

# Impact Report 2023

Published 2024









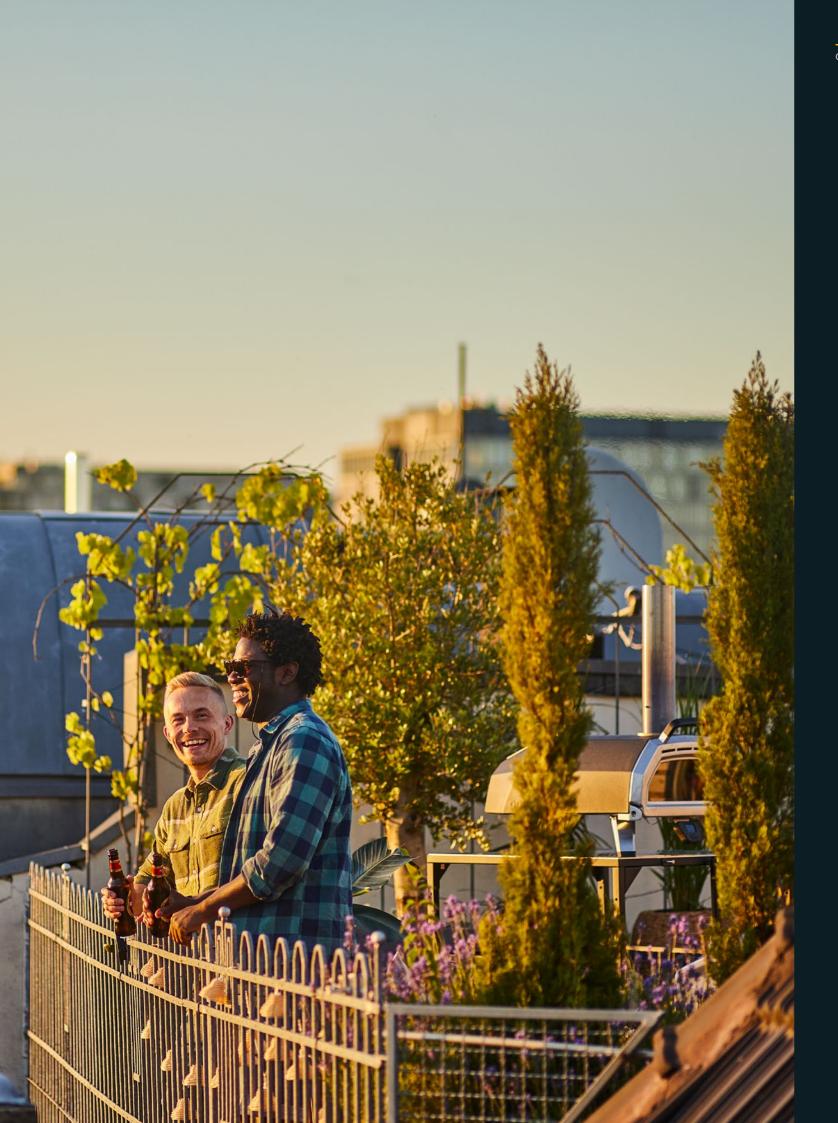




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This report details Ooni's impact on people and the planet in 2023. It also sets out our new approach to measuring and managing our impact under our new Regenerative Business Strategy.

Throughout this report, the unit of measurement "t" means a metric ton (c. 2,205 lbs) including where it appears in the units of emissions  $tCO_2e$ . One kilogram (kg) is 2.2 lbs, and one liter (l) is 0.264 US gallons. At the end of 2023, one British Pound (£) was equivalent to 1.273 US Dollars.



# **About Ooni**

People around the world can now bake restaurant-quality pizza at home in as little as 60 seconds. This is possible because our award-winning portable ovens quickly reach very high temperatures. And *this* is possible because Ooni is excited about doing things differently and better. Founded by the pizza-loving couple Kristian Tapaninaho and Darina Garland, we are a B Corp based in bonny Scotland, with around 300 team members in the US, the UK and Europe.

Our ovens run on hardwood pellets, wood, charcoal, gas or electricity so there's an Ooni for everyone, along with brilliant accessories, ingredients and merchandise. You'll find us online or at some of the world's most trusted global retailers. Go ahead and enjoy great food and good times with friends or family—whether you're eating pizza, bread, meat or veg.

#### Our key products

Koda 16 Oven

This gas-powered outdoor oven can bake two 12" pizzas or three 10" pizzas at the same time



Karu 16 Oven

Wood-powered, or powered by a separately available gas burner, this outdoor oven can handle up to 16" pizza



Volt 12 Oven

This indoor or outdoor electric oven can bake up to 12" pizza



Perforated Pizza Peel This lightweight aluminum utensil helps you maneuver pizzas with ease, for the perfect base



Digital Infrared Thermometer This laser-guided, precision tool can read extreme temperatures to help you get great results every time



Dough Balls

These time-saving frozen balls are made with '00' Caputo Pizzeria flour, at the perfect size for 12" pizzas



# **Foreword**



"Ooni is now entering its teenage years—a time of huge transition and growth. This will be a challenging period but also an energizing and transformative one." Ooni is all about the joy of bringing people together around food. We are helping people to do this in ways that take care of our planet more and more.

This report highlights our social and environmental impact during 2023, building on the momentum and successes of previous years.

We started the year on a high by becoming a certified B Corp in January. This recognizes our social and environmental commitments and achievements, and our reporting transparency.

I personally am also particularly proud of our climate action, supply chain visibility, and employee volunteering achievements in 2023. We measured our total greenhouse gas (GHG) emissions more precisely than ever, giving us an improved baseline to measure our future performance. We examined how we can better identify and manage any potential social and environmental issues in our supply chains. And our employees tripled their volunteering days, benefiting causes including urban biodiversity and refugee support.

On our tenth birthday in 2022, Ooni announced its ambition to become a regenerative business. Our focus throughout 2023 was defining how to achieve that ambition by 2050, and developing a long-term Regenerative Business Strategy to get us there. This report introduces that strategy, and the new thinking behind it.

Ooni is now entering its teenage years—a time of huge transition and growth. This will be a challenging period but also an energizing and transformative one. While we have a mammoth task ahead, with the whole Ooni community behind this, I'm excited about what we'll achieve in 2024 and beyond.

Keep on cooking,

De D

**Darina Garland**Co-CEO and Co-Founder

This report relates to all Ooni businesses/subsidiaries (Ooni Inc, Ooni GmbH, Ooni SAS, Ooni Canada Inc, Ooni Finland Oy, Ooni Srl, Ooni International Trading Shanghai Co Limited, Ooni Pty Limited, Ooni NZ Limited, Ooni AB and Ooni Norway AS.

# Our 2023 progress

At Ooni we've grouped our social and environmental impact work under six pillars that reflect the nature of our business:



**CLIMATE** ACTION



IMPACT FUND



ZERO WASTE



SOCIAL RESPONSIBILITY



COLLECTIVE ACTION



**TRANSPARENCY** 

# Ooni Impact Report 2023

# Climate action

# Reducing our greenhouse gas emissions

The latest climate science indicates that human-made greenhouse gas (GHG) emissions have already breached the level that nature can safely absorb, pushing global temperatures beyond safe limits and putting everyone on track for an uncertain future. Put simply, the world needs to take urgent action to reduce GHG emissions.

This is why we at Ooni are committed to achieving net zero operational and value chain (scope 1, 2, and 3) GHG emissions as soon as possible:

- Scope 1—direct emissions from sources owned or controlled by us
- Scope 2—indirect emissions from generating electricity, heat or steam that we purchase and use in our operations
- Scope 3—all other indirect emissions from our value chain as a result of sourcing, making, shipping, using and disposing of our products, and employee commuting and business travel

Understanding the source of our GHG emissions is the first step to eliminating them by doing things differently. We already knew that the vast majority of our GHG emissions are scope 3. In 2023, we collected data to calculate our first full organizational carbon footprint for 2022.















### Climate action continued

In October, we also began to conduct life cycle analyses (LCAs) of key products to understand their whole-life GHG emissions and wider environmental impacts. These will conclude in early 2024.

Together, this knowledge will enable us to draw up targeted action plans to limit our impact on the climate.

# Overall, our 2022 total GHG emissions reduced by almost 27% compared to 2021

(see Table 1 and the Appendix). Our reduced scope 1 emissions are mainly due to using a more accurate way to assess the impact of refrigerant use in our offices. Improved methodologies also affected some of our scope 2 and 3 calculations.

A key driver of our increase in scope 2 emissions was a dramatic increase in our electricity consumption, largely because of a return to office working after the COVID-19 pandemic, and our US team moving to a bigger office in Austin, Texas.

While our scope 3 emissions decreased overall, not all of the changes in our emissions are fully explained. We will continue to evolve our data collection and methodology for our 2023 carbon footprint.

#### **Table 1:** Our scope 1, 2, and 3 GHGs, 2022

Scope	Metric tons of carbon dioxide equivalent (tCO <sub>2</sub> e)	% change since 2021
Total scope 1	23.48	-77.78%
Total scope 2	125.98	+515.14%
Total scope 3	219,339.43	-26.74%
Total emissions	219,489	-26.72%

See the Appendix for a full breakdown of the emissions and an overview of our methodology and assumptions.

#### Carbon removal/credits

Working with the carbon removal specialists <u>Cur8 Earth</u> <u>Limited</u>, we have committed to removing 1,803,381 pounds of CO<sub>2</sub>e emissions (equivalent to our total emissions over 10 years) in a way that is expected to last for at least 500 years.

Spread across Europe,
North America, and Oceania,
our diverse carbon removal
portfolio includes biochar,
direct air capture, bio-based
construction materials
(cross-laminated timber),
afforestation and reforestation,
soil carbon, and enhanced
rock weathering.

These methods remove (retire) carbon at different rates. In March 2023, 328 of our biochar and bio-based construction materials credits were retired, which is equivalent to 723,116 pounds of CO<sub>2</sub>e. We know we have a long way to go but we are proud of this start.

#### Reducing our energy use

Following an Energy Savings Opportunity Scheme audit, we adopted multiple measures in our UK offices in 2023 to reduce our energy consumption (see box).

#### 2023 activities to reduce GHG emissions from our UK premises

- Replaced all high bay lights with LEDs and all fluorescent lights with dimmable LEDs
- Serviced boilers regularly and replaced worn/old parts
- Re-sealed doors to reduce drafts
- · Serviced and cleaned down air conditioning units and replaced broken fans in the compressor unit
- Switched more of our energy supply to renewable tariffs
- Encouraged power saving, e.g. switching off lights and appliances when not in use
- Shut down office completely during quiet periods
- Began changing over to smart meters to track our consumption more closely
- Changed some heating to automatic programming

# "Our ambition is to be a regenerative business by 2050."

#### In 2024 we will:

Ooni Impact Report 2023

- Finalize and start implementing our net zero plans
- Submit Science-Based Targets to reduce our scope 1, 2, and 3 GHG emissions for validation by the <u>Science Based Targets</u> initiative (SBTi)
- Complete our product LCAs to model our pathway to net zero
- Develop design principles to reduce the carbon impact of all aspects of our products

<sup>1</sup> A stable form of charcoal made from biomass including crop and forestry residue by pyrolysis, preventing carbon emissions from rotting or combustion. Used as a soil amendment, it stores carbon, and improves soil health and water retention.

# Impact Fund

Through our membership of 1% for the Planet, in 2023 we continued to dedicate 1% of our Fyra oven revenues to support primarily environmental causes, along with additional donations to organizations supporting various valuable causes.

# In 2023, we spent a total of £519,476 (\$661,449), including:

- A £100,000 (\$127,330) donation to the Red Cross to support emergency relief efforts following earthquakes in Syria/Turkey
- Over £80,000 (\$101,864) in donations to multiple organizations working to provide food security and hunger relief in Scotland, the US, Canada, Australia, Italy, Germany, France and Finland
- £150,000 (\$190,995)
  to sponsor Eden
  Reforestation's ecosystem
  restoration work as part of
  our ongoing partnership
  (see following pages)

We made our Impact Fund more global to reflect our increasing worldwide presence, donating funds to organizations that enhance food security and livelihoods (see map).

During 2023 our strategy development work included reviewing how to best deploy our Impact Fund. This meant that we deprioritized communication strategies until 2024/2025.





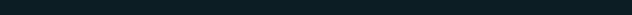












# Organizations supported by Ooni



**Organizations** 

International Let's Food

Red Cross Eden Reforestation Projects

Canada Second Harvest

**Finland** Hope yhdistys

**Germany** Obstkäppchen

**Philippines** Communities Organised for Resource Allocation

Banco Alimentare

**Thailand** Pariah Dogs

Italy

**Ukraine** Pizza for Ukraine

**UK** Brave Trails

Bumblebee Conservation Trust Fareshare

River Kids Scran Academy The Space @ Broomhouse

West Lothian Food Bank

USA Ace Hardware Foundation Central Texas Food Bank

> Feeding Texas Outright International

(global) SeedMoney

Slice Out Hunger Venture Out Project

# **Example charity partnerships during 2023**

#### Obstkäppchen

Obstkäppchen supports people aged over 65 to eat healthily by regularly providing bags of groceries while also reducing their loneliness by having a chat with them over a cup of coffee or tea. In 2023 we donated €27,044 (\$29,847) to help this organization support vulnerable people in Germany.

"There's more than enough food to feed everybody, it's just a matter of making that connection."

Lori Nikkel Second Harvest CEO

With a vision of 'No waste, no hunger', Second Harvest distributes surplus edible food from businesses to food-insecure Canadians. By offering a combination of cash and in-kind donations worth CA\$8.649 (US\$6.524), we helped Second Harvest continue to raise funds via their seasonal raffle event, and provide 260,330 nutritious

Second Harvest

#### **Outright International**

Outright International advocates for global lesbian, gay, bisexual, trans, intersex or queer (LGBTIQ) inclusion and equality, through research and collective activism. Our £10,000 (\$12,733) donation enabled the organization's global research, critical advocacy to overcome discriminatory laws and practices around the world, and grant-making work.

"Ooni's partnership has played an integral role in Outright's growth and successes over the last three years."

**Outright International** 

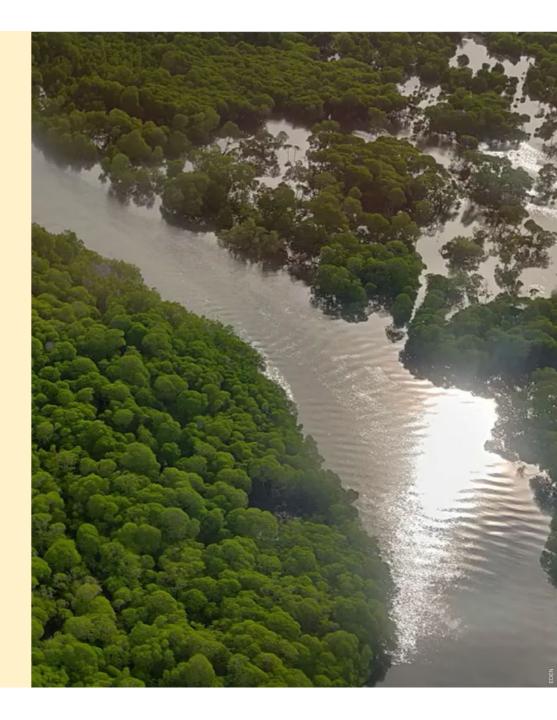
meals—and continue the fight

against climate change.

### **Eden Reforestation Projects**

In this fifth year of our partnership with Eden, our sponsorship supported the restoration of critical mangrove coastal ecosystems in Eastern Kenya that have been depleted by historic commercial overexploitation.

With our support, Eden has planted just over one million trees at this site in 2023. It has also employed an average of 18 people per month, strengthening local livelihoods, health, and resilience. During the first three years of our partnership, we sponsored the planting of 3.3 million mangrove trees in Madagascar, which continue to protect areas from storm surges and support many people's livelihoods.



#### In 2024 we will:

- Refine our approach to donations in line with our long-term ambition to become regenerative
- Continue seeking to maximize the impact of our donations and our strategic charitable partnerships

# Zero waste



At Ooni, we aim to eliminate all unnecessary waste from our operations, products, and packaging.

"We strive to use materials

with the lowest possible

end-of-life impact."

#### Our packaging

In our packaging, we strive to use materials with the lowest possible end-of-life impact. We also educate and empower the Ooni community to dispose of our packaging responsibly when they no longer need it.

In 2023, we sought to increase the amount of our packaging in the UK that uses materials which are widely recyclable in the UK, including recycled pulp, cardboard cartons, and biodegradable plastic bags.

#### Our products

Product design is key to reducing waste. We design our products to be long-lasting by using high-quality manufacturing materials. To further reduce waste, our product team is focusing more and more on product circularity.

#### **Operational waste**

In 2023, 79% of our UK operational solid waste was recycled and a further 21% was sent to Energy from Waste facilities to generate energy for the grid. This means that we sent zero UK operational waste to the landfill.

As part of our forthcoming Regenerative Business Strategy, we are looking to significantly increase the scope of our ambitions and activities for other kinds of waste.

In 2024 we will:

- Strive to maintain our zero operational waste to landfill achievement
- Develop a plan to meet our waste targets in line with our new Regenerative Business Strategy (see page 24)

# Next steps

# Social responsibility

For us at Ooni, social responsibility means being a good, diverse and inclusive employer helping everyone feel free to be themselves and fulfil their potential at work. It also means ensuring that our direct and indirect suppliers treat their employers and workers well.

# Diversity, equity and inclusion (DEI)

At Ooni we always strive to treat our employees fairly and equitably, and to help them thrive. We achieve this through our company culture and a suite of formal policies.

We protect the rights of everyone to respectful, equitable treatment, and equal opportunity, irrespective of their age, gender, sexual orientation, ethnicity, country of origin, disability, socio-economic background, or any other characteristic, even in places where the law does not protect those characteristics.

In 2023 we conducted a DEI survey to understand more about our team's demographics, get their honest feedback on our DEI performance, and initiate discussions around these vital areas.

Reflecting our workplace culture, we enjoyed a large team turnout at Pride events in Edinburgh and Austin, and friendly yet competitive office cook-offs during Pride month.



#### **Supply chains**

Like many businesses, we rely upon many suppliers across the world for our goods and services. **Strengthening transparency and accountability all the way along our supply chains** was a big focus area for us in 2023.

We are committed to upholding the human rights of everyone involved in our business.
Our manufacturers are required to sign up to our Supplier
Code of Conduct, which aligns with the <a href="Ethical Trade Initiative">Ethical Trade Initiative</a> base code.

In 2023, we began developing systems and processes to better map, measure and manage improvements throughout our supply chains.

We also joined the Sedex supply chain assessment platform and started using its approach to support human rights due diligence (HRDD) relating to suppliers of our hard goods (ovens and pizza-making accessories). This involved using their supplier self-assessments and SMETA audits to identify social and environmental risks.

We developed a Human Rights policy that aligns with the UN Guiding Principles on Business and Human Rights. While some of our planned HRDD work was delayed by resource constraints, we conducted initial work on developing an HRDD framework to identify and act on any potential human rights issues in our supply chains in the future. We also commissioned our own third-party audit for a possible natural stone supplier, and an external expert who risk assessed the provider of outsourced customer service agents in the Philippines.

For more information on this area, please see our <u>2023</u> modern slavery statement.

# Subsidiaries, business operations and suppliers



9	Subsidiaries	
	USA	Ooni Inc
	Germany	Ooni GmbH
	China	Ooni International Shanghai Trading Co Limited
	Canada	Ooni Canada Inc
	Australia	Ooni Pty Limited
	<b>New Zealand</b>	Ooni NZ Limited
	France	Ooni SAS
	Italy	Ooni S.R.L.
	Finland	Ooni Finland Oy
	Sweden	Ooni AB
	Norway	Ooni Norway AS

All graphic information is accurate as of the end of Ooni's financial year, December 31, 2023 Ooni Modern Slavery Statement 2023, published May 2024

### **Operations**

UK 2 offices (243 employees)
6 distribution centers

Germany Bonn office (14 employees)
USA Austin, Texas office
(70 employees)
7 distribution centers

Canada 1 distribution center
(3 employees)

Netherlands 1 distribution center
Outsourced customer service

(3 employees)

Thailand Customer service (1 worker)

China Shanghai office (4 employees)

Australia Melbourne office (4 employees)

New Zealand4 employees, 1 distribution centerSweden2 employeesSpain2 employeesItaly5 employeesFinland1 employeeFrance3 employees

### Direct suppliers

Spain

India

**Bangladesh** 

Czech Republic Cookbook

(providers of finished products for retail)					
China	Majority of ovens and accessories, merchandise patches, aprons, gloves, notebooks				
UK	Dough trays, fire starters, wood logs, wood pellets, groceries products				
Italy	Groceries products				
Hungary	Groceries products				
Lithuania	Wood logs				
USA	Wood logs, wood pellets, groceries products				
Greece	Groceries products				

**Groceries products** 

(printed in the UK)

Tote bags

Sweatshirts and t-shirts

Social responsibility continued

# Looking after our people

Our employees really matter to us—Ooni wouldn't be Ooni without them. We explicitly foster emotional and mental wellbeing at work and we pay our teams around the world a real living wage that reflects the actual cost of living.

In 2023 we were delighted to be named one of Built In's Best Midsize Companies to work for in Austin, Texas, recognizing our workplace culture, compensation, and benefits.

We launched several initiatives to support our employees' health and wellbeing during the year. This included providing access to therapeutic support and tools through the BetterHelp and LinkedIn Learning platforms, covering topics such as wellbeing in the workplace, and managing anxiety.

Our new menopause policy outlines the adjustments we provide to anyone experiencing difficulty at work because of mid-life hormonal changes. And we introduced Summer Fridays, enabling employees to enjoy Friday afternoons off during July and August, to help them balance personal and work life, and enjoy some extra time off however they choose.

Alongside this, we expanded in-work training opportunities for our employees, to support their learning, development, and careers. These included sessions on Building High Performing Teams, and Mastering Crucial Conversations & Feedback. In total, 369 participating employees benefited from 60 of these sessions. We launched an Essential Learning Program through LinkedIn Learning, and promoted training opportunities through a Learning at Work week.

#### **Our pensions**

Pensions are a powerful way to help shape a better future. According to the financial advocacy group Make My Money Matter, having a green pension is 21 times more powerful at cutting individual carbon emissions than the combined impact of giving up flying, becoming vegetarian, and switching energy provider.

In line with our membership of the Green Pensions Charter and as mentioned in our previous Impact Report, in January 2023 we switched our default UK pension fund to be ethical (the Aegon Ethical Managed Flexible Target ARC fund). At the same time, we increased our employer match

contribution from 4% to 6%.

"Ooni, a huge thank you.
Your kindness made
our Christmas so special!
We will be taking the
oven with us on our
sailing expeditions."

SailFuture

#### The Wow project

Through this project, we humanize our relationship with our customers and others by delighting them in small, unexpected ways.
Last year this included mailing out 200 handwritten cards, 490 merchandise gifts, and 300 custom Etsy items.

We donated an oven to the non-profit child welfare organization <u>SailFuture</u>, enabling teenagers in a Florida foster home to make pizzas for themselves.

In 2024 we will:

- Continue to build internal systems to enhance our supply chain visibility
- Further develop our human rights due diligence framework
- Ensure that our strategy covers goals that ensure access to life's essentials for our people, and ensure that we give back to communities

# Collective action

Together, we are powerful. One way that Ooni strives to support social and environmental progress is by encouraging and enabling our team members around the world and the global Ooni community to work with us for positive change.

Through Career Ready, one employee mentored a student from Broxburn Academy, which included a four-week paid internship at Ooni UK. The student was close to dropping out of school, but has now decided to continue their education and progress to university.



"To pack 3,245 bags with a team of only four staff is simply not possible. Thankfully Ooni were able to provide nearly 400 hours of support. We are extremely grateful for the amazing support from Ooni, and its staff who always go above and beyond for us."

**Stephen Newman**Manager, River Kids

### **Employee volunteering**

We were delighted that so many of our employees took the opportunity to volunteer for their chosen cause during their salaried working hours during the year. We created a #volunteering channel to make it easier to find volunteering opportunities, which led to an increase in volunteerism and several new charity partnerships.

### In 2023, our employees more than tripled their volunteering days to 294.

These people used their time and skills to support issues including refugee support, tackling homelessness, urban biodiversity, food growing, and painting community spaces.

In December, 48 of our employees collectively supported the Scottish charity River Kids over several days, packing hundreds of seasonal packages for children who would otherwise likely not receive gifts over the holidays. This helped the charity to brighten up the Holiday Season for 3,245 children.

#### **Ooni Day**

Ooni Day is our annual celebration to bring people together while raising money for our charity partners around the world. We made a donation to our chosen charities for every pizza registered on May 20.

# In 2023, this raised a total of £78,041 (\$99,370).

This included our initial donation of £50,000 (\$63,665) and an additional £28,041 (\$35,705)—£1 for each pizza registered by a member of the Ooni community that day. We're delighted that our supporters registered over 25% more pizzas compared to 2022, and increased our Ooni Day fundraising total as a result.

This enabled us to support nine charities around the world who are tackling food insecurity in various ways, for example, by distributing surplus food to families who need it, influencing progressive food and agriculture policies, and helping to support the livelihoods of remote fishers.

### In 2024 we will:

 Continue to support our employees by contributing to causes that matter to them as an integral part of making Ooni a great place to work

# Next steps

# Transparency

Becoming a certified B Corp in January 2023 was a significant milestone for us. While we were pretty close to the threshold with a score of 80.1, we were delighted to have actually made the grade. The rigorous assessment and verification process took 18 months and spanned our governance, how we treat workers, customers, communities, and the environment.

We have published annual modern slavery statements since 2021. Reflecting good practice, these documents clearly outline our structure, activities and supply chains, as well as the steps we take to prevent, monitor and address any human rights risks associated with our business.

During 2023, as part of evolving our internal governance in support of enhanced transparency and accountability, we established a Core Compliance Team. With senior cross-functional representation this team is tasked with driving business-wide information and clear ownership of each law and regulation that applies to Ooni. This setup and the accompanying processes also enhance our ability to assess trends in legislation -particularly those that are disclosure-relatedand prepare accordingly.

"Strengthening transparency and accountability all along our supply chains was a big focus area for us in 2023."

#### In 2024 we will:

- Continue to evolve our disclosures on, and work to combat modern slavery and other human right abuses
- Report against our Regenerative Business Strategy for the first time

# Introducing our new approach

Our ambition to become a regenerative business

In 2022, Ooni announced its ambition to become a regenerative business. For Ooni, this means becoming a business that helps to create conditions for all life to thrive. We want to go beyond causing zero harm to people and the planet—we want to have a net positive effect, with restorative and regenerative impacts. This is a world away from the conventional approach of doing a little less harm each year, without the context of longer-term,

In 2023, we defined what becoming a regenerative business would mean for us, then commenced an in-depth process to define the long-term outcomes, and shorter-term business targets, we must deliver to achieve our ambition by 2050. This involved transforming our previous strategic approach and six impact pillars.

Our new Regenerative Business Strategy reflects our new approach, and our understanding of how all of our actions and impacts interact.





#### Ooni Impact Report 2023

# **Developing our Regenerative Business Strategy**

Our starting point was understanding what is happening to the world and defining what we need to do (or not do) in response.

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We know the world is facing social and environmental system collapse triggered by human behavior, including climate breakdown, biodiversity collapse, and ever-growing inequalities.

In assessing what we must do to help counteract this, we drew on world-class scientific and economic research. We based our approach on the knowledge that sound business, a healthy society, and a thriving planet are interdependent, and that the legacy of colonization continues to drive current social, economic, and environmental injustices.

This included:

- Planetary boundaries: nine safe limits we must remain within to keep Earth's vital systems stable and resilient
- **Doughnut Economics:** which defines a 'sweet spot' within ecological and social limits that ensures our global economy can meet 'the needs of all people within the means of the planet'
- · Emerging regenerative thinking

As it aligns with both regenerative ambitions and business needs, we used the Future Fit Business Benchmark to provide the core architecture for our strategy:

- Its eight focus areas that outline how any business can affect the world around it influenced our nine Regenerative Business Goals
- Its 23 Break-Even Goals influenced our zero harm targets under each goal
- Its 24 Positive Pursuits influenced our net positive targets

Only by achieving both our zero harm targets and net positive targets will we meet our regenerative business goals, and our ambition to be a regenerative business by 2050.

# From late 2024, this new

strategy will inform all of our actions, and how we report and measure our success.

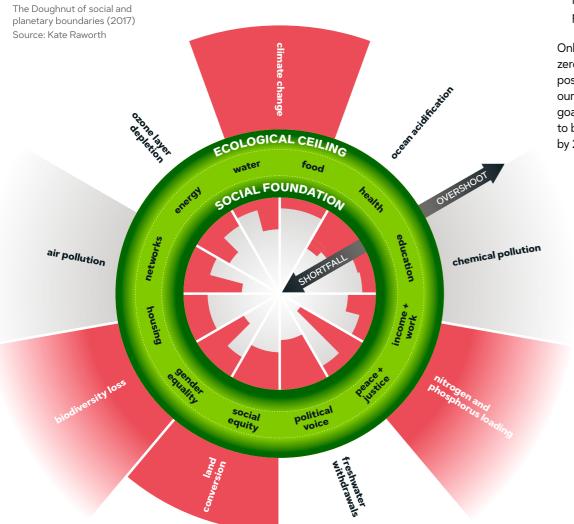
A step change

This involves a real step change—transforming our impact rather than making incremental improvements. It means transforming and measuring our success in terms of our impact on people and the planet. It means we are on a path to actively stop—and, in time, reverse—any social and environmental harm associated with our business and our supply chains. And it means increasingly making sure that we and others adopt regenerative practices.

Our strategy at a glance

We know that this is incredibly ambitious. If you or a business you work with are on a similar journey, or if you would like to find out more, please get in touch!





# **Ooni Regenerative Business Goals and Targets**

Regenerative ambition

# Ooni is a regenerative business by 2050

Regenerative business goals



#### Climate

We go beyond net zero to make sure that our value chain captures more greenhouse gases than it emits



#### Water

We protect and



### Local **Environment**

We enhance the

areas around our

locations, helping

nature, animals and

communities to thrive

replenish the water sources we use at our own locations



### **Products**

We apply fully circular design principles and processes to make sure that our products create zero waste and help the transition to a circular economy



### **Waste and Pollution**

There is no waste or pollution from any of our locations

5



### People

We create diverse workplaces where our teams can thrive and realize their full potential



### **Supply Chains**

Our supply chains are ecologically restorative, socially just and inclusive



### **Brand Voice**

We use our voice to help the transition to a future where regenerative mindsets and practices are commonplace



#### **Finance**

Our investment and tax payments align with our regenerative ambition

**Net positive targets** 

# Restorative & regenerative impacts

### Break-even

**Zero harm targets** 

- 1.1 We use only renewable energy at all our locations
- **1.2** Our locations emit no greenhouse gases
- **1.3** Our products emit net zero greenhouse gases throughout their life cycle, in line with the Science-Based Targets initiative
- 2.1 All water used in our own locations does not harm the environment and is socially equitable
- 3.1 Our physical locations are not in areas of high social or of ecological value
- 3.2 All communities where we operate are covered by policies and mechanisms to pre-empt, identify, assess, and mitigate community concerns
- **4.1** Our products are safe to use and do not pollute the environment at end
- 4.2 We use only circular inputs and facilitate recovery of product components at end
- 5.1 There are no harmful emissions from our locations
- **5.2** There is no waste from our locations
- **6.1** All our employees are safe and healthy at work
- 6.2 All our employees are paid at least a living wage
- 6.3 All our employees have fair employment terms
- 6.4 We employ people from historically marginalized communities in a way that at a minimum represents the regional population
- 6.5 We have no unexplained diversity pay gap, and people from historically marginalized communities feel that they belong in our workplace culture
- **6.6** We address any employee concerns fairly and transparently
- **6.7** We anticipate, avoid and spot ethical breaches within our value chain, and raise concerns when they occur

- 7.1 Our indirect procurement emits net zero greenhouse gas emissions
- - 7.2 Waste and pollution

In our supply chains,

we avoid or eliminate

all hotspots for:

- 7.3 Energy
- 7.4 Environmentally harmful water use and water inequity
- 7.5 Harmful waste generation
- 7.6 Harm to nature, ecosystems and animals
- 7.7 Infringement on areas of high social or of ecological value
- 7.8 Infringement on human rights

- 8.1 All our product communications are honest, ethical and promote responsible use
- **8.2** We address product concerns fairly and transparently
- **8.3** We do not support laws or policies that undermine social or environmental health
- **9.1** Our tax policy meets high standards on ethics, transparency, and disclosure
- 9.2 Our financial assets do not cause harm to people or

# Our plans for 2024

Our focus in 2024 will be knowledge-gathering to help us begin implementing our Regenerative Business Strategy from 2025.



- Commence a double materiality assessment in line with best practice to determine the highest priority actions based on what the world and our key stakeholders need from us the most.
- Prepare to baseline our current performance in all target areas against relevant external frameworks and break-even points.
- Use this knowledge to start developing and prioritizing specific action plans for each of our targets. Our impact on the climate will be a priority focus as we are ahead in this area and want to maintain momentum.
- Start to put key enabling factors in place, including key roles and responsibilities, decision-making and reporting systems, internal and external stakeholder engagement, and research and development.

Our status as a certified B Corp will also help to keep us on track by supporting appropriate internal controls and the governance in place.







# Appendix Greenhouse gas footprint

We calculated our greenhouse gas (GHG) emissions in a carbon footprint for January 1 to December 31, 2022. This appendix provides information on our footprint as well as key underlying methodologies and assumptions. We will report on our 2023 carbon footprint in 2024.

# **GHG footprint scopes and categories**

**Scope 1 direct:** company facilities and vehicles

**Scope 2 indirect:** purchased electricity, steam heating, and cooling for our use

Scope 3 indirect (upstream): purchased goods and services, capital goods, fuel- and energy-related activities, transportation and distribution (T&D), waste generated in operations, business travel, employee

commuting, and leased assets

**Scope 3 indirect (downstream):** processing of sold products, use of sold products, end-of-life treatment of sold products, leased assets, franchises, and investments

# **Ooni's carbon footprint**

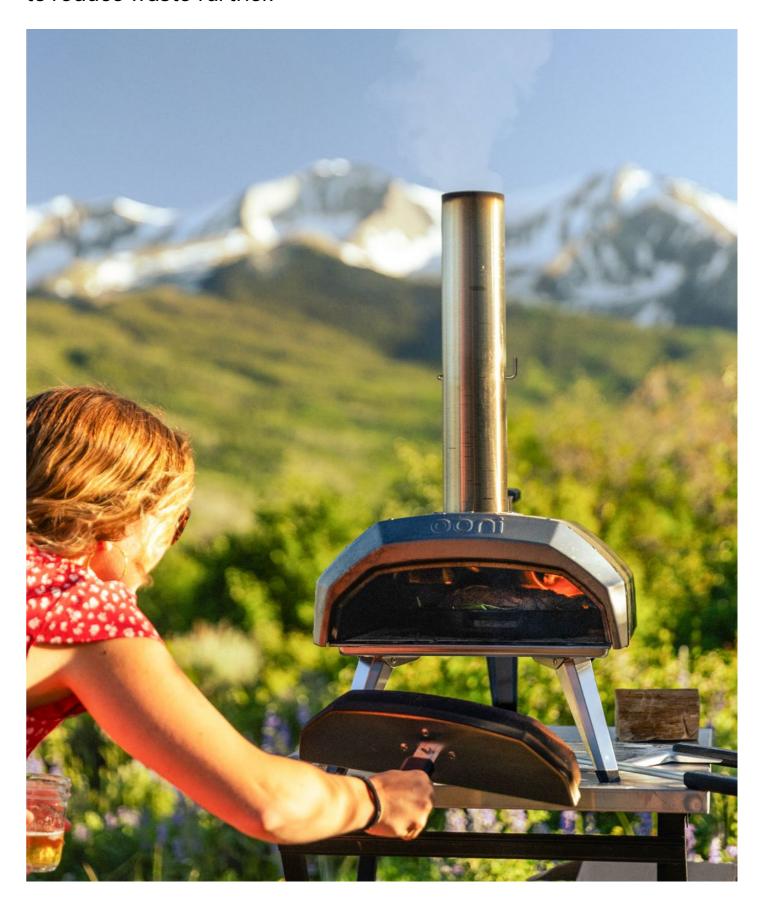
We believe that the almost 27% reduction in our carbon footprint from 2021 to 2022 (see table) was largely due to better quality data and fewer assumptions in calculations.

Other notable factors affecting a change in our year-on-year emissions include:

• Scope 2: we dramatically increased our electricity consumption, from 94,000 kWh to 318,000 kWh. The inclusion of our Australian location in our 2022 calculations accounts for 15% of this increase. Other key drivers were our employees returning to our offices after mostly working remotely during the COVID-19 pandemic, and our US team moving into a much bigger office in Austin, Texas.

- Scope 3 product-related categories: emissions related to the sourcing and manufacturing of hard goods and inbound transport significantly decreased due to fewer products being manufactured in 2022. In contrast, grocery-related emissions (packaging and outbound transport) increased in line with sales. The reduction in emissions relating to use of sold products results largely from the change in our method of calculation.
- Scope 3 other purchased goods and services:
   Emissions from our indirect procurement increased in 2022, reflecting a three-fold increase in spend over 2021.
- Scope 3 downstream transport and distribution: Our emissions from outbound transport increased overall due to higher volumes of orders and returns, and more accurate calculations.
- Scope 3 business travel and employee commuting: Emissions in these areas rose due to an increase in global headcount and a return to pre-COVID working methods, alongside our 'Ooni is 10' celebration event in Edinburgh to which we invited all of our global employees

"Our product team is increasingly focused on product circularity to reduce waste further."



**Table 2:** Ooni GHG footprint, 2021–2022

Scope	Emissions category	tonnes of carbon dioxide equivalent (tCO <sub>2</sub> e)	% of total	tCO <sub>2</sub> e	% of total
	Total scope 1	105.7	0.04%	23.48	0.01%
1	Testing fuels	2.25	0.00%	2.95	0.00%
1	Refrigerants	91.28	0.03%	6.57	0.00%
1	Natural gas	12.17	0.00%	13.96	0.01%
	Total scope 2	20.48	0.01%	125.98	0.06%
2	Electricity (location-based)	30.38	0.01%	125.98	0.06%
2	Electricity (market-based)	20.48	0.01%	108.76	0.05%
	Total scope 3	299,386	99.96%	219,339.43	99.93%
3	Purchased goods & services (total)	122,360	40.85%	98,975.09	45.09%
	Raw materials (including Groceries, Fuels, & Merchandise)	97,683.29	32.61%	52,215.78	23.79%
	Manufacturing energy	5,636.48	1.88%	4,995.64	2.28%
	Ooni packaging	9,866.88	3.29%	4,321.80	1.97%
	Warehouse packaging	146.45	0.05%	463.58	0.21%
	Grocery packaging	314.64	0.11%	7,172.71	3.27%
	Other purchased goods & services (+ capital goods 2022)	8,712.39	2.91%	29,805.58	13.58%
3	Fuel & energy-related activities (FERA)	11.47	0.00%	24.87	0.01%
3	Upstream T&D	7.929	2.65%	4,570.23	2.08%
	Upstream T&D China movements	898.99	0.30%	135.55	0.06%
	Upstream T&D inbound freight forwarders	7,030.31	2.35%	4,264.64	1.94%
	Upstream T&D—inbound groceries	Not included	-	96.51	0.04%
	Upstream T&D—FedEx	Not included	-	73.53	0.03%
3	Waste	0.3	0.00%	0.51	0.00%
3	Business travel	34.42	0.01%	506.48	0.23%
3	Employee commuting	57.6	0.02%	63.68	0.03%
3	Downstream T&D	10,106.92	3.37%	43,416.25	19.78%
	Downstream T&D outbound	9,734.41	3.25%	23,252.78	10.59%
	Downstream T&D Amazon	113.08	0.04%	1,366.20	0.62%
	Downstream T&D returns	142.91	0.05%	1,187.86	0.54%
	Downstream T&D delivered at place (DAP) + delivered duty paid (DDP)	110.8	0.04%	17,386.82	7.92%
	Downstream T&D groceries	5.72	0.002%	222.59	0.10%
3	Use of sold products	152,963.09	51.07%	68,878.10	31.38%
3	End of life	5,922.99	1.98%	2,840.54	1.29%
	TOTAL	299,512		219,489	

# **GHG footprint methodology and assumptions**

Consultancy firm Ape calculated the scope 1, 2, and 3 emissions associated with our business activities during 2022. All data was sourced and assessed in line with the latest reputable sources and reporting guidelines, notably the UK Department for Environment, Food & Rural Affairs conversion factors, national calculations, Ecolnvent analyses of specific materials and processes, Government Environmental Reporting Guidelines and peer-reviewed academic literature.

Our calculations multiplied the weight or consumption of key fuels, materials and resources by their relevant emissions factor, taking into account any other relevant considerations. Where applicable, fuel, shipping and freight emissions also include well to tank (WTT) emissions.

Where data was unavailable, we calculated emissions based on the latest available figures, the closest available material or resource, or average weight/distance traveled within that region, adjusted for volume of purchases/use/sales. Where data was unavailable for some of our locations, we estimated emissions based on the values per square foot at our Broxburn Unit 5 site, adjusted for the square footage of the location in question. Where datasets were unfeasibly large, we based calculations on random data samples.

Unless specified otherwise, we assumed that all road freight was completed by an average rigid heavy goods vehicle fueled by diesel (except FedEx deliveries and return of sold products, which we assumed were completed by a diesel-fueled class 1 cargo van with <3,300 pound capacity). We assumed that ocean freight was completed by an average cargo ship (or roll-on-roll-off ferry where necessary), and that all road/ocean freight carriers were loaded to an average level.



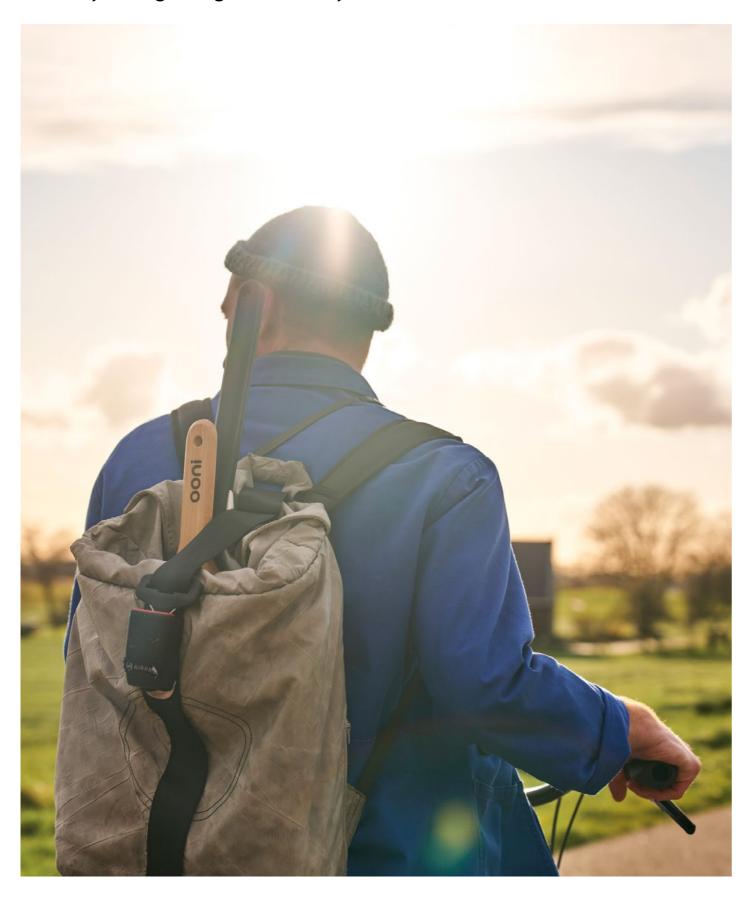








"Understanding the source of our GHG emissions is the first step to eliminating them by doing things differently."



Key proxy calculations and assumptions are noted below.

# Scope 1. Stationary combustion assumptions

- One liter of liquid oxygen weighs 1.1417 kg
- Welding gas (20L) comprises argon (93%), CO<sub>2</sub> (5%) and O2 (2%)
- Related products, e.g. various types of wood pellets or logs, have the same environmental impact

# Scope 1. Fugitive emissions assumptions

- Various refrigerators and freezers used were classified as domestic refrigeration systems
- Air conditioning units were classified as small or medium stationary air conditioning systems, depending on their output

# Scope 2. Emissions from purchased energy assumptions

• Utility-scale generation of solar electricity

# Scope 3. Purchased goods and services

Finance and capital goods basis of calculations

- Goods and services with associated emissions in other categories, e.g. freight, business travel or raw materials, were assessed in those categories
- Each line of data was categorized into the supplier and their goods/services, and then Quantis spend-based emissions factors were applied

### Raw materials: manufacturing assumptions

 Emissions factors for all unknown, blank and 'mixed' material types mirror the average of all named materials

# Raw materials: fuels basis of calculations

 Emissions associated with the combustion of sold fuels are included in the use of sold products

#### **Fuel assumptions**

- Emissions factors of diesel, natural gas, LPG, biomass, solar and water are universal
- Biomass consumed by manufacturers has the same emissions factor as wood chips
- Ukraine's electricity carbon intensity mirrors that of the UK

#### $Ooni \, packaging \, assumptions \,$

 Plastic & paper and PVC & steel were each 50:50 by weight

# Warehouse packaging basis of calculations

- Spend-based emissions intensity (kgCO<sub>2</sub>e/£) for packaging at US warehouses was calculated based on applying data representative of UK warehouses to US warehouse packaging expenditure
- Cardboard packaging materials at EU warehouses were calculated in a similar way

### $Warehouse\ packaging\ assumptions$

- Paper/low-density polyethylene (LDPE) was 50:50 by weight
- Self-adhesive paper and polypropylene (PP) backing was 50:50 by weight
   The tCO<sub>2</sub>e/£ spent by US and EU
- warehouses on packaging mirrors that of UK warehouses

# Groceries, merchandise and fuel packaging assumptions

Wool was greasy wool

# Other fuel- and energy-related activities assumptions

Welding gas (20L) comprised argon (93%), CO<sub>2</sub> (5%) and O2 (2%)

# Scope 3. Upstream transport and distribution

#### China movements basis of calculation

- Data included shipment weight, type, loading address, shipping port, origin port and sometimes destination address
- We multiplied the distance (km) between the loading address and port of origin by the shipment weight (t) to achieve a t.km value for each shipment
- For shipments in Wenzhou, we calculated both the distance and subsequent t.km relating to transport from the port of origin to the destination port, and between the destination port and destination address where possible
- Some T&D data of China based suppliers was based on 2021

#### China movements assumptions

 Loading/destination address for each country was a primary port in that country

# Inbound freight forwarders basis of calculation

Where freight forwarding had a pre-calculated environmental impact, we used those values. Otherwise, we plotted a route between the origin and destination addresses, and calculated distance across various modes of transport. We multiplied distances by the weight of the freight (t) to achieve a t km value.

# Inbound groceries (US) basis of calculation

 The distance between the loading and shipping addresses (km) was multiplied by the weight of each shipment (t) to calculate t.km associated with each shipment. We then multiplied the t.km of distribution associated with each shipment.

#### Inbound FedEx basis of calculation

- For 'customer' shipments, we plotted a freight route between the addresses of the shippers and recipients and calculated the distance of this route (km), then multiplied these distances by the weight of shipment (t) to achieve a t.km value associated with each mode of transport along one route.
- 'Product' shipments did not include the recipient address, only the loading address and gross weight. To calculate associated emissions, we applied the average road and air distance associated with the 'custom' shipments.

#### Inbound FedEx assumptions

 The distance associated with product shipments mirrored the average distance associated with custom shipments

# Scope 3. Waste generated in operations

#### Basis of calculations

- The waste stream outputs of the Broxburn units were split into general waste, mixed recycling, food waste, scrap metal, and Energy from Waste (EfW) residual waste, including the landfill and diversion-from-landfill rates
- We calculated the weight of each waste stream that was landfilled or diverted from the landfill during each month of 2022.

#### Assumptions

 The landfilling of EfW residual waste is the same as that of commercial and industrial waste

#### Scope 3. Business travel

- We calculated the distance between origin and destination locations for all travel across various modes of transport, then multiplied that by the number of passengers to determine the passenger.km
- Calculations considered air travel classification, travel class and vehicle classification

### Scope 3. Employee commuting

#### Basis of calculations

- The average tCO<sub>2</sub>e/employee per month of commuting, based on data representative of 2021, multiplied by the number of Ooni employees at the end of each month in 2022
- We excluded any data that gave identical home and office zip codes, although it is likely that these employees walked or cycled to work

### Assumptions

- 'Carpool' meant two employees in one car
- Car journeys were in an average car fueled by gasoline, 'train' means the UK National rail service, 'bus' means local (not London) bus and 'tram' means light rail/tram
- An unspecified mode of transport means that employees traveled to work alone in a car
- 'Tesla' means an average battery powered vehicle according to DEFRA conversion factors

### Scope 3. Downstream transport and distribution

# Outbound (UK, EU, CA) basis of calculation

- Random samples of 500 rows of outbounds were collected for each region
- The distance between the shipment origin and destination was calculated using Google Maps API
- Average distance was calculated for each random sample from each region
- The average weight was calculated based on the total number of outbounds within each region (not the random sample)
- Average weight (t) was multiplied by the average distance (km) in the random sample for each region to achieve an estimated average t.km within
- The total number of outbounds within each region was then multiplied by the average t.km of the region to achieve a total estimated t.km for downstream T&D within each region
- As there were only seven downstream T&D outbound shipments within the UK data sheet that required air distribution, the emissions associated with these shipments were calculated through the same t.km methodology, not a random sample

# Downstream T&D—Outbounds US East, US West & US Kentucky basis of calculation

- Random samples of 500 rows of outbounds were collected for both US East and US Kentucky, and a random sample of 1,000 rows for US West
- All other calculations were made in the same way as outbound (UK, EU, CA)

#### Downstream T&D Amazon fulfilled by Amazon (FBA) basis of calculation

- Data was received regarding the downstream T&D Amazon (FBA) outbounds in 2022, representing Amazon outbound fulfilment throughout the UK, EU, US and CA regions
- Distances and weights were calculated in the same way as outbound (UK, EU, CA)

# Downstream T&D Amazon (FBA) assumptions

 All road transport was completed by a Class 3 (<7,700 pound capacity) van, fueled by diesel

#### Downstream T&D Amazon (Fulfilled By Merchant (FBM)) basis of calculation

- This data was representative of both UK and US outbounds
- Distances and weights were calculated in

# Downstream T&D—Returns (UK & EU) basis of calculation

 Data was received regarding the returning of sold products representative of both the UK and EU regions

the same way as outbound (UK, EU, CA)

 T.km associated with each return in UK and EU regions was multiplied by the total number of returns in each region to achieve a value associated with UK or EU returns

# Downstream T&D—Returns of sold products (US & CA) basis of calculation

- Based on a random sample of 500 rows we calculated the average distance between the ship-to and destination zip codes. We then multiplied this average by the weight of each return to achieve a t.km value associated with each return.
- Where weights of returns were negative values, we assumed this was an inputting error and that these values were positive.
- The representative rate of returns for all US outbounds was applied to the total number of CA outbounds.
- This estimated number of returns was multiplied by the average t.km/outbound based on the average distance (km) of outbounds within the random sample, and the average weight (t) based on all CA outbounds.
- The estimated t.km associated with each return was multiplied by the estimated number of returns.

# Downstream T&D—Returns of sold products (US & CA) assumptions

 The CA rate of returns mirrored the US rate

# Downstream T&D—US DAP & DDP basis of calculation

- Data was representative of the UK, EU, US and CA regions.
- UK: The distance between the shipment origin and destination was calculated using Google Maps API. Distance (km) was multiplied by the weight of each outbound (t) to achieve a t.km value associated with each outbound shipment.
- EU DAP & DDP: We used a random sample of 500 rows from the full EU outbound dataset, then calculated distance using Google Maps API. We multiplied this average distance (km) by the average weight (t) of all EU DAP + DDP outbounds, to estimate t.km per outbound, then multiplied that value by the total number of DAP + DDP EU outbounds to get a total t.km value.

# Downstream T&D—US DAP & DDP assumptions

 Emissions intensity (kgCO<sub>2</sub>e/\$ spent) in the 2021 US DAP emissions section reflects the 2022 emissions intensity of US and CA DAP and DDP

# Downstream T&D—Groceries basis of calculation

- We collected random samples of 500 rows of outbounds for the UK region, and 1,000 rows for the US region.
- We calculated the distance between the shipment origin and destination using Google Maps API.
- Average weight per shipment per region was calculated based on the total respective datasets. Average distance (km) was multiplied by average weight (t) to achieve the average t.km associated with each outbound, which we multiplied by the total number of outbounds in each region.

### ${\bf Scope~3.~Use~of~sold~products}$

 Data regarding the current and historical sales of Ooni ovens and burners reflected 2018–2022.

Basis of calculation

- We formatted this into the total number of each oven/burner type sold each year from 2018–2022.
- Ovens/burners 'in-use' during 2022 is based on a five-year, 20% depreciation model: 100% of the number of ovens/ burners sold in 2022, 80% of those sold in 2021, 60% of those sold in 2020, 40% of those sold in 2019 and 20% of those sold in 2018.

 The 2022 'in-use' figure was multiplied by the fuel rate of each oven/burner (through combustion of gas, wood logs or wood pellets), multiplied by the estimated number of hours that an oven/burner is used annually.

#### Assumptions

 Each oven is used for an average of 46.08 hours per year, based on our data.

#### Scope 3. End-of-life of sold products

#### Basis of calculation

We had no specific data relating to the end-of-life of sold products.

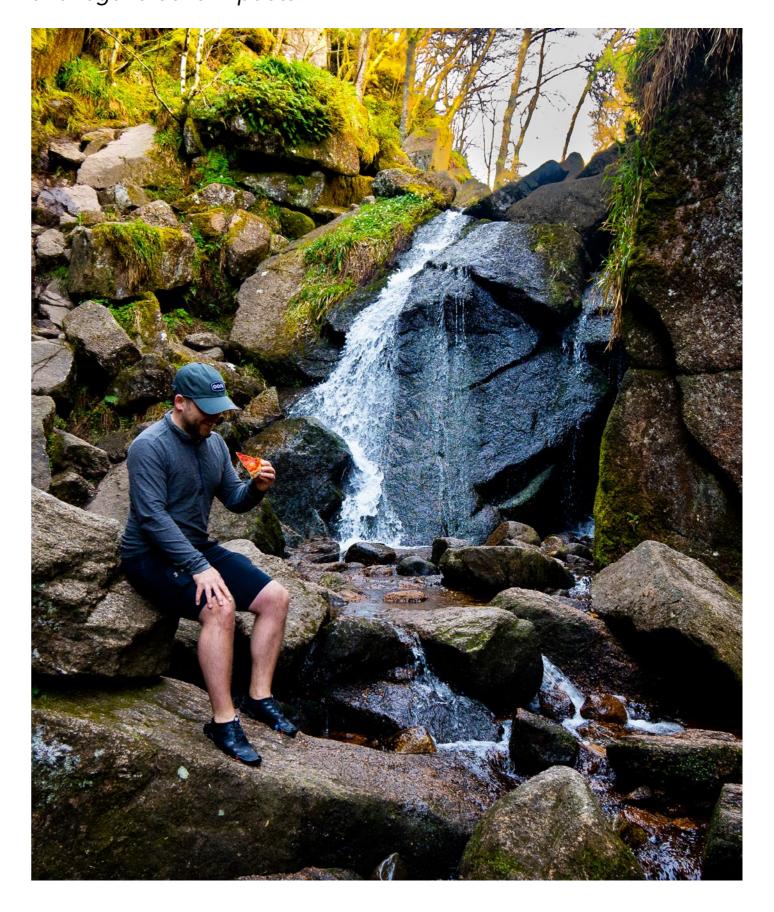
- For Ooni packaging, groceries, merchandise and fuels packaging and warehouse packaging, we applied regional rates of recycling to the total weight of all Ooni packaging to estimate the total weight of each material disposed of via recycling and landfilling.
- We estimated US warehouse packaging based on the packaging material composition and spend of UK warehouses. The US expenditure (£) was 4.26 times greater than the UK, so we estimated US warehouse use as 4.26 times greater than each category of packaging.
- We estimated EU warehouse packaging by applying UK tCO<sub>2</sub>e/£ associated with end-of-life of packaging to EU expenditure.

#### Assumptions

- All materials relating to the raw materials and raw materials (merchandise) sections were landfilled
- We applied UK regional recycling rates to all materials across Ooni, groceries, and warehouse packaging materials because of a lack of regional-specific recycling rates.

#### Out of scope

 Emissions factors that represent the combustion of sources of bioenergy in the testing fuels, manufacturing energy and use-of-sold-products categories have a CO<sub>2</sub> value set to net zero. This accounts for the CO<sub>2</sub> absorbed by the bioenergy sources during their growth. We have accounted for the release of GHG and WTT emissions associated with extraction, refining and transportation of bioenergy sources before combustion. "We want to have a net positive effect, with restorative and regenerative impacts."





Lomond House 10 Lochside Pl Edinburgh EH12 9RG United Kingdom

ooni.com