

ESG Report

We are committed to promoting sustainability and responsible business practices both as a Group and through our individual brands. As an industry leader, we have invested in packaging technology and plan to transition all protein powder products into recyclable pouch packaging, a first for the sports nutrition industry globally. Furthermore, our move to a new combined supply chain site in the prior year has seen significant environmental improvements by reducing transport miles, carbon emissions and creating new opportunities for those living and working in Blackburn.

ENVIRONMENT

In the prior year, we successfully opened our new single supply chain site at Blackburn. This new purpose-built facility replaces four separate operating sites and eliminates the need to move raw materials and finished goods between the different sites reducing carbon emissions. In addition, the new significantly larger single site provides increased capability to manufacture finished goods products in-house, reducing transport miles and the carbon footprint of products.

The new building incorporates many of the latest energy saving features such as low flow plumbing fixtures, programmable air temperature control units, LED lighting and the use of natural light to reduce lighting requirements.

We have commenced measurement of our new carbon emissions level as a baseline for targeting future carbon emissions efficiency improvements towards developing science based targets.

We have moved all our PhD and Science in Sport protein containers to recyclable materials. Protein pouches are recyclable via supermarket soft plastic recycling facilities.

We are constantly evaluating new packaging technology and its appropriateness for our premium products. Sustainable packaging means using the packaging format with the lowest possible environmental footprint, whilst meeting the requirement to protect, transport and present the Science in Sport and PhD brands.

Since the second half of 2021 all products are screened for recycling or use in electricity generation, with a view to eliminating landfill waste going forward.

CARBON REPORTING

Each year our carbon emissions are reviewed by Carbon Neutral Britain. We use their methodology to calculate the carbon emissions from our ongoing operations. 2023 values are taken from our submitted report.

Calculated carbon emissions are offset using projects certified through the Verified Carbon Standard (VCS) and UK Emissions Trading Standard (UK ETS), in order to achieve accredited carbon neutral status.

Key energy efficiency actions are described above in our Environmental section of this report.

Under the SECR (Streamlined Energy and Carbon Reporting) framework, the Group's Scope 1 & 2 energy use in 2023 is set out overleaf, along with the Intensity ratio. All energy use relates to activities in the UK.

The Intensity ratio is calculated as the tonnes of CO₂ per £m sales divided by the reported 2023 total group revenue as per the Income statement.

	2023	2022	Increase / (decrease)
Energy use (MWh)			
Scope 1 - Combustion of fuel, owned transport	-	-	-
Scope 1 - Consumption of gas	915	828	87
Scope 2 - Consumption of electricity	1,438	923	515
Total energy use	2,353	1,751	602
GHG emissions (tonne CO₂e)			
Scope 1 - Combustion of fuel, owned transport	3	3	-
Scope 1 - Consumption of gas	167	151	16
Scope 2 - Consumption of electricity	301	192	109
Total CO₂e emissions	471	346	125
Intensity ratio (CO₂ per £m Sales)	7.5	5.4	(2.1)

As the Blackburn site is now fully operational, we will reset our baseline emissions and use this as a reference point to measure further improvements. We are expecting future operational efficiencies as a result of this move.

We have electric vehicle charging points on site at our Blackburn facility to support our employees who are already making more sustainable choices and offer a Cycle to Work scheme to all employees to provide a healthy and sustainable way to travel to work.

SOCIAL

We've supported activities to encourage and facilitate sportsmen and sportswomen from disadvantaged and under-represented communities access cycling. Building long-term partnerships and relationships is key to us and we're proud of the organisations we've supported in 2023.

The Black Unity Bike Ride (BUBR) is an alliance of London's black cycling groups supported by more than 20 organisations and collectives from across London's community with regular events and an annual 14 mile bike ride into London which attracts circa 2000 riders.

We sponsored the annual event in 2023 by designing, and donating 3000 unique SiS x BUBR water bottles and range of SiS products enabling the alliance to provide energy and hydration in the form of hydro tablets, energy bars and protein bars for all riders. This donation also enabled the BUBR to raise funds for future events through the sale of the SiS x BUBR water bottles and SiS products.

The Science in Sport employee team participated in the annual London to Paris cycle ride and we continue to support employees looking to take part in their first marathon through our partnerships with Manchester and New York Marathon.

EMPLOYEES

The diversity of our workforce is a strength, and we are keen to recruit employees from a wide range of backgrounds. We place a strong emphasis on fostering diversity and inclusion within our workforce. In 2023, we recruited employees from a wide array of backgrounds, with 19% of our workforce comprising non-UK nationals, exceeding the 17% average reported in Gov.Uk Official Statistics.

We also recognise the importance of gender equality and transparency in pay, analysis of our gender splits showcased a 54%/46% split between men and women in relation to pay.

Gender diversity as at 31 December 2023 across the business is set out below:

	Female	Male
Manager Team	21	23
Executive Team	-	5
All employees	82	107
Total	103	135

Our investment in talent development and employee support remains unwavering. We appointed a Chief People Officer in H2 to spearhead our people strategy, resulting in 36 internal promotions in the year from June 2023 and ongoing efforts to leverage employee feedback through surveys and focus groups.

Our employee voice is an integral part of people plan and improving work and life for our employees. Our group employee voice survey in January 2024 achieved a response rate of 81% which was an improvement of 57% on surveys previously issued.

Our approach through this survey was to understand the key drivers of employee satisfaction in our workforce and areas for improvement.

Our survey informed us that a high sense of pride and motivation exists within our workforce with 71% of our employees telling us ‘they are proud to work for Science in Sport and are ‘motivated to give their best at work’.

Communication, leadership and personal development are our core retention drivers and we continue to improve on these areas as we work through the year.

Since our last survey, we have implemented a range of communication tools to ensure we are reaching all corners of our business and we continue to create development opportunities through internal secondments, work shadowing and apprenticeship qualifications from Level 3 up to Level 7.

5 of our leaders will embark on an executive Master’s in Leadership to strengthen leadership capability and demonstrate our dedication to fostering a culture of continuous growth and development.

Our commitment to community engagement is exemplified through initiatives such as our internship programme with Blackburn College and our participation in their work fair.

As advocates for fair compensation, we proudly retain our accredited Real Living Wage employer status, ensuring fair pay for all employees and contractors across our UK sites.

Additionally, our MVP scheme has bolstered peer and leadership recognition, culminating in awards at our end-of-year celebrations.

Internally, we prioritise mental health and wellbeing, fostering open dialogue and support through dedicated events and the presence of Mental Health First Aiders at both our sites. Our unwavering dedication to diversity, talent development, fair compensation, and employee wellbeing underscores our commitment to responsible business practices and sustainable growth.

The safety of our employees remains a focus of our Board, our Executive Team and everyone who works at Science in Sport.

In 2023, we maintained our safety record of no reportable accidents for a second year in a row, as a result of our intense safety management processes and the work our teams continue to do to drive a 'safety mindset' across our business.

GOVERNANCE

The Board has adopted the QCA (Quoted Companies Alliance) Corporate Governance Code in line with the LSE requirement that AIM listed companies adopt and comply with a recognised corporate governance code. This policy is reviewed and updated annually. Full corporate governance disclosure can be found on our [sisplc.com](https://www.sisplc.com) website under the Corporate Governance section.

Due to our statutory loss before tax, we are not a net corporation tax-payer. We contribute to the economy through VAT, PAYE and NI remittances. Our Group Taxation Policy is to pay the right amount of tax, at the right time, in the right place, in line with tax laws where we operate. We are proud that we contribute to the development of the economies in which we operate and take our responsibility to pay our fair share of tax seriously.

Tax is considered in all significant business decisions. We don't undertake transactions or operate in any perceived tax havens to realise tax savings or participate in any aggressive tax avoidance schemes.

We commit to operating in a tax efficient way in compliance with current tax legislation in order to maximise shareholder returns.

A Group Risk Register is maintained with the principal risks faced by the Group, and a quarterly review with the Board takes place on risks we believe could seriously affect the

Group's performance, future prospects, reputation or its ability to deliver against its priorities. This Risk Register is included our annual report for year ending December 2023.

We recognise the importance of suppliers as strategic partners as we continue to grow the business, and we have the appropriate teams in place to ensure positive relationships across all key stakeholders. Our supply chain includes packaging manufacturers, raw materials providers, co-manufacturers, consumables providers and service providers. As part of our procurement processes, we require our suppliers to demonstrate the efficacy of their supply chain, the quality controls they have in place and provide information about their Ethical Trading policies and practices as part of the supplier approval process. We have an active membership with SEDEX (the Supplier Ethical Data Exchange) and conduct internal audits on our systems and practices.

We have also reaffirmed our commitment to ensuring Modern Slavery is not present in our supply chain or our employee base as detailed in our Modern Slavery statement. This statement can be found under 'Responsibility' on our corporate website.

PREVENTING BANNED SUBSTANCES

The Science in Sport brand is trusted by professional and Olympic athletes in a range of sports across the world. A key component of this trust is our approach to preventing banned substances entering our supply chain and finished products. In line with this, Science in Sport is the only brand globally to hold both Informed Sport Site (Manufacture) Certification and Informed Product Certification. Each year an internal review of the banned substance prevention regime takes place, and from January 2018 we embarked on our journey to Informed Sport Manufacture Certification, since achievement of our certification we have been audited by LGC on an annual basis to certify we are meeting requirements.

Every batch of Science in Sport finished product which leaves the Company's factory is screened against the World Anti-Doping Agency ("WADA") list. Banned substances including steroids are tested to the level of 10 Nanograms per gram, and stimulants to 100 Nanograms per gram.

Batches (sampled at the beginning, during and end of each product batch) receive the recognised and respected Informed Sport certificate. Finished product testing is the final and most effective step that we have to ensure product assurance.

Every new raw material delivered to site undergoes testing. All new raw materials being introduced to site, particularly from new suppliers, are tested by SiS as well as undergoing testing for prohibited substances, prior to being approved to enter the manufacturing process.

Full trace management of all raw materials from raw material base and manufacturing supplier, through to finished goods manufactured per production batch. This allows the Company to demonstrate to athletes the source of ingredients and all parties involved in the manufacturing process.

Rigorous screening of all ingredient suppliers, including annual auditing. All suppliers are required to be certified to a recognised Quality Management system that is approved by The Global Food Safety Initiative.

In-house product screening within the Company's production facility in Blackburn, Lancashire, including swab testing for banned substances, and surprise third-party inspections throughout the year.

ASSURING PRODUCT QUALITY AND EFFICACY

Delivering products of the highest quality and for a diverse consumer base is of paramount importance and we understand our responsibility to our consumers. We respect and understand the dietary diversity that exists within society and we have worked to build an inclusive product range that is verified and accessible to a diverse population. Through a series of accreditations we aim to secure consumer confidence to ease the decision process when purchasing our products.

We hold Halal quality control, Kosher certification and accreditation from the Vegetarian Society demonstrating that our manufacturing process meets the requirements to classify products as halal, kosher, vegan and vegetarian.

We hold FSSC 22000 and GMP/HACCP accreditation to ensure the highest level of food hygiene, food safety and quality control throughout our manufacturing process.

All of our products are registered and approved for consumption by the FDA and we are audited regularly by the EHO to ensure our manufacturing practices are delivered to a high standard.

We continue to seek ways to improve our manufacturing process and reinforce our product quality and efficacy, this will remain a critical part of our product development strategy.