

OT GROUP

ENVIRONMENTAL & SOCIETY MANIFESTO

OT GROUP

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INTRODUCTION FROM OUR CEO.

Over the last year OT Group has continued to strive to be environmentally accountable and advocate for better sustainable principles to protect our planet. We continue to consistently base our actions on achieving two key objectives:

- Reduce our carbon emissions against our 2021 carbon baseline by 50% by 2030
- Increase our social value by 50% against our 2021 baseline by 2030

We are committed to supporting the communities in which we live and work, creating long-lasting partnerships, delivering community-based projects, and ensuring our suppliers and partners live the same values as us.

Our employees, customers, suppliers, investors, and community have been pivotal to this work throughout the last year. This year we continue with our sustainability journey and look to make sure we continue to drive diversity, equality, and inclusivity throughout our business, encouraging a culture that ensures everyone feels welcomed, respected, supported and appreciated - no matter who they are or where they come from.

As a leading provider of business services and workplace solutions, direct to end users and via the wholesale channel, we have a responsibility to ensure that all of our stakeholders are part of our continual journey to protect our Planet, Partners and People, as well as doing our best to make business decisions for a sustainable future.

Over the following pages, we have laid out our plans and explore how our journey will continue over the next financial year.



Andrew Jones
CEO OT Group Limited



OUR COMMITMENT TO THE ENVIRONMENT & SOCIETY.

Our Vision

OT Group champions environmental and societal change and believes that responsible business is where we respect and nurture our planet, our community, and our people with the actions we take.

Our activities are mapped against the UN Sustainable Development Goals, to demonstrate how we will contribute to solving global sustainability challenges. Our 2030 ambition is proposed with a two-phase approach.

• Phase 1

2022–2023: Measurement and validation of our sustainability and social value

• Phase 2

2023: Establish a strong program of societal activity including philanthropy, DE&I and Health and Wellbeing
2023–2030: Lifecycle reductions / improvements across our environmental and sustainable commitments



PLANET

Improve and develop sustainable solutions across the business by reducing our carbon and regenerating nature and biodiversity through our actions.



PEOPLE

Driving a fairer, more equitable society, supporting our local communities and the wellbeing of our colleagues



PARTNERS

Driving responsible behaviors.

OUR STRATEGY.

Our Focus

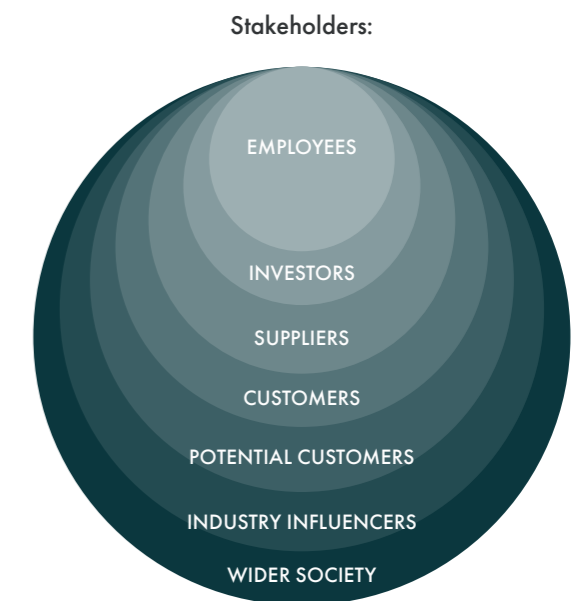
OT Group is building a reputation for being there for our clients, customers and communities. The events of the last two years — the COVID-19 pandemic, a societal reckoning with systemic racism and the increasingly visible effects of climate change - reinforces why understanding, anticipating and effectively managing Environmental, Social and Governance (ESG) is critical to delivering on our mission to serve our clients, customers and communities. Now more than ever, a strong focus on the environment and society is a business imperative — and a key driver for long-term business success.

Our focus over the coming years will be based around seven core objectives:


1. Address the climate crisis and protect the planet by acting on our own environmental impact, and support our suppliers and customers to do the same
2. Reduce Scope 1, 2 and 3 emissions by 50% by 2030 against our 2021 baseline
3. Increase our social value contribution by 50% by 2030 against our 2021 baseline
4. Build a business that ensures inclusivity and diversity, where colleagues are respected, welcomed, and appreciated
5. Support the communities where we operate to thrive and prosper, focusing on supporting young people and the environment
6. Innovate to find solutions to improve our carbon footprint and drive down sustainability risk and impacts across supply chains
7. Provide customers with the information to make informed decisions

STAKEHOLDER ENGAGEMENT.

OT Group has a broad range of stakeholders, including customers and clients, employees, members of the communities we serve, investors, suppliers, and influencers. We engage with these groups on an ongoing basis to gain insight into their needs and perspectives, as well as to share information about our strategy, practices and performance. Responsibility for engaging with stakeholder groups is widely shared across the business and corporate functions, and we engage through numerous channels.



OUR COMMITMENT TO THE UN SUSTAINABLE DEVELOPMENT GOALS (SDGs).




Planet
Led by our operations team and business leaders

- Goal-driven carbon reduction, externally-accredited
- Waste reduction and a larger volume recycled
- Reporting and regulatory compliance
- Reduction in the use of single use plastics across the business.



Partners
Led by the procurement team and business leaders

- Establish a sustainable procurement process
- Implement tools to measure sustainability in the supply chain
- Develop a supplier strategy to engage with suppliers from diverse backgrounds
- Assist our suppliers to establish sustainable procurement practices.



People
Led by our human resources team and business leaders

- Diversity, Equity & Inclusion
- Health and Wellbeing
- Philanthropy
- Talent

It is important that all of our environmental and societal activity is mapped against the UN Sustainable Development Goals (SDGs), to demonstrate how we will contribute to solving global sustainability issues.

The SDGs promise action on 17 critical social and environmental issues – from ending poverty and homelessness, to protecting the planet and fighting inequalities – by 2030. While 193 world leaders have signed on to tackle the SDGs, governments can't achieve them alone. So, the 17th goal is a call for businesses and citizens to step up – to solve the world's biggest issues collectively and systemically.

The SDGs are an internationally understood and respected benchmark by which OT Group can measure, promote and index against when establishing and delivering a philanthropic programme. They will also provide a sense of purpose for employees, customers and suppliers that will connect them to the company.

OUR WORK TO DATE.

Over the past year we have worked hard to establish a responsible business road map and have successfully implemented the following programmes:

PLANET
Improve and develop sustainable solutions across the business by reducing our carbon and regenerating nature and biodiversity through our actions.

- Established a corporate governance review and renewed our ISO frameworks including ISO 14001, ISO 9001 and ISO 27001.
- Established a forward-looking net zero action plan and carbon reduction plan.
- Established our carbon baseline reporting including working with our suppliers to improve our Scope 3 reporting.

PARTNERS
Driving responsible behaviours.

- Improved our Ethical Procurement process and becoming foundation members of the Ethical Trading Institute (ETI)

PEOPLE
Driving a fairer, more equitable society, supporting our local communities and the wellbeing of our colleagues.

- Continued to establish our volunteering programme, with colleagues from across the business all receiving one day of volunteering in work time.
- Improved inclusion across the business, working with our newly formed DE&I Affinity Group and Manchester Pride.
- Established community outreach programmes with local schools and charities including The Tree Council.

- Revised our sustainable procurement process.

OUR JOURNEY TO NET ZERO

We established our net zero plan after an external agency carried out our initial net zero gap analysis. They certified our overall objective to reduce our carbon baseline by 50% by 2030 is on track and a 63% reduction in our carbon baseline by 2035 is also achievable to ensure we are on track to meet UK government targets set for 2050.

The methodology for calculating OT Group's scope 1 and 2 emissions footprint uses the Greenhouse Gas Protocol – Corporate and Accounting Standard revised in 2004, amended 2013 and subsequently Scope 2 Guidance (2015) replaces guidance for Scope 2 provided in the original Greenhouse Gas Protocol: Corporate and Accounting Standard.

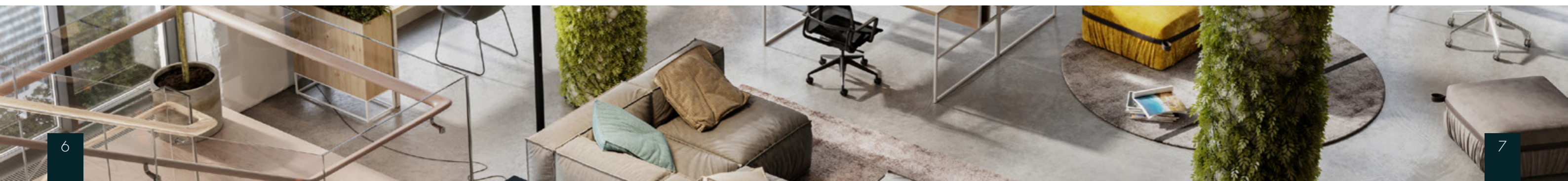
For scope 3 the Greenhouse Gas Protocol – Corporate Value Chain Accounting and Reporting Standard (2011) was used,

including references to the Technical Calculation Guidance (2013), a supplement to the Scope 3 Standard, both amended in 2013 to include Kyoto protocol identified greenhouse gas NF3.

Our carbon emissions for FY22/23 are:

EMISSIONS	TOTAL (tCO ₂ e)
Scope 1	330.5 tCO ₂ e
Scope 2	647.5 tCO ₂ e
Scope 3 (Included Sources)	31,483 tCO ₂ e
Total Emissions	32,461 tCO₂e

More information can be found in our Carbon Reduction plan [here](#).





LET THERE BE LIGHT!

As part of our Net Zero reduction plans, the first phase of replacing and upgrading the lighting in our Central distribution centre in Manchester has now been completed. This phase alone will reduce our CO2 Emissions by 124 Tonnes per year and save us over 80% in electricity year on year, that's a total of 1,151,640 kWh in 5 years.

Further upgrades are planned for 2023 across our Manchester site.

SILVER ECOVADIS
STATUS, PUTS OT
GROUP IN THE **TOP**
25% GLOBALLY OF ALL
COMPANIES ASSESSED



ECOVADIS

This Sustainable Management system is used by several of our large clients and provides supplier sustainability ratings for global supply chains. It also holds us accountable for continual ESG improvement and gives our clients peace of mind in our sustainability reporting. Ratings are awarded based on 21 criteria across four themes: Environment, Fair Labour & Human Rights, Ethics, and Sustainable Procurement.

The methodology for each of the themes is built on international ESG standards, including the Global Reporting Initiative and the United Nations Global Compact.

PROVIDING GREENER PRODUCT CHOICES.

We offer over 3,000 environmental products across our branded and own-label ranges.

For businesses with environmental and social responsibility at the forefront of their procurement agendas, our assortment of Fairtrade, social value and 5 Star™ Eco products means there's a huge choice of sustainable options for our customers.



SmartChoice via SmartPad

With over 90% of our customers ordering online, our SmartChoice product flag empowers end-users to make a more sustainable choice when ordering their products; by clearly identifying products with environmental, social and sustainable accreditations and benefits, across our site.

As a supplier of 100,000s of products across 10,000s of suppliers, we are aware of our responsibilities to reduce our Scope 3 emissions and to ensure that our customers can make informed choices on the products they purchase. Our data team works closely with our key suppliers to validate the credentials of the products we supply. We regularly review and update our product data to ensure that our customers have visibility of these credentials, as well as sourcing sustainable alternative options.



OUR PLANS FOR THE FUTURE

Our Planet

OT Group is committed and environmentally accountable, and we consistently base our actions on sustainability principles to protect our planet.

We champion environmental change and continue to build a sustainable business where we respect, nurture and support our planet with every action we take.

Over the next two years we will adopt the following environmental principles:

- ✓ 2023: Adopt the Planet Mark framework, providing us with third party sustainability certification in line with our customers' requirements.
- ✓ 2021-2025: Carbon net zero & social value options available for core products & services
- ✓ 2021-2025: Initial reduction of own Scope 1, 2 & 3 emissions
- ✓ 2026-2030: Further reduction of Scope 3 emissions, all key suppliers committed to carbon net zero by 2050
- ✓ 2023: 100% gas & electricity for own activities from renewable sources (REGO backed).



LIFECYCLE
CARBON
NEUTRAL

- 2021-2025: Carbon net zero & social value options available for core products & services
- 2021-2025: Initial reduction of own Scope 1, 2 & 3 emissions
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- 2021-2023: 100% gas & electricity for own activities from renewable sources (REGO backed)



CIRCULAR
ECONOMY

- 2021-2025: Zero waste to landfill – own activities
- 2021-2025: Key suppliers committed to zero waste to landfill
- 2026-2030: All suppliers committed to zero waste to landfill
- 2021-2025: Recyclable options for core products
- 2026-2030: Recyclable options for all products



REDUCE
WASTE

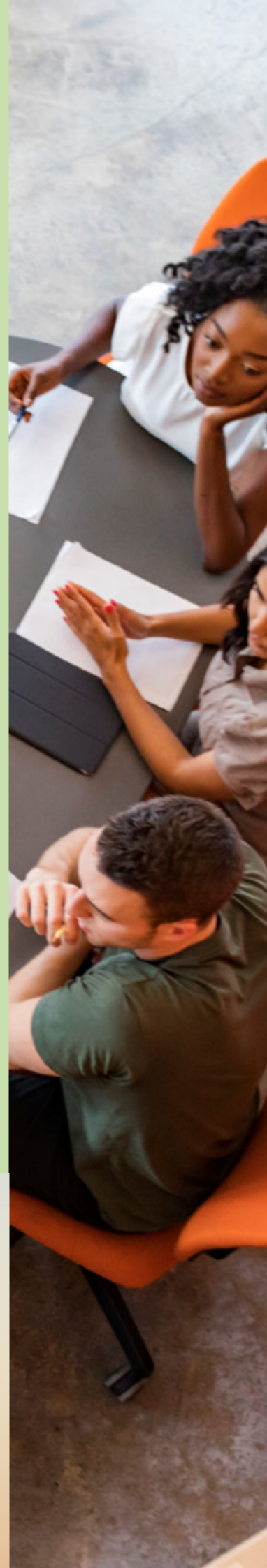
- 2021-2023: Zero avoidable single-use packaging in own operations
- 2026-2030: All key suppliers committed to removing all avoidable single-use packaging



PlanetMark

We're Planet Mark Certified

The Planet Mark Business Certification is an internationally recognised sustainability certification for all organisations acknowledging continuous progress and encouraging action.



Our Partners

OT Group is committed to supporting and collaborating with our customers, suppliers and partners, to drive forward positive sustainable procurement practices and impacts across our supply chain.

We encourage change by driving awareness and knowledge on responsible sourcing practices and empowering our customers, suppliers, and ourselves, to drive change together in all of our supply chains.

Over the coming year, we will adopt the following principles in our work to support our partner stakeholders:

- ✓ Establish collaborative working practices to find solutions to improve our sustainable and responsible business practices
- ✓ Work with our suppliers to establish accurate carbon data that is measured, reported and monitored, and is easily accessible for all stakeholders
- ✓ Collaborate to establish a sustainable procurement process that supports our priorities, suppliers, and customers' environmental and responsible business practices
- ✓ Introduce frameworks that report and improve OT Group's social values and help to reduce carbon emissions
- ✓ Define and develop a diverse supplier strategy to engage with suppliers from diverse backgrounds



ETHICAL
PROCUREMENT

- 2021-2025: Define and introduce ethical procurement charter/ inclusive procurement strategy
- 2023: Adoption of the Ethical Trading Initiative framework – phase one is underway with completion of initial standards due for completion next year



SUPPLY
CHAIN RISK
MANAGEMENT

- 2021-2025: 100% due diligence completion with key suppliers
- 2023-2025: Implement tools to measure sustainability in supply chain & set targets for key suppliers



SUPPLY CHAIN
ENGAGEMENT

- 2021-2023: Develop support mechanism for supply chain to drive sustainability best practice
- Define and develop a diverse supplier strategy to engage with suppliers from diverse backgrounds, including women, LGBTQ+ and minority groups
- Measure spend with diverse enterprises
- Define and set targets to increase spend with diverse suppliers

Our People

The society element of our Environmental and Society Strategy is what we call 'People'. This is because it is made up of three areas of focus which all support the people, communities and society, both internally and externally within OT Group's microclimate.

These three areas are Diversity, Equity & Inclusion (DE&I), Philanthropy, and Wellbeing. Collaboratively, we make sure that we put people at the heart of our business and society, and support them to thrive, develop, and be valued members of the communities where we operate.



SOCIAL VALUE

- 2023-2025: Implement social value index using the Planet Mark framework
- 2023-2030: Define and set targets to improve key suppliers' social value index



STAFF VALUE & PURPOSE

- 2023: Define measurement criteria for colleague success
- 2023-2024: Implement staff Feedback survey & establish a Colleague Engagement Committee
- 2023 - 2024: Establish Investors in People Framework and achieve accreditation



DIVERSITY & INCLUSION

- 2021-2025: Measure diversity within the workforce compared with local communities
- 2024: Define and set targets to improve diversity across the workforce
- 2023: Develop the DE&I Affinity Group across the business & celebrate diversity



COMMUNITY

- 2021-2025: Measure % employment from local community
- 2023-2023: Define and set targets to improve community outreach
- 2024: Deliver 1,000 volunteering hours by the end of 2024, engaging 60% of our colleagues and 50 customers and suppliers



DIVERSITY, EQUITY AND INCLUSION.

Over the next two years we will focus on four key areas to ensure that OT Group has an inclusive and diverse culture where innovation and diversity of thought helps to drive forward the success of the business.

1. Increase equality and strive to attract, recruit and retain the best talent within all available roles in the business, and ensure our remuneration is fair reward for the work delivered.
2. Build a pipeline of talent by educating and integrating young people from different ethnic and socio-economic backgrounds, through forming partnerships and education programmes.
3. Educate, communicate and celebrate the importance of all aspects of DE&I, including LGBTQ+, Ability, Equality and Ethnicity.
4. Implement tools to help gather and analyse recruitment and employee workforce data to monitor our continuous improvement.

We will meet the following objectives:

- Attract, recruit, and retain the best people by proactively ensuring recruitment processes are inclusive and reach appropriate audiences.
- Establish a pipeline of talent that includes everyone across all socio-economic backgrounds.
- Deliver a programme of Diversity, Equity and Inclusion training that ensures all team members understand the importance of DE&I.
- Continuously review policies and practices to ensure they are inclusive and reflective of our diversity, inclusion and equality aims.
- Celebrate all groups of society across the year, including IWD, PRIDE, National Volunteering Week, National Charity Day and World Earth Day.

PHILANTHROPY.

OT Group is committed to making a positive mark in the communities in which we live and work, through creating long-lasting partnerships, delivering community-based projects, and supporting the environment. We do this by engaging the support and help of our best assets – our employees, customers and suppliers.

We will make our mark by focusing on achieving these two strategic philanthropic pillars:



Support and educate young people from different demographic and diverse ethnic backgrounds on the career opportunities available in our industry, and support business and entrepreneurial training to help build a pipeline of talented new young people in our communities.



Champion the environment and improve biodiversity across the locations of our offices by supporting the development and maintenance of woodlands and intercity green spaces, leaving a positive mark - no matter how small.

The Tree Council

We are delighted to have signed a multi-year partnership with The Tree Council who work tirelessly to bring everyone together with a shared mission to care for trees and our planet's future. As part of this partnership, we have contributed to The Tree Council Jubilee fund, a new community grants programme that will see an incredible 35,000 trees and 7 kilometres of hedgerow planted across the UK over the coming year.

The fund will enhance treescapes across the UK and create an environmental and cultural legacy in honour of the late Queen's historic 70 years on the throne. This celebration was part of the The Queen's Green Canopy and is a unique tree planting initiative created to mark Her Majesty's Platinum Jubilee in 2022, inviting people from across the United Kingdom to "Plant a Tree for the Jubilee."

Our colleagues will have the opportunity to use their volunteering days to join in on the delivery of these projects in our office's local communities and help us to meet our goal of planting 5,000 trees this year - and a further 5000 in 2023.

We look forward to working on further projects with The Tree Council over the coming years.



Boss Charity Partnership

With the cost of living increasing, many lives are changing for the worse, so the need for help in our industry is also growing. As a result, the BOSS Business Supplies Charity launched an individual and corporate Patron scheme - OT Group is one of the 2023 Founding Patrons.

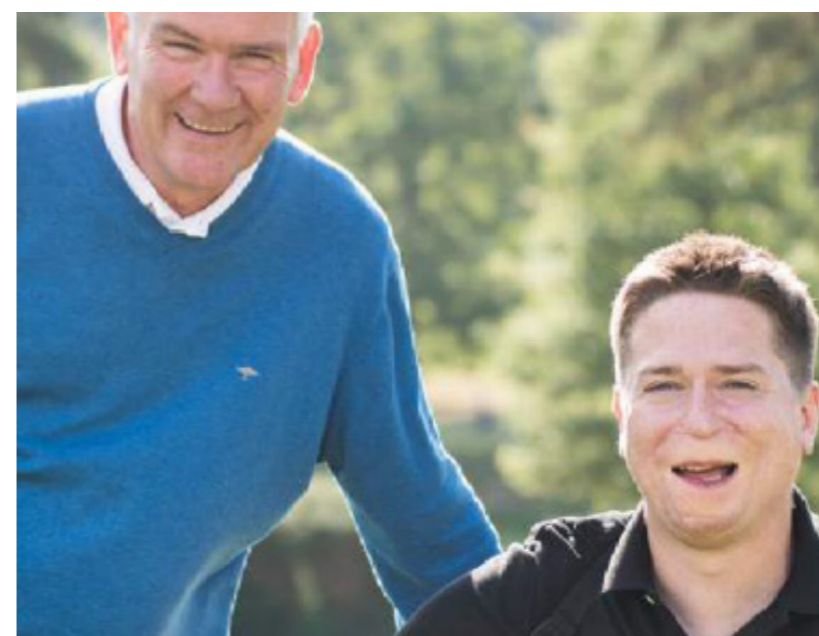
Our support will help offer financial help to those in our industry who need it. This can be in the form of one-off grants to buy essential items – such as mobility vehicles, mattresses, or children's school uniforms – or regular help to pay monthly bills when income has fallen short.

It changes lives through its partnership with the BOSS Federation on Future Fund grants, which assist those in our industry to access training and resources to improve their careers

VOLUNTEERING.

OT Group is proud to offer all of our staff one paid working day a year to volunteer for local community or charity projects.

That's 4,500 hours a year devoted to good causes that support charities and communities nationwide. Some of the local projects undertaken by our team include volunteering in charity stores, sponsored hikes and bike rides, donations of essential goods to local charities, deep cleaning of local night shelters and much more.



HEALTH AND WELLBEING.

Now more than ever, it is important to focus on wellbeing and build resilience to overcome and prosper during these challenging times.

OT Group is committed to ensuring that wellbeing is an integral part of the culture of the company. We will endeavour to provide resources and insights into all aspects of mental, physical and social wellbeing, to create a positive working environment where stress can be managed, and individuals can thrive. And so, we will improve and maintain the health and wellbeing of all staff to ensure better productivity and engagement across the business.

Over the next two years we will adopt the following health and wellbeing principles:



Increase mental health awareness and provide support to all staff members.



Provide leadership training to ensure managers and leaders have the skills required to promote positive wellbeing in the workplace.



Ensure positive mental and physical health activity is encouraged across the organisation, with resources made available to aid and assist all staff members to actively monitor and take care of their health.



Maintain high levels of health and safety across the organisation and ensure everyone is trained to a high standard.

And meet the following objectives:

- ✔ Educate and champion wellness across the workforce
- ✔ Establish a network of health initiatives championed by the work force
- ✔ Build a culture of performance and accountability throughout the business
- ✔ Create a working environment that champions the health and wellbeing of the workforce
- ✔ Ensure that everyone is remunerated fairly and are given adequate job security in the roles they perform for the business



MEASUREMENT FOR SUCCESS

By successfully embedding an environmental and society strategy with good practices, strong frameworks and robust management systems, we will see several long-term benefits, both to OT Group and the wider society and environment. Our systems, processes and reporting will also help our suppliers and customers on their own sustainability journey and provide them with the information they need to move forward.

We will continue look to make sure that we stay on track by benchmarking our work externally, not only by adopting the UN Sustainability Goals, but by measuring our environmental and social performance within globally recognized frameworks such as EcoVadis, Ethical Trading Initiative, CDP and Planet Mark.

There is strong business value to ensuring that our environmental and societal journey continues and is an incremental business practice across the business - promoting profitability, growth and employee retention. There is clear evidence of a growing market for sustainable goods, with our customers actively looking for a 'carbon neutral basket' and to replace many of their favorite products with sustainable items. As time progresses, customers are looking to only work with suppliers who have a strong sense of purpose and social responsibility.

Here at OT Group, we see this as an opportunity to champion innovation and work with our suppliers to create a competitive advantage for our customers and drive a stronger sustainable business. And, in the long-term, an opportunity to help to minimise the effect our work has on the world and provide us with a platform to address some of the key social and environmental challenges that our communities face now and in the future.



CDP ALLOWS US TO MEASURE OUR ENVIRONMENTAL PERFORMANCE AGAINST OUR COMPETITORS.

We now meet our industry's average performance against the Carbon Disclosure Project (CDP), Like EcoVadis, CDP allows us to benchmark ourselves against other leading organisations, many of which are our customers.



OT GROUP