OXFAM GB ENVIRONMENTAL SUSTAINABILITY REPORT 2023/24

Interior of Kensington Garden's Oxfam Bookshop, Brighton. Credit: Gabi Torres / Oxfam



This report provides an overview of the environmental impact of Oxfam GB in the financial year 2023/24. It reports on our greenhouse gas emissions, progress on reducing emissions and targets for the future. It also presents a range of the environmental measures we take across our UK operations.

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INTRODUCTION

It is imperative to limit global warming to 1.5°C above pre-industrial levels to avoid the most significant impacts of the climate and ecological crises.¹ Global warming above this level is likely to lead to severe and widespread human suffering, environmental damage and deepening inequalities. To reach this goal, urgent and significant reductions to carbon emissions are needed, particularly by countries and companies in the Global North that have contributed the most to the climate crisis.

Alongside our advocacy and campaign work for climate justice, Oxfam has a responsibility to mitigate our own impact on the environment. Oxfam GB is committed to achieving net zero emissions from our UK operations before 2040. We have set a number of short-term targets to ensure we keep on this trajectory.

This year, for the first time, we present this voluntary report to disclose the environmental impacts, achievements and ambitions of our UK operations. This is presented alongside our legally required Streamlined Energy and Carbon Reporting disclosures within the <u>Oxfam GB Annual Report and Accounts</u>. The environmental impact of our work overseas is captured by the Oxfam International Sustainability Report.

This format replaces our previous reporting, which was split between the Annual Report and Accounts and our Supplementary Ethical and Environmental Report. You can find the Supplementary Ethical and Environmental reports covering financial years 2021/22 and 2022/23 on our <u>website</u>.

The first section of this report covers our greenhouse gas emissions. In the second section, we present our updated carbon commitments. These supersede our previous targets,² as we increase our ambition. The third section reports on progress on our Retail Ethical and Environmental Strategy.

¹ <u>The Paris Agreement 2015</u>.

² Oxfam GB's previous targets were set in 2022.

1. GREENHOUSE GAS EMISSIONS

The financial year 2023/24 is the 12th year that Oxfam GB is publicly reporting our greenhouse gas (GHG) emissions. In addition to previously reported emissions, we are reporting some scope 3 emissions for the first time,

We use UK Government GHG Conversion Factors for Company Reporting to derive carbon emissions and to derive energy use from land transport. Our reporting is compliant with the requirements of the Streamlined Energy and Carbon Reporting regulations, and aligns with the requirements and guidance presented in the Greenhouse Gas Protocol Corporate Reporting and Accounting Standard.

We report emissions from the following scopes:

Scope 1 (mandatory): direct emissions produced by 0xfam premises and by 0xfam's vehicles, e.g. burning gas for heating in a shop, using fuel in a leased vehicle.

Scope 2 (mandatory): indirect emissions produced by Oxfam's electricity use, e.g. lighting our shops.

Scope 3: emissions from upstream and downstream supply chains. Scope 3 emissions can be thought of as any emissions which are not covered by scope 1 and 2. A small portion of our scope 3 emissions are mandatory: these are emissions produced by employee business travel, where Oxfam purchased the fuel.

In addition, we currently voluntarily report an incomplete inventory of scope 3 emissions and endeavour to widen the range of categories we report each year. For 2023/24 we include the following scope 3 emissions for the first time: emissions from hotel stays, Eurostar travel, some purchased goods and services, employee commuting and our investment portfolio.

Oxfam GB purchases 100% renewable electricity in the UK. In line with the UK Government's Environmental Reporting Guidelines, this is not reflected in our carbon report (see page 9), which calculates emissions based on the average carbon intensity of the UK National Grid.

68% REDUCTION IN EMISSIONS COMPARED TO 2011/12 BASELINE

In 2023/24, emissions in our baseline scope³ amounted to 4,649 tonnes. This was 68% lower than in our baseline year of 2011/12. It is a slight increase compared to our 2022/23 emissions, when we achieved a 70% reduction against the baseline; this is due to an increase in emissions from air travel in 2023/24. Emissions from air travel remain 57% lower than pre-pandemic (2018/19) levels. Carbon emissions from our buildings (shops, offices and warehouses) were lower than the previous year, as were emissions from land travel and logistics.

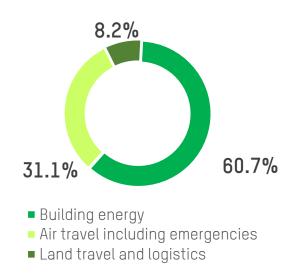
The key areas of our environmental impact are:

• **Building energy:** 60.7% of our carbon emissions came from building energy, compared to 70.8% in 2022/23.

• Air travel: 31.1% of our carbon emissions came from air travel, compared to 17.6% in 2022/23.

• Land travel and logistics: 8.2% of our emissions came from land travel and logistics, compared to 11.6% in 2022/23.

Environmental impact by key area in 2023/24



UK processed flights refers to all flights processed through 0xfam GB, including those used by humanitarian teams for which 0xfam GB has legal responsibly but no direct line control.

³ Our baseline carbon commitment scope is as follows: all scope 1 emissions (combustion of natural gas and vehicle fuels), all scope 2 emissions (emissions associated with electricity generation), some scope 3 emissions (UK processed flights, UK business travel on trains/buses, staff using their own vehicles, some third party logistics, processing of waste and water, homeworking, and well-to-tank emissions relating to the extraction and use of fossil fuels in scopes 1, 2 and 3).

Reporting GHG emissions across a new, wider scope

For 2023/24, we present our most comprehensive GHG report yet

Our new carbon report covers the following categories:

✓ All scope 1 emissions (emissions from combustion of natural gas and vehicle fuels)

✓ All scope 2 emissions (emissions associated with electricity generation)

✓ Scope 3 previously reported categories (UK processed flights, UK business travel on trains/buses, staff using their own vehicles, some third party logistics, processing of waste and water, homeworking, and well-to-tank emissions relating to the extraction and use of fossil fuels in scopes 1, 2 and 3)

Plus these new scope 3 categories:

✓ Emissions from business travel including hotels and Eurostar, some purchased goods and services, employee commuting, and equity investments.

Interior of the Oxfam Superstore in Cowley, Oxford. Credit: Andy Doherty / Oxfam



How much does Oxfam GB emit?

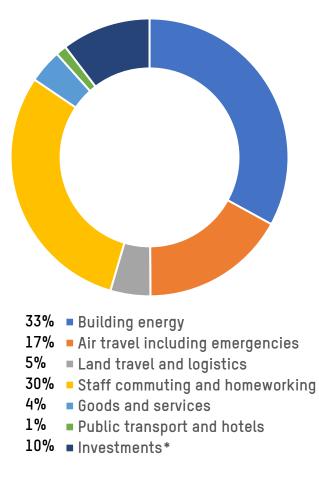
Oxfam GB's total reported emissions for 2023/24 were



tonnes CO₂e

Over the categories reported in 2023/24, the estimated total emissions of Oxfam GB's UK operations and UK processed flights is 8,868 tonnes of carbon dioxide equivalent (tCO₂e).¹

Emissions by category in 2023/24



Carbon report

Mandatory reported carbon (tCO2e)		2023/24	2022/23
Scope 1	Emissions from combustion of gas	533	549
Scope 1	Emissions from combustion of fuel		
	for transport purposes	195	252
Scope 2	Emissions from purchased electricity (location-based)	1,667	1,849
Scope 3	Emissions from business travel in rental cars or employee-owned vehicles where Oxfam is responsible		
	for purchasing the fuel	35	70
	Total gross tCO2e based on the above	2,421	2,720
Optional re	ported carbon (tCO2e)		
Scope 3	Emissions from leased assets, franchises and outsourced activities	155	192
Scope 3	Emissions from employee business travel where Oxfam does not own or control the vehicles and is not responsible for purchasing the fuel	125	82
Scope 3	Homeworking	620	690
Scope 3	Transportation of humanitarian goods within the UK	18	4
Scope 3	Emissions from waste processing, water use and processing	179	228
Scope 3	Transmission and distribution losses (electricity)	144	169
Scope 3	Well-to-tank emissions (electricity generation)	370	442
Scope 3	Well-to-tank emissions (electricity transmission and distribution)	32	40
Scope 3	Well-to-tank emissions (natural gas)	86	93
Scope 3	Public transport in the UK	29	18
Scope 3	Eurostar travel (new for 2023/24)	47	
Scope 3	Staff commuting (new for 2023/24)	1,939	1,706*
Scope 3	Hotels (new for 2023/24)	31	
Scope 3	Some purchased goods and services (new for 2023/24)	155	
Scope 3	Flights	1,447	779
Scope 3	Investments** (new for 2023/24)	887	

* Not reported in 2022/23. This emissions category was previously measured internally.

** Estimate based on the latest carbon intensity data provided by our investment manager and the investment size at year end (see 'Carbon impact of investments').

Carbon intensity ratio

	2023/24	2022/23
Carbon intensity ratio (tCO ₂ e/1,000m ²)	37.1	35.5

We present an intensity ratio based on Streamlined Energy and Carbon Reporting regulations. This intensity measure is based on mandatory reported carbon only.

We have chosen to display the tonnes of CO_2e per 1,000m² of shop floor area as the best metric to allow us to compare year-on-year emissions. This is because the key driver of our emissions is the energy used to power our shop network and offices.

The area is calculated based on a large sample of shops that have a known floor area, then this is approximated to cover all shops. This is averaged over the year to account for shops opening and closing.

Energy-saving activities in 2023/24

We achieved reductions in carbon emissions from our buildings through the following energy-saving activities: LED lighting – 95% of our buildings now have some form of LED lighting, and 75% have had a complete LED fit-out.

- ✓ Smart meter rollout around 60% of meters have now been upgraded and rollout is ongoing.
- Energy Management database installed this allows for billing validation, more accurate invoices, quick detection of anomalies, and data to be read from meters.
- Energy manager carried out shop visits to support shop managers and volunteers in managing energy in their shops.
- ✓ More efficient heating systems have been installed in most shops.

We achieved a reduction in carbon emissions from our logistics and transport through:

- ✓ Replacement of our lorry fleet with newer, more efficient lorries.
- ✓ Reduction of fleet size of leased cars.
- ✓ Gradual replacement of non-hybrid cars in our fleet with hybrid cars.
- ✓ Increased use of public transport in the UK.

Exterior of the original Oxfam Shop on Broad Street, Oxford. Credit: Zara Cranfield / Oxfam



Carbon impact of investments

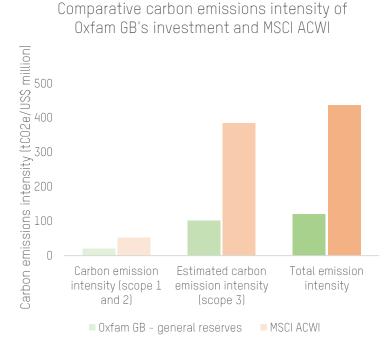
Oxfam GB invests in an ethical investment fund portfolio. All investments are made in line with Oxfam's ethical investment criteria, which ensure that Oxfam's vision, mission and values are reflected in our approach to investment.

Carbon emissions intensity of investees

Analysis of the emissions of investee companies in Oxfam GB's portfolio⁴ reveals a comparatively low carbon intensity (tCO₂e/US\$ million): for every US\$1m invested in the portfolio, it has a 67% lower scope 1 and 2 carbon exposure than the MSCI ACWI Index.⁵

To achieve our carbon ambitions, we have introduced an internal target to maintain or improve the carbon intensity of our portfolio until 2030.

The estimate of emissions from investments provided in our carbon report (on page 9) is based on the latest carbon intensity data provided by our investment manager and the investment size at year end.



⁴ The data presented here is courtesy of LGT Wealth Management UK LLP. Following a reprocurement exercise, Greenbank (part of Rathbones) was appointed as 0xfam GB's new investment manager in July 2024, and transition of our investment portfolio began in August 2024.

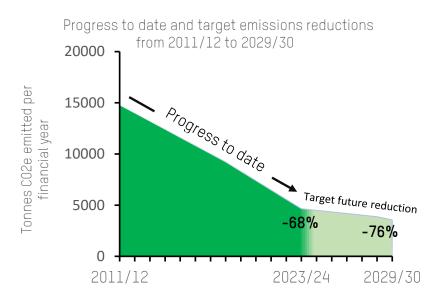
⁵ A global equity index that measures equity performance in both developed and emerging markets.

2. NEW CARBON COMMITMENTS

We are steadfast in our commitment to reach net zero emissions from our UK operations by 2040. To achieve this as efficiently as possible, we have updated our intermittent targets, as presented below. The changes in these targets have been calculated based on a combination of external factors (forecasted changes to carbon intensity of the National Grid and relevant fuels), and internal factors such as change of premises, reduction in flights and an increase in energy-saving activities.

Core carbon targets

Target 1: Reduce emissions across the current target scope by 76% from a 2011/12 baseline by 2030.



This replaces our current target (a 71% reduction in emissions by 2030 from a 2011/12 baseline), reflecting an increase in ambition.

This covers the original target's scope, namely: all scope 1 and 2 emissions, and scope 3 emissions from UK processed flights, UK business travel on trains/buses, staff using their own vehicles, some third party logistics, and well-to-tank emissions relating to the extraction and use of fuels in scopes 1, 2 and 3.

Target 2: Reduce emissions across a wider scope by 9% from a 2022/23 baseline by 2030 (21% reduction from 2023/24).

We commit to continually reviewing our carbon targets, not only to increase the challenge of the original targets, but also to review and widen the scope of our environmental reporting.

The baseline year for this new target is 2022/23 because this is the first year for which we are able to calculate accurate values for carbon emissions in the new categories. Due to an increase in flights in 2023/24 compared to the previous year, overall emissions for this target scope increased over the reporting period.

This new target covers all of the scope of the previous target (all scope 1 and 2 emissions, and scope 3 emissions from UK processed flights, UK business travel on trains/buses, staff using their own vehicles, some third party logistics, and well-to-tank emissions relating to the extraction and use of fuels in scopes 1, 2 and 3), as well as four new scope 3 categories: emissions from waste processing; water use and processing; business travel including hotels and Eurostar; and some purchased goods and services.

Exclusions are:

- Emissions from our investments (we are monitoring these separately through an intensity metric, which has its own target; see page 15.)
- Emissions from commuting and homeworking. This is due to uncertainty over change of premises in the near future. It will be added into the target as appropriate, once plans for work premises have been finalised.
- Scope 3 categories we have not yet measured.

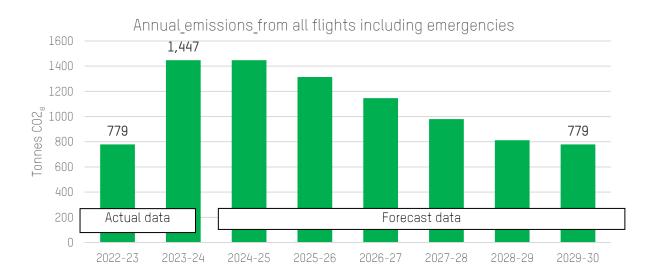
Progress to date and target emissions reduction from 2022/23 to 2029/30

Supporting targets

To support our core carbon reduction targets, we have agreed two further targets – flights and equity investments – which we will monitor and action internally.

Flights

We saw a significant increase in emissions from flights between 2022/23 and 2023/24. While emissions from flights remain 57% lower than pre-pandemic (2018/19) levels, we have identified our performance in 2022/23 as a practicable level of flying in a post-pandemic environment. Therefore, we have an internal commitment to reduce emissions from flights by 46% by 2029/30 from the 2023/24 baseline. This represents a 0% change from 2022/23 levels.



Equity investments

As a natural result of our responsible investment policy, Oxfam GB's equity portfolio has a 67% lower scope 1 and 2 carbon exposure than the MSCI ACWI Index. While we consider a range of our core principles when choosing the makeup of our portfolio, alongside this we will also consider the carbon impact of each investment to keep the carbon intensity (tCO₂e per US\$1m invested) of our investment portfolio within 10% until at least 2030.

3. RETAIL ETHICAL AND ENVIRONMENTAL STRATEGY

Our Retail division aspires to be a driving force for sustainable trading, embracing innovation and upholding the integrity of Oxfam GB's brand. The Retail Ethical and Environmental Strategy contains five key objectives and a range of actions to support them. The objectives are: to address inconsistency in working; continually improve the ethical and environmental management of the retail division; seek out innovation and opportunities; leverage public engagement; and clearly communicate the strategy to support behaviour change within retail.

Oxfam began developing the Strategy in late 2018, with a core research phase consisting of:

- Current practice: understanding the impact of our current operations.
- ✓ Horizon review: looking at current and proposed legislation and regulations, as well as considering what might emerge in the near future.
- Peer review: looking at publicly available information on a selection of commercial and charitable retailers, and understanding what we can learn from them.
- ✓ Stakeholder views: capturing insights and observations on stakeholders' expectations of us.

We have continued to make progress in 2023/24, with more than 40 actions that sit beneath the five strategic objectives encompassing significant pieces of work. These include compliance with the Energy Saving Opportunities Scheme and several energy-saving activities (as presented in our carbon report on page 9, while providing our customers with a broad range of retail options. Our aspiration is to be a driving force in sustainability, continually improving our ethical and environmental impact, seeking innovation, and upholding the integrity of Oxfam's brand and public positions.

Energy targets

We report on three key energy targets:

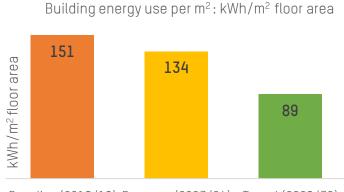
1. Increase the percentage of shops with LED lighting in at least the floor area.



target met

The audit carried out in 2023/24 revealed that 95% of shops now have LED lighting installed in some areas, with 75% having completed a full LED rollout We will continue to install LED lighting until all shops have full LED installation.

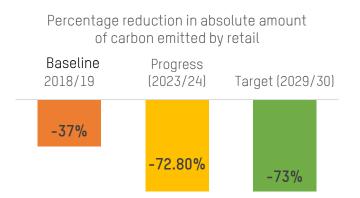
2. Reduce building energy use per m² of total shop floorspace per year.



So far, we have achieved an average 2.2% reduction in building energy use per m² per year since the 2018/19 baseline. We will require a 5.5% reduction to meet the target by 2029/30.

Baseline (2018/19) Progress (2023/24) Target (2029/30)

3. Reduce the absolute amount of carbon emitted by the retail division.

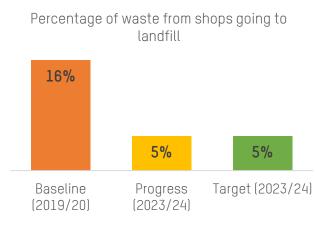


So far, we have reduced emissions by 72.8% since the 2018/19 baseline. Our target of 73% by 2030 is likely to be met early (and exceeded).

Waste targets

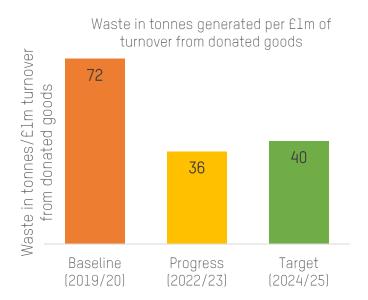
Both of our targets on reducing waste from shops have been met early. We work with third parties to ensure that as much waste as possible is reused or recycled. Most of what can't be reused or recycled is converted into refuse-derived fuel to provide energy for the national grid.

1. Reduce the percentage of waste from shops that goes to landfill.



We work with a third party collector to minimise waste going from our shops to landfill. Waste is recycled where possible, or converted into refuse-derived fuel.

2. Reduce the amount of waste in tonnes per £1m of turnover from donated goods.





target met

This intensity metric measures the waste against £1m of turnover from donated goods and allows us to make a year-on-year comparison of the waste efficiency of our operations.

Sourced by Oxfam

Oxfam's <u>Ethical and Environmental Supplier Framework</u> is now embedded in our product selection process and ongoing relationships with our suppliers, improving ethical and environmental considerations in the products we stock in our Sourced by Oxfam (SbO) range. The Framework enables us to work with suppliers in ways that are more likely to raise standards and ensure fair outcomes for people and planet from the new products we sell online and in our shops. We have joint action plans with key suppliers which define starting points and actions that Oxfam and our suppliers will take, and which measure progress over time, holding us mutually accountable for the impacts of our supply chains. Commercial incentives reward suppliers as they improve performance in terms of impacts, and we have now set targets to drive an increase in the number of suppliers who achieve a 'level 3' rating or above (please see pages 8-9 of our Ethical and Environmental Supplier Framework for details).



Sourced by Oxfam products on display in a shop. Credit: Gabi Torres/ Oxfam

Sourced by Oxfam targets

1. Increase the percentage of SbO products made from wood and paper that use recycled materials to 50% by 2023/24.

In 2023/24, the percentage of products made from wood and paper that use recycled materials was **22%** (down from 29% in 2022/23).

We are carrying out an internal review to understand why we have missed this target and how we can ensure we meet it in future. This year, the overall level of compliance with our standards – i.e. wood and paper from either Forest Stewardship Council (FSC) certified sources **or** recycled – increased from 95% to 98%.

2. Increase the percentage of products whose primary packaging is deemed compliant with our standards for decisions on new SbO products each year, to reach 90% by 2025.

In 2023/24, the percentage of products whose primary packaging is deemed compliant with our standards was **71%** (down from 78% in 2022/23).

As we see more complex packaging in our supply chain, for which we are still developing standards, we will continue to ensure that our range has the most sustainable packaging that is practicable. As part of our commitment to reducing our environmental impact, we will continue to engage with suppliers to increase our level of recycled packaging.

3. Increase of SbO suppliers with a Supply Chain Transparency Agreement as a percentage of the total value of SbO business.

We met (and exceeded) our target of 90% by 2024/25 a year early, with 92.9% of total business value now from suppliers with a Supply Chain Transparency Agreement. We achieved this through continued engagement with our suppliers.

4. Increase the percentage of suppliers rated at level 3 and above in the Supplier Framework as a percentage of the total value of Sb0 business.

We reached 72% for this target in 2023/24, towards our target of 85% by 2024/25.

Within levels 1-3, our overall spend has remained relatively stable, with a 3% increase compared to the previous year (2022/23). Our primary focus has been on continued engagement with level 3 suppliers to improve their impact on people and planet across their supply chains.

Beyond Compliance

In 2023/24, the Sb0 Ethics and Environment Team focused on our biggest supplier, which accounts for 16% of total Sb0 business. This level 3 supplier provides most of our printed range, including Christmas cards. We collaborated with a consultancy firm in China to conduct a forensic audit at the site where our Christmas cards are manufactured. The findings showed that the factory operates under an exceptional and rare business model in China, with 12 shareholders and a notably flat management structure.

This was uncharted territory for Oxfam, and demonstrated our ability to work successfully with a third party to ensure the highest level of employment standards for workers.

Retail Ethical and Environmental Strategy review

As part of our ongoing commitment to actively improve our environmental and ethical impact, and in light of changing operational needs and the increased urgency of responding to environmental and ethical issues, we are carrying out a review to update our Retail and Ethical Environmental Strategy. We will report on progress in 2024/25.

2023 Christmas cards from Sourced by Oxfam. Credit: Rebecca Westcott / Oxfam



Partnerships

At Oxfam GB, we value our partnerships with a range of retail companies that, in addition to providing vital income for Oxfam's work, help us find solutions to deal with unwanted clothing and empower consumers to make sustainable shopping choices.

Barbour Re-Loved and Glastonbury

In June 2024, Oxfam partnered with Barbour at Glastonbury, as part of Barbour's circularity commitment to help customers keep products in use longer. Funds were raised for Oxfam by selling Barbour Re-Loved (upcycled) jackets and hats, many of which included Glastonbury memorabilia, across all four Oxfam tents on site. Barbour also participated in Oxfam's Second Hand September campaign, with staff from its North East factory, warehouse and head office all donating unwanted clothing.

ACT UK: Marks and Spencer postal donation trial

In April, we launched a trial of a free postal donation service as part of the ACT UK (Automatic-sorting for Circularity in Textiles) project, led by the UK Fashion and Textiles Association. Research reveals that one-third of people in the UK don't know what to do with pre-loved clothing which is unwearable. The trial, launched in collaboration with Marks and Spencer, allows consumers to donate unwearable clothing alongside pre-loved wearable clothing, via an online postal donation service. The trial was funded by the M&S Plan A Accelerator Fund, which commits £1m to innovative projects to help achieve net zero goals.

