

OKA

Sustainability Progress Report 2020



“
Our 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.
”

Contents

4-5	ABOUT THIS REPORT
6-11	ABOUT OUR BUSINESS
12	OKA'S SUSTAINABILITY HIGHLIGHTS IN 2020
14-15	A MESSAGE FROM OUR CEO
16-17	OUR SUSTAINABILITY STRATEGY
18-19	OUR PROGRESS
22-23	OUR GOVERNANCE AND RESPONSIBLE BUSINESS PRACTICES
34-41	CREATING THROUGH INNOVATION AND CRAFTSMANSHIP
42-53	ENHANCING ALL LIVES
56-63	DESIGNING FOR A BETTER PLANET
64	OUR NEXT STEPS
66-69	GRI INDEX
71	UN GLOBAL COMPACT



About this report

OKA Direct Ltd ("OKA") is proud to introduce its 2020 Sustainability Report. This report is an opportunity for us to share our progress on the Sustainability Strategy we set out last year in our first sustainability report. It will also provide a reflection of our performance in 2020 and present our future sustainability ambitions and commitments. We acknowledge the fact that OKA is still at a very early stage when it comes to measuring its impact and improving its sustainability performance. This sustainability report is the result of our efforts to improve transparency for all stakeholders and it is the starting point for a more robust approach to data collection and management of environmental, social and governance (ESG) matters.

Scope of the report

This annual report includes information from our global operations and highlights the work we have been doing towards sustainable development and our commitments for the future, in line with our three sustainability pillars: "Creating through innovation and craftsmanship", "Enhancing all lives", and "Designing for a better planet". The report covers the calendar year 2020 and has been prepared in accordance with the Global Reporting Initiative (GRI) Standards – Core Level requirements. The scope and the boundaries of the report are defined by the GRI Standards. A detailed overview of

the GRI Core Level Indicators can be found in the GRI content Index at the end of this report (page 66).

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 Sustainability 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, as illustrated throughout this report, which is also our annual Communication of Progress (COP).

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. The SDGs are a collection of 17 global goals that are interrelated. Each goal has its own targets that cover a broad range of social and economic development issues, including poverty, health, education, climate change, energy, environment, responsible production and consumption, and social justice. 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).



About OKA

Founded in 1999 by Annabel Astor, Sue Jones and Lucinda Waterhouse, OKA is a leading high-end interiors lifestyle brand in the UK and US. We create exquisite, unique collections of furniture and accessories that are designed to inspire practical living and effortless entertaining. Synonymous with good taste and excellent style, we have furnished homes all over the world for more than 20 years. Headquartered in London, OKA's value chain spans six countries (UK, USA, China, India, Vietnam and Indonesia) and includes direct and indirect sourcing networks of several suppliers.

In September 2019, OKA launched its business in the US. Through a marketing plan that focused on magazine mailings, online advertising and a strong PR and influencer campaign, the brand achieved strong sales during 2020. Building on the customer database and growing sales is a primary focus for the business, with opportunities to open retail stores in the years to come.

To fully focus on the growth of the OKA brand in the US, and with the onset of the COVID-19 pandemic, the decision was made to wind down operations at Wisteria – the Dallas TX-based premium furniture business acquired in 2018 – and to only operate the OKA brand in the US in the future. This has reduced complexity and risk, as well as maximising long-term value for the company. The closing of all Wisteria operations was completed during September 2020.

219 employees
(vs 394 in 2019)

85 male and 134 female
(UK 80 male and 123 female;
US 5 male and 11 female)

155 suppliers
in 18 different
countries

£47.4m
Revenue

£25.4m Web
(UK +£4.4m / US + £1.9m)

14
UK and US stores

314,313
customers

(305,625 UK; 8,688 US)
+ 4.4% growth YOY

29,836
new customers
acquired during 2020

+ 42% YOY
(22,613 UK; 7,223 US)

£7.4m
website visits
9K
app downloads
in 2020

114K Instagram followers
(+49K new followers in 2020
vs 30K in 2019)
63,643 new followers
across all social media channels

Our Brand

OKA's reputation for offering unique style has been built on collections of furniture and accessories developed for the home over the past 20 years. The collection has been refined and the range has diversified to include everything from sofas and chairs, to dining tables, lamps, rugs, china, faux flowers and much more.

The heart of OKA's design process is associated with travel and exploration, which is woven into every creation. Working with skilled craftsmen and women around the globe, who draw upon years of experience and time-honoured techniques, OKA creates unique and high-quality pieces. The versatility of product design allows our products to fit seamlessly into both traditional and contemporary homes, ensuring that as our customers' tastes and interiors adapt over the years, OKA pieces will continue to have a place in their homes.

Product design, creation and innovation define the OKA brand and are key to differentiating us from our competitors. Headed up by one of our Founders, Sue Jones, our design and product development teams work collaboratively with our suppliers during the creation process, to ensure that each detail of every new product meets and maintains the high standards that are expected from OKA.

Retail expansion in the US

NEW HOUSTON STORE

After the successful launch of OKA in the US, plans were in place to open our first physical store there in the summer of 2020. Due to the onset of the pandemic the decision was made to delay the launch until April 2021. Despite this delay, work evolved throughout 2020 - this included the shop build, staff recruitment and training, as well as the development of a new learning portal.

The first OKA store in America opened in Houston's Upper Kirby neighbourhood. The city was chosen as the primary location of what will be a rollout of a number of stores across the United States, with cities and dates forthcoming.

“Since its beginnings, in 1999, it’s been our dream to bring OKA to the States,” says Sue Jones, OKA Co-Founder and Creative Director. “And Houston was the perfect fit for us – a big city in the heart of the US with residents who already live by the OKA ethos, that a beautiful home is designed to be enjoyed with friends and family.”



OKA at a glance

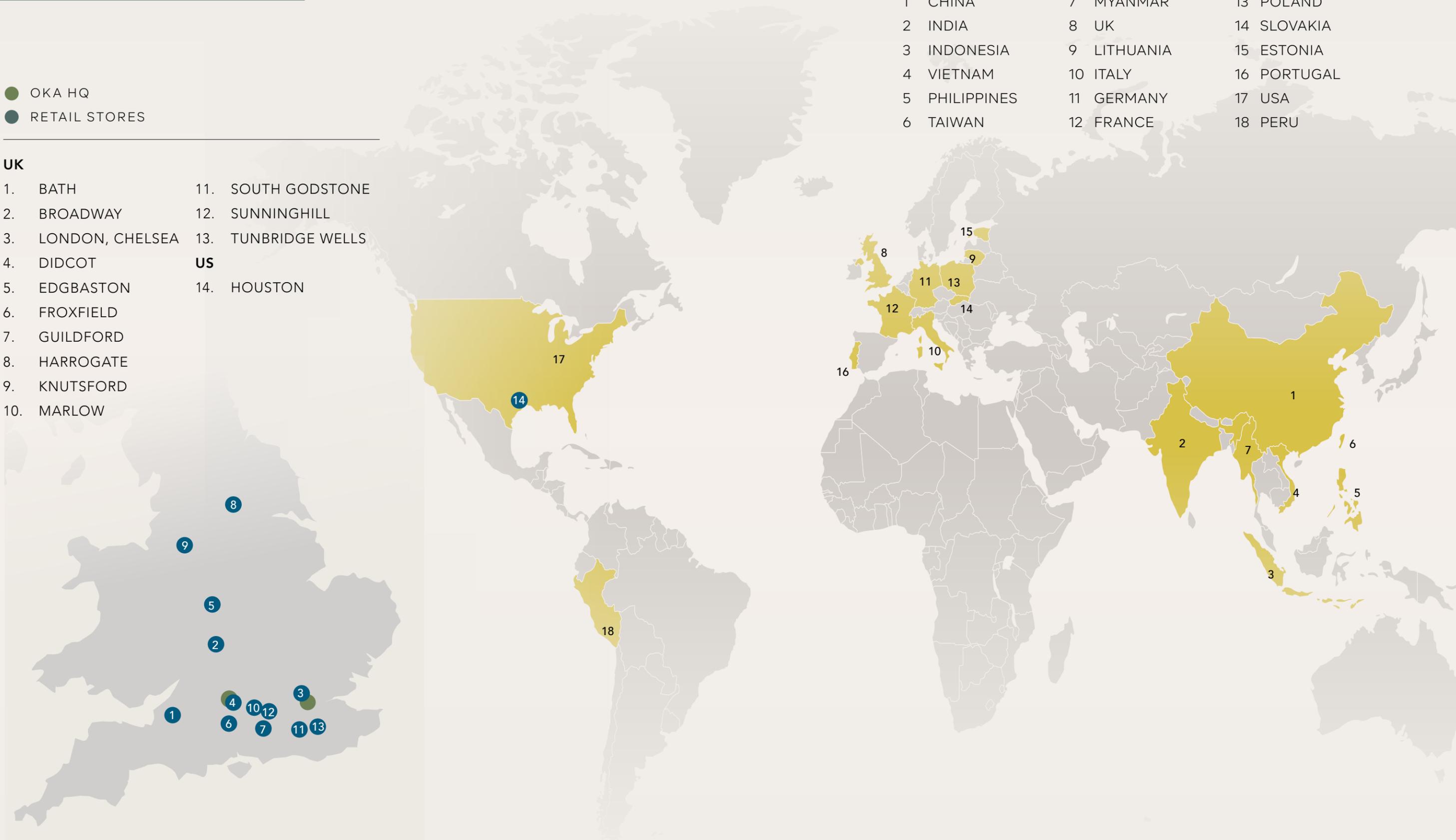
- OKA HQ
- RETAIL STORES

UK

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

COUNTRIES WE SOURCE FROM

- | | | |
|---------------|-------------|-------------|
| 1 CHINA | 7 MYANMAR | 13 POLAND |
| 2 INDIA | 8 UK | 14 SLOVAKIA |
| 3 INDONESIA | 9 LITHUANIA | 15 ESTONIA |
| 4 VIETNAM | 10 ITALY | 16 PORTUGAL |
| 5 PHILIPPINES | 11 GERMANY | 17 USA |
| 6 TAIWAN | 12 FRANCE | 18 PERU |



Sustainability highlights 2020

Improved employee policies, including extended sick pay and more holiday

Charitable partnerships

£30K raised for



35%
less fuel consumption
as UK delivery
vans replaced

Significant reduction
in sea freight due
to improved
consolidation
of containers

New UK waste supplier
with
**zero
to landfill**
strategy

Move to
100%
renewable energy
in our UK operations

Established our
Asian Central Services
(ACS)

Offices in India and China
managing vendors and
enhancing supplier relationships

Launch of company
brand values

Successful launch of the new
employee training portal:

11,651

hours of training
delivered in 2020

Creation of an
**internal
ESG
Team**

Reduced fuel
consumption due
to new routes
for UK deliveries

Ensuring the wellbeing
of employees during
the COVID-19 pandemic

45 unique
monthly logins
on average to our
Reward Gateway

A message from our CEO

When we launched our sustainability strategy in 2019, the world was experiencing the early stages of the COVID-19 crisis. This past year has been unpredictable and challenging in many ways for our business, but also our stakeholders. Our sustainability commitment and strategy played a critical role in addressing the needs of our employees, customers and partners in the value chain.

As the crisis subsides, OKA is balancing the new 'normal' way of doing business while progressing our sustainability commitments. I am thankful for all the effort and dedication of our talented and committed colleagues during this uncertain period in time, who have stayed true to our mission and values, and focused on the changing customer needs. It has made our business stronger and more resilient as we continue to grow over the next few years.

We witnessed an incredible outpouring of generosity from our employees this year with initiatives including the "Dash to Dallas" challenge, through which we raised £30,000 for the Trussell Trust and Feeding America. This has not only resulted in supporting our local communities, but also enabled us to grow together as a team.

In addition, we have engaged with a wide range of other stakeholder groups to support them during this challenging time. Protecting our employees and customers has never been more vital in this context. We are committed to creating workplaces that support our employees' safety and wellbeing. We've raised awareness on this through training and local campaigns.

We have embraced new IT systems across the the business over the past year while we have adapted to a virtual environment. We will also be launching new technology in our retail stores during 2021 that enables customers to virtually connect with our staff.

In parallel to this, we've continued our efforts to improve sustainability across our value chain. We'll continue to work with our suppliers to reduce impacts on the environment and wider society. Among other initiatives, we have started a partnership with a new UK waste supplier with a zero to landfill waste policy in 2020, which will support the development of our long-term product circularity strategy.

We are continuing to improve transparency on our sustainability efforts and make progress on our commitments. While we are aware that we have much more work to do, I am proud of what we have achieved so far and confident that OKA will continue to accelerate on this journey. Our direction is clear and we'll continue to achieve sustainable growth for our business, the planet and our stakeholders.



A handwritten signature in dark ink that reads "Emilio Foa".

Emilio Foa
Chief Executive Officer

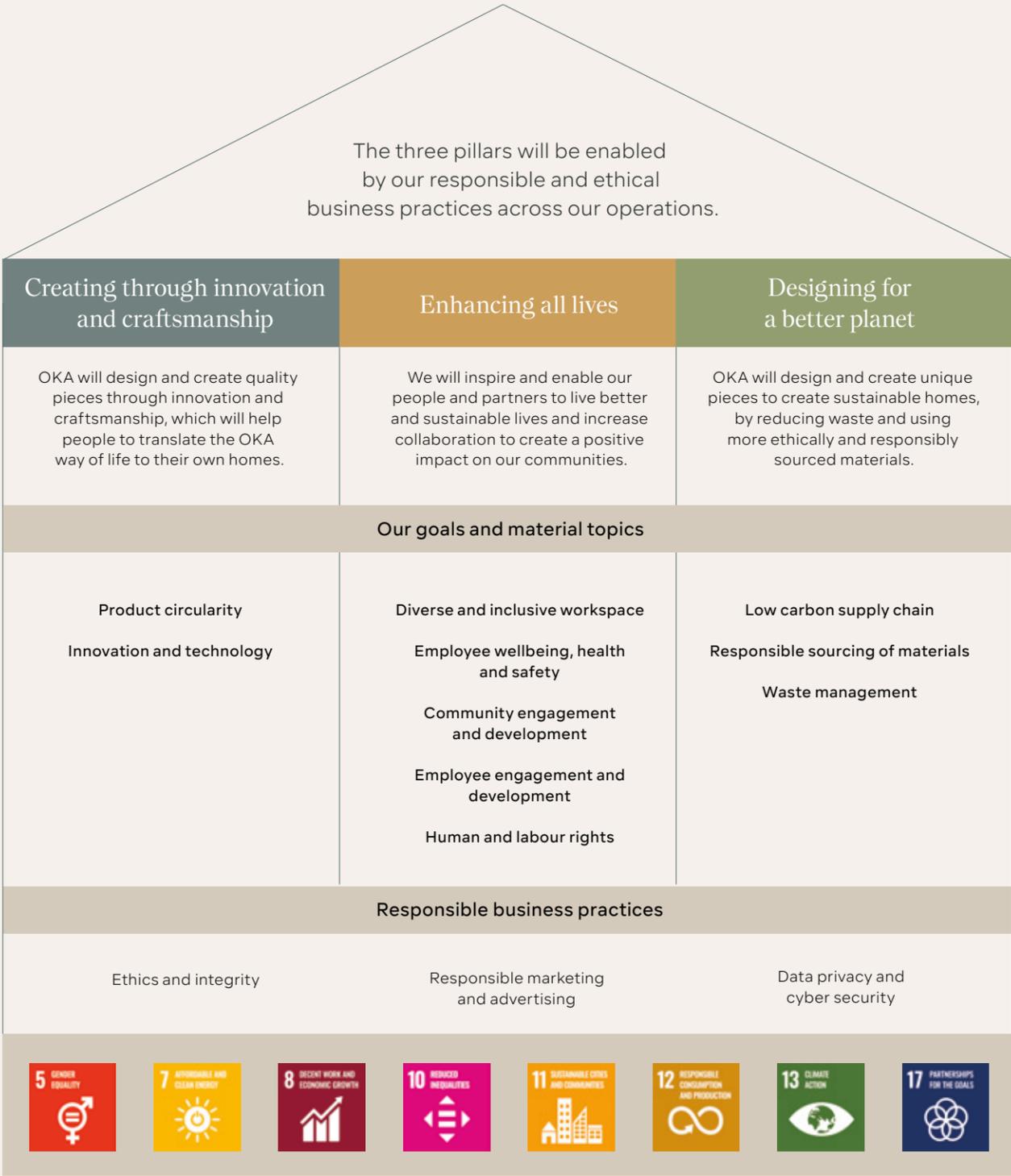


Our sustainability strategy

We are committed to creating responsible and ethically sourced products that provide a positive and sustainable change in the communities in which we operate. Our objective is to make long-term investments that will not only benefit our stakeholders but also create ongoing value for our shareholders.

The strategy includes the most material sustainability topics and supports our vision to inspire our customers to create sustainable homes. The Sustainable Development Goals (SDGs) are the blueprint to achieve a better and more sustainable future for all. The initiative has gained broad acceptance from businesses and other stakeholders. We have mapped our strategy against those goals where we think we could have the greatest impact.

Our sustainability strategy reflects the ways in which OKA will be:



Our progress

Our commitment Our progress

CREATING THROUGH INNOVATION AND CRAFTSMANSHIP

Product circularity

To develop a long-term product circularity strategy by 2022 that progressively adopts the principles of circular economy – reducing, reusing, recycling and transition to circular solutions.



Innovation and technology

To innovate product design and incorporate circular economy principles by 2022



ENHANCING ALL LIVES

Corporate identity

To create a strong internal culture and values, nurture passionate and performance-driven people, and encourage a deeper knowledge of sustainability and life in the home. We will continue to prevent bribery, conflicts of interest and criminal activity in our organisation



Brand identity

To develop and communicate a clear corporate vision and mission statement aligned with our sustainability ambitions, to be published by 2021



Labour and human rights

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



Customer satisfaction and experience

To review and improve our NPS (Net Promoter Score) to measure customer satisfaction by 2020
To increase "promoters" by 5 points (to 75) by 2025



Responsible marketing and sales

To develop new and digitized solutions to meet customer needs and to ensure transparent marketing by 2022



Employee engagement and development

To increase our employee training budget by 30% and overall employee training hours by 2025
To develop a sustainability-specific training programme to educate employees on the basic concepts by 2025



Community engagement and development

To increase our charitable partnerships to five countries where we operate (UK, US, India, China and Vietnam) including through our supply chain by 2025.



Our commitment Our progress

Employee wellbeing, health and safety

To develop an internal health and safety committee by 2020 that is responsible for ensuring that workplaces are safe and contribute to the healthy development of people



Diversity and equality

To continue to actively work to increase gender diversity across our teams, including management and leadership, by (a) considering diversity in the recruitment processes; (b) developing diversity and equality training for all employees (including management) by 2022
To improve the ethnic diversity and inclusivity of our workplace by (a) considering diversity in the recruitment process; (b) developing diversity and equality training for all employees (including management) by 2022



Ethics and integrity

To continue preventing bribery, conflicts of interest and criminal activity in our organisation



To ensure that 100% of our employees are trained annually on our corporate ethics policies by 2022



DESIGNING FOR A BETTER PLANET

Low-carbon supply chain

To achieve a 40% reduction in Scope 1 and 2 greenhouse emissions (CO₂e) per £M of revenue against a 2019 baseline by 2030 while exploring science-based targets for 2030



Waste management

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



Energy management

To reach a 40% reduction in energy use within our operations by 2030 (from a 2019 baseline), while researching science-based targets for 2030



Responsible sourcing of materials

To 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 and of the entire supplier base by 2025



Responsible sourcing of materials

To 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



Materiality assessment and stakeholder engagement

In early 2021, we worked with consulting firm ERM to develop our first comprehensive materiality assessment, in which we identified nine material and four high-priority sustainability topics. Managing these sustainability topics will be critical for OKA's long-term business performance and will also impact the environment, our people and the wider society. OKA aims to review the assessment annually as our strategy responds to the changes in our business environment.

We have taken a three-step approach to identify the sustainability topics that will influence OKA's future strategic direction:

1. Identifying relevant sustainability topics

We conducted desk-based research on sector and industry developments and trends, and analysed global sustainability frameworks, including SASB, GRI, UN Global Compact and the UN Sustainable Development Goals. In addition, the material topics considered by our peers were analysed. This process has resulted in the identification of 13 material topics that could potentially impact our business and value chain.

2. Stakeholder engagement

We engaged with our external stakeholders and OKA colleagues to identify and prioritise the topics that matter the most. Stakeholder engagement is a vital part of our process as it allows us to gather key insights, identify opportunities for improvement and reflect on our progress.

We conducted in-depth interviews with several stakeholder groups, including our investors – Investindustrial – suppliers, customers and OKA colleagues. In addition, a survey was completed by 59 of our colleagues across different business functions, in which they scored different topics in terms of their importance to the business. Respondents held positions across our business, including sales, retail, leadership team, finance, legal, technology, supply chain, and operations. Their locations of operation spanned across our locations in the UK, US, China and India.

3. Prioritising our material topics

The stakeholder engagement insights were analysed and used to rank and prioritise the topics, which are depicted on the materiality matrix. While the results reaffirmed the importance of many of our previous priority topics, the assessment also resulted in some shifts.

The materiality matrix illustrates the relative importance of 13 material topics, in relation to their impact on our business (which includes the views of our internal stakeholders) and relevance to our external stakeholders. The updated results continue to support our current strategy and enabled us to focus our actions upon the most important topics. The results of the assessment have been reviewed and approved by the Leadership Team.

MATERIALITY MATRIX



Governance

In December 2017, OKA Direct Ltd was indirectly acquired by a fund managed by Investindustrial, a leading European group of independently management investment, holding and advisory companies. Under the chairmanship of Annabel Astor, the Board of Directors is responsible for the overall strategic direction of OKA, focusing on long-term value creation, the management of financial resources and the appointment of new members to the Leadership team. The responsibility of their board members is to constantly monitor the ethical conduct of corporate operations.

The board members are:

Emilio Foa
Chief Executive Officer (CEO)

Richard Mills
Chief Financial Officer (CFO)

Annabel Astor
Chairwoman

Alessandro Tome
Non-Executive Director

Julien Grandpre
Non-Executive Director

David Ker
Non-Executive Director

Our leadership team is comprised of:

Emilio Foa
Chief Executive Officer (CEO)

Richard Mills
Chief Financial Officer (CFO)

Sue Jones
Creative Director

Jennie Farmer
Chief Commercial Officer

Lindsey Cotter
Merchandising Director

Alex Priscott
Chief Technology Officer

Matthew Talbot
Supply Chain Director

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 their disclosures.

Responsibility for sustainability sits within the Board of Directors, with the Leadership team taking responsibility for each of their sustainability commitments. They are supported by the Environmental, Social and Governance (ESG) working group – made up of experts from OKA's global operations. The ESG working group's responsibility is to guide and monitor their progress on their sustainability activities. The group – which reports directly to the Leadership team – 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.





Our policies

Our sustainability commitments are supported by our governance structure and policies. The policies that are informing our sustainability strategy are:

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.

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.

Whistleblowing policy

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 internal line manager, through the HR manager or directly to our CEO.

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 of the above to ensure that the Leadership team are aware of any cases. All of OKA's employees globally have been communicated to regarding the organisation's anti-corruption policies and procedures and received training on this topic.

Modern slavery

In line with the requirements of section 54 of the Modern Slavery Act 2015, we have published our annual modern slavery statement on our website.

Responsible Business Practices

We believe that responsible business practices form the essential foundations to our three pillars of sustainability. 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 will enable our business to thrive through achieving trust from employees, customers and suppliers alike.

Our commitment

RESPONSIBLE MARKETING AND SALES

To develop new and digitized solutions to meet customers' needs and to ensure transparent marketing by 2022

To review and improve our NPS (Net Promoter Score) to measure customer satisfaction by 2020. To increase 'promoters' by 5 points (to 75) by 2025

Our progress



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 protected at all times. We experienced no breaches of customer data during 2020.

While the business is reliant on direct marketing (via magazine mailings, for example) as one of the sales channels to customers, all of our print materials are FSC certified. We are working with our suppliers in this area to ensure best practice at all times 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 2020, no incidents of non-compliance with industry regulations were reported and no non-compliance has been identified.

Our annual customer surveys and monitoring our performance via Net Promoter Score (NPS) will form an important part of this strategy. We will review and improve our NPS system to measure customer satisfaction by 2020 and increase 'promoters' by 5 by 2025 (from a benchmark of 70).

We continue to track our customer satisfaction and are working towards reporting on both NPS and Trustpilot, as well as implementing new software to streamline management of customers' feedback across the business.

Our progress

314,313

Total number of customers
(305,625 UK; 8,688 US)
+ 4.4% growth YOY



7.4m

website visits and **9,000** downloads of our OKA app.

£25.4m

Ecommerce revenue increase
(UK +£4.4m / US + £1.9m)



We have gained **63,643** new followers across all social media channels (114,000 followers on **Instagram**) (+49,000 new followers in 2020 vs 30,000 in 2019)

29,836

New customers acquired in 2020
+ 42% YOY
(22,613 UK; 7,223 US)

70

Our NPS score in 2020 (70 in 2019)



We reached more potential new customers by using less paper. We printed **3,174M** Direct marketing pieces (+58% on 2019) while reducing the number of pages. We printed **965,357** magazines and sale books to customers to drive sales (+16.6% on 2019) and reduced the total number of pages by **2%** in comparison to 2019.

All our direct mail in 2020 is **FSC certified**, including envelopes



Data privacy and cyber security

In the process of our materiality assessment, we have identified data privacy and cyber security as an emerging material topic. 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. In 2020, in order to reduce cyber risk, we developed an internal team to improve our expertise in this area, as well to build resilience into our operations.

Our progress

We have appointed a Data Protection Officer (DPO), a statutorily independent role who reports back to the Information Commissioners Office. The DPO ensures employee and customer personal data is managed in accordance with regulatory requirements, while optimising upside and downside privacy governance for the benefit of all the business' constituents.

The programme of work initiated covers:

- ERP migration and Ecommerce replatform
- Embedding privacy into future tech architecture
- Introducing an ISMS – Information Security Management System
- New privacy policies for customers, with new marketing and cookie consent options to maximise conversion and minimise downside risks
- Undertaking Privacy Impact Assessments
- Introducing data governance frameworks and incident reporting processes
- Policy changes, training and cultural integration of privacy for all staff, to effectively manage liability
- Intermediation with the Information Commissioner's Office, customers and other parties

Ethics and Integrity

Our commitment

Our progress

CORPORATE IDENTITY AND PURPOSE/ BRAND IDENTITY

To create a strong internal culture and values, nurture passionate and performance-driven people and encourage a deeper knowledge of sustainability and life in the home



To continue preventing bribery, conflicts of interest and criminal activity in our organisation



To develop and communicate a clear corporate vision and mission statement aligned with our sustainability ambitions, to be published by 2021



To develop a Corporate Sustainability Training programme to ensure that 100% of employees (and new starters) complete the specified courses annually by 2022



To ensure 100% of employees are trained annually on our corporate ethics policies by 2022



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 will develop 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 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 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

We have developed and communicated a clear corporate vision and mission statement aligned with our sustainability ambitions via our newly launched Brand Book. The book features our company brand values and raises awareness of our sustainability strategy and intentions to all employees.

Brand vision, mission and values

Our **vision statement** is the North Star goal of our business and helps to explain why we exist.

Our **mission statement** sums up the core purpose, focus and aims of the business – shaping the objectives and culture of OKA.

Our **brand values** are the foundations our business is built upon, outlining everything we stand for and believe in.

VISION STATEMENT

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.

MISSION STATEMENT

To 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 BRAND VALUES

Creativity

Sparking imaginative ideas for the home

At OKA there are no house rules. Our collections are a carefully curated celebration of design, colour and personality. We love dreaming up creative ways to showcase our versatility to help our customers translate the OKA way of life to their own homes.

Family

Beautiful products make for meaningful experiences

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 things – enjoying precious time with their friends and families.

Experience

Offering something special to customers at every touchpoint

We work hard to deliver our discerning customers high-quality products and an excellent service at every step of their journey.

Craftsmanship

Invigorating tradition and supporting our maker-partners

We have a passion for design and proudly partner with skilled independent craftsmen 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 of our products are made to high ethical standards.

OUR STAFF VALUES

CREATIVE
THINKING



Embracing evolution and innovation.

With every role at OKA, there's the chance to be creative. We are open-minded, we listen and understand – then we ask questions. We present solutions rather than problems and we constantly strive to find ways to improve and stand out from the crowd.

TRUST



Do the right thing.

We value the customer and our colleagues and we are always honest and respectful, treating each other how we would like to be treated. We build trust by communicating clearly and transparently to our teams. Our customers value us too, as we put them first in everything we do and match our words to our actions.

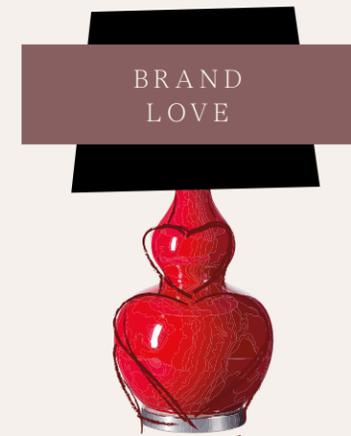
MAKE IT
HAPPEN



A positive outlook brings positive results.

OKA employees are agile and proactive. We have an entrepreneurial and problem-solving spirit, bringing a can-do attitude to everything we do. We rise to each challenge, making ideas and concepts reality.

BRAND
LOVE



It's a family affair.

There's a lot of love at OKA – for the products we make, the customers we serve and the people we work with. We know the best work is done by people who enjoy their jobs, so we create a fun and nurturing environment where everyone feels valued and is able to thrive. The company's success is our own personal success, because we are all part of the OKA family.



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 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 the 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 with a strategy in place by 2022.

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.



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.

Our commitment

PRODUCT CIRCULARITY

To develop a long-term product circularity strategy by 2022 that progressively adopts the principles of the circular economy – reducing, reusing and recycling and transition to circular solutions



To innovate product design and incorporate circular economy principles by 2022



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. We aim to source our products responsibly and locally wherever possible. Moreover, we will increase our resource efficiency by focusing on product lifecycle management. In the past, our product design process was mostly focused on the aesthetic; we are now committed to rebalancing this focus towards the use of sustainable materials. The majority of our products are currently sourced from suppliers in the Far East, however, we are exploring opportunities to source more locally.

Our progress

During 2020, a number of initiatives have been introduced into the business as OKA looks to develop a product circularity strategy:

- We have created an internal team of eight experts from across the business who are working on our strategy and plans.
- Our product development team and technical-quality team have been focusing on improving the quality of products to reduce waste, working directly with our suppliers to understand the processes during the design process in order to do so. We continue to work with our supply chain of over 155 suppliers globally.
- With packaging having been identified as a material topic for the business, we have a new packaging technologist who is passionate about sustainability. They are tasked with reviewing all our packaging and delivering improved solutions to reduce waste and reuse where possible. We will continue to explore the possibilities of product packaging that has a function in your home, beyond the point of delivery.
- 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.

Our progress

“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.”

Edward Morris – Packaging Technologist

- All seconds and end-of-line products are sold through our seasonal sales and outlet stores (in Didcot and Godstone, UK). This reduces waste in our warehouse, while giving customers the chance to buy at heavily discounted prices for a limited time. We distribute product care manuals to customers via our website, so they can keep their chosen products in prime condition and enjoy them for years to come. By providing this service we are extending the lifespan of the products; we provide specific guidelines for different fabrics and product lines.
- In order to reduce paper usage, we are working on creating generic product assembly instructions – where relevant – and making these digitally available on the product's page on our website. As part of the brand experience, delivered products will be accompanied by a postcard that will direct customers to oka.com for all assembly and care instructions.
- We are exploring opportunities around stocking "spare" parts for customers, as well as developing our current relationship with Homeserve who have partnered with us to repair products in customers' homes. Homeserve visits to customers increased to 73 (from 63 in 2019).
- A review of the current UK waste supplier for the business was carried out and a new contract was awarded to a new supplier, with a zero waste to landfill policy.
- Monthly reports ensure that this is monitored on a regular basis to maintain awareness of our commitment to reduce waste in the business.
- The Merchandising team have worked closely to re-home products that are end of lines/seconds. The majority are sold via their outlet stores based in the UK or via our online outlet. During 2020, with the onset of COVID-19, we worked to donate fabric to be made into PPE.
- Our Marketing team is exploring partnerships with organisations to re-home products that are no longer of value to the business, an example of this is our collaboration with the James Cook University Hospital. At the same time, we are working to ensure that we keep our customers updated on our progress.
- We are committed to reducing the volume of packaging materials where possible, and taking steps to ensure the packaging we collect is sent directly to local recycling companies, ensuring circularity and best value with minimal energy used in the process.
- We continue to promote our service to customers to take away the existing product from their homes, in order to ensure safe and responsible disposal. Due to the pandemic, the number of collections decreased this year to 19, compared to 35 in 2019.

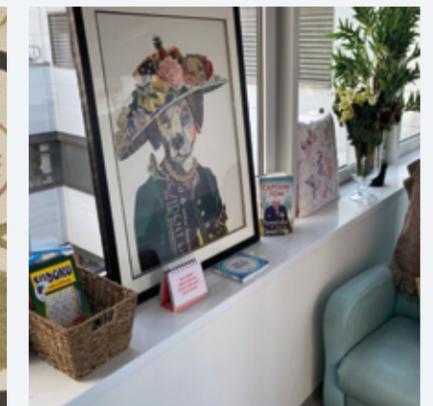
Product circularity



JAMES COOK UNIVERSITY HOSPITAL PROJECT

This year, we supported the James Cook University Hospital in Middlesbrough – one of the largest hospitals in Europe.

Collaborating with the team there, we furnished three “wobble rooms” (i.e. resting rooms for staff) using end-of-line and seconds stock. It was great to be able to contribute to the community, while also seeing some of our products give “new life” to a space.





Product circularity

TAILORED BY OKA

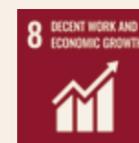
Our Tailored by OKA collection of custom-made sofas and armchairs launched in 2020. We offer a range of colours and fabric variations with optional replaceable covers, which will extend the life of the furniture.





Enhancing all lives

People are at the heart of OKA. Their passion and love for the brand has been integral to its success to date. Whether people and partners are based in the UK, US or elsewhere in the world, we will inspire and enable them – and their teams – to live better, 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 achieve this goal by building an ethical and trusted company, with partners, suppliers offering decent work and economic growth (SDG 8), 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 is 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 respected at all times, in order 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).

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 commitment

Our progress

HUMAN AND LABOUR RIGHTS

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



We expect our suppliers to operate to the same standards that we uphold ourselves and have issued a Supplier Code of Conduct to communicate our expectations. We currently work with 155 suppliers and 168 factories to produce OKA products. Of these, 49 suppliers are fully audited (31.61%) and 56 factories are audited (33.33%).

Our progress

During 2020 a number of initiatives have been introduced into the business to strengthen our vendor management and improve transparency in our supply chain.

- We have established our Asian Central Services (ACS) – a new vendor management and order management team 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 our suppliers globally. Ten visits per month are planned in India and eight in China.
- Our updated trading terms and code of conduct for all suppliers, detailing our accepted trading terms, was issued to our existing suppliers in 2020. It is now issued to all potential suppliers prior to us commencing a working relationship with them.
- Our new updated supplier manual and manufacturing principles is in the process of being rolled out during 2020/2021.
- During 2020, 100% of all new suppliers were signed up to our code of conduct prior to any purchase orders being raised. In 2021, we will engage third-party auditors to assess social compliance to improve transparency. We will use third-party auditors to assess compliance of our top ten suppliers in each country (China, Vietnam, Indonesia and India) by 2021, and the entire supplier base by 2025. We will look to support our suppliers in our top five countries (China, Vietnam, Indonesia and India) in identifying partnerships to address and improve environmental and social challenges.



Our commitment

EMPLOYEE ENGAGEMENT AND DEVELOPMENT

To increase the employee training budget by 30%, as well as overall employee training hours by 2025

To develop a sustainability-specific training programme to educate employees on basic concepts by 2025

Our progress



At OKA we strive to improve our employee training and development by upgrading employee skills and performance, and carrying out developmental reviews. Our programme also includes transition assistance programmes to facilitate continued employability and management of career endings, due to retirement or termination.

Our progress

- We conducted engagement surveys in both the UK and US and plan to continue these on an annual basis. More than 60% responded to the survey.
- As well as seeing OKA as an authentic and inspiring environment, employees felt enthusiastic about the future of the business. ESG topics of wellbeing, diversity and inclusivity, compensation and human rights were the most important factors cited, along with healthcare, flexible time and staff discounts being identified as key topics regarding staff benefits. A plan to enhance these areas will be put into place during 2021.
- The OKA Staff Skills Academy (e-learning platform) was launched into the business. The platform provides a variety of courses aimed at upskilling employees, as well as compliance courses for both the UK and US. To date 780 courses have been completed and 99 are in progress.
- We have created new career opportunities across all of our teams, including the introduction of two new roles within our retail operations. Senior Store Managers – who are responsible for leading and supporting a cluster of stores – and In-Store Design Advisors, who are trained to deliver a more design-led approach to service and sales.
- Our new teams in the US have been supported by experienced staff in the UK; a comprehensive induction programme, combined with ongoing training and support, ensure that the brand ethics and values are instilled in all our teams globally.
- We have established an internal ESG team made up of representatives from across the business who are passionate about influencing change and supporting the strategy detailed in this report. Participation in this group gives individuals the opportunity to share their ideas and experience and to add value to the strategy.
- A specific ESG training course, relating to sustainability, is being planned; this will be introduced to all employees.
- Average number of training per year per employee: 53.1hrs (vs 0.7 for 2019) This is a significant increase due to the launch of our new Staff Skills Academy; the increase of training requirements during the pandemic, as well as the requirements for training new teams in the US.
- In spite of COVID-19 and a recruitment freeze, we recruited 58 new hires in 2020 vs 131 in 2019, of which 24 were new roles. There were also 6 internal promotions.

	2019	2020
Number of indirect created and sustained jobs	262	161
Number of indirectly created and sustained jobs occupied by women	120	74
Voluntary employee turnover rate	32.5%	13.2%



COMMUNITY ENGAGEMENT AND DEVELOPMENT

To increase our charitable partnerships to five countries where we operate (UK, US, India, China and Vietnam), including through our supply chain by 2025



We are aiming to create a positive impact on society by donating our time and resources to community engagement and development projects. We are in the process of identifying and exploring opportunities and partnerships to enhance positive impacts on the community, such as by supporting education, nurturing skilled craftspeople and developing apprenticeships in the UK, the US, and countries where we source materials. By 2025, we will look to work with relevant organisations and suppliers to support this cause (SDG 17 – Partnerships for the goals) in five countries where we operate (UK, US, China, India and Vietnam).

CELEBRATING 21 YEARS

It was OKA's 21st Birthday in 2020, a milestone to celebrate. We focused on appreciating the "simple" things in life and sharing meals with loved ones. Therefore, we chose to engage in a partnership with two charities supporting food banks in the UK and US (the Trussell Trust in the UK and Feeding America in the US).

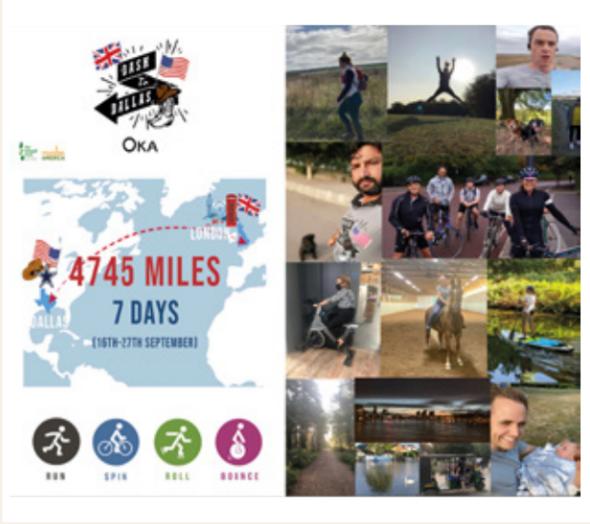
Their commitment to putting food on the table for people locked in poverty is a cause that resonates with OKA's spirit and family values. It was not just a plan to support its immediate COVID-19 relief efforts, but also to provide long-term support with a variety of ongoing initiatives.

We used our website, social media and marketing emails to convey this positive message to our audience and raise money to support the cause. Every pound donated by a customer was matched by OKA. Not only did this initiative support our community engagement commitment but it also worked well as to foster employee engagement, with a large number of employees contributing to its success.



Our progress

- We embarked on a "Dash to Dallas" challenge aimed to engage our teams in both the UK and the US. Over the course of a week in September, teams competed to rack up 4,745 miles – the distance between our London and Dallas offices – raising money en route. The teams split distances across their staff; over the course of 7 fun-filled days, eleven teams raised £7,500. OKA donated a further £10,000 to bring the total to £17,500. This, combined with customer donations from the 21st Birthday celebrations, totalled £20,000 for the Trussell Trust and Feeding America.
- At Christmas we launched our Christmas charity gifting initiative – "Small gifts to make a big difference" – and donated 20% of the sales from 41 products to the Trussell Trust. We exceeded our original target of £3,000, achieving nearly £7,000 – this was rounded up to £10,000 by OKA, giving us an annual total of £30,000.



raised to ensure corrective action is taken. The committee is headed up by the Head of Operations, with members from elsewhere in the business. We work with a third-party agency (Safewell) to assist with safe system of work and risk assessments.

- Our robust procedures and strong training kept our staff safe. To date, we have not had any cases of COVID-19, with the warehouse continuing to operate throughout the pandemic.
- We integrated our Wellness Centre into the business via our third-party Reward Gateway platform, launching a company-wide Wellness video for all employees.
- Our EAP (Employee Assistance Programme) 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 well-being issues.

- We introduced rewards for recognition and length of service to our employees. Twelve awards were issued to employees who had reached a five-year milestone.
- Benefits, such as Holiday Purchase, Cycle to Work programmes and discounts on popular UK retailers, are available to all employees.
- We have updated our benefits to our employees with the following:
 - Extended sick pay eligibility, so that all employees receive 10 days per year irrespective of length of service.
 - Increased holiday entitlement to 25 days for all UK employees.
 - An extra holiday day for your birthday.
 - The introduction of meeting-free Wednesday afternoon.

Our commitment

EMPLOYEE WELLBEING, HEALTH AND SAFETY

To develop an internal health and safety committee by 2020, which is responsible for ensuring that workplaces are safe and contribute to the healthy development of people



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, especially during the current pandemic.

Our progress

- We established an internal health and safety committee in the business. This committee is responsible for ensuring that our workplaces are safe and contribute to the healthy development of people, reporting regularly on our progress. They meet monthly to discuss any issues and report on all activity. All teams report issues and investigations are conducted where concerns are

Our progress

	2019	2020
Total number of incidents resulting in injuries	47	25
Days lost due to work-related injuries	1	108*
Lost-time injury frequency rate	1.5	1.8
Absentee rate	3%	4.1%

*rise is due to the high proportion of COVID-19 self isolators

Our commitment

DIVERSE AND INCLUSIVE WORKPLACE

To continue to actively work to increase gender diversity across our teams, including management and leadership, by (a) considering diversity in the recruitment processes; (b) developing diversity and equality training for all employees (including management) by 2022



To improve the ethnic diversity and inclusivity of our workplace by (a) considering diversity in the recruitment process; (b) to developing diversity and equality training for all employees (including management) by 2022



We actively embrace a safe and healthy environment, ensuring a culture (in both the UK and US) of hiring and promoting a diverse and inclusive workforce that reflects 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 by 2022.

Our progress

Our progress

		2019	2020
Total number of FTE employees at the end of the reporting period	Total	356.4	219.35
Number of part-time FTE at the end of the reporting period	Male	7.3 (14%)	4.0 (11%)
	Female	43.5 (86%)	32.4 (89%)
	Total	50.3	36.35
Number of permanent FTE at the end of the reporting period	Male	140.3 (39%)	83.6 (38%)
	Female	213.3 (61%)	134.8 (62%)
	Total	353.6	218.35
Number of temporary employees FTE at the end of the reporting period	Male	1 (62%)	0
	Female	0.6 (38%)	0
	Total	1.6	0
Senior management team	Male	7 (46%)	4 (57%)
	Female	8 (54%)	3 (43%)
	Total	15	7



54

Butea superba



Designing for a better planet

At OKA we are committed to 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 2020 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, 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). 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.



Our commitment

LOW CARBON SUPPLY CHAIN

To achieve a 40% reduction in Scope 1 and 2 Greenhouse gas emissions (CO₂e) per £m of revenue (against a 2019 baseline*) by 2030, while exploring science-based targets for 2030

To reach a reduction in energy use within our operations of 40% by 2030 (from a 2019 baseline) while researching science-based targets for 2030

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.

Our progress



Our progress

- We reduced the number of containers that we ship by consolidating shipments for smaller orders.
- In Q4 2020, we replaced OKA's fleet of vans with new vehicles that have a greater capacity and which consume 35% less fuel.
- We have installed POD father software to improve routing for UK van deliveries to customers and stores, in order to reduce fuel usage.
- Due to the COVID-19 pandemic, we reduced our visits overseas and explored other means of working with our suppliers around the world. Like many businesses we used video conferencing successfully; moving forward we are committed to maintain the lowest possible level of employee travel and will utilise video conferencing where ever possible with these facilities now available in all our offices.
- We report on our scope 1, 2 and 3 greenhouse gas (GHG) emissions quarterly.
- We reduced our reliance on air freight (unless in exceptional circumstances) and focus on our products/ orders being shipped as full container loads.

- Moving forward, we are committed to maintain the lowest possible level of employee travel and, with the facilities now available in all our offices, will utilise video conferencing where possible. As well as reviewing samples during the design and production process, there have been wider benefits in collaborating in this way – namely, strengthening relationships between suppliers and teams. To ensure that travel in the business is reduced wherever possible, without affecting the design and production process, we explore opportunities using technology.
- Our GHG emissions per business unit for 2020 decreased by 35%. This was predominantly due to the winding down of the Wisteria operations in the US.
- In the UK, we renewed our energy contracts with Haven Energy meaning that, going forward, all our operations in this location will use 100% renewable sources.
- In 2020, 39% of our energy consumption was sourced from renewable sources (increased from 15% in 2019).

CLIMATE PORTFOLIO SCREEN

In order to further understand the long-term impact of climate change on the OKA business we worked in collaboration with ERM, a global consultancy to conduct a climate portfolio screen. The work sought to analyse the risks and opportunities for the brand, in order to inform future decision making as part of the growth strategy of the business.

The results of the screening showed that the electricity share demanded by transport presents a high risk, impacting operating expenditure through increased transport costs by 2040. Physical climate change presents a moderate risk in terms of flooding and sea level rise, which has the potential to disrupt shipping logistics and lead to reduced reliability and delays of supplies to shops and warehouses. Additionally, cyclones presents a high risk, with potential to disrupt logistics and operations between 2030 and 2050. A number of recommendations were made by the report and a plan to address these is underway.

*due to the impact of the COVID-19 pandemic during 2020, we have revised our baseline to 2019 for more accurate measuring

GHG Emissions

	2019	2020
Total (absolute) GHG emissions per business unit	7,302 tCO₂e	2,591 tCO₂e
Scope 1 emissions This includes owned or controlled assets: gas and propane burned in buildings and fuel burned in owned or leased cars	633 tCO₂e	429 tCO₂e
Scope 2 emissions This includes electricity <i>Location based</i>	481 tCO₂e	344 tCO₂e
<i>Market based</i>	529 tCO₂e	195 tCO₂e
Scope 3 emissions Primarily product transportation. It also includes upstream emissions from energy production (eg, transmission and distribution losses), business, disposal of waste, employee commuting and embodied carbon in purchased goods.	6,188 tCO₂e	1,818 tCO₂e

	2019	2020
Business travel by air (km)	665,418	131,560
Business travel by car (km)	469,505	87,918
Total electricity consumption (kWh)	1,884,299	1,096,399
Renewable sources (kWh)	493,453	671,060
% renewable electricity	26.2%	61%
Supplier renewable energy	Green Tariff	Green Tariff
Energy consumption (kWh)	3,251,947,9	1,707,089
Energy consumption intensity (kWh/ employee)	-	2.754
% renewable energy	15.2%	39%
Total water consumption (m3)	3,063.4 m3	2.180
Total water discharged (treatment) (m3)	-	1.037

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).

Carbon neutrality

We are committed to reducing our greenhouse gas emissions and working towards setting science-based targets. We have also made plans, in collaboration with Investindustrial, to buy carbon credits as part of a nature-based climate projects in Canada and Guatemala; this has offset the net carbon footprint of our business from 2020.

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)



GUATEMALAN CONSERVATION COAST PROJECT

The Guatemalan Conservation Coast has seen an upward trend in deforestation, degradation and fragmentation. This has coincided with the expansion of industrial agriculture, such as the production of palm oil, as well as the movement of subsistence farmers and cattle ranchers 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.

Climate finance works to protect the remaining forests of the Guatemalan Conservation Coast region, by addressing the drivers of deforestation through 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 four million tCO₂e will be avoided by 2021 – the equivalent of taking more than 440,000 homes off the grid for a year. When considering the lifetime of the project over 30 years, the tCO₂e avoided will be closer to c. 22 million.

There are also important biodiversity benefits, over 400 species of birds have been documented in the project area and 120 species depend on the corridor to sustain their great journeys.

LAND
More than 59,941 hectares protected

LOCATION
Guatemalan Caribbean coastline, Izabal Department region, Guatemala

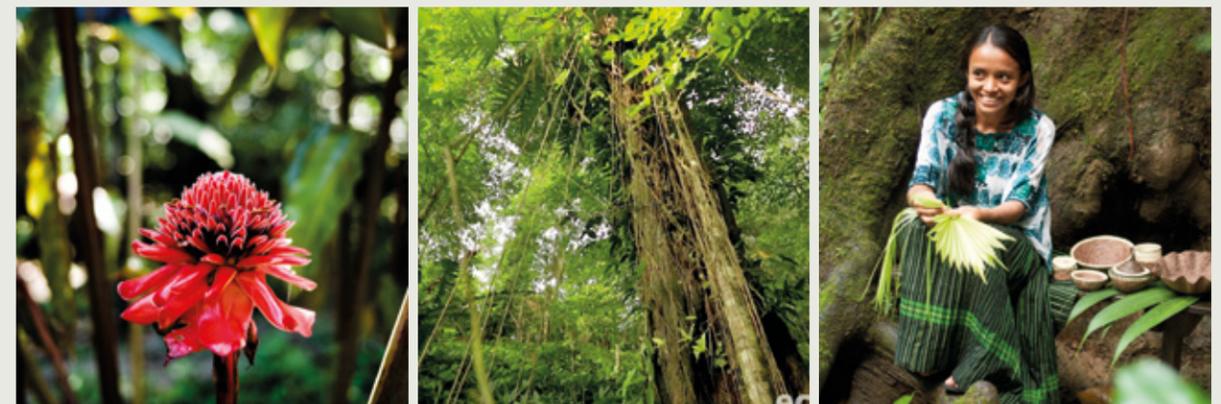
EMISSIONS
c. 22 million tCO₂e avoided

STANDARDS
VCS-CCB, Gold Level for biodiversity

COMMUNITY
More than 100 local and indigenous communities and c. 3,250 families

CLIMATE ZONE
Tropical rainforest (AF)

SPECIES
30 High Conservation Value and more than 400 birds



Our commitment

Our progress

WASTE MANAGEMENT

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. When buying a new piece of furniture, our customers are offered a disposal service of the equivalent piece of existing furniture in their home (£50). This initiative has received positive feedback and has now been rolled out nationwide.

Our progress

- Processes have been updated to ensure that all store packaging waste is returned to the warehouse.

We have completed a packaging and recycling review in the business.

- We have started phasing out plastic air pillows. We have installed a new shredder at our warehouse – alongside the bailer and compactor – to reduce, reuse and recycle waste.
- Building close relationships with our suppliers is key in reducing waste from our supply chains. Taking out unnecessary space from containers, while keeping adequate product protection levels, are extremely important factors that feed sustainable packaging practice relevant to our global supply chains.

“The aim of our packaging strategy is to reduce our packaging usage relative to sales, while maintaining protection levels and minimising supply chain waste – at the same time as supporting circular economies with more sustainable materials.”

Edward Morris – Packaging Technologist

	2019	2020
Total waste generated (tonnes)	1,526	481
Total recycled waste (tonnes)	330	187
Total landfilled waste (tonnes)	1,195	293
Total material usage (tonnes)	872	671

Our commitment

Our progress

RESPONSIBLE SOURCING OF MATERIALS

To use third-party auditors to assess compliance of our top 10 suppliers in each country (China, India, Indonesia and Vietnam) by 2021, and of the entire supplier base by 2025



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 five 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.

Next steps

At a time when our business is still being heavily impacted by COVID-19, our next steps are focused on both the challenges and opportunities that this creates. OKA is a unique and resilient brand and we want our stakeholders to recognise the commitment of all our teams over this period; we value their commitment to the brand as well as their passion and support for embedding our sustainability strategy in the business, our value chain and the wider society.

To achieve our objectives, we will retain our focus on the continued wellbeing of our teams during COVID-19 and will ensure we take actions to protect our employees across the globe. At the same time, we will ensure that we lead them on a progressive development programme to deliver training and support to them.

We will focus on our materiality topics – as identified in our recent materiality assessment – and ensure that responsible business practices become the foundation of our sustainability framework. As we continue to move to a more digital business, with employees working from home, data privacy and cyber security are more important than ever. We will also take steps to ensure that our employees are trained annually on our corporate ethics policies.

Through our packaging strategy, we are aiming to reduce our packaging usage relative to sales, while protecting our products, minimising supply chain waste and accelerating the circular economy through the use of sustainable materials. With our new team in place, we will accelerate our ambitions around packaging and waste management to reduce our greenhouse gas emissions and impact on the environment in which we live and work. This will become an important part of developing our product circularity strategy during the next year.

We recognise the importance of improving our supply chain transparency and ensuring that human rights are respected throughout our entire value chain by using third party audits and supporting our suppliers. Our audits during 2021 will help us gain more transparency in our upstream activities and identify any areas of non-compliance. We want to build relationships with suppliers and support their businesses and sustainability goals.

We will also focus on improving the traceability and sustainability of the raw materials used in the production of our products. Firstly, we will identify the key raw materials within the business that pose the greatest risk to the environment and local communities. We will then work to improve the responsible sourcing of these materials used in the production of our products. We will work closely with our colleagues in global offices, as well as our suppliers and organisations that can help us to achieve our goals.

We acknowledge that we are at the beginning of a journey to become more sustainable and, over the course of the next year, we will work to maintain momentum throughout the business to reach our targets and continue to monitor our performance.



GRI

This progress report is prepared in accordance with the GRI Standards: Core Option.
The following table indicates how the contents of this document corresponds with GRI standards.

#	Disclosure	Page number	Omission
102-1	Name of the organisation	Page 1	
102-2	Activities, brands, products and services	Page 6 - 9	
102-3	Location of headquarters	Page 10 - 11	
102-4	Location of operations	Page 10 - 11	
102-5	Ownership and legal form	Page 22 - 25	
102-6	Markets served	Page 6 - 9	
102-7	Scale of the organization	Page 6 - 9	
102-8	Information on employees and other workers	Page 53	
102-9	Supply chain	Page 10 - 11	
102-10	Significant changes to the organisation and its supply chain	Page 6 - 9	
102-11	Precautionary principle or approach	Page 16 - 17	
102-12	External initiatives	Page 5	
102-13	Membership of associations	Page 5	
102-14	Statement from senior decision-maker	Page 14	
102-16	Values, principles, standards and norms of behaviour	Page 31 - 33	
102-18	Governance structure	Page 22 - 25	
102-40	List of stakeholder groups	Page 20 - 21	
102-41	Collective bargaining agreements	N/A	Not applicable – OKA does not have any employees represented by trade unions.
102-42	Identifying and selecting stakeholders	Page 20 - 21	
102-43	Approach to stakeholder engagement	Page 20 - 21	
102-44	Key topics and concerns raised	Page 20 - 21	
102-45	Entities included in the consolidated financial statements	Page 6 - 9	
102-46	Defining report content and topic boundaries	Page 5	
102-47	List of material topics	Page 20 - 21	
102-48	Restatements of information	Page 20 - 21	

#	Disclosure	Page number	Omission
102-49	Changes in reporting	Page 20 - 21	
102-50	Reporting period	Page 5	
102-51	Date of most recent report	Page 20 - 21	
102-52	Reporting cycle	Page 5	
102-53	Contact point for questions regarding the report	Last page	
102-54	Claims of reporting in accordance with the GRI Standards	Page 5	
102-55	GRI content index	Page 77 - 79	
102-56	External assurance		Information unavailable – report is not externally assured this year.
205-2	Anti-corruption Communication and training about anticorruption policies and procedures	Page 22 - 25	
103	Management approach	Page 22 - 25	
301-1	Materials Materials used by weight or volume		Information unavailable - we have introduced new IT systems in 2020 and will be recording this moving forward for products and packaging.
103	Management approach		
302-1	Energy Energy consumption within the organisation	Page 36 - 37	
103	Management approach	Page 56 - 61	
305-1	GHG emissions Direct (Scope 1) GHG emissions	Page 56 - 61	
305-2	GHG emissions Energy indirect (Scope 2) GHG emissions	Page 56 - 61	

#	Disclosure	Page number	Omission
305-3	GHG emissions Other indirect (Scope 3) GHG emissions	Page 56 - 61	
103	Management approach	Page 56 - 61	
306-1	Waste Waste generation and significant waste-related impacts	Page 62 - 63	
306-2	Waste Management of significant waste-related impacts	Page 62 - 63	
103	Management approach		
401-1	Employment New employee hires and employee turnover	Page 46 - 47	
103	Management approach	Page 46 - 47	
403-1	Occupational Health and Safety Occupational health and safety management system	Page 50 - 51	
403-2	Occupational Health and Safety Hazard identification, risk assessment, and incident investigation	Page 50 - 51	
403-6	Occupational Health and Safety Promotion of worker health	Page 50 - 51	
103	Management approach		
404 -2	Training and Education Programmes for upgrading employee skills and transition assistance programmes	Page 46 - 47	
103	Management approach	Page 46 - 47	
405-1	Diversity and Equal Opportunity Diversity of governance bodies and employees	Page 52 - 53	
103	Management approach	Page 52 - 53	
412 -2	Human rights assessment Operations that have been subject to human rights reviews or impact assessments	Page 44	
103	Management approach	Page 44	
413 -1	Local Communities Operations with local community engagement, impact assessments and development programmes		Information unavailable - local community engagement has not been formalised yet.
103	Management approach	Page 49 - 50	

#	Disclosure	Page number	Omission
414 -1	Supplier Social Assessment New suppliers that were screened using social criteria	Page 44	
103	Management approach	Page 44	
417 -3	Marketing and Labelling Incidents of non-compliance concerning marketing communications	Page 26	
103	Management approach	Page 26	
418 -1	Customer Privacy Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 28	
103	Management approach	Page 28	



UN Global Compact

In 2019, OKA became a signatory of the United Nations Global Compact, a set of 10 principles in the areas of human rights, labour, environment and anti-corruption. This report serves as our Communication on Progress, an annual disclosure to stakeholders on progress made in implementing the Ten Principles of the UN Global Compact. In this reference table we show where we discuss our progress regarding these topics.

UN GLOBAL COMPACT PRINCIPLES		PAGE
HUMAN RIGHTS		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights	Page 44
Principle 2	Make sure that they are not complicit in human rights abuses	Page 44
LABOUR		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	N/A
Principle 4	The elimination of all forms of forced and compulsory labour	Page 44
Principle 5	The effective abolition of child labour	Page 44
Principle 6	The elimination of discrimination in respect of employment and occupation	Page 44
ENVIRONMENT		
Principle 7	Businesses should support a precautionary approach to environmental challenges	Page 16 - 17
Principle 8	Undertake initiatives to promote greater environmental responsibility	Page 55 - 63
Principle 9	Encourage the development and diffusion of environmentally friendly technologies	Page 35 - 41
ANTI-CORRUPTION		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	Page 29

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