



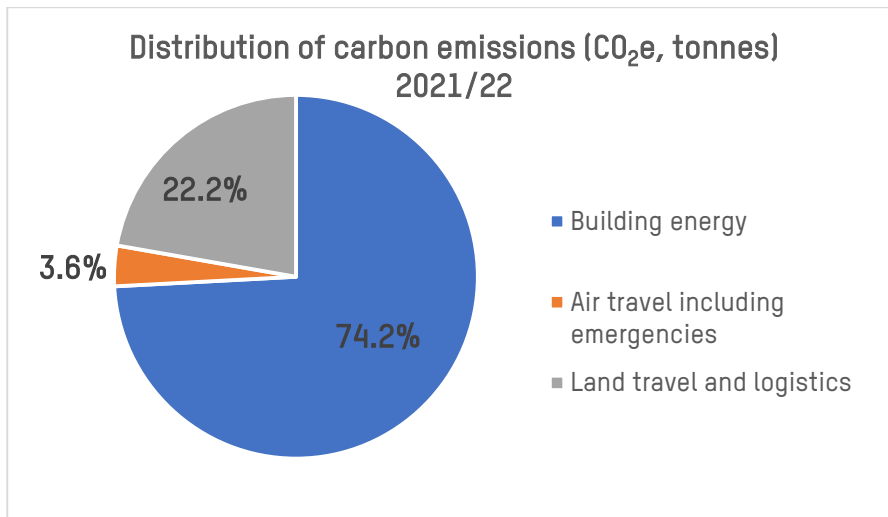
OXFAM

OXFAM GB SUPPLEMENTARY ETHICAL AND ENVIRONMENTAL REPORT FOR 2021/22

Oxfam's main Ethical and Environmental Report can be found in the full Annual Report and Accounts for 2021/22. For those readers who are interested, the purpose of this supplementary report is to provide a more detailed review of Oxfam's activities in this area.

Our key impact areas

This section provides more detailed information about Oxfam's overall impact on the environment.



Building energy: 74.2% of our total carbon emissions in 2021/22 were from building energy use, with most of these emissions occurring in our Retail division (approximately 59.9%).

Building energy use (kWh) in 2021/22 was 30% higher than in the previous year and associated carbon emissions were 34% higher, both due to the near full resumption of retail activity following the COVID-19 pandemic.

Although our electricity contract is for 100% renewable energy, our emissions reported here are calculated using location-based grid average emissions, as encouraged by the UK Government's Environmental Reporting Guidelines.

Our shop network was open for most of this financial year, but overall building energy use was 9% lower than before the pandemic (2019/20). However, at our head office we are seeing an overall increase in energy use compared with pre-pandemic levels. This has been investigated and our conclusion is that it relates mainly to higher heating demand: fewer people are present in the office and much less equipment is running (which both produce heat), but a workable temperature still needs to be maintained for those who continue to work there.

We have also made very significant progress in our plans to roll out low-energy LED lighting to our shop network and have recruited to a new role of Energy and Utilities Manager. Both of these steps are discussed more fully in the section below on our Retail Ethical and Environmental Strategy (REES).

Air travel: 3.6% of our total carbon emissions in 2021/22 was from air travel.

As the impacts of the global pandemic continued to be felt, the distances travelled by Oxfam personnel in 2021/22 (including in response to emergencies) remained 90% lower than pre-pandemic (2019/20) and associated carbon emissions were also 90% lower.

The pandemic has accelerated everyone's understanding of the tools available for global meetings and collaboration. In a context of escalating concerns about climate change and greater scrutiny of budgets, we are confident that this will help to keep us years ahead of where we otherwise would have been in reducing flight activity and associated carbon emissions.

We are now seeing some return to flight activity, but in summer 2022 we approved a new Responsible Travel Policy covering all forms of transport. This includes a decision tree to support more responsible travel choices from very early on, first encouraging the use of online collaboration tools and going on to revised rules and limitations on locations and circumstances where flying is acceptable.

Land travel and logistics: 22.2% of our total carbon emissions in 2021/22 was from land travel and logistics, with our Retail division accounting for the biggest single proportion (approximately 21.9%).

The total number of miles travelled in 2021/22 was 37% lower than pre-pandemic (2019/20) and associated carbon emissions were also down 38%.

In autumn 2021 we began implementing major changes in the way that excess donated goods are collected and disposed of from our shop network, with support from our new partner CTR; this is discussed more fully below in the section on the REES. However, distances travelled, and the emissions reported here, do not yet include our share of the impact of their vehicles, though we are working establish a new method for the routine reporting of this.

We have continued to explore options to replace the fleet of lorries operating from our Wastesaver site, and this is also discussed more fully below in the section on the REES.

Other environmental impacts

Wood and paper: Our focus is on seeking to comply with Oxfam's policy that at least 90% of the wood and paper we use is either FSC-certified or recycled, with a current target of at least 95% compliance (by weight). In 2021/22, the compliance rate was 98.2%, up from 96.3% the previous year and the highest for four years. We continue to track information only for new products for sale and so have not included items purchased for internal use.

In the past few years we have been increasing our efforts to source more new products that use recycled materials, as a more sustainable choice. In 2021/22 the proportion of materials that were made from recycled sources was 40%, up from 34% the previous year and 11% three years earlier. Read more about this in the section on the REES below.

Data and reporting

All of our reporting is based on our UK operations plus flights processed through our UK travel management companies. It does not include any of our overseas operations.

There have been no significant developments in our general approach to data and reporting this year, but we are working hard to widen the scope of the data we measure, report and set targets for, as outlined in the section on REES targets below.

Our Streamlined Energy and Carbon (SECR) reporting, as included in the Annual Report and Accounts, is now in its third year. It is unchanged in its methodology, as is our view on the most appropriate intensity ratio to report against.

The routine revision of estimates means that our 2020/21 emissions have been revised down by 290 tonnes CO₂e (7%), from the 3,903 tonnes CO₂e reported last year to 3,613 tonnes CO₂e currently.

Retail Ethical and Environmental Strategy (REES)

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

- Current practice: understanding the impact of our current operations.
- Horizon review: looking at current and proposed legislation and regulations already known about, as well as considering what might also 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: considering insights and observations on stakeholder expectations of us.

We have defined our aspiration for this strategy and developed five key strategic objectives, with currently over 40 actions sitting below these objectives.

Our aspiration is to be a driving force in the area of sustainability, continually improving our ethical and environmental impact, seeking innovation, and upholding the integrity of Oxfam's brand and public positions.

Although the strategy was approved in March 2019, our work on it was significantly affected by the pandemic. We have, however, been able to make more meaningful progress during this past year, with the governance group that manages the strategy being re-formed in the middle of 2021 and having since then met four times. In the past year the group has reviewed and refreshed the strategic objectives and the 40+ actions, and in the table below we now share a selection of key REES targets. The range of actions that sit beneath the five objectives include significant pieces of work such as:

- **Driving improvements in our waste management processes:** Our new partnership with CTR means that the vast majority of shops now have the capacity to send a wider range of excess donated goods for reuse and recycling than they did before – for example, vinyl, soft toys, homeware items and worn-out plastic bags. We have seen an impact on general waste collections from our shops, with weights down by about one-quarter in recent months. We are excited by how this new partnership allows us to keep items out of our bins, allowing many more to be reused or recycled, as well as reducing our costs and providing some new income.

- **Implementing actions arising out of our Energy Savings Opportunities Scheme (ESOS) report:** The financial year 2021/22 was year one of a three-year, £500,000 plan to roll out low-energy LED lighting in our shop network, to take forward a key recommendation from our ESOS report in 2019. At the start of the year, 15% of shops had LED lighting at least in their shopfloor areas, and by the end of the year that had increased to an impressive 72%. The impact of this work should begin to be seen in our shop network in the coming year, with less energy consumed and lower carbon emissions. We are also beginning work on a pilot shop condition survey that will help to inform future carbon reduction options across our retail network.

In this financial year we also recruited a person to a new role of Energy and Utilities Manager. This is an exciting role that will enable dedicated support for staff, such as our shop managers, to improve energy management in the shop network, especially with regards to heating, which is our biggest building energy demand. This role was created in direct response to another key recommendation made in the ESOS report.

- **Reviewing our Wastesaver facility:** This facility in Batley, West Yorkshire is where we process thousands of tonnes of textiles each year, striving to reuse as much as possible, getting the best value out of everything we receive and committing to zero landfill at this site. As mentioned above, we have partnered with CTR to enable the vast majority of our shop network to send a greater range of unsellable donated goods for reuse or recycling, in addition to textiles. As a result of this new partnership, our Wastesaver site now services only about one-fifth of our shop network in respect of excess donated textiles.

In light of the ESOS report in 2019, we continually review the market offering of alternative fuel vehicles for our Wastesaver fleet of lorries, but at present these technologies are not appropriate for the technical and operational demands and required size of vehicle. In the meantime, however, we have placed an order to partially replace our fleet with the latest diesel-powered vehicles, and we expect these to deliver fuel and carbon savings of about one-quarter annually.

- **Further improving on ethical and environmental considerations in the products we stock in our Sourced by Oxfam (SbO) range, and working with our suppliers in doing so:** Our [SbO Ethical and Environmental Supplier Framework](#) is now embedded into our product selection process and into ongoing relationships with our suppliers. It enables us to work with suppliers in ways that are more likely to raise standards and ensure fair outcomes for people and the 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 its 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 their 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 in that framework (please see p.8 of our [September 2022 Modern Slavery Statement](#) for more details).

The SbO team has also agreed a transition plan for packaging and targets to reduce the use of packaging and, where it is used, to source recycled or more sustainable materials (e.g. FSC-certified) that can in turn be more easily recycled in household waste collections.

Finally, as mentioned above, the SbO team are tracking and targeting a higher proportion of new products made from wood and paper that use recycled materials.

Targets

As noted earlier, in the past year we have set a range of targets for the REES, and below we set out the key targets across a range of areas that we will report on annually via this publication. Highlights at this point include:

- A reduction in waste per £m of turnover from donated goods, down 29%.
- The rollout of LED lighting in our shops, now at 72%.
- An increase in recycled wood and paper materials in new products, now at 40%.

Area	Description	Baseline	Progress	Target
Waste and donated goods	Reduce the percentage of total waste that goes to landfill	16% in 2019/20 (July 2019– March 2020)	8% in 2021/22	< 5% by 2023/24
	Reduce the amount of waste in tonnes per £m of turnover from donated goods	72 tonnes per £m (2019/20 part known, part estimated)	51 tonnes per £m (2021/22) down 29% v 2019/20	40 tonnes per £m by 2024/25 down 44% v 2019/20
Energy and carbon	Increase the percentage of shops with LED lighting in at least the shopfloor area (i.e. may or may not also cover back office lighting)	15% as at March 2021	72% as at March 2022	95% by March 2024
	Reduce building energy use in the Retail division per 1m ² of total shop floorspace per year	151 kWh per 1m² in 2018/19	136 kWh per 1m² in 2021/22 (down 10% v 2018/19)	< 89 kWh per 1m² by 2029/30 (down 41% v 2018/19)
	Reduce the absolute amount of carbon emitted by the Retail division (see footnote ¹)	Down 37% by 2018/19 v 2011/12	Down 56% by 2021/22 v 2011/12	Down 73% by 2029/30 v 2011/12
Sourced by Oxfam (new products)	Increase the percentage of total new SbO products made from wood and paper that are made with recycled materials (not including packaging)	11% in 2018/19	40% in 2021/22	50% by 2023/24
	Increase the percentage of suppliers rated at level 3 and above in the new SbO Framework as a percentage of the total value of SbO business	44% in 2021/22	Same as baseline	85% by 2024/25
	Increase the percentage of products whose primary packaging is deemed compliant with our standards for decisions on new SbO products in each calendar year	60% in the 2021 calendar year	Same as baseline	90% by the 2025 calendar year
	Increase the percentage of SbO suppliers with a Supply Chain Transparency Agreement signed as a percentage of the total value of SbO business	65% in 2021/22	Same as baseline	90% by 2024/25

¹ Based on our current scope of emissions reporting as set out on the next page; scope 1, 2 and some scope 3.

Widening the scope of our carbon commitment

In 2019 we set a new carbon reduction commitment and in 2021 we revised and improved that commitment, as set out below:

'We know that we must play our part in tackling the climate emergency, for the world's poorest people, and for all of us. As a priority, we are significantly reducing emissions related to our own activities and have committed to at least a 71% absolute reduction by 2030 (from a 2011/12 baseline, without offsetting), with a commitment to being zero carbon before 2040. This will be reviewed each year and increased as new opportunities and technology become available.'

The commitment currently covers the following carbon emissions:

- all UK scope 1 emissions (gas and vehicle fuels)
- all UK scope 2 emissions (electricity)
- some scope 3 emissions mainly in the UK and including business travel (staff using their own cars and UK-processed flights), some third-party logistics and the indirect emissions (e.g. 'well to tank' emissions for diesel) relating to scope 1, 2 and 3 emissions).

This commitment is the same as for our long-term carbon reporting in our Annual Report and Accounts and as discussed in this supplementary report.

In line with our commitment to review these targets each year, in 2022/23 we are working on widening the scope of this carbon commitment and routine reporting to include more scope 3 emissions, namely:

- transportation and distribution services carried out by third parties
- waste collections, which are mainly from our shops
- commuting, of both paid and volunteer staff
- business travel to widen to include items such as rail travel.

The outcome of this process will be a further revised carbon reduction commitment based on this new wider scope of carbon emissions. This work and the revised commitment will continue to have a UK focus and not include any of our overseas operations.