the country.

- We have undertaken a review of packaging used for store replenishment.
- We utilise our box making machine in our warehouse. Making boxes in-house from stock cardboard sheets is much more sustainable than ordering in small quantities from our 3rd party supplier creating unnecessary waste.
- Product packaging on returns. We have ensured that unwanted returns (products that customers ordered but do not want) can be returned to sellable stock with new packaging.
- We are working with our UK packaging supplier to reduce the weight of packaging we purchase, while at the same time ensuring the product remains undamaged during transportation.

Challenges

The increasing costs of improving packaging has impacted our packaging strategy. In addition, some eco-friendly packaging solutions have failed impact tests and if rolled out would lead to more damages and potential waste during the product life cycle. We are continuing to work to explore cost efficient solutions around packaging our range.

Next steps

We will continue to develop our in-house refurbishment resource in the UK. We are also looking to test part-products (eg outdoor cushions) being available for customers wishing to purchase replacements so that the product's life can be extended.

During 2023 we will work to:

- Reduce our use of adhesive labels on packaging with key labelling information printed directly onto the carton.
- Improve yields from fabric off-cut imperfections and reduce wastage during upholstery production.
- Building up a spare parts inventory for product ranges to prolong longevity of products in customers' homes.
- Educate our teams and our customers on the handcrafted nature and beauty of our products to create realistic expectations and therefore reduced returns.





Designing for a better planet

At OKA we are committed to developing a thriving, customer-centric business. We are designing and creating unique collections to help our customers create sustainable homes. We aim to minimise our environmental impact and, therefore, our strategy and objectives are set in accordance with this overall objective. Disclosing carbon footprints and reducing greenhouse gas emissions remains a core focus for the business. In 2021 we have measured our greenhouse gas emissions and will continue to monitor this quarterly (scope 1&2) and annually (scope 3). We aim to reduce our energy use, in line with the Paris Agreement (SDG 7 – Alternative and clean energy). We will manage our environmental risks, while maximising efficiency in our global operations. We want to significantly reduce our carbon footprint (SDG 13 – Climate Action). We are committed to tackling climate change and have embarked on a journey to set science-based targets to be approved by the Science-Based Target Initiative. In both the UK and US businesses we will focus on what can be achieved at a local level, through the improvement of processes and the monitoring of areas including transportation and energy usage, while also tackling the measurement of our carbon footprint through our supply chain.



RESPONSIBLE SOURCING OF MATERIALS

OUR TARGETS

To improve the percentage of FSC-certified timber products by 2023

To improve the transparency of our raw material sourcing and to work towards all key raw materials being sustainably sourced or recycled by 2025

We are committed to developing a responsible and more transparent value chain for our stakeholders and customers worldwide. Our value chain includes all suppliers of products and services, or those that receive products or services from us (upstream and downstream activities). With a large and diverse group of suppliers we acknowledge that this is a challenge for the business, but essential to get right. We will work to improve transparency of the sourcing of raw materials, starting with identifying the top materials used across our value chain. We will work to establish robust processes and systems to integrate responsible practices and respect for the environment, people and communities in our value chain. Where possible, we will seek certification of these materials.

Our Progress

During 2022 we have worked closely with our suppliers to gain further transparency around the sourcing of our raw materials and worked to improve the transparency of our sourcing, as well as improve the certification of raw materials in our supply chain. We have instilled a programme of regular supplier meetings and further developed discussions on how our suppliers can support us in achieving our ambitions. We have started to source recycled fabrics and recruit new suppliers who specialise in recycled materials; we are looking to launch products using these in AW23.

Next Steps

We will further assess sourcing activities of materials, including a review of current sourcing systems and existing raw material status in our current range, making recommendations on areas for improvement and creating action plans around this topic for tracking improvement. We will set up KPIs to measure the progress moving forward. We have set ourselves the target of using 10% more sustainable or recycled raw materials in our AW24 and SS25 collections, with the goal to improve this percentage year on year. Our aim is to increase our product offer with recycled or sustainably sourced materials, focusing on wooden furniture and textiles as a priority. We have multiple suppliers we can work with to move towards this goal; one who can work with purely recycled wood, and multiple with FSC accreditation. We want to increase the percentage of new products in our offering year on year, and to develop at source from the beginning of a product's lifecycle to enhance this. We will focus on our top 100 products to see where we can make changes and/or work with any accreditation we may already have – currently we do not know the percentage of our products that are 'sustainable' or 'recycled'. We have conducted an audit of our top 10 suppliers to improve our visibility on certified materials (wood and cotton) in our supply chain. We will use this data to help us improve our certification during 2023. As the business requirements are changing we are exploring a 'dropship' product purchasing strategy to broaden our US selection and be more responsive to customer needs. We are currently reviewing vendors to assess their capabilities to ensure that we only work with those that can meet our requirements. We will be proactive in our approach with dropship to ensure we have full awareness of the end-to-end process and product transparency.

LOW CARBON SUPPLY CHAIN & ENERGY MANAGEMENT

OUR TARGETS

To achieve a 46% reduction in Scope 1 and 2 greenhouse gas emissions against a 2019 baseline by 2030 in accordance with the Science Based Target Initiative. (4.2% annual percentage reduction) whilst at the same time improving the quality of our Scope 3 emissions

To measure and reduce scope 3 emissions following the Greenhouse Gas Protocol Value Chain (Scope 3) Accounting and Reporting Standard

We are committed to optimising processes, ways of working and priorities, leveraging technology to build strong foundations on which sustainable business growth, sales and customer satisfaction can be built. We are in the process of minimising our environmental impact, therefore our strategy and objectives are set in accordance with this overall objective. We will continue to improve our data collection and management across our global operations. The level of detail we will capture and report on will improve as more robust environmental data is gathered. By developing a more complete overview of our environmental footprint, we will be able to improve our environmental performance and deliver against our commitments. We are working to reduce our energy consumption across both warehousing and distribution, as well as in our global offices, UK and US stores. In the coming years, we will aim to use renewable sources where possible, improve energy efficiency in our operations and reduce our energy consumption. Using energy more efficiently and opting for renewable energy is essential for combating climate change. We aim to reduce our energy usage, while researching science-based targets in line with the Paris Agreement (SDG 7 – Alternative and clean energy). We will manage our environmental risks, while maximising efficiency in our global operations. We want to significantly reduce our carbon footprint (SDG 13 – Climate Action).

Our Progress

During 2022 OKA has set a Science Based Target to formalise a commitment to the Science Based Targets initiative (SBTi), providing a clearly defined pathway for OKA to reduce GHG emissions. OKA's target is aligned to the global strategy of limiting global warming to 1.5°C above pre-industrial levels. Our Scope 1 & 2 (market-based) emissions globally have increased by 28% during 2022. This was largely due to the growth of our business in the US and has highlighted the need to move to renewable energy in the US. In 2022, 56.2% of our energy consumption was sourced from renewable sources (increased from 2% in 2021). We have worked to improve our Scope 3 during 2022 resulting in reporting an increased categories for the business to include Category 1-7, 9, 11 & 12. We continue to report on our Scope 1 and 2 GHG emissions on a quarterly basis with Scope 3 completed on an annual basis.

Next Steps

We will continue to measure our Scope 1&2 GHG emissions on a quarterly basis and work towards our reductions in line with our commitment to the Science Based Targets initiative and the target that we have set ourselves. We will work to improve our data collection and its reliability, and we will measure our Scope 3 emissions on an annual basis.

IN TCO2E	2022	2021
Total (absolute) GHG emissions per business unit	6,137	4,661
Scope 1 This includes owned or controlled assets: gas and propane burned in buildings and fuel burned in owned or leased cars	259	245
Scope 2 (Location-based)	261	200
Scope 2 (Market-based)	93	29
Scope 3 Primarily product transportation. It also includes upstream emissions from energy production (e.g., transmission and distribution losses), business, disposal of waste, employee commuting and embodied carbon in purchased goods.	5,781	4,216

	2022	2021
Business travel by air (km)	131,560	76,768
Business travel by car (km)	87,918	41,009
Total electricity consumption (kWh)	1,103,920	843,864
Renewable sources (kWh)	868,348	779,748
% renewable electricity	79%	92.4%
Supplier renewable energy	Green Tariff	Green Tariff
Energy consumption (kWh)	1,545,997	1,414,345
% renewable energy	56.2%	55.1%
Total water consumption (m3)	2,611	13,167

Offsetting Projects

As a complement to OKA's initiatives to manage and reduce its absolute greenhouse gas (GHG) emissions, OKA has since 2020 purchased carbon credits to compensate for (offset) its residual Scopes 1 and 2 operational emissions. OKA's primary climate mitigation approach is to reduce its absolute carbon emissions over time. Through the purchase of carbon credits, OKA also provides carbon financing to climate mitigation projects beyond its value chain. As each credit corresponds to the reduction (or removal) of one ton of CO2 equivalent (CO2e), the OKA can – under voluntary carbon market standards and guidance – claim it has reached carbon neutrality (Scope 1 and 2) in a given year by purchasing credits to offset its residual emissions. From the outset, the two projects from which OKA has purchased carbon credits are the Great Bear Forest Carbon and the Guatemalan Conservation Coast projects. These two projects were chosen because of their strong credentials on environmental and biodiversity issues as well as their social initiatives.

Great Bear Forest Carbon project, Canada

The Great Bear Forest covers c. 6.4 million hectares of north and central coast in British Columbia in Canada and is home to the First Nations people who have inhabited this land for up to 10,000 years. This rare and rich ecosystem is also home to rare species of plants and animals (including the Kermode Bear). The aim of this project is to improve forest management in the region, generating emission reductions through the protection of forest areas that were previously designated, sanctioned or approved for commercial logging. The project activities include changes in land-use legislation and regulation that result in the protection of forest areas and reduction of harvest levels.

Guatemalan Conservation Coast project, Central America

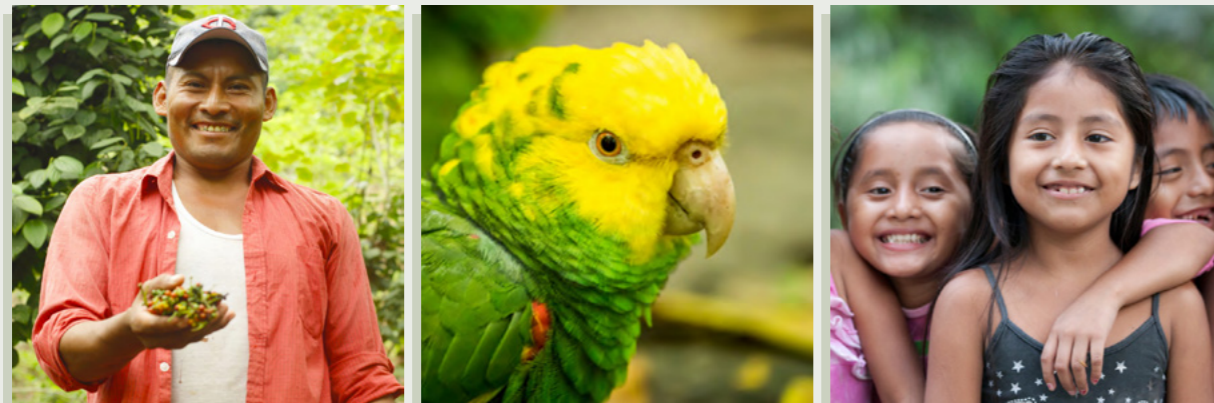
The Guatemalan Conservation Coast programme works to address the drivers of deforestation through effective law enforcement, land-use planning, education, economic opportunities, and sustainable agroforestry initiatives. Some of the most important project achievements to date are the protection of 30 threatened tree species including the Baird's tapir and West Indian manatee, the protection of 54,157 hectares of threatened forest in the Mesoamerican Biological Corridor and the creation or support of 1,141 jobs for indigenous and local communities (41% held by women).

GUATEMALAN CONSERVATION COAST

Forest conservation in the Guatemalan Caribbean

The forests of the Guatemalan Caribbean coastline are home to extraordinary beauty and biodiversity. The coastline is a migratory corridor for birds as they make their biannual journey between North and South America. In fact, hundreds of species of birds depend on these forests as part of the Mesoamerican 'flyaway'. Part of the Althelia Climate Fund, the Guatemalan Conservation Coast Project uses climate finance through the sale of carbon credits to protect this incredible landscape and reduce greenhouse gas emissions, aligning world-class conservation with viable, sustainable economic activities. Implemented by local NGO FUNDAECO, hundreds of landowners, including local communities, have joined together to protect over 54,000 hectares of threatened forest and coastline.

Deforestation and degradation is a result of increased industrial agriculture, such as the production of palm oil and cattle ranching. These economic pressures have pushed subsistence and commercial farmers deeper into forested areas – including protected areas. As a result, the region has lost 65% of its original forest cover. This is one of the highest global deforestation rates in the past decade. Carbon credit sales finance systematic solutions to the drivers of deforestation in the project area including effective law enforcement, land-use planning, education, economic opportunities and sustainable agroforestry initiatives. As a direct result of the project activities, a REDD+, VCS and CCB Standards certified project with a Gold Level status for biodiversity, over 5.3 million tonnes of tCO₂e have been reduced to date – the equivalent of taking more than 640,000 homes off the grid for a year.



MEASURABLE IMPACTS

We track eight impact areas across this project. Here are the project impacts to date:

CLIMATE

Almost 5.3 million tonnes of CO₂ emissions avoided

ECOSYSTEMS

54,157 hectares of threatened forest protected in the Mesoamerican Biological Corridor

SPECIES

30 threatened species protected including the Baird's tapir and West Indian manatee

LIVELIHOODS

487 jobs created or supported for indigenous and local communities

INCLUSIVITY

24% of jobs held by women

SUSTAINABLE ENTERPRISE

Three sustainable businesses supported, including an ecotourism hub

FAIR ECONOMIC RETURN

€8.4m contributed to local economy

SUSTAINABLE COMMODITIES

Cardamom, xate (jungle leaf), pepper, rambutan, lychee, cinnamon, timber and ecotourism

SDGS



GREAT BEAR FOREST CARBON PROJECT

The Great Bear Forest Carbon Project is an Improved Forest Management undertaking that protects forest areas previously designated, sanctioned or approved for commercial logging, in order to generate emission reductions. By protecting forests – through changes in land-use legislation and regulation – the project reduces emissions caused by harvesting, road building and other forestry operations, thereby increasing carbon stocks. More than simply a conservation project, the landmark enterprise is a model for sustainable development in an economically valuable but ecologically and culturally vulnerable area; it is the first scheme of its kind in North America to be undertaken on traditional territory with unextinguished aboriginal rights and title.

Land

Coastal area on Canadian Pacific coast

Location

Great Bear Rainforest, British Columbia, Canada

Standards

British Columbia Forest Offset Protocol v1.0

Community

Members of the Coastal First Nations and Nanwakolas Council Society

Climate Zone

Cfb Oceanic

Species

Plants: Sitka spruce, Western red cedar, Western Hemlock, Douglas fir. Animals: Kermode and Grizzly bears and coastal wolves (sea wolves)

SDGs



RETAIL SUSTAINABILITY TEAM

We are committed to doing better for our local communities, planet, and future generations every day and our retail teams have worked hard to embed our strategy globally. Our Retail Sustainability team have agreed some principles that would help them to drive forward sustainability initiatives across our stores, and really make a difference in the community.

Progress

With our people, we will create a collaborative community that cares about their impact on the immediate world around them.

During 2022 we recognised the efforts of the Retail teams for reasons beyond a sales goal by rolling out Retail Recognition Awards for ESG successes for team members going above and beyond. Our retail conference and quarterly briefings included a full Sustainability update to ensure all employees are updated with company progress and ambitions. We also launched a successful internal poster campaign to keep Sustainability front of mind in the business.

We will turn our back of house areas into more people focused environments for our teams. We have coordinated a complete refresh across all stores, creating comfortable rest areas, with a focus on relaxation and wellbeing. We have adopted a new approach to conflict resolution, using mediation and wellbeing meetings with great support from the HR team.

We have also reduced our plastic, paper and energy consumption across our stores.

Alongside enhanced recycling efforts undertaken in collaboration with the Marketing department during 2021, we have reviewed our POS to reduce paper and plastic waste, while continuing to pursue enhanced recycling efforts. We have begun to implement an evergreen strategy for in-store POS (A5, A-boards, Swing tickets) particularly around sale and other promotional periods. This will allow stores to reuse POS from one promotion to the next. We are reusing boxes in all stores to help to promote a circular economy within the business, and ensure that we limited waste wherever possible.

We have installed a light and energy monitoring system in all our UK stores , which enables us to track usage in order to improve efficiencies and highlight any anomalies with timers. We have also embarked on testing a 3rd party refuse collector in stores to improve our recycling of waste. If successful, this will be rolled out to other stores during 2023.

Our Hive packaging has been reviewed and found to be less effective than anticipated. It is a cumbersome unit and not suitable for all products. We are currently undergoing a review with an intention to move to 'paper' bubble wrap. In the meantime, we are working with recycled plastic bubble wrap to ensure the necessary protection for products leaving stores. In addition, we have implemented a process to send all flat-packed boxes from Click & Collect to the warehouse for re-use.

As part of our improved processes for waste disposal we continue to ensure that all paint used for visual merchandising in store is returned to our warehouse for disposal by a specialist collection company We also have a collection service in place for batteries in the UK.

We have worked to improve Global Eco facilities supplies during 2022 to 50% vs 30% in 2021 and will look to improve this during 2023.

Next Steps

We will be reviewing our hospitality offering for back and front of house in stores to ensure everything is in place to recycle responsibly. We will continue to celebrate successes with recognition, to create momentum and inspire change within the organisation, and we will work with the Brand Creative team to develop further poster campaigns to support back of house areas of the business.

Our stores will continue to support local charities and we are looking forward to being in the new affinity groups that will be launched within the business. Teams are encouraged to participate in charitable events and/or causes as well as initiating their own suggestions.

We will continue to review in-store packaging solutions as well as recycling facilities (3rd party). We will also research opportunities of sharing best practice with our customers as well as communicating our progress to these customers.

We will focus on the handling of product returns to the store to prevent further damage during transit back to the warehouse. This will improve the product lifecycle and reduce waste. We will be reviewing processes around visual merchandising to ensure that we improve procedures around reusing of stock and tools.



WASTE MANAGEMENT

OUR TARGETS

To make 70% of our packaging (including plastics) recyclable by 2030

We are committed to promoting responsible waste management (SDG 12 – Responsible consumption and production) and to reducing waste (specifically packaging in our supply chain). In promoting responsible waste management, we will focus efforts on making 70% of our packaging (including plastics) recyclable by 2030. We monitor our waste and work closely with our suppliers to find better solutions, as well as improving our reporting in this area. We are aware of the impact that waste (especially from packaging and damaged products) can have both environmentally and economically. We require strict measures to ensure that we manage waste responsibly and are continuously reviewing these.

Our Progress

We continue to partner with Agecko (our UK waste supplier) who collect all waste and report on all waste streams. Monthly reports ensure that this is monitored on a regular basis to maintain awareness of our commitment to reduce waste in the business. We worked on our plastic reduction plan during 2022 reviewing more products by top suppliers. In a year we have reduced plastic in our reported waste from 16% in 2021 to 13% in 2022.

Processes in our operations are continually being updated to ensure that all store packaging is returned to our warehouse while we continue to explore improved processes for handling this at a local level. As the US retail roll out continues, we are committed to embedding processes in our operations to ensure that our waste is disposed of in a way that minimises our impact on the environment.

Next Steps

We will be continuing to review packaging to remove any oil-based materials. We will be reviewing returns data and making changes to packaging specifications, in order to improve product protection and prevent damage during transportation both in the UK and US.

In tonnes	2022	2021
Total waste generated	214.42	222.9
Total recycled waste	209.67	216
Total landfilled waste	4.75	6.9
Total material usage	671	371



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