



OKA

Sustainability Progress Report 2021

“

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
6-15	ABOUT OUR BUSINESS
16-17	OKA'S 2021 SUSTAINABILITY HIGHLIGHTS
18-19	A MESSAGE FROM OUR MANAGING DIRECTOR
20-21	OUR SUSTAINABILITY STRATEGY
22-25	OUR PROGRESS
26-39	OUR GOVERNANCE AND RESPONSIBLE BUSINESS PRACTICES
40-57	ENHANCING ALL LIVES
58-63	CREATING THROUGH INNOVATION AND CRAFTSMANSHIP
64-75	DESIGNING FOR A BETTER PLANET
76-81	GRI INDEX
82	UN GLOBAL COMPACT

About this report

OKA Direct Ltd ("OKA") is proud to introduce its 2021 Sustainability Report. Its publication date is August 2022 and it is aligned to the business' financial reporting period (01.01.21 - 31.12.21). This report is an opportunity for us to share our sustainability performance over the past year.

Our Sustainability Strategy was established in 2019 and its evolution has been in response to both the changing nature of the OKA business, as well as external factors, including the COVID-19 pandemic. It will provide a reflection of our performance in 2021 and present our future sustainability ambitions and commitments. We acknowledge the fact that OKA is at an early stage when it comes to measuring its impact and improving its sustainability performance. This report focuses on our efforts to improve transparency for all our stakeholders. Our stakeholder engagement (during 2020) identified the key material topics for the business; we have continued work to establish a 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, highlighting the work we have been doing to achieve sustainable development, and showcasing our commitments for the future in line with our three established sustainability pillars: "Creating through innovation and craftsmanship", "Enhancing all lives", and "Designing for a better planet". This report covers the calendar year 2021 and 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. OKA recognises that reporting in full accordance with GRI is a journey and aspires to mature its disclosures each year going forwards. A detailed overview of the GRI Core Level Indicators can be found in the GRI content Index at the end of this report (page 76)

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 UNGC. 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 and these have informed our strategy development. 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).



Our Sustainability Vision Statement

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.

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

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, creating unique collections of furniture and accessories that are designed to inspire practical living and effortless entertaining.

Our omnichannel business 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 and includes direct and indirect sourcing networks of several suppliers as well as OKA's operations. Our teams at OKA work to source and develop relationships with suppliers who can offer the quality and craftsmanship that is required for our ranges. We work closely with these suppliers to design collections and source materials; package and transport products from their factories to our warehouse and distribution centre – based in Didcot, UK – then, ultimately into our customers' homes. During 2021, OKA focused on expansion of its US stores while continuing to strengthen the UK business. The business has been able to adjust to accommodate the new ways of living (and working) both during and post COVID-19. During the pandemic, our

customers relied on our digital platforms while stores were closed. This drove the business to develop technology solutions that enabled UK customers to shop in-store 'virtually' at home. Our warehouse and distribution teams were operational throughout, servicing the needs of our customers and ensuring OKA retained its position in the high-end furniture and homeware market.



Our Corporate 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.

Our Mission Statement: To celebrate effortless British style with a range of furniture and homeware, which mixes elegant classics with characterful pieces designed and sourced from around the globe.

NUMBER
OF FTE
EMPLOYEES **274**
+25% (VS 2020)
(91 NEW JOINERS)
(100 IDENTIFY AS MALE;
174 IDENTIFY AS FEMALE) *

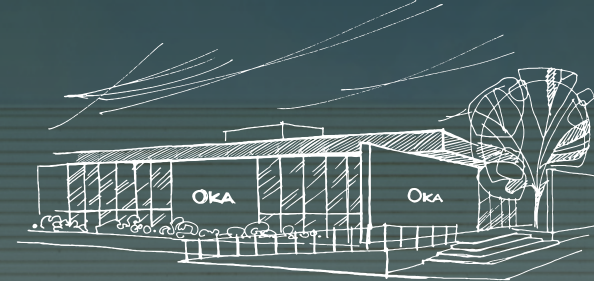
 **155** SUPPLIERS
IN **13** DIFFERENT
COUNTRIES

RECORD WEBSITE
TRAFFIC DURING 2021
8.5M VISITS
+15% YOY DUE TO A
NEW WEBSITE LAUNCH

GLOBAL PR REACH
+275% (VS 2020)

TOTAL REVENUE
£43m
(£37.8M UK; £5.2M US)

NUMBER OF STORES
13 IN UK **2** IN US



255,000+
SOCIAL MEDIA FOLLOWERS;

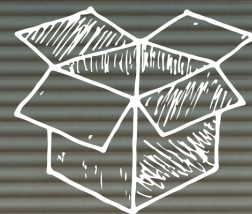
71,000+ EMAILS
AND 41,000+ CALLS

123,000+
CUSTOMERS (+9% VS 2020)
34,000+ NEW CUSTOMERS (+12% VS 2020)

 **77,000+**
NEW FOLLOWERS
ACROSS ALL CHANNELS
(+21% VS 2020)

CREATIVE CONTENT
1.8m SOCIAL
IMPRESSIONS

225,000+
ORDERS SHIPPED



487 NEW PRODUCTS
(- 9% VS 2020)
(+14% OF THE
COLLECTION)



TOTAL IMPRESSIONS IN 2021:
123,107,000+
TOTAL REACH IN 2021:
85,125,000+

3.9m
DIRECT MAILERS
SENT GLOBALLY



Our Brand

OKA is all 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 home-ware 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, offering quality and individuality to our customers. 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. We work hard to deliver our discerning customers high-quality products and an excellent service at every step of their journey. 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 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 homes. The timeless style ensures that as our customers' tastes and interiors adapt over the years, OKA pieces will continue to have a place.

“
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
”

OKA at a Glance

- OKA HQ
- RETAIL STORES

UK

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

COUNTRIES WE SOURCE FROM / NUMBER OF SUPPLIERS

- | | | |
|------------------------|--------------------|------------------|
| 1. CHINA / 65 | 5. LITHUANIA / 3 | 10. MYANMAR / 1 |
| 2. INDIA / 51 | 6. VIETNAM / 3 | 11. PORTUGAL / 1 |
| 3. UNITED KINGDOM / 10 | 7. FRANCE / 3 | 12. GERMANY / 1 |
| 4. INDONESIA / 7 | 8. PHILIPPINES / 3 | 13. SLOVENIA / 1 |
| | 9. ITALY / 3 | |

Current suppliers: 152 (vs 155 in 2020)
New suppliers during 2021: 14
This figure varies each year due to new ranges being launched.

Business Focus 2021

TECHNOLOGY

We are committed to providing the best possible experience to deliver customer satisfaction and at the same time adhere to principles of responsible marketing and sales. To strengthen our commitment to responsible marketing and sales we decided to advance our approach in 2021 via technology. We are continually developing new systems and digital tools – that maintain transparency and enable product information and pricing to be updated – so as to maintain the most accurate information possible for our customers. We will continue to integrate digital solutions while ensuring customer data is always protected.

2021 was a year of significant progression and change in systems technology and process perspective at OKA; in order to build strong foundations and create a modern, flexible and secure network to grow further, the business undertook a Business Technology transformation. Technology is now an integral focus for every part of our business and will enable us to grow our customer base, build resilience, strengthen supplier relations, manage cyber security risks and prevent incidents of data breach. Our original goal to develop new and digitised solutions to meet our customers' needs is now a key part of our corporate agenda. Moving forward, we will continue to integrate our technology developments into our core operations and processes, furthering our ambition to embed sustainability into the heart of the business.

Our new website launched in September, which has improved the customer experience online and resulted in record website traffic during 2021 – 8.5m

visits +15% yoy with web sales growth in the UK +18% and the US +40%.² The vision for the website was to create a seamless, beautiful and inspiring online shopping experience on a modern, flexible and robust ecommerce website. Allowing the brand to continuously evolve and engage customers, the website will break down the barriers between online and retail experiences, giving OKA the platform for sustainable growth in an ever-changing digital market.

The new platform provides customers with a fresh, modern website interface, which is reflective of our new brand aesthetic and in line with our brand pillars. The website also offers an improved user experience to browse and purchase products, including increased payment methods (including Apple Pay) and improved functionality. Customers are presented with a streamlined top navigation and site search function resulting in easier product and inspirational content discovery.

'Hero' is a virtual shopping service that enables customers to chat to members of in-store staff online. It was developed successfully and demonstrated strong sales due to the live interaction. Thanks to successful UK trials, it will now be rolled out to US teams as well.

With the recruitment of our Data Protection Officer and the development of our Data Governance Board, we have strengthened the protection of customer data security and compliance with a monthly data governance board meeting, which is essential as the brand develops and grows.

² Data taken from Jan – Dec 2021

We have enhanced compliance and security, installed improved online fraud controls and also launched the OKA data governance manual and policy internally, along with the privacy Incident Portal.

At the same time, we have invested in our in-house teams to improve our skills and ability to manage this area of the business internally.

Retail store expansion – US (Dallas and Houston)

OKA currently operates 13 stores across the UK. Our flagship store is on the Fulham Road in Chelsea, London. Our other UK stores can be found in Bath, Broadway in Worcestershire, Edgbaston, Froxfield, Guildford, Harrogate, Knutsford, Marlow, Sunninghill and Tunbridge Wells. OKA also has outlet stores in Didcot and South Godstone.

Our first US store opened in Houston, Texas in March 2021, with the second opening in Dallas in October 2021. Further US stores are the pipeline, with a Westport store due to open in 2022. Stores play a crucial role in bringing the OKA brand to life and creating a retail experience like no other. They are a place of discovery and inspiration, where our customers can touch and feel our products and see them displayed in room sets. They are a gateway into our world and every visit should be memorable and enriching. Every member of staff in our stores embodies the values and personality of our brand.

We put our customers first and showcase a wealth of knowledge in the interiors industry. When customers enter any of our stores, they are always greeted warmly. From a commercial angle, the retail expansion complements the direct mail and online channels' offering; it allows customers to view our range prior to purchasing products, while our team can engage in the sale. This action supports the sales growth of all channels.

Many of our employees are based in our retail stores and have endured the challenging disruption caused by the pandemic over the past two years. As part of our Sustainability Strategy – which covers all of our operations – including supply chain, logistics and transport, online and retail stores – we have worked to support the wellbeing of all our employees through a variety of initiatives, as well as continuing to engage and develop our teams during this period.



OKA Dallas Store



OKA Houston Store



Sustainability Highlights



REDUCTION IN PLASTIC
FROM PRODUCT PACKAGING

-4 TONNES
VS 2020

Launched SUPPLIER APPRAISALS
TO ANNUALLY REVIEW PERFORMANCE

TAILORED SALES OVER

£419K
(+192% VS 2020)



Reduction

IN SCOPE 1&2 ABSOLUTE
GHG EMISSIONS (-19% VS 2020)



50% OF OUR
SUPPLIERS
HAVE BEEN THIRD PARTY AUDITED

TRUSSELL TRUST

£60K



DONATED BY CUSTOMERS,
EMPLOYEES AND OKA OVER
THE PAST 2 YEARS

Submitted



GREENHOUSE GAS EMISSIONS
REDUCTION TARGET TO THE SCIENCE
BASE TARGETS INITIATIVE (SBTI)



A message from our Managing Director

2021 was a period of considerable successes and challenges for OKA as we began to emerge from the pandemic lockdowns in March and COVID-19 restrictions started to lift. We experienced very positive results, achieving 32% growth in turnover globally as we sought to benefit from the post covid 'boom', while, like many others, suffering significant supply chain disruption.

Our teams, stakeholders and suppliers have once again continued to support OKA and I would like to take this opportunity to thank them for this loyalty. Our teams have been incredibly resilient, and I am hugely appreciative of their dedication to the business and their endless enthusiasm and determination to succeed.

We have embraced new IT systems across the business over the past two years while we have adapted to a virtual environment. During 2021 we not only launched a new website but developed new technology across the business; I am particularly proud of our Hero in-store technology, which enables customers to virtually connect with our in-store teams and enhances the customer experience online.

While we grow the business globally, we are attracting more customers and driving significant sales growth; we are more aware than ever of the need for OKA to be a sustainable business for its future prosperity. In the coming year, we are planning to further connect and integrate our sustainability strategy into our corporate decision making and strategic plans for the future.

Since 2019, as part of our community engagement goal, we have supported the Trussell Trust and raised over £60K for the charity. As the partnership comes to an end, we can reflect on a relationship that has been inspirational and rewarding, as well as a real opportunity for our employees and customers to engage in a variety of fundraising initiatives. Moving forward we will be working with Women's Aid as our new charity partner. 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.

We've continued our efforts to improve sustainability across our value chain. We continue to work with our suppliers to improve transparency and reduce our impact on the environment and wider society. Among other initiatives, we have remained committed to focusing on our packaging project to reduce waste and improve efficiency in our supply chain, as well as introducing annual supplier appraisals to develop our relationships with our suppliers and improve transparency for our stakeholders and customers. We are continually evolving as a business and working to find ways to reduce our impact on the environment.

We are currently working on setting our Science Based Targets across Scope 1 and Scope 2 emissions (in our own operations and indirect emissions from our energy usage), which we hope to have validated during 2022.

This will ensure that we are aligned to the Paris Agreement 1.5°C pathway and we will continue to improve our Scope 3 emissions. As we strive towards this target, we will continue to offset our emissions through purchasing carbon credits in global projects ([see page 68](#)).

We had the exciting launch of two US stores: Houston in March and Dallas in October 2021. As our business continues to grow in the US we are working to ensure that our sustainability goals are embedded across the global teams. The opening of our next store, in Westport, is planned for 2022, and we look forward to growing our US community further with this extension.

As part of our commitment to sustainability, we will continue to review our strategy for the future; during 2022 we will be looking to align our sustainability strategy more

closely with our corporate agenda, further embedding our goals into our corporate brand pillars.

We are committed to improving transparency on our sustainability efforts and making progress on our commitments. While I am 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. Looking ahead, the uncertainty regarding the global impact of the Ukrainian crisis, rising inflation and the post-COVID effects on the supply chain will, no doubt affect the business. We are, however, a healthy business with strong growth and plenty of opportunity ahead of us. We will continue in our mission to be the most-loved, omnichannel British lifestyle brand in the world, while remaining true to our desire to achieve sustainable growth for our business, the planet and our stakeholders.



Leila Bailey
Leila Bailey
Managing Director

Our Sustainability Strategy

We are committed to creating responsible and ethically sourced products that provide a positive and sustainable impact 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. We achieve this through our Sustainability Strategy, which focuses on our most material sustainability-related risks and opportunities.

In 2019 OKA conducted an initial assessment to identify 13 topics that our internal stakeholders felt had the most significant operational, financial or reputational impact. The outcomes from this assessment formed the basis of our Sustainability Strategy, structured around three pillars. Recognising the need to keep its strategy relevant and impactful, and to better understand its internal and external stakeholder perspectives, OKA has worked with an external consultancy since 2019 to continue to mature its materiality assessment approach. This evolution has resulted in other significant topics being incorporated into OKA's Sustainability Strategy. This approach is reported in full in our FY2019 sustainability report.

In 2021 OKA conducted an in-depth materiality assessment for its FY2020 report. The results of this process identified the additional material topics of Responsible Marketing & Sales, Data Privacy & Cyber Security, Ethics and Integrity, Human and Labour Rights, and Responsible Sourcing of Materials. Responsible Marketing & Sales had previously been termed Responsible Marketing & Advertising and was reported on in FY2019, however FY2020's materiality assessment validated it as a material topic. As a result of the 2021 materiality assessment, Customer

Satisfaction & Experience was incorporated under Responsible Marketing & Sales. Human and Labour Rights and Responsible Sourcing of materials had previously been consolidated under the topic of Responsible Supply Chain and Procurement. The FY2020 revisions resulted in these splitting into two unique topics and also resulted in Low Carbon Supply Chain expanding to incorporate elements of overall energy management. To ensure that these new topics were fully embedded within OKA's Sustainability Strategy, a new foundation pillar was added; Responsible Business Practices. Incorporating the three new material topics of Responsible Marketing & Sales, Data Privacy & Cyber Security and Ethics and Integrity, this foundation pillar supports OKA to deliver its sustainability vision through everyday responsible processes and actions. This approach is reported in full in our FY2020 sustainability report.

As a result of the 2021 materiality assessment, the topics of Corporate Identity & Purpose and Brand Identity were deemed to no longer be material to the business. These topics do, however remain critical to OKA's corporate strategy and therefore, reported on within this FY2021 sustainability report, as OKA looks to further embed its Sustainability Strategy within the core of its business, further supporting our vision to responsibly and sustainably deliver value for both stakeholders and shareholders.

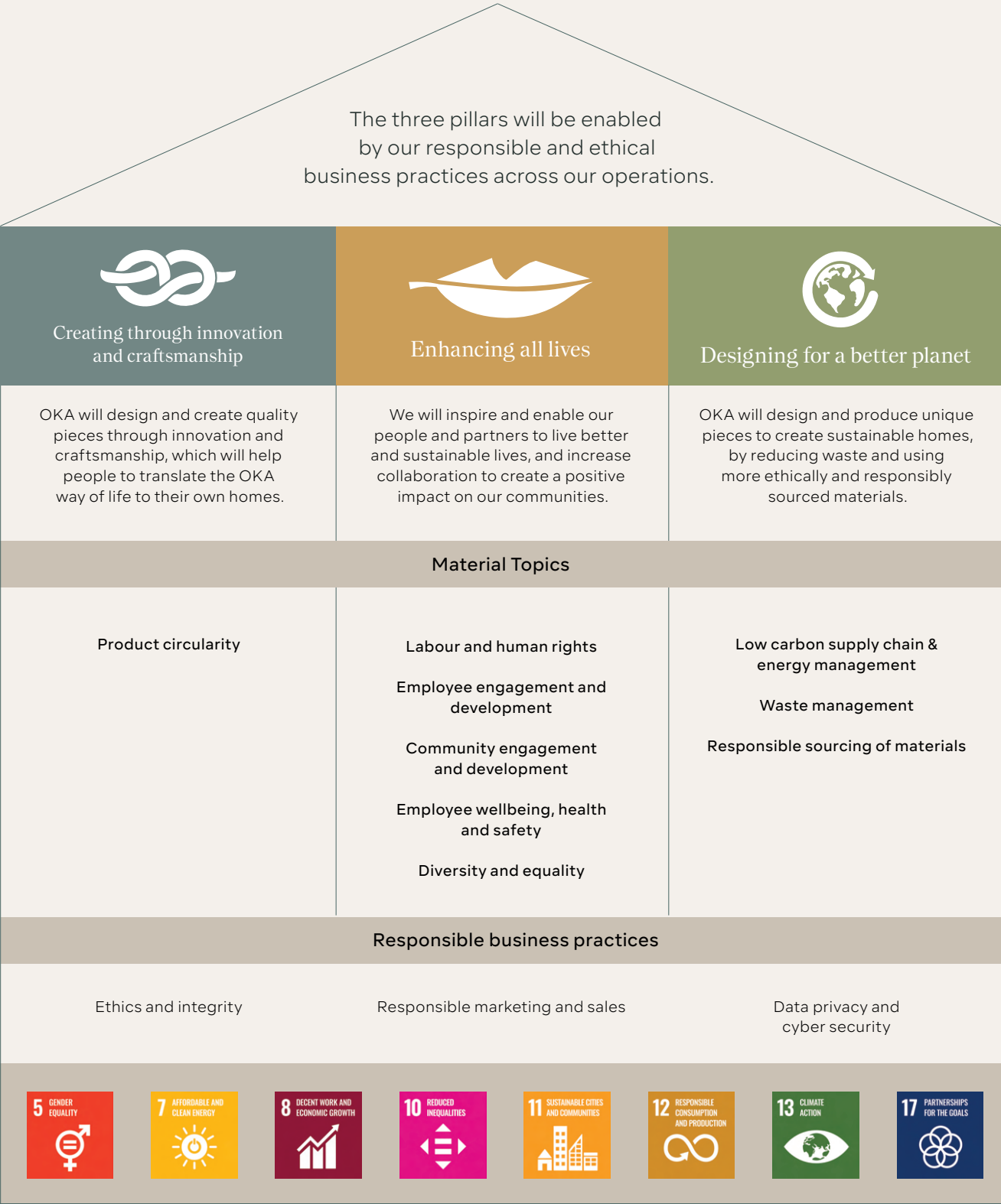
We have mapped our strategy against the Sustainable Development Goals where we think we can have the biggest impact. We anticipate that our Sustainability Strategy will continue to evolve and adapt as it responds to the changing operational context and environment.

Vision Statement

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.

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.

The pillars of our Sustainability Strategy



Our progress

Our commitment

CREATING THROUGH INNOVATION AND CRAFTSMANSHIP

Product circularity

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



CF / SJ

ENHANCING ALL LIVES

Labour and human rights

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



SJ / CF

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



Employee engagement and development

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



VAK

Community engagement and development

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



JF

Employee wellbeing, health and safety

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



CF

Diversity and equality

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



VAK

COMPLETED ON TRACK

These goals have been updated to reflect the updated ambitions of the business

Our commitment

DESIGNING FOR A BETTER PLANET

Low carbon supply chain & energy management

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



NP

To achieve a 46% 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



NP

Waste management

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



CF

Responsible sourcing of materials

To improve our FSC certification of timber products by 2023



SJ

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



RESPONSIBLE BUSINESS PRACTICES

Embedding Responsible business practices

Actively embed the highest ethical standards across our business, ensuring we act with integrity at all touch points – ensuring that 100% of employees are trained on mandatory compliance modules at least once annually by 2025



JF/VAK

Ethics and integrity

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



VAK

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



VAK

Responsible marketing and sales

To enhance our customer satisfaction and experience by improving our NPS (Net Promoter Score) to 75 by 2025



JF

Data Privacy and Cyber Security

There is no current goal for this topic

NO

*Please refer to page 27 for list of Senior Leadership Team names



Materiality assessment and stakeholder engagement

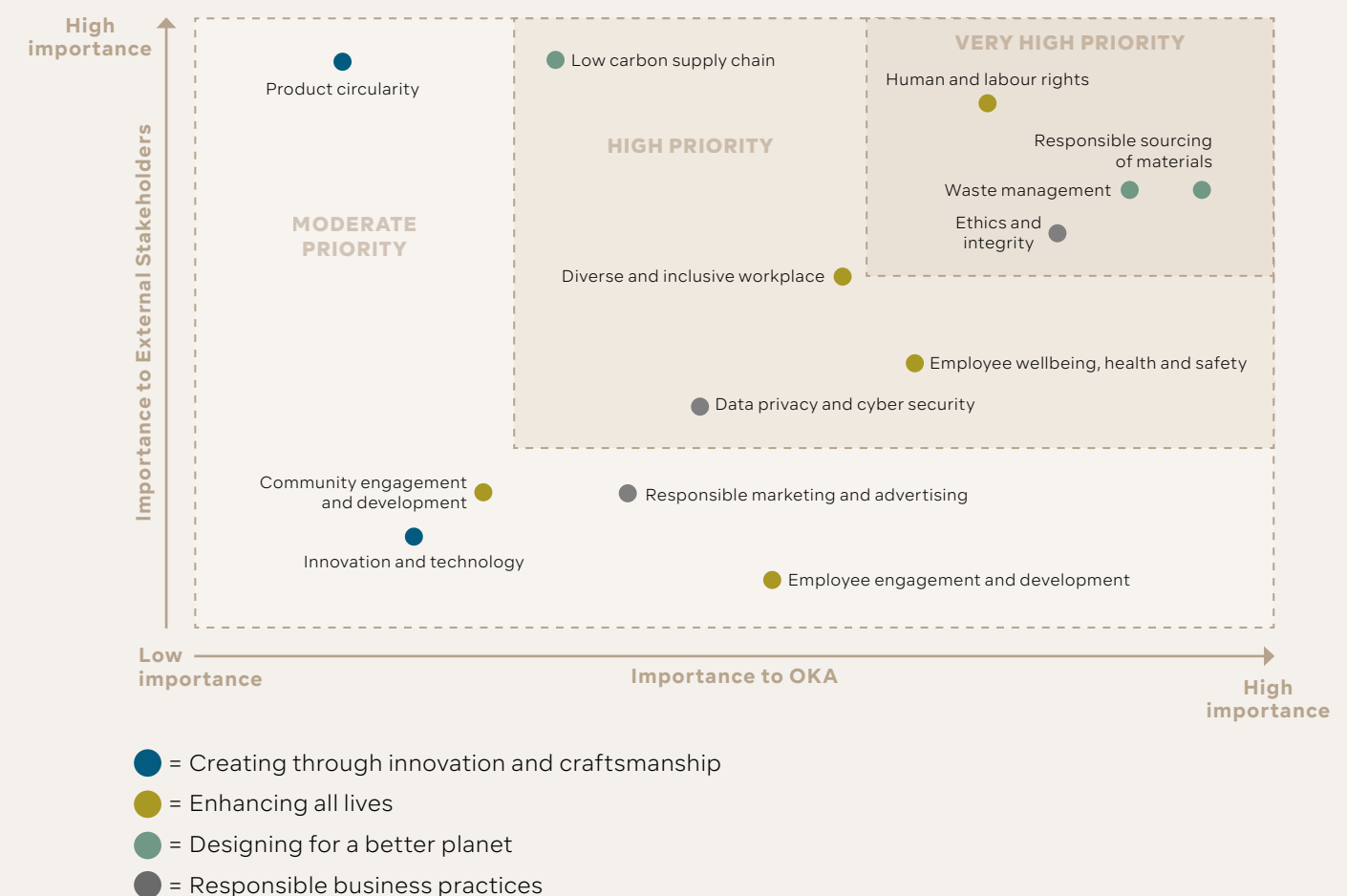
In early 2021, we conducted an in-depth materiality assessment to deepen our understanding of the sustainability-related risks and opportunities that are most material to our business. We analysed global sustainability frameworks and conducted a peer benchmark to inform our approach. We engaged with internal and external stakeholders to gather key insights and perspectives. Through this process we identified 13 material topics for the business. Eight of these topics remain consistent with the initial materiality assessment of 2019, with five new topics added: Responsible Marketing & Sales, Data Privacy & Cyber Security, Ethics and Integrity, Human and Labour Rights, and Responsible Sourcing of Materials.

The material topics identified in the 2021 assessment are presented in the adjacent matrix, reflecting the importance that these have been given by stakeholders in the business, as well as those external to our operations. Please refer to our 2020 sustainability report for more detail on our materiality assessment and stakeholder engagement approach.

Managing these sustainability topics continues to be critical for OKA's long-term business performance and our impact on the environment, our people and wider society. Our 2021 report therefore focuses on the material topics identified in our 2021 materiality assessment and reported in our 2020 sustainability report. We have not conducted a new materiality assessment for our 2021 report, instead focusing our efforts on maturing each of our material topics to set smart goals and identify suitable KPIs to track our performance.

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

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 structure is set out in section 8 of the Shareholder Agreement and the rights of the Directors are set out in the Articles. The 'Founders' can appoint one 'Founder Director' (currently Annabel Astor), and Investindustrial can appoint multiple 'Investor Directors'. Invest Industrial can also appoint or remove a chairman. Responsibility for each of their sustainability commitments (please refer to pages 22/23 for Senior Leadership Team accountability for individual goals). 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.

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 Senior 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.

The board members are:

Leila Bailey
Managing Director

Annabel Astor
Chairwoman³

Alessandro Tome
Non-Executive Director

Julien Grandpre
Non-Executive Director

David Ker
Non-Executive Director

³ Annabel is Chair and a member of the Board, but not an Executive – she is not part of the Senior Leadership Team and does not get involved in the day-to-day.

Our leadership team is comprised of:

Leila Bailey
Managing Director

Sue Jones
Creative Director

Jennie Farmer
Chief Commercial Officer

Nicola Paronetto
Chief Financial Officer

Christopher Ferguson
Global Director of Operations

Victoria Ashley-Khan
Chief People and Sustainability Officer

Nick Owen
Chief Technology Officer

Neil Butler
Finance Director





RESPONSIBLE BUSINESS PRACTICES

We are committed to embedding Responsible Business Practices across our business. 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 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, 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. We have recently established core brand values for our employees and will continue to develop these policies alongside improved employee training. We have established an internal ESG team with representatives from across the business who are passionate about influencing change and supporting the strategy. Communicating our progress through transparent, consistent communications supports OKA to build and demonstrate a strong corporate identity.



ETHICS AND INTEGRITY

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

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 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

During 2021 we completed and deployed a clear corporate vision and mission statement aligned with our sustainability ambitions via our newly launched Brand Book. To support integration and implementation of our vision and mission throughout the business, we have created a Code of Conduct for all employees. In addition, all new joiners are now invited to complete mandatory compliance training course. We recruited a Chief People and Sustainability Officer who will help us to create a longer term People Strategy and Roadmap, while embedding our existing sustainability practices throughout everything we do. We have updated our goal in this topic to reflect the focus of the business within the defined material topic.

Next steps

During 2022 we will continue to review and update our company policies, focusing on launching a code of conduct policy and independent external whistleblowing hotline. We also seek to redesign and relaunch our mandatory compliance training modules, focused on business stance on ethics and integrity. We will ensure 100% completion of updated modules by all employees. We will also ensure that we integrate this training into our onboarding processes for, ensuring 100% completion within new starters' first three months at OKA.

Challenges

As the business grows both in the UK and the US, we have identified key People Processes that have remained manual and require streamlining, automation, and integration for them to effectively scale as the business continues to grow. We have identified that a key area for opportunity for this is within our onboarding processes, where we can design and embed a more informing, engaging experience for new joiners, while ensuring that we share and upskill our team members on the business' ethics and integrity stance from day one.

DATA PRIVACY AND CYBER

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 2021, to reduce cyber risk and govern personal data collection and usage, we developed an internal team to improve our expertise in this area, as well to build resilience into our operations.

In 2021 a Data Protection Officer (DPO) was in place in the organisation ensuring employees' and customers' personal data is managed in accordance with regulatory requirements, while helping optimise upside and downside data governance for the benefit of all the business' stakeholders.

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. During 2021 the programme of work initiated covered the following:

- 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 believe that responsible business practices form the essential foundations of our three sustainability pillars. 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. We ensure that we adhere to principles of responsible marketing and sales by using systems and digital tools that maintain transparency, ensuring the accuracy of product information and pricing at all times. 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 2021. While the business is reliant on direct marketing (via magazine mailings, for example) as one of the sales channels to customers, all our print materials are 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 2021, no incidents of non-compliance with industry regulations were reported and no non-compliance has been identified in general.

Progress

We have set up monthly calls with the OKA DPO to ensure correct adherence to data privacy compliance procedures and risk management. We have updated the email marketing opt-in check box on our website to an opt-in mechanism (previously opt-out) and our abandon journey emails now only send to people who are opted-in to receive our emails (these previously went to all contacts, irrespective of email opt-in status). Finally we have reviewed, with our legal team, our terms and conditions for promotions, returns and direct mail.



Next steps:

In 2022 we will start to use the CO₂Act* in the UK for our Direct Mail activity. 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***; this means offsetting carbon emissions related to the production and transport of paper, as well as the emissions of the printing converting process. We see this as a positive move as we are reducing our value chain carbon footprint; we get fully transparent carbon offsetting while acting in a socially responsible manner, which contributes to a positive and sustainable corporate image. The service is recognised with the Gold Standard Certification for offsetting CO₂. From 2022 this logo will go on all Direct Marketing in the UK. We will update T&Cs on mailers to ensure correct links and information included.



Where appropriate, we are exploring digital solutions for in-store signage; this has included the installations of screens in-store as part of an Interior Design Service awareness project. We are continuing to work to significantly reduce collateral requirement. We have been consolidating flyers in-store to create an all-encompassing 'overview' piece that will speak to all our in-store services. When we print point of sale for promotions and campaigns, we establish quantities on a minimum-print-for-maximum-impact basis. When we do print collateral, point of sale, and signage in-store, we strive to use fully recyclable material. We are working towards a global move towards evergreen point of sale to reduce paper usage. We have also developed our retail carrier bags so that they are made 100% from paper, enabling easy recycling from domestic curbside council collections.



CUSTOMER SATISFACTION AND EXPERIENCE

Our goal is to improve our NPS (Net Promoter Score) to 75% by 2025.

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 annual customer surveys and monitoring our performance via Net Promotor Score (NPS) will form an important part of this strategy.

Our progress

During 2021 we have worked hard to improve reporting and monitoring of NPS data. We have made improvements to the NPS customer journeys to ensure emails are targeted correctly and triggered at optimum times after customer orders.

Next steps

While some of the work has been completed, we have project work scoped for planned improvements in 2022 that will capture more detailed insights from customers, surveys to a new platform, and be launched the US. We will continue to work hard to ensure that this measure of customer satisfaction is a priority for the team.

Challenges

The technical migrations during 2021 have negatively impacted NPS data collection and score. As a result of this we have been unable to track the NPS score accurately. This has been remedied and the data will be accessible moving forward.

Our policies

Our sustainability commitments are supported by our governance structure and policies. The purpose of these policies is to embed sustainability throughout the business and 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

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 succeed. 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 the company, 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 OKA's 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 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, via email to HR@oka.com.

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 via their internal line manager, the HR manager or directly to our MD. We have recently activated an independent whistleblowing hotline open manned by a third party with all data being captured and assigned to a member of the OKA SLT.

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 / employment on grounds of age, disability / gender / gender reassignment / marriage / civil partnership / pregnancy / maternity / race / religion / belief / sex / 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 have embraced the requirement to 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 the UK employees. This is a voluntary arrangement and will ensure that 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 of 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 with other businesses that 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 that 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, OKA 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 2010 Bribery Act, 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.

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, 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

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 top 10 suppliers in each country (China, India, Indonesia and Vietnam) by 2021, and of the entire supplier base

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.

We expect our 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, as well as any potential new suppliers to the business prior to them commencing a working relationship with us.

Our progress

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 five countries (China, Vietnam, Indonesia and India) in identifying partnerships to address and improve environmental and social challenges. We currently work with 138 suppliers to produce OKA products. By the end of 2021, 50% of our supplier base was audited by a Third party (77 vs 49 in 2020) and 83 (vs 56 in 2020) factories are audited. We have provided internal training for our Asian Central Services team to support factories both pre-and-during audits, encouraging changes that see improved scores.



Supplier appraisals

We launched supplier appraisals in 2021 with our top 40 suppliers (who are responsible for 80% of our sales). The purpose of this was a planned and systematic review of all relevant aspects of OKA's supplier performance and relationships. The score card methodology used was to ensure a 'balance' between innovation, quality, service, delivery, price and ESG management. By carrying out the audits OKA wants to: strengthen relationships with suppliers by developing a forum for discussion; drive performance improvements through discussing challenges; facilitate communication and interaction; provide the opportunity for 360° degree feedback; identify performance gaps and work on resolution plans together. In this process, 15% of our suppliers achieved gold status; 50% silver status and 35% bronze status.

The process was successful in building stronger relationships with our suppliers and understanding the challenges they face. It has been agreed that these will be annual appraisals moving forward, as they will be important in our strategy to develop transparency in our supply chain and support our suppliers around the globe. This process will help to build relationships, while at the same time ensuring an improved feedback process that will make suppliers more accountable for errors and defects. This will drive improved quality and lead to a reduction in customer complaints, as well as fewer visits to pick up defective items or damaged goods.

Asian Central Services (ACS)

During 2020 we established our Asian Central Services (ACS) – a vendor management and order management team based in Delhi (India) and Ningbo (China). Its role is to visit factories and develop relationships with our suppliers, ensuring compliance, improving efficiency of order processing and offering support to suppliers globally. In 2021 Asian Central Services (ACS) teams made visits to our factories with visits to top suppliers (80% of sales value) monthly (and often more frequently for QC). They have engaged with our manufacturing partners to discuss new sustainability ideas, which include using non-toxic dyes, digitally printing fabrics instead of using traditional dyeing methods, encouraging sourcing from local suppliers, reducing plastic from our product packaging and moving all retail shopping bags to FSC-sourced paper. Our team also underwent training and obtained formal certification in Corporate Social Responsibility and have used this knowledge to share world-class best practices with their partners. Our updated supplier manual and manufacturing principles has been rolled out to all suppliers.

Next steps

We will continue to audit our suppliers to meet our goal for 2025. We plan to audit each supplier every four years unless there is a change of ownership or factory location. Our supplier appraisals will continue during 2022

DIVERSE AND INCLUSIVE WORKPLACE

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

To do this we will start by reviewing and re-engineering our core people processes (specifically talent attraction assessment, promotions and career paths) increasing our focus on fairness, 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 workforce that reflects the communities in which we operate. 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 2021, we recruited a Talent Acquisition specialist into the business to support our goal. This has allowed us to start creating a a more consistent recruitment approach across the business, ensuring that decisions are data based and fair. We have also developed our Internal Recruitment Policy, to help support the promotion of internal talent, which is featured in our handbook.

Next steps

During 2022 we are committed to the creation and roll out of a cultural communications calendar that can be shared weekly, which recognises and celebrates the importance of different religious and cultural holidays. We will also relaunch our ESG group, and respective subgroups including Sustainability, Diversity and Inclusion, Social so that we can encourage cross-company (and level) communication and enable our employees to drive positive change throughout the organisation.

We will aim to capture demographic data from our team and set ourselves tangible future targets to drive greater representation at all levels of the business.

We will spend time ensuring that core people processes are built on consistency, fairness and minimise the impact of personal bias on decision making. A key focus for us will be on onboarding. This will include the automation of core training and introduction to the business, culture and our values.

We will revisit our retail recruitment approach, including the creation of a fair and consistent assessment materials, while also piloting a new approach to upskilling and training of hiring managers on this process as well as on the impact of unconscious bias in recruitment.

With regard to career development, we will be updating the goal-setting approach for all employees, to include clear guidance and assessment materials aimed at driving consistency in measuring performance for all employees. We will also be investigating the potential for us to move towards an inclusive bank holiday model ahead of the new holiday year, as well as undertaking and publish our first Gender Pay Gap report (2023).

During 2021 we conducted analysis of female employees, identifying 67.6% of females in middle management and 60% of women among the 10 highest-paid profiles of the company. Our unadjusted gender pay gap (based on salaries) overall was 9.3%. We will look to report on our progress in our next report.*

*Unadjusted pay gap is the difference between the average gross hourly earnings (salaries) of male paid employees and of female paid employees as, a percentage of the average gross hourly earnings (salaries) of male paid employees.

		2020	2021
Total number of FTE employees at the end of the reporting period	Total	219.35	274 UK 242 / US 32
Number of part-time FTE at the end of the reporting period	Male	4.0	1.8
	Female	32.4	43.0
	Total	36.35	44.82 UK 43/ US 2
Number of permanent FTE at the end of the reporting period	Male	83.6	99.0
	Female	134.8	172.0
	Total	218.35	271.0 UK 239 / US 32
Number of temporary employees FTE at the end of the reporting period	Male	0	1
	Female	0	2
	Total	0	3 UK 3 / US 0
Senior management team	Male	4	3
	Female	3	3
	Total	7	6



EMPLOYEE WELLBEING, HEALTH AND SAFETY

To develop an internal health and safety committee by 2022, 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 is a priority for the business. We recognise and accept our responsibility as an employer to maintain, so far as is reasonably practicable, the safety and health of its employees, and of other persons who may be affected by its activities. We also recognise the impact that the recent pandemic and other external factors have on our employees; we are committed to supporting our employees with training, and other relevant partnerships and programmes, to maintain a healthy and safe environment.

Our progress

We have 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 their progress. It meets monthly to discuss any issues and report on all activity; all teams report issues, with investigations being conducted where concerns are raised, ensuring corrective action is taken. The committee is headed up by our Global Director of Operations, with members from elsewhere in the business. We also work with a third-party agency (Safewell) to assist with safe system of work and risk assessments.

As employees began to return to work during March, we undertook a 'Return to the office' survey to gather the team's views on how to return to the workplace longer term. The results of these surveys informed our decision to return to a hybrid way of working during September. We kicked off the return to the office with a team-building away day to support employees with the transition. 42% of the workforce had started working for OKA remotely during COVID-19 and the event was an opportunity for employees to meet face to face.

Our Wellness Centre has now been integrated into the business; My OKA – a third-party reward gateway platform offering discounts for retailers and other benefits – has been rolled out to include US employees. 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:

- In the US, OKA will match employee contributions to pensions (up to 4.5%).
- Enhanced maternity and paternity leave have been increased for UK and US teams.
- Vending machines and sofas have been installed in the warehouse staff room, creating relaxing areas.
- Length of Service increase to holiday entitlement (UK and US).
- Life insurance increased to 4 x annual for all employees (UK and US).
- Employee discount more generous, where everyone starts on 45% increasing to 65% after 1 year (UK and US).
- Introduction to Healthcare Scheme (UK).
- Real Living Wage commitment and no employees earn below real living wage.
- The Launch of the Culture Club.
- Regular Company Presentations (virtual) – with chat rooms hosted by SLT members.

Next Steps

We are looking to develop internal NEBOSH (National Examination Board in Occupational Safety and Health) training for our teams, alongside ongoing training for first aiders and fire marshal training, whilst ensuring that our Health and Safety committee continues to evolve to meet the requirements of the business.

	2020	2021
Total number of incidents resulting in injuries	25	17
Days lost due to work-related injuries	108*	1.8
Lost-time injury frequency rate	1.8	0
Absentee rate	4.1%	1.4%

*due to high proportion of COVID-19 self-isolators

EMPLOYEE ENGAGEMENT AND DEVELOPMENT

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

At OKA we strive to improve employee development by increasing skills and driving performance through effective developmental reviews. 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. We also offer transition assistance programmes to facilitate continued employability and management of career endings, due to retirement or termination. At OKA, we are proud to create a community who care about their impact on the immediate world around them.

Our progress

During 2021 we developed a pilot Mentoring Programme to foster internal talent. We launched the inaugural year-long programme in the UK in October, for a cohort of 8 employees. The OKA Mentoring Programme has been established as part of our ongoing commitment to provide all OKA employees with new opportunities for learning and development. Mentoring is a great way to drive engagement and performance. The aim of the programme is to strengthen and invest in our organisation and capabilities directly through the development of talent. This is achieved by utilising the breadth of experience across OKA to assist employees to acquire new skills, meet their development goals and drive their career within OKA. Alongside this, we also launched a pilot Coaching Scheme to support and develop key talent.

We updated our Performance Review process, moving it online, supported by greater guidance to provide fairer application and management of talent. In 2021 The OKA Staff Skills Academy (e-learning platform) had 648 courses completed by employees. As part of our Learning & Development offering, every employee was given 24/7 access to over 600 skills and compliance courses through Staff Skills Academy.

We have continued to create new career opportunities our teams. Our In-Store Design Advisors (Home Stylists) established in 2021 are trained to deliver a more design-led approach to service and sales; these roles have proven so successful they have been expanded to more UK stores. This initiative also led to one of our Home Stylists being promoted to an Interior Designer at the end of 2021.

We recruited 124 new FTE's in 2021 (vs 58 in 2020).

We achieved an average of 21.1hrs of training per employee in 2021.

Finally, we launched Hero Virtual Shopping Technology (now known as Klarna Virtual Shopping) across the UK. We began by piloting a small number of stores and expanded into all full-price stores by the end of the year. Hero has been very successful for the UK and will be rolled out to our US stores in 2022.

Next Steps

During 2022, we will define and create our learning and engagement infrastructure to enable us to understand and track our learning and engagement needs, now and in the future. We will utilise external providers to create development and growth opportunities for internal talent, including the development and launch of our first internal apprenticeship schemes for supervisors/first line managers so that we can effectively support high potential talent to progress within and throughout OKA. We will retender and relaunch our Learning Management system (LMS), creating automated reports that enable us to monitor and report on our training and learning activity across the business alongside mandatory learning paths (for example compliance, management essentials, recruitment essentials).

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 experiences to add value to the strategy. During 2022 we are working to redefine this group to ensure its effectiveness for the future. We are looking to ensure that we communicate clearly and transparently to all our employees, and are planning regular Retail Conferences for the Store Managers to provide an open forum to discuss and agree actions moving forward.

We have been focused on our back-of-house areas in stores to turn them into more people-centred environments for our teams. We have also worked on improving our environmental impact by reducing our plastic, paper and energy consumption across the business.

Challenges

We are conscious that as the business grows – and with it, our teams internationally – we are faced with challenges of connection; our experienced staff in the UK are trying to support their US counterparts. With new hybrid ways of working post-pandemic, we need to work hard to connect and build teams internally to win loyalty from our employees in a challenging labour market.

	2020	2021
Number of indirectly created and sustained jobs	161	201
Number of indirectly created and sustained jobs, occupied by women	108	135
Voluntary employee turnover rate	13.2%	30.0%

COMMUNITY ENGAGEMENT AND DEVELOPMENT

To increase our impactful community partnerships in 4 countries where OKA operates by 2027.

We are aiming to create a positive impact on society by donating our time and resources to community engagement and development 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, as well as in to support education, nurture skilled craftspeople and develop apprenticeships (SDG 17 – Partnerships for the goals).

Our progress

During 2021 we continued our charitable partnership in the UK with The Trussell Trust which works to end the need for food banks in the UK – raising £30K and taking OKA's total donation to date to £60K (see case study).

In the US OKA have supported the Kips Bay Boys & Girls Club, whose mission is to enrich and enhance the quality of life for young people by providing educational and developmental programmes, through sponsorship of and participation in the Dallas event in September 2021. Confirmed participation in KB Palm Beach in March 2022.

In addition, during 2021 we began talks with suppliers to explore opportunities of establishing charitable ties and projects within the local communities in which we source. We have begun positive conversations with a supplier in India who has worked with OKA for over a decade. Conversations will continue during 2022.

Next Steps

We have recently launched a new UK partnership with domestic abuse charity Women's Aid. 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, where domestic abuse is not tolerated, resonates deeply with OKA’s core values. OKA's donation will go towards funding a support worker in the digital direct services team. We will work closely with the team at Women’s Aid to evaluate the impact of our support and hear case studies, stories and insights to communicate this directly to employees and customers.

WOMEN'S AID

Women's Aid is a federation of over 170 organisations which provide just under 300 local lifesaving services to women and children across the country. Its national reach allows for opportunities for staff engagement at a store level (product donations and services). We will also be able to donate end of life product 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. The charity runs campaigns on key dates, which we can leverage, such as International Women's Day, Day for the Elimination of Violence Against Women.



women's aid
until women & children are safe

THE TRUSSELL TRUST

To celebrate the milestone of OKA's 21st Birthday (2020), we chose to engage in a partnership with the Trussell Trust, an anti-poverty charity that supports a UK-wide network of more than 1,300 food bank centres. Together with the network it provides emergency food and support to people locked in poverty, and campaigns for change to build a hunger-free future. Its vision is to end the need for food banks in the UK. The Trussell Trust's cause 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 longer-term support with a variety of initiatives throughout 2020 and 2021.

Over two years, with support from
our customers and staff, OKA raised

£60,000
for the Trussell Trust.



2021 Fundraising

Summer of Giving

In June 2021 we ran a company-wide food drive to collect donations for food banks, to meet the immediate need for emergency food provisions that are so vital to supporting those in crisis. With donation points set up in back-of-house areas in all UK stores and head offices, our staff gathered and distributed over 350 items to local food banks across the country.

Bonhams Auction / Tailored by Designers

In **October 2021** we auctioned three bespoke loveseats at Bonhams in aid of the Trussell Trust. The Tailored by Designers project brought together three expert interior designers – Lucy Barlow, Gavin Houghton and Jessica Buckley – who were invited to put their creative stamp on a Tailored by OKA Egerton Loveseat. The distinctive designs went under the hammer in an auction held at Bonhams and raised **over £2,700** for the charity.

Giving Tuesday

On 30th November 2021 OKA supported Giving Tuesday, a global initiative that encourages people and organisations to donate to charitable causes. We committed to donate £20 of every order placed on Giving Tuesday to the Trussell Trust, 358 orders were placed online at oka.com and in our stores on Giving Tuesday, leading OKA to donate **£7,160** to the charity.

Christmas Events

Every pound raised from ticket sales for our festive customer events in December 2021 was donated to the Trussell Trust; 40 customers attended festive watercolour painting and sustainable gift-wrapping workshops as well as gin-tasting events, raising **£600**.



Charity Cushion

In June 2021 we launched 'The Cushion that Gives Back', pledging to donate 100 per cent of proceeds from sales of our Putting Green Square Velvet Charity Cushion Cover to the Trussell Trust. The charity cushion was promoted across all channels and prominently displayed in our 13 UK stores. Over 300 cushions were sold, raising £10,535.



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

To develop a long-term product circularity strategy that progressively adopts the principles of circular economy – reducing, reusing, recycling and transition 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. 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. Many of our products are currently sourced from suppliers in the Far East, however, we are exploring opportunities to source more locally. We have developed a supply base of 10 suppliers in the UK and are working to increase this number.

Our progress

During 2021 we have continued to focus on improving the quality of products to reduce waste, working directly with our suppliers during the design process to do so. In addition, several initiatives have been introduced into the business as Oka looks to develop a product circularity strategy:

Part assembly project: As a test sample we took four best-selling ranges that were identified as products that could be part assembled – The Marylebone; The Pompidou; The Petworth and The Ashmolean. Our product designers and engineers worked closely with suppliers to develop products that could be easily assembled once they arrived in our warehouses, with no impact on the high quality of the ranges. The project was completed during 2021 and the results are being analysed prior to decisions being made about the future for the project.

Surplus stock: In the UK, we identified stocks of surplus cotton, linen and velvet fabrics stored in our warehouse. We arranged to donate these to the Textile Design courses at The London Metropolitan University and Henley College, so that the fabrics could be used by students in an educational environment.

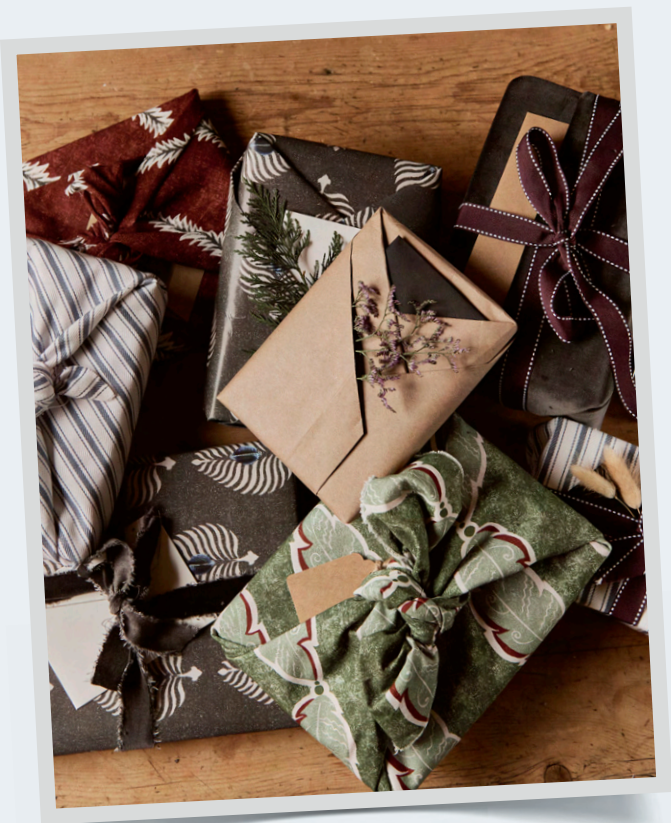
Product quality: We’re going to be working more closely with suppliers to improve the quality of lines and to explore offering guarantees to our customers on specific product lines. Our ambition is to reduce the number of damaged items arriving in our warehouse

Christmas wrapping workshop: Additional excess velvet and printed cotton fabric was cut into 1m fabric squares and used at series of in-store sustainable wrapping workshops. Customers learnt to wrap gifts with reusable fabric and were shown new techniques using fabric (including how to tear fabric into homemade ribbon).

Spare parts: We are continuing to explore opportunities around stocking 'spare' parts for customers. We work closely with our partners, Homeserve who visit customers to repair products in their own homes. Homeserve visits to customers decreased to 70 (from 73 in 2020) with a success rate of 68% (from 75% in 2020). We will be looking to improve this during 2022 by working with suppliers to focus on improving our product quality, as well as ensuring ensuring better packaging to prevent damaged during transit.

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. We are passionate about sustainability, and during 2021, 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. We have achieved a year-on-year plastic reduction of four tonnes includes EPS and Plastic wrap from suppliers in Asia. We are approximately 45% through product changes. 600 out of 1,300 products have had packaging updated to ensure that it is recyclable, and plastic is removed for all future deliveries from suppliers.

Seconds and end-of- line products: These 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 also continue to look to rehome products that are no longer of value to the business, donating them to community projects/charities wherever possible.





Tailored by OKA sales

Developed during 2019 and launched in 2020, Tailored by OKA is an upholstered furniture range that is handmade-to-order in the UK by a team of highly skilled craftspeople. This model enables our customers to create unique, bespoke products while supporting our ambitions to reduce our impact on the environment. We can reduce excess and obsolete inventory as well as GHG emissions with transportation to our warehouse (compared to products sourced from the Far East). Sales during 2021 grew to over £400K (+192% vs 2020).

Tailored by OKA
HANDMADE TO ORDER

Next steps

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. During 2022 we will be updating our guides to make them more detailed and product (group) specific. We will also ensure our Assembly instructions are more available to ensure that furniture items are put together well to support Direct Delivery and Overseas deliveries.

Our packaging plan is to continue to roll out our packaging standards for the remaining 55% of our product collection during 2022, to make sure we fall under the 10 tonnes on an annual basis. We plan to use under 10 tonnes of plastic for the year from April 1 2022 so that we are not liable for any plastic tax (over the 10 tonnes we will be liable at the amount of £200 per tonne). Cushion bags will be exempt because we are using a 30% PCR (post-consumer resin).

We are looking at benchmarking our current UK packaging supplier for goods used in our ecommerce channel. We will also continue to use paper tape in our warehouses.



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

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 2021 we have focused on our highest risk areas around this topic. We have identified wood and cotton as being high priority areas to focus our activity.

We are working closely with our suppliers to establish their capability to support our plans and work towards our targets.

Next Steps

The impact of the pandemic, and disruption in the supply chain suffered by the business, led to discussions during 2021 regarding our supply chain. It is currently based primarily in the Far East. The commitment to reduce our GHG emissions in line with our GHG emissions reduction targets as well as rising costs of bringing freight in from the Far East has led the teams to pursue a plan to source products ‘closer to home’. We shall work towards increasing the number of new suppliers from the EU, UK and US. The US remains the strategic priority for the business – as such our supply chain team are looking to tackle and support a more diversified supplier base for the future of OKA. Alongside this strategy we will look to identify suppliers who can offer transparency of raw material sourcing and work closely with our Product Development teams to tackle this area during 2022.

LOW CARBON SUPPLY CHAIN & ENERGY MANAGEMENT

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 better understanding and reducing 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 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

Our Scope 1 & 2 emissions globally have decreased by 19% during 2021. In 2021, 55.1% of our energy consumption was sourced from renewable sources (increased from 39% in 2020). We have worked to improve our Scope 3 during 2021 resulting in reporting an increased categories for the business. We have focused on reducing the number of containers that we ship by consolidating shipments for smaller orders. We continue to use air freight only in exceptional circumstances. We continue to invest in technology to improve the routing of our customers and store deliveries via our fleet of vans in the UK to reduce fuel usage and improve efficiency.

Due to COVID we learned that we could communicate with suppliers for meetings without being able to visit them; video conferencing allowed us to review samples during the design and production process. There have been wider benefits in collaborating in this way, including strengthening relationships between suppliers and teams. We remain committed to maintaining the lowest possible level of employee travel throughout the business. We continue to report on our Scope 1 and 2 GHG emissions on a quarterly basis, with Scope 3 completed on an annual basis.

During 2021 we embarked on a project to review the distribution plan for all products. We identified product that could be delivered via Parcelforce rather than our vans. The results of converting over 4,500 products and selling 1,500 new items has been a reduction in emissions and cost for the business.

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 the Paris Agreement. We will work to improve our data collection and its reliability, and we will measure our Scope 3 emissions on an annual basis.

Challenges

We are aware of the need to improve accountability of all employees at the same time as improving the accuracy of our data collection. We will focus on this during 2022.

GHG Emissions

	2020	2021
Business travel by air (km)	131,560	76,768
Business travel by car (km)	87,918	41,009
Total electricity consumption (kWh)	1,096,399	843,864
Renewable sources (kWh)	671,060	779,748
% renewable electricity	61%	92.4%
Supplier renewable energy	Green Tariff	Green Tariff
Energy consumption (kWh)	1,707,089	1,414,345
% renewable energy	39%	55.1%
Total water consumption (m3)	2,180	13,167.0

	2020	2021
Total (absolute) GHG emissions per business unit	2,591 tCO2e	4,490
Scope 1 emissions This includes owned or controlled assets: gas and propane burned in buildings and fuel burned in owned or leased cars	429 tCO2e	245
Scope 2 emissions This includes electricity Location based	344 tCO2e	200
Scope 2 emissions Market based	195 tCO2e	29
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.	1,818 tCO2e	4216

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.

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 in their teams 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. These principles are:

1. With our people, we will create a community who care about their impact on the immediate world around them.
2. We will turn our back-of-house areas into more people-focused environments for our teams.
3. We will reduce our plastic, paper, and energy consumption across our stores.

Progress

During 2021, initiatives were rolled out to support our Sustainability Goals and Strategy, including: battery, toner, and mask recycling rolled out in all stores; significantly reducing the amount of printing by using technology alternatives; reducing gas and electricity usage by promotion; replacing inefficient lighting with better LED alternatives; replacing bubble wrap with ‘Hive’, a paper wrapping system in seven stores. Finally, to ensure teams have a great place to rest and relax off the shop floor, we've refreshed our back-of-house areas with staff wellbeing and comfort in mind.

Next Steps

We are looking to recognise efforts from our retail staff that are above and beyond their role or responsibility. We will be launching a Retail Recognition Award for ESG successes. As well as this, the launch of an internal poster campaign to keep Sustainability front of mind in the business; improved processes for our waste disposal (including paint and coffee pods) and a task force to improve Global Eco facilities supplies (currently at 30%); in collaboration with the marketing department we will review POS to reduce paper and plastic waste, while continuing to pursue enhanced recycling efforts. Energy rating (EPC) will be sought for all stores while reviewing opportunities to further improve the energy efficiency of our buildings and reduce our impact on the environment.



PART ASSEMBLY PROJECT 2021



During 2021, with the increased costs of sea freight we developed our plans to improve the efficiency of containers bringing our products from factories to our warehouse. As part of this project we embarked on a trial in July with Part Assembly – a space-efficiency project. The project's aims were three-fold: to reduce waste in our supply chain (by maximising the space used in a container); lower the cost of products (and improve margins); reduce our Scope 3 GHG emissions.

As a test sample we took four best-selling ranges which were identified as products that could be part assembled – The Marylebone; The Pompidou; The Petworth and The Ashmolean. Our product designers and engineers worked closely with suppliers to develop products that, once delivered to our warehouses, could then be easily assembled with no impact on their high quality. The project was completed during 2021 and the results are being analysed prior to decisions being made about the future viability of the project.

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.

Our progress

We continue to partner with Agecko (our UK waste supplier) who collects all waste and reports on all waste streams ensuring nothing goes to landfill. Monthly reports ensure that this is monitored on a regular basis to maintain awareness of our commitment to reduce waste in the business. We have been working on our plastic reduction plan during 2021. In a year we have reduced our plastic packaging intake by over four tonnes, and we are on track to reduce the worst oil-based packaging to the minimum possible by the end of the year. Processes in our operations are continually being updated to ensure that all store packaging is returned to our warehouse, while we explore improved processes for handling this at a local level.

We have introduced 30% PCR (post-consumer resin) into our plastic cushion bags we receive from suppliers. By doing this we are contributing to the effective and necessary use of recycled plastic material.

Next Steps

We will continue to monitor waste generated in the business and will be able to report further improvements due to a reduction in packaging usage. 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.

	2020	2021
Total waste generated (tonnes)	481	222.9
Total recycled waste (tonnes)	187	216.0
Total landfilled waste (tonnes)	293	6.9
Total material usage (tonnes)	671	371



GRI

Enhancing all lives	GRI / Standard
Labour and human rights	GRI 412: Human Rights Assessment GRI 414: Supplier Social Assessment
Diverse and inclusive workplace	GRI 405: Diversity and Equal Oppurtunity GRI 406: Non-discrimination
Employee wellbeing, health and safety	GRI 403: Occupational Health and Safety
Employee engagement and development	GRI 404: Training and Education GRI 401: Employment
Community engagement and development	GRI 413: Local Communities
Customer satisfaction and experience	No GRI Standard aligned

Creating through innovation and craftsmanship	GRI / Standard
Product circularity	GRI 303: Water and Effluents GRI 301: Materials

Designing for a better planet	GRI / Standard
Responsible souricng of materials	GRI 308: Supplier Environment Assessment
Waste management	GRI 306: Waste
Low carbon supply chain and energy managment	GRI 302: Energy GRI 305: Emissions
Data privacy and cyber security	GRI 418: Customer Privacy
Responsible marketing and advertising	GRI 417: Marketing and Labelling
Ethics and integrity	GRI 205: Anti-corruption GRI 207: Tax
Corporate identity	

GRI CONTENT INDEX

GRI STATEMENT OF USE: This report has been prepared in accordance with GRI Standards: Core option

GRI 2: GENERAL DISCLOSURES

#	GRI disclosure no.	GRI disclosure title	Location of disclosure	Reason for omission
The organisation and its reporting practices				
	2-1	Organisational details	p.4 p.13 p.24	No reason for omission permitted for this GRI disclosure.
	2-2	Entities included in the organisation's sustainability reporting	p.34	No reason for omission permitted for this GRI disclosure.
	2-3	Reporting period, frequency and contact point	p.4 p.87	No reason for omission permitted for this GRI disclosure.
	2-4	Restatements of information	No restatements of information necessary.	No reason for omission permitted for this GRI disclosure.
	2-5	External assurance	No external assurance has been sought for OKA's 2021 Sustainability Report	No reason for omission permitted for this GRI disclosure.
Activities and workers				
	2-6	Activities, value chain and other business relationships	p.7 p.10-13	
	2-7	Employees	p.47 p.52	
	2-8	Workers who are not employees		Not applicable as OKA has no workers who are not employees.
Governance				
	2-9	Governance structure and composition	p. 26-27	
	2-10	Nomination and selection of the highest governance body	p.26	
	2-11	Chair of the highest governance body	p.26	
	2-12	Role of the highest governance body in overseeing the management of impacts	p.26	
	2-13	Delegation of responsibility for managing impacts	p.26	

#	GRI disclosure no.	GRI disclosure title	Location of disclosure	Reason for omission
	2-14	Role of the highest governance body in sustainability reporting	p.7 p.10-13	
	2-15	Conflicts of interest	p.24	
	2-16	Communication of critical concerns		
	2-17	Collective knowledge of the highest governance body		
	2-18	Evaluation of the performance of the highest governance body		
	2-19	Remuneration policies	p.24	
	2-20	Process to determine remuneration	p.24	
	2-21	Annual total compensation ratio		
	Strategy, policies and practices			
	2-22	Statement on sustainable development strategy	p.18	
	2-23	Policy commitments	p.36-38	
	2-24	Embedding policy commitments	p.36-38	
	2-25	Processes to remediate negative impacts	p.36-37	
	2-26	Mechanisms for seeking advice and raising concerns	p.36-38	
	2-27	Compliance with laws and regulations	No significant instances of non-compliance with laws and regulations during the reporting period.	
	2-28	Collective bargaining agreements	p.4	
	Stakeholder engagement			
	2-29	Approach to stakeholder engagement	p.26-27	
	2-30	Membership associations		

GRI 3 MATERIAL TOPIC DISCLOSURES

OKA material topic#	GRI disclosure no.	GRI disclosure title	Location of disclosure	Reason for omission
	3-1	Process to determine material topics	p.26-27	
	3-2	List of material topics	p.26-27	
	3-2	Management of material topics	p.34-80, by material topic	
GRI 200-207 Economic Topic Standards				
205 - Anti-corruption 2016				
Ethics and Integrity	3-3	Management of material topic	p.38	
	205-2	Communication and training about anti-corruption policies and procedures	p.38	
GRI 300-308 Environmental Topic Standards				
Product Circularity	301	Materials 2016		
	3-3	Management of material topic	Data available tab Environmental row 56	p.66
	301-1	Materials used by weight or volume	Optional: NEW FOR 2021	
Responsible sourcing of materials	3-3	Management of material topic	p.73-75	
	306-1	Waste generation and significant waste-related impacts	Data available tab Environmental row 52	p.75
Waste management	306-3	Waste generated	p.75	
	306-4	Waste diverted from disposal	p.75	
	306-5	Waste directed to disposal	p.75	
GRI 200-207 Economic Topic Standards				
Low carbon supply chain and energy management	302	Energy		
	3-3	Management of material topic	p.67-69	
	302-1	Energy consumption within the organisation	p.68	
	302-4	Reduction of energy consumption	Optional: NEW FOR 2021	
	305	Emissions		
	3-3	Management of material topic	p.67	
	305-1	Direct (Scope 1) GHG emissions	p.69	

OKA material topic#	GRI disclosure no.	GRI disclosure title	Location of disclosure	Reason for omission
List of material topics:				
GRI 200-207 Economic Topic Standards				
Low carbon supply chain and energy management	305-2	Direct (Scope 2) GHG emissions	p.69	
	305-2	Other indirect (Scope 3) GHG emissions	p.69	
GRI 401-418 Social Topic Standards				
Human and Labour rights	412	Human Rights Assessment		
	3-3	Management of material topic	p.42 include reference to commitment to respect human rights in conformity with OECD Guidelines and UN Guiding Principles per Excel Tab Social row 50-51	
	412-2	Operations that have been subject to human rights reviews or impact assessments	p.42	
	414	Supplier Social Assessment		
	3-3	Management of material topic	p.42	
	414-1	New suppliers that were screened using social criteria	p.42	
	405	Diversity and Equal Opportunity		
	3-3	Management of material topic	p.45	
	405-1	Diversity of governance bodies and employees	p.46	
	406	Non-discrimination		
Diverse and Inclusive workplace	3-3	Management of material topic	p.36	
	406-1	Incidents of discrimination and corrective actions taken	No incidents reported.	

OKA material topic#	GRI disclosure no.	GRI disclosure title	Location of disclosure	Reason for omission
Employee wellbeing, health and safety	403	Occupational Health and Safety		
	3-3	Management of material topic	p.49	
	403-3	Occupational health services	p.49	
	403-2	Hazard identification, risk assessment, and incident investigation	p.49	
Employee engagement and development	404	Training and Education		
	3-3	Management of material topic	p.52	
	404-1	Average hours of training per year per employee	p.51	
	401	Employment		
	3-3	Management of material topic	p.45-47; p.51-52	
	401-1	New employee hires and employee turnover	p.51	
	401-3	Parental leave	p.37	
Community engagement and development	413	Local communities		
	3-3	Management of material topic	p.53	
	413-3	Operations with local community engagement, impact assessments and development programmes	p.53-57	
Data privacy and cyber security	418	Customer Privacy		
	3-3	Management of material topic	p.31	
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No substantiated complaints	
Responsible marketing and advertising	417	Marketing and Labelling		
	3-3	Management of material topic	p.33	
	417-3	Incidents of non-compliance concerning marketing communications	p.33	

UNGC table

UN Global Compact Principles		Page
Human Rights		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights.	p.42
Principle 2	Make sure that they are not complicit in human rights abuses.	p.42 - 44
Labour		
Principle 3	Should uphold the freedom of association and the effective recognition of the right to collective bargaining	
Principle 4	The elimination of all forms of forced and compulsory labour.	p.42
Principle 5	The effective abolition of child labour.	p.42
Principle 6	The elimination of discrimination in respect of employment and occupation.	p.45
Environment		
Principle 7	Businesses should support a precautionary approach to environmental challenges.	p.20 - 23
Principle 8	Undertake initiatives to promote greater environmental responsibility	p.60 - 67
Principle 9	Encourage the development and diffusion of environmentally friendly technologies.	
Anti-Corruption		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	p.30

For any questions relating to the information in this report please contact sustainability@oka.com



CONTACT DETAILS

ADDRESS:

OKA Direct Ltd
166 Purchas Road
Didcot
Oxfordshire
OX11 7BF

EMAIL:

customerservice@oka.com

PHONE:

03330 042 042
or (+44) 1235 433930
from outside the UK

