

Solutions include:

- Significant capital expenditure investment in providing all office workers with two computer screens both in the office and at home. This enables the reviewing of data, reports and comparing documentation without the need to print a copy;
- Introducing digital signature software within our HR and supply chain procedures, ensuring all contractual documentation can be signed and sent digitally;
- A new warehouse management system, enabling workers to scan product barcodes to finalise order labelling and stock picking, rather than printing multiple pick notes and order reports; and
- Installing software that enables the scanning, reviewing and saving of all invoicing, purchase order and sales order documentation without the need to print hard copies.

A paper-reduced working environment also has a positive knock-on effect to other areas of the business, including reduced printing/toner costs and a reduction in paper waste.

Rebalance

After taking action to reduce or remove, inevitably an operation such as ours will have aspects that unfortunately cannot be adapted to become more environmentally sustainable once options have been exhausted, especially as our business continues to grow and expand.

We have identified that our carbon footprint and the use of packaging for our product portfolios are two areas of concern and we have therefore found opportunities to 'rebalance' our impact with positive solutions that are in keeping with our core values and SDG focus.

Our sustainability partner –



Our Environmental Committee have identified a sustainability partner that can aid our efforts to rebalance our environmental impacts, by offering solutions that can be effectively implemented and measured.

Ecologi (www.ecologi.com) is an eco-partnership platform allowing businesses to offset their carbon footprint by funding gold standard accredited climate projects around the globe. The business also captures and certifies your funding and investment to create total transparency.

The two main focus areas we are working on with Ecologi currently are:

Plant a tree

As a business we recognise that our product portfolios consume significant amounts of cardboard and paper within our packaging, especially as we are now delivering products globally. To offset our cardboard and paper usage, we have introduced a commercial initiative that means when certain products from our

ranges are purchased by consumers, the business will plant a tree on behalf of the consumer, through one of Ecologi's global schemes.

We have now rolled out the Plant a Tree initiative across our biggest brands and product divisions, including housewares and electrical. As such, we have already planted 10,408 trees and will continue to do so in the coming years.

Carbon offset

Accredited carbon offset schemes allow businesses such as ours to invest and help fund initiatives that have a focus on developing new eco-friendly and/or renewable energy technology solutions to support future environmental sustainability.

At the beginning of 2021, with the help of Ecologi and our supply chain partners, we were able to start collating data on our CO₂ consumption within our wider supply chain (Scope 3) operation. With accurate data, we can start to offset this carbon use by investing in eco-based schemes offered by Ecologi.

With this new development in data capture, the business can now begin to set long-term goals on how to reduce, remove and rebalance our carbon footprint, with the aim of becoming carbon-neutral in the coming years. However, we are already in a position to make the following pledges:

Through remove, reduce and rebalance, we pledge to neutralise the carbon footprint:

- created by our UK operations by 2030;
- created by our shipping of goods by 2030; and
- created by our operations delivering orders to customers by 2040.

As we are given more access to information from our suppliers and supply chain partners it will enable us to assess further what more we can do, including the CO₂ impact of our factory and wider manufacturing base (Scope 3) to determine how we can work towards achieving net zero in the future.

UP

ULTIMATE PRODUCTS
HOME OF BRANDS

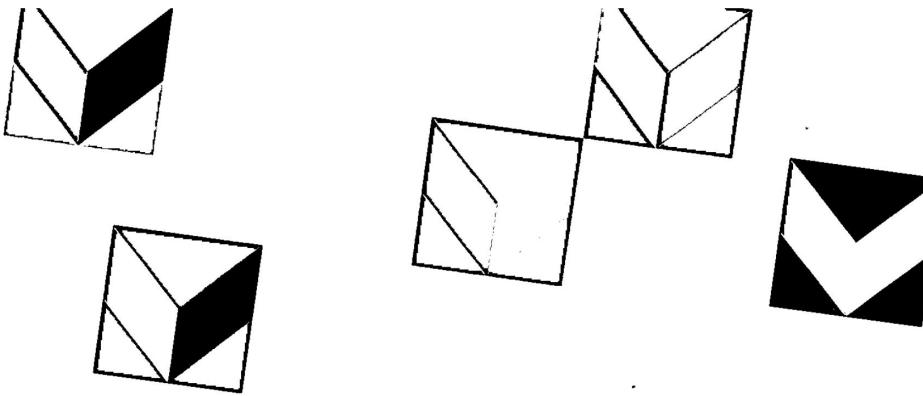
BUY ONE & PLANT ONE
Growing a greener future together

EARTH DAY

22 APRIL

Going Greener!

True to our name, we're growing UP and going greener.
Recognising the importance of our planet, we're taking steps towards a sustainable future,
starting by planting trees for products sold. Keep your eyes peeled for future plans as we
build our Going Greener campaign!



PRODUCT QUALITY AND LIFE CYCLE

Offering quality in our product and service is a core value of our business and key driver in everything that we do. Providing a quality product is not only the right thing to do for the consumer, it also has a positive effect on extending the life cycle and use of each item.

Investment in product quality has been a key focus for the business over recent years with our human resources in our quality teams, both in the UK and China, increasing along with significant improvements to our facilities and processes. As such, product quality has become a key internal reporting area with greater focus from the Senior Management Team in reviewing three main areas:

Product returns	Reduced product return rates (particularly faulty/demol returns) ultimately highlights an improvement in product quality and increases in product life cycle.
Consumer feedback	The business uses consumer feedback as a means for continuous improvement for our brands and consumer goods. Engagement with our customer is completed through our customer service team, marketing software called VYPR and monitoring Amazon reviews. Better feedback and reviews highlights better quality of product.
WEEE waste	It is our focus to minimise waste through thorough assessment before deciding to place items into WEEE waste. Instead, we have introduced new means to strip returned products for spare parts and reuse or recycle. We also now work with a product reconditioning partner who is able to refurbish or recycle electrical items for resale.

With greater focus on product quality and life cycle, it has enabled our faulty returns performance to remain stable at very low levels, achieving our KPI. However, we continue to monitor this with the aim of further improvements as the business's sales increase and we can utilise more product recycling opportunities with our new partner.

Environmental reporting

With the increased environmental efforts this year across a broad spectrum of areas and the challenges of lockdown, it hasn't always been possible to effectively collate data on how our changes have positively impacted compared to previous years. We are working on this and are very confident that in 2022 we will have the means to effectively report on our performance more accurately. This will include working towards the TCFD framework in the next financial year and further looking into our scope 3 carbon emissions.

However, we are still able to effectively report on our Scope 1 and Scope 2 carbon emissions areas as detailed below.

The greenhouse gas ('GHG') statement below provides a summary of Ultimate Products' greenhouse gas (carbon) emissions each year from 1 August 2019 to 31 July 2021. It gives a summary of emissions from fuel combustion and the operation of our facilities, which includes our offices, Fleet & Grey Fleet (Scope 1) and our purchased electricity used during the year (Scope 2).

We have adopted the operational control approach, as defined in The Greenhouse Gas Protocol, a Corporate Accounting and Reporting Standard (Revised Edition), 2004. As such, emissions associated with our rented sites are not included in this statement, as they are considered to be outside of our operational control.

- **Scope 1** covers activities owned or controlled by Ultimate Products that release emissions directly into the atmosphere, i.e. gas boilers, vehicle operation, air conditioning etc.
- **Scope 2** covers activities that are not owned or controlled by Ultimate Products but that create emissions as a result of our activities, i.e. electricity consumption.

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Years	2021		2020*	
	tCO ₂ e	tCO ₂ e/FTEE	tCO ₂ e	tCO ₂ e/FTEE
Scope 1	279.73	0.95	266.16	0.92
Total UK %	100 %		100 %	
Scope 2	211.63	0.71	186.81	0.65
Total UK %	75.3 %		75.5 %	
Statutory total (Scope 1 and 2)	491.36	1.66	452.97	1.57
Statutory total in KWh (Scope 1 & 2)	2,379,219		2,068,872	
Full-time equivalent employee (FTEE)	295.7		288.8	

* The 2020 figures recorded in the previous Annual Report were inaccurate due to a clerical error in relation to Scope 2 factor use. These have now been checked and reset.

We are disappointed to see an overall increase in our Scope 1 & 2 performance this year and are currently looking into the reasons why this is in more detail via our Environmental Committee.

We believe it relates to an increase in activity on our sites as lockdown has eased and our operation and general activity has significantly increased. In particular, our Heron Mill site is now effectively a six day operation versus a five day in previous years requiring additional energy consumption compared to previous years. Our headcount has also continued to increase this due to the continued growth of the business driving additional consumption across all of our key sites.

However, we intend to rectify this in future years through our Reduce and Replace initiative along with achieving Grade A category for energy efficiency for both Manor and Heron Mill.

As a growing business, over the coming years, we shall also start to consider the use of intensity ratios/targets and Science-Based Targets ('SBT') where appropriate to the size and scope of our operation.

Assessment Parameters

Offices	
Baseline year	2017
Consolidation approach	Operational control
Boundary summary	All facilities under operational control were included
Consistency with the Financial Statements	The use of the operational control approach causes a variation to our Financial Statements. Third party locations utilised in our operations were not under our operational control and are therefore not included in our emissions table. However, approximately 8 Grey Fleet, which were under our operational control, appear in our emissions table but not in our consolidated Financial Statements.
Emission factor data source	DEFRA
Assessment methodology	The Greenhouse Gas Protocol and ISO 14064-1 (2006).
Materiality threshold	Materiality was set at Group level at 5 %, with all facilities estimated to contribute >1 % of total emissions included.
Intensity ratio	Emissions per full-time equivalent employee (FTEE).



Term	Definition
'FY 22'	the financial year for the Group for the 12 months ended 31 July 2022;
'GDPR'	the General Data Protection Regulation being a legal framework that sets guidelines for the collection and processing of personal information from individuals who live in the UK and the European Union;
'GHG'	Greenhouse gas. A greenhouse gas (GHG or GhG) is a gas that absorbs and emits radiant energy within the thermal infrared range, causing the greenhouse effect;
'Group'	the Company and its Subsidiaries from time to time;
'H1'	the six-month period ended 31 January;
'H2'	the six-month period ended 31 July;
'HGV'	heavy goods vehicle;
'Independent Non-Executive Directors'	Independent Non-Executive Directors of the Company, within the meaning of the UK Corporate Governance Code, being James McCarthy, Robbie Bell, Alan Rigby, and since 21 September 2020 Christine Adshead and Jill Easterbrook;
'IPO' or 'Initial Public Offering'	the Group's admission to the premium segment of the Official List of the Financial Conduct Authority and to trading on the Main Market of the London Stock Exchange plc on 6 March 2017;
'KPIs'	key performance indicators;
'Landed'	the Landed duty paid arrangements pursuant to which the Group imports goods into the UK;
'LFL'	like-for-like;
'Net Debt' or 'Net Bank Debt'	total borrowings excluding unamortised debt issue costs and less cash balances at the end of the financial year;
'Net Debt/Underlying EBITDA Ratio'	Net Debt at the end of the financial year divided by Underlying EBITDA for the same period;
'Nomination Committee'	the nomination committee of the Board;
'Non-Executive Directors'	James McCarthy, Robbie Bell, Alan Rigby, until 18 September 2020, Barry Franks, and since 21 September 2020 Christine Adshead and Jill Easterbrook;
'Official List'	the Official List of the UK Listing Authority;
'PLN' or 'Polish Zloty'	the lawful currency of Poland
'PSP'	Performance Share Plan scheme;
'Q1'	the first quarter of the financial year;
'Q2'	the second quarter of the financial year;
'Q3'	the third quarter of the financial year;
'Q4'	the fourth quarter of the financial year;
'QA'	quality assurance;
'Remuneration Committee'	the Remuneration Committee of the Board;
'Remuneration Policy'	the proposed Remuneration Policy of the Board;