

# SUSTAINABILITY STRATEGY




# OTIS SUSTAINABILITY STRATEGY - FY23 & FY24

Otis Oat milk was founded in 2018, bristling with enthusiasm at the prospect of doing good for New Zealand. Our mission is to change farming and the environment for the better. Our north star as a company has, and always will be to push back against big dairy, create a channel to connect New Zealand farmers to one of the fastest growing global consumer groups, and subsequently diversify land use in New Zealand. Basic stuff right. Along our product development journey we have met countless walls and T-junctions, where we have had to choose left or right, forward or back. This strategy will help to ensure we stay true to our vision and purpose and positively contribute to overcoming the huge social, environmental, and economic challenges we all face.

We will review this strategy annually to ensure we are remaining ambitious and on track to achieve our goals as we learn more and as we achieve our targets. We will also communicate annually our achievements and learnings over the previous 12 months.

Many thanks

A stylized illustration of a hand holding a small plant sprout with several leaves. The hand is rendered in a dark olive green, and the plant is in a lighter shade of olive green. The background is a light, textured grey.

Chris Wilkie (founder)

28/09/22

date

A stylized illustration of a hand holding a small plant sprout with several leaves. The hand is rendered in a dark olive green, and the plant is in a lighter shade of olive green. The background is a light, textured grey.

Tim Ryan (founder)

28/09/22

date

# UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGS)

The SDG's were "adopted by all United Nations Member States in 2015, (to provide) a shared blueprint for peace and prosperity for people and the planet, now and into the future. The 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries - developed and developing - in a global partnership recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests." - <https://sdgs.un.org/goals>

Otis has reviewed and recognised the SDG's as a benchmark for sustainable business practices across the globe, and we are aligning our strategy to these goals. We have selected eight goals (displayed below) we feel we can have the biggest impacts on, while also ensuring we are not negatively contributing to any others. We have included the relevant SDG's beside our goals in this strategy, and the precise targets with each in a table at end of this document.



Strategy reviewed and approved by management.

Sustainability and Marketing Manager to create an action plan for the FY including required inputs, funding and milestones.

# HOW WE WILL ACTION THIS STRATEGY

Implementation monitored by Sustainability and Marketing Manager and with regular reporting to management.

End of FY report on progress made, and review and revision to strategy / action plan where required.

Weekly meeting with sustainability consultant to manage and monitor progress.

# OUR EXISTING PRACTICES OR COMMITMENTS

**Below are actions / policies / initiatives relating to sustainability that we have already undertaken, or continue to undertake as part of our BAU:**

- We have clear and transparent communications on website detailing the specifications of our packaging and how best to dispose of it.
- We have mapped our carbon footprint and made it publicly available.
- We offset our business operations emissions by 120%.
- We have a publicly available carbon reduction plan.
- We have pledged 1% of our annual revenue to helping farmers grow oats sustainably.
- We have donated annually to Sustainable Coastlines.
- We have donated money towards a baler for Hawkes Bay Environment Centre, so they can collect (and tightly pack) liquid paperboard packaging (LPB - commonly known as Tetra Pak) which our cartons are made from.
- We have worked closely with saveBOARD (a new Hamilton based LPB recycling plant) to help them establish their solution.
- We have also worked closely with Tetra Pak to establish the solutions for collecting and transporting empty LPB to saveBOARD.
- We piloted a scheme to collect our empty cartons from some cafes we supply and transport them to saveBOARD to be turned into low carbon building materials.
- We have donated money towards the Tetra Pak Cafe collection scheme, a pilot scheme which sees our Otis cartons collected from a selection of cafes we supply and delivered to saveBOARD.
- We have actively campaigned for the inclusion of LPB in the nationwide standardization of kerbside recycling.
- We changed the feedstock of the plastic we use in our cartons (the lids and lining) to Tall Oil a residue from pulp and paper production. You can read more on our website.
- The wood pulp used to make our cartons is FSC certified, and the wood pulp used to make our delivery boxes is PEFC certified.
- Our cartons are certified carbon-neutral. They are manufactured using 100% renewable energy and all other emission related to their production are offset.
- We have a supplier code of conduct (SCOC) that stipulates the minimum social, environmental, and governance standards we require from our suppliers.
- We source 100% Fairtrade cocoa for our chocolate milk product.

**We have pledged 1% of our annual revenue to helping farmers grow oats sustainably\***

One of our targets for FY23 is to define exactly what we mean by “grow oats sustainably”.

# GOALS AND TARGETS

Outlined below are our high level goals for the next 3 years for each impact we identified as material, and the corresponding annual targets. We have organised them under the three pillars: Environment, People, Community

**PLANET**

**PEOPLE**

**COMMUNITY**



# PLANET



<b>Impact</b>	Packaging	<b>SDG Alignment(s)</b>  12.2, 12.5
<b>Our Goal(s)</b>	No packaging from our business operations to pollute ecosystems, or enter a landfill.	
<b>Why this is important to us.</b>	We believe to truly be sustainable a business must be circular and no materials are wasted, or pollute the environment.	

## OUR CHALLENGES

There is limited recycling available in NZ and globally for liquid paperboard packaging (aka tetra pak).

We have inherited a linear economic system that we have to operate within before we can influence any change.

We are reliant on our suppliers and partners to support us on this mission and they are not all as engaged on the mission to become circular as we are.

We are reliant on the actions our customers take with our empty packaging.

## END OF FY23 TARGETS

Continue to support and promote the successful implementation of a recycling facility for liquid paperboard packaging (LPB) in NZ.

Maintain an up-to-date knowledge of new packaging developments.

Continue to investigate recycling capacity for LPB in all new markets we enter.

Investigate reusable packaging systems.

Continue to take responsibility for our empty cartons and doing all we can to ensure they end up at the saveBOARD recycling plant, including collecting cartons ourselves and collaborating with other organisations.

Continue to monitor the supply chain of our cartons.

## END OF FY24 TARGETS

Continue to investigate recycling capacity for LPB in all new markets we enter.

Continue to monitor the supply chain of our cartons.

<b>Impact</b>	GHG Emissions
<b>Our Goal(s)</b>	Be a climate-positive business (sequester more carbon than we emit)
<b>Why this is important to us.</b>	The climate crisis is an existential threat to humankind and the challenge of our times.

<b>SDG Alignment(s)</b>
2.4
13.3

### OUR CHALLENGES

The global economic system we have inherited is almost entirely powered by fossil fuels.

New Zealand is located in the South Pacific ocean a long way from international markets.

Carbon offsetting and reduction is currently voluntary in NZ giving competitors who don't offset or reduce emissions a price advantage.

The use of synthetic fertilisers are commonplace in the horticultural industry in NZ.

### END OF FY23 TARGETS

Continue to map our annual carbon footprint with continuously improving data

Continue to offset our emissions by 120%

Deliver on our carbon reduction plan.<sup>2</sup>

Recalculate and publish our per litre (efficiency) carbon figure.

Investigate electrifying our vehicle fleet.

Support and encourage staff to reduce their emissions.

Undertake research and engage with regenerative / sustainable agriculture experts to enhance our understanding of it's impacts on GHG emissions, and help us define what it means to Otis.

Engage with our oat growers to gain a deep understanding of their existing practices, how they align with regenerative / sustainable agricultural practices, their emissions of GHGs, and the challenges they face in making changes.

The top 80% of our suppliers by spend to have signed our supplier code of conduct (that requires our suppliers to proactively take steps to measure, monitor and reduce greenhouse gas emissions).

Ensure our 1% fund is spent on projects / initiatives that support farmers to grow oats sustainably.<sup>3</sup>

### END OF FY24 TARGETS

Ensure a minimum of 25% of our oats are sourced from organic and / or sustainable farming practices as we define it.

100% of company vehicles to be electric.

Manufacture our products in New Zealand.

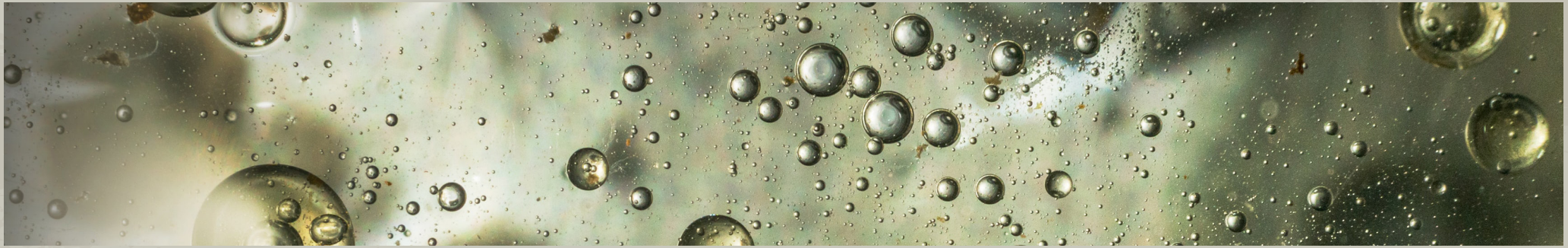
Support our oat growers to follow regenerative / sustainable farming practices in line with our definition.

Continue to grow the impacts of our 1% fund.

<sup>2</sup> You can find this on our website.

<sup>3</sup> One of our targets for FY23 is to define exactly what we mean by "grow oats sustainably"





<b>Impact</b>	Chemicals
<b>Our Goal(s)</b>	Ensure we have no negative impact on any ecosystems through our entire supply chain from the use of chemicals
<b>Why this is important to us.</b>	Chemical mismanagement has caused severe damage to waterways, soil, and biodiversity in New Zealand and across the globe. We believe in leaving a place better than we found it.

**SDG Alignment(s)**  
12.4

**OUR CHALLENGES**

The use (and abuse) of agri-chemicals have been the dominant form of growing food for the past few decades.

Changing farming practices is very challenging for many farmers to manage.

Chemicals are required for sanitation and food safety standards in the manufacturing and bottling of food and beverage products.

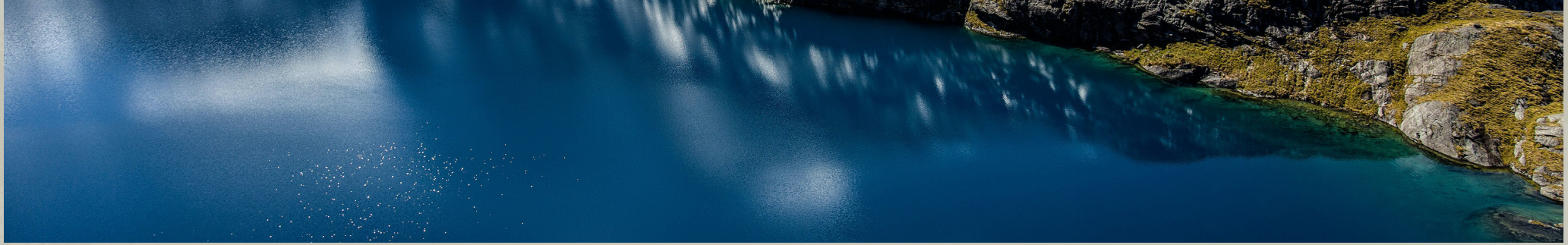
**END OF FY23 TARGETS**

Engage with our growers to clearly understand the level of agri-chemicals in our supply chain and the needs analysis for their use.

**END OF FY24 TARGETS**

Develop a policy on chemical usage within our supply chain.<sup>4</sup>

<sup>4</sup> Achieving this target is reliant on us establishing NZ manufacturing.



<b>Impact</b>	Water
<b>Our Goal(s)</b>	Ensure we have no negative impact on any waterways through our entire supply chain
<b>Why this is important to us.</b>	The health and safety of our waterways in New Zealand have been in serious decline for many years. The state of our waterways was a defining influence on the founding of Otis.

**SDG Alignment(s)**

6.3, 6.6  
15.1

**OUR CHALLENGES**

The process of making oat milk requires freshwater and produces corresponding “waste water”.  
The use of synthetic fertilisers has been ubiquitous with farming for the past few decades and many farms are addicted to its use.

**END OF FY23 TARGETS**

Engage with our growers to deeply understand their existing water management (extraction, use, discharge).  
Engage with a freshwater scientist for expert advice.

**END OF FY24 TARGETS**

Map the total volume of water used in the manufacturing of our products.  
Ensure the extraction and disposal of any water through our supply chain is not negatively affecting any waterways.

<b>Impact</b>	Soil and Biodiversity
<b>Our Goal(s)</b>	To be a business that regenerates soil and biodiversity through our business operations.
<b>Why this is important to us.</b>	New Zealand loses 192 million tonnes of soil from erosion every year (40% of which is from pasture land). <sup>5</sup> and almost 4,000 of our native species are currently threatened with or at risk of extinction. <sup>6</sup> We founded Otis to offer NZ farmers a sustainable alternative to diaring.

**SDG Alignment(s)**

2.4  
12.2, 12.4  
15.3, 15.5

**OUR CHALLENGES**

Tilling is a common practice amongst our oat growers (a practice that erodes soil and emits carbon).

Changing farming practices is very challenging for many farmers to manage.

The use of synthetic fertilisers has been ubiquitous with farming for the past few decades and many farms are heavily reliant on its use.

Land use change for agricultural purposes is a major cause of biodiversity loss and degradation.

**END OF FY23 TARGETS**

Engage with our oat growers and their industry partners to better understand their impacts on soil health.

Engage with a soil scientist for expert advice.

Further expand our knowledge and understanding of regenerative/ sustainable farming, soil science, and biodiversity restoration.

Use our platform to promote soil health and biodiversity restoration.

**END OF FY24 TARGETS**

Work with our oat growers to follow regenerative / sustainable farming practices including the promotion of no tilling technology (e.g direct drilling).

Continue to use our platform to promote soil health and biodiversity restoration.

<sup>5</sup> [www.mfe.govt.nz/sites/default/files/media/Environmental%20reporting/new-zealands-land-at-a-glance.pdf](http://www.mfe.govt.nz/sites/default/files/media/Environmental%20reporting/new-zealands-land-at-a-glance.pdf)  
<sup>6</sup> [environment.govt.nz/publications/environment-aotearoa-2019/theme-1-our-ecosystems-and-biodiversity/](http://environment.govt.nz/publications/environment-aotearoa-2019/theme-1-our-ecosystems-and-biodiversity/)

# PEOPLE



<b>Impact</b>	Health Wellbeing and Employment
<b>Our Goal(s)</b>	To be a diverse and inclusive workplace that ensures the health and well being, while providing rewarding, prosperous, and fulfilling jobs, for all our employees.
<b>Why this is important to us.</b>	We highly value the health and well-being of all our staff and those in our supply chain.

**SDG Alignment(s)**

3.4  
8.5

## OUR CHALLENGES

We are a startup company experiencing fast growth.

We are a satellite business with all employees working from home.

Gaining information on social and environmental impacts from global suppliers is challenging.

## END OF FY23 TARGETS

Implement an exit interview process for any resigning or redundant staff.

Undertake an internal survey to establish levels of health and well-being amongst our staff and set targets for FY24.

Upskill in diversity and inclusion within the workplace.

## END OF FY24 TARGETS

Establish a budget to support each FTE in their own wellbeing.

Achieve our FY24 targets for staff health and wellbeing.

Develop a diversity and inclusion policy.

Develop an equitable recruiting and hiring process that takes steps to eliminate unconscious bias.



<b>Impact</b>	Supply Chain and Human Rights
<b>Our Goal(s)</b>	To be a business that ensures the health and well being of those in our supply chain. 100% of our suppliers to be vetted for their social and environmental impacts and to have signed our Supplier Code of Conduct
<b>Why this is important to us.</b>	We are are aware of the risks of modern slavery and highly value the health and well-being of all those in our supply chain.

**SDG Alignment(s)**

8.7, 8.8,  
10.2, 10.3

**OUR CHALLENGES**

Gaining information on social and environmental impacts from global suppliers is challenging.

We are a small start-up with limited influence on suppliers and supply chains.

Resources are required to ensure supply chains and suppliers align with our values.

**END OF FY23 TARGETS**

The top 80% of our suppliers by spend to have signed our supplier code of conduct (that requires our suppliers to have steps and process to monitor and manage the health and well being of their staff).

Continue to monitor the supply chain of our cocoa.

Develop a supplier onboarding policy / procedure to ensure they align with our values.

Use our platform to promote the benefits of certified Fairtrade ingredients.

**END OF FY24 TARGETS**

Ensure 100% of our global suppliers have been audited by a third party or ourselves, and all certifications are legitimate and up to date.

Continue to monitor the supply chain of our cocoa.

# COMMUNITY



Impact	Community Engagement and Education
Our Goal(s)	To educate our community on the huge social, environmental, and economic challenges we all face and empower them to make positive contributions to solving them.
Why this is important to us.	To solve the huge social, environmental, and economic challenges we face we need to make changes at all levels of our society. And we know we can't achieve our goals alone.

**SDG Alignment(s)**  
*12.6, 12.8*

## OUR CHALLENGES

There is a lot of confusion and misinformation relating to these topics.  
Not everyone in our community will feel engaged with solving the problems we face.

## END OF FY23 TARGETS






Include at least 10 posts a year in our social media channel with a direct educational purpose.  
Support events through the year that align with our values and provide us opportunity to engage and empower the NZ communities.  
Establish an annual volunteer day supporting our local community.  
Commit to at least one speaking engagement.

## END OF FY24 TARGETS




Publish a strategy progress report.  
Continue to support initiatives that empower NZ communities.



OUR IMPACT(S)	SDG TARGET(S)	SDG LOGO(S)
<b>Packaging</b>	<p>12.2 - By 2030, achieve the sustainable management and efficient use of natural resources.</p> <p>12.5 - By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.</p>	
<b>GHG Emissions</b>	<p>2.4 - By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality.</p> <p>13.3 - Improve education, awareness raising and human and in mitigation, adaptation, impact reduction and early warning.</p>	 
<b>Chemicals</b>	<p>12.4 - By 2030, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment</p>	

OUR IMPACT(S)	SDG TARGET(S)	SDG LOGO(S)
Water	<p>6.3 - By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.</p> <p>6.6 - By 2030, protect and restore watering through related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes.</p> <p>15.1 - By 2030, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.</p>	 
GHG Emissions	<p>2.4 - By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality.</p> <p>12.2 By 2030, achieve the sustainable management and efficient use of natural resources.</p> <p>12.4 By 2030, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment</p> <p>15.3 By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world.</p> <p>15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2030, protect and prevent the extinction of threatened species.</p>	  



OUR IMPACT(S)	SDG TARGET(S)	SDG LOGO(S)
Health, Wellbeing, and Employment	<p>3.4 - By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being.</p> <p>8.5 - By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.</p>	
Supply Chain and Human Rights	<p>8.7 - Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.</p> <p>8.8 - Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.</p> <p>10.2 - By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.</p> <p>10.3 - Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.</p>	 
Community Engagement	<p>12.6 - Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.</p> <p>12.8 - By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature.</p>	