

About this report

This is our first impact report and covers the period of 1st January 2023 to 31st December 2023 for Matrix APA UK Ltd. Data in this report is representative of our London (UK) headquarters and Dongguan (China) office except where noted otherwise; we are working hard to collect data for **matrix** labs, which we purchased during 2023, and will include additional data for in our next report.



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I'm delighted to be delivering our first ever Impact Report. 2023 was a fantastic year for **matrix**, with exciting growth across all areas of the business. From an impact perspective, we defined our strategy and set ourselves some ambitious targets for the future, building on the work that we have done in this space over many years.

This Report is our way to share our impact journey with our community in an honest and transparent way. I am proud of our commitment to sustainability, which was reflected in our recent B Corp recertification where we improved our score by 10 points.

I am, however, conscious that we need to be honest about what we do. We exist to create products for our customers. This itself fuels consumerism, which has a detrimental effect on our planet. We acknowledge that we have a role to play within the beauty industry; whilst we might not have the answer to every problem, we're determined to minimise our social and environmental impact.

matrix is a people-first business. I am incredibly proud of the talented, passionate, and most importantly, value-aligned people that work for us. Their dedication is what drives our success.

Having lost over half of our employees during the pandemic, we've invested in rebuilding our team and our sustainability capabilities. I'm delighted that Abigail West joined us last year to head up our People and ESG function, and really look forward to seeing what she and the team will achieve over the months and years ahead.

I have always believed in the importance of **matrix** as a 'force for good' throughout our value chain. We've built strong relationships with our suppliers over many years and these deep partnerships are primarily created through our work on social and ethical worker welfare as part of our Beyond Audit Programme. We believe that everyone in our supply chain should be treated in the same way we would expect to be treated ourselves. I am so proud of the work our Social Responsibility Team - led by the hugely capable Robin Zhang - does day in and day out on the ground in China.

There was no greater example of these relationships than when we were navigating the challenges of the pandemic. I'll always be eternally grateful for how each and every supplier helped us through our most difficult time, and continue to work with us today. It's one thing to build a supplier relationship through mutual business interests, but there's another much deeper and more authentic connection when relationships are based around culture and value alignment.

As we grow the business, we are focusing more on the products that we create and their impact on people and our planet. We're continuously learning how to do this better, in order to develop, manufacture and distribute what we create as responsibly as possible. Our ability to be open minded, and to work collaboratively with other partners means that we're confident we can make meaningful progress. From this report you'll see we have lots planned, I believe that by all working together we can achieve our goals and I'm excited to see where our renewed focus on sustainability takes us.

G.

Charlie Bradshaw, Founder

Our 2023 business highlights

REACHED £40m 23% **IN TURNOVER**

+54% FROM 2022 **EMPLOYEES**

66% female 34% male

67% FEMALE MANAGERS



NEW LONDON HEADQUARTERS TO SUPPORT TEAM GROWTH



OUR PRODUCTS WERE SOLD IN

COUNTRIES







matrixlabs

INVESTED IN matrixlabs to EXPAND OUR MANUFACTURING CAPABILITIES IN THE UK

matrix

Our 2023 brand successes

In 2023 our brands were repeatedly recognised within the industry for their excellence.



















WHO WHAT WEAR



100% OF TIER 1 SUPPLIERS **COMPLETING OUR BEYOND AUDIT PROGRAMME**

DAYS VISITING SUPPLIERS' **FACTORIES CONDUCTING** AUDITS, DELIVERING TRAINING & SUPPORT



GOLD ECOVADIS STATUS, PUTTING **US IN THE TOP**

OF COMPANIES

Our 2023 impact highlights

11 years OF ETHICAL TRADING INITIATIVE (ETI) MEMBERSHIP





THE SUNDAY TIMES **Best Places** to Work 2023 400 hours

OF TRAINING DELIVERED TO SUPPLIERS' FACTORIES BY OUR SOCIAL **RESPONSIBILITY TEAM**

CREATED OUR IMPACT STRATEGY & A NEW SENIOR ESG MANAGER ROLE

Certified matrix RECERTIFIED AS B CORP **POINT IMPROVEMENT**

40%



CALCULATED OUR SCOPE, 1, 2 & 3 EMISSIONS BASELINE

Our business is structured around three areas:

About matrix

We are an innovative brand platform. Creating and growing amazing health and beauty brands through our unique, vertically integrated, services.





matrix

Our business structure







matrixbrands

Our Brands

We are creating a diverse portfolio of meaningful brands built upon innovative formulations, visionary cofounders and pioneering technologies. See our brands on the following page.

Private Brands

We're experts in curating, developing and growing amazing brands and product ranges exclusively for our partners. With close collaboration and brand expertise, we offer full category management from whitespace analysis, concept incubation to end-to-end delivery.

Our expertise is multi-category and high efficacy. We work with brands including SpaceNK, Primark, Kmart, Boots and The Nue Co.



matrixtravel

We partner with great British brands – such as The White Company and Bamford – to design and manufacture luxury sleepwear, bedding and amenity kits for airlines. Passengers of British Airways, Qatar, Cathay Pacific, and more, can now enjoy a great night's sleep in the sky.

We're passionate about delivering customer-led solutions to enhance guest and passenger experience, drive operational efficiencies, and reduce the environmental impact of travel.

As we evolve **matrix** travel, we're focused on working with our technology, retail and supply chain partners to create new models and solutions that break the mould and deliver an enhanced customer experience, better sustainability outcomes and reduced wastage.



matrixlabs

matrix *labs* is our full-service personal care, Good Manufacturing Practice (GMP) accredited manufacturing facility, complete with a research and design laboratory in the UK. The facility has over 35 years' experience in beauty and personal care manufacturing.

We have a fantastic team at **matrix** *labs*, with many of them having worked there for over 10 years. Our Labs management team is focused on looking after our environmental impact, creating a strong culture around health, safety and wellbeing, and giving the team the training they need to succeed.

As **matrix** labs is a relatively new addition to the family, we're still working to understand the **matrix** environmental and social impact of this part of our business. We're looking forward to rolling out our sustainability programmes and including more detail on **matrix** labs in our future reports.

matrixbrands

Our Brands



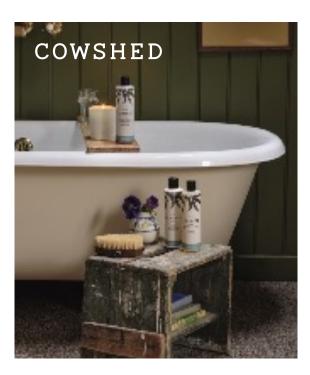
Made for healthier and happier heads

Developed in collaboration with industry renowned hair stylist and founder Adam Reed, ARKIVE is an award-winning, disruptive brand bringing a new form of haircare, 'Headcare' to the market. With products that give great style to your hair, whilst caring for your head.



Innovatively design skin barrier & biome care

Developed with industry innovator Rob Calcraft, co-founder of REN Skincare, Cultured was born to challenge beauty industry norms with its next generation skincare. It leverages super-active fermented ingredients to optimise your skin's natural regeneration, revitalisation and rebalancing potential.



Bring the spa home

Started from within the walled gardens of Babington House in Somerset England in 1998, this naturally sourced range of body and skincare products are designed to inject a little country calminto people's busy lives. Cowshed became part of the matrix business from 1st January 2024, so expect to hear more in next year's report.



Intelligent skincare for modern living

Inspired and created with Soho House's global membership community, the hyperfunctional formulas have been developed to remove complicated steps and create a simple, effective routine that meets the demands of modern lifestyles. Soho Skin became part of the **matrix** business from 1st January 2024, so expect to hear more in next year's report.

OPERATIONS

- HEADQUARTERS IN LONDON, UK
- OFFICES IN DONGGUAN, CHINA & HONG KONG
- OFFICE IN THE USA
- OPERATIONAL CAPABILITIES IN DUBAI
- matrixlabs IN ESSEX, UK

SUPPLY CHAIN

- TEXTILES AND AEROSOLS SUPPLIERS IN THE UK
- CANDLE SUPPLIER IN VIETNAM
- FINISHED GOODS & PACKAGING SUPPLIERS IN CHINA
- FILLING SERVICE SUPPLIER IN CAMBODIA

DISTRIBUTION

WAREHOUSING FACILITIES IN THE UK AND USA

Where we're based

Our operations

We are headquartered in London, UK, with other offices in Hong Kong and Dongguan, China, and a presence in Dubai. We are one global team, with our strong relationships across the globe enabling us to flexibly respond to client needs.

Our supply chain

The majority of our product supply chain is in China, which is where we started and grew our business. We also work with suppliers in the UK, Vietnam, the US and Cambodia, who we work closely with through our Beyond Audit programme.



What it means to be B Corp

We're proud to have been a B Corp since 2020. Becoming B Corp certified was an exciting decision for us; an opportunity to join a global community of like-minded businesses who share our values and mission.

As a B Corp, we're not only committed to positively impacting our planet, but also all the people we interact with a business – from our employees, to those in the communities where we operate, to our customers.

When we were first certified we achieved a score of 84, which we improved by 10 points when we recertified in 2023, taking our overall score to 94.7. This reflects all the hard work our team has put in over recent years - we're well above the median score for ordinary businesses of 50.9, but we've still got lots to do.

We love being part of the growing B Corp community in the UK. Meeting fellow B Corp-ers and learning from other brands keeps us inspired to improve.

We're also passionate about helping others in our supply chain to become B Corps. This year we introduced B Corp to some of our manufacturing partners in China and shared our knowledge and experience to get them started on their B Corp journey.



Governance 19.1
Workers 31.1
Community 21.6
Environment 17.8
Customers 3.7



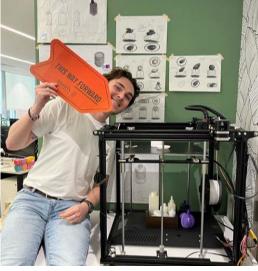


50.9 Median Score for Ordinary Business

B Beauty

A B Corp™ Beauty Coalition

We're part of the <u>B Beauty Coalition</u>, working collaboratively to create change in the beauty industry.







Our impact plan

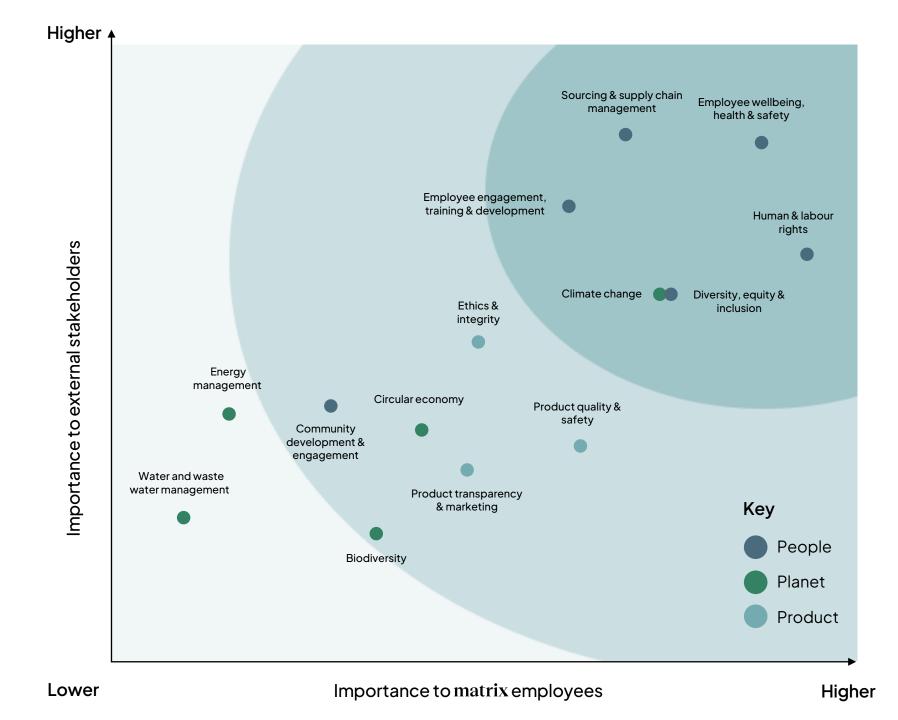
What's important to us

In 2023 we completed a materiality assessment to help us understand the impact topics that matter most to our employees and our external stakeholders.

It helped us to narrow down our areas of focus and gave us invaluable insights into what's important for our employees, customers, brand partners, NGOs and suppliers.

We spoke with our key internal and external partners and undertook a survey with our team to hear their perspectives, opening up the conversation on how we can all work together to make a positive impact.

The results showed that people-related impacts are most important to our stakeholders and highlighted that we need to work more on environmental aspects and engaging with our communities – insights which informed our Impact Plan.



Impact Report 2023

matrix

Our vision:

Being truly sustainable is a real challenge for our industry and our business. We take ownership of our impact and consciously create brands and products. We strive to reduce our environmental footprint and positively impact society; we're committed to transparently sharing the highs and lows of our journey.



This year we developed our Impact Plan with B.ABLE. It's a clear path forward for **matrix** to create a positive impact across our three pillars.



Empower our **people**



Respect our **planet**



OUR COMMITMENTS:

Be the best place to work

Defend human rights

Engage with our communities

Confront the climate crisis

Responsibly source new raw materials

Preserve our natural environment

Reduce our packaging impact

Consciously create

Educate our customers

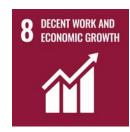
How we contribute to the global goals

The Sustainable Development Goals (SDGs) are a set of 17 global goals established by the United Nations in 2015 as part of the 2030 Agenda for Sustainable Development, designed to create a more sustainable and equitable future to ensure that no one is left behind. They're a call to action to end poverty and inequality, protect the planet, and ensure that all people enjoy health, justice and prosperity.

All the SDGs are important, but we're focusing our efforts on the nine goals where we can make the most impact.

Empower our people







Respect our planet







Innovate our products







Responsible business practices

We pride ourselves on being a responsible business and working to high standards of ethical conduct. We're big on communication and transparency, and we'll openly admit that we might not always get it right – but we're always keen to learn how to do it better next time.

It's everyone's responsibility at **matrix** to uphold our standards, we entrust every member of the team with the autonomy to make decisions and take ownership.

A strong focus for us in 2023 was building out our policy library - these documents form the how we work at **matrix**. They provide our employees with clarity on our expectations and what our team can expect from us as leaders.

- Employee Handbook
- Belonging Policy
- Resolution Policy
- Whistleblowing Policy
- Social Media & Digital Technology Policy
- Disciplinary Policy
- GDPR Policy
- Parental Leave Policy
- Hybrid Working at matrix Policy
- Probationary Period Policy



- Absence Management Policy
- Anti-Bribery and Corruption Policy
- Code of Ethics



Governance & Risk management

Our Founder, Charlie Bradshaw, oversees the business from a strategic perspective. The day to day running of our business is led by our Co-CEOs, Harry Zalk and Jon Yates, and our Senior Leadership Team (SLT).

Harry and Jon are responsible for the leadership and governance of **matrix**, as well as our growth strategy and commercial results. Our SLT meet regularly to discuss operations, challenges and risks, as well as opportunities across all aspects of the business. The SLT also meet for a monthly financial review, providing an opportunity to review and challenge results.

We update all our company on our performance and plans for the future, through quarterly town hall meetings and our annual Vision Day.



Green Team



matrix

Holding ourselves accountable for our impact

Impact is led by Abigail West, our Group People & ESG Director, alongside our Senior ESG Manager, who is responsible for implementation of our strategy. Our Senior Social Responsibility Manager also supports, with assistance from employees across the business.

Our Founder and Co-CEOs play an important role in ensuring sustainability remains part of our culture and have been closely involved in the strategy development process, the preparation of this report, and regular conversations about our impact.

Our goal is for sustainability and impact to be truly embedded into every role at **matrix**. Accountability for each of our targets sits with individuals in each department, and we meet as a group each quarter to collaborate, share our progress and discuss challenges.

Our internal committees – our Green Team and our *my* matrix Committee help bring our impact strategy and plans to life.

Our Green Team guide the rest of the business on our Product and Planet initiatives; organising events, arranging volunteering opportunities, and collaborating with external partners to promote sustainable practices.

Our mymatrix Committee act as our internal Belonging advocates. They arrange training and organise events to celebrate and educate our teams on workplace diversity, equity and inclusion. The Committee ensure that matrix remains a welcoming and supportive place to work, where everyone feels valued, respected and like they belong.

Our values

wherever we are in the world.

Our values are the building blocks of our business, and ultimately

our success. They're the common thread connecting our team,

They've been part of **matrix** since our very inception, and we're

"We use these values as a shared language, to express what we expect to see from our team

New employees have a **matrix** magic session with Charlie, our Founder, on the history of matrix, reinforcing the importance

proud to have stayed true to them during our entire journey.

in everything they do." Charlie, Founder

of our values and culture from the start.



We're a resilient team, radiating positivity and fuelled by boundless ambition



We're accountable, reliable and dependable, taking pride in upholding commitments



We're open-minded; proactive in our approach and inquisitive by nature



We're an empathetic and inclusive community, embracing and celebrating diversity

matrix

5 GENDER EQUALITY





Empower our people

71 employees

54% INCREASE FROM 2022

66% FEMALE

34% MALE

0% non-binary

Our commitments

- Be the best place to work
- Defend human rights
- Engage with our communities







Being the best place to work

Me want all our employees to be proud of working at **matrix**. To us this means making sure everyone feels valued and like they belong, that they can be themselves, and that diversity, equity and inclusion are truly embedded in our culture. The unique qualities and perspectives of our team are what makes us special. We're passionate about supporting our employees' wellbeing, including their physical health and safety, as well as providing opportunities to develop and grow in the business.

Our targets and progress to date

Be recognised as an employer of choice for our approach to wellbeing by 2025

Our wellbeing programme supports our teams' mental and physical health and their happiness (check out our Case Study on page 34 to find out more). In 2023 we had no accidents, days lost to injury, or health and safety concerns raised in our London and Dongguan offices. We've always taken pride in creating a positive workplace that stays true to our values and puts people in the centre of all that we do – we were thrilled to be featured in the Sunday Times Top 100 Places to Work List for 2023.

Formalise training and career development programmes for all employees and double training hours by 2025

We offer a comprehensive learning and developing programme, with a mix of in-person learning, online self-guided learning and one-to-one coaching. This includes core training modules for all employees on health and safety, business ethics, IT security, and environmental and social responsibility.

Achieve an Employee Net Promoter Score (eNPS) of 55 by 2028

We use the eNPS to understand team satisfaction and loyalty, and to measure the effectiveness of our People initiatives – our eNPS at the end of 2023 was 30. We also conduct regular pulse surveys to gather feedback, uncover any hidden problems, identify areas for improvement, and help build a more engaged and productive workforce.

We also introduced a whistleblowing tool in 2023. We investigated all concerns during the year and actions taken to address them, with the highest level of oversight.

Increase representation at all levels of leadership, to reach 50% women and 30% under-represented groups, plus achieve equitable pay by 2030

We have strong female representation in our SLT and 67% of our managers are female. We're working to understand the proportion of under-represented groups in leadership roles.

This year our focus has been on creating a culture of belonging. Our Belonging Policy outlines our ethos on inclusivity, and provides guidance for our team on what to do if they feel discriminated against.

We also launched our belonging committee, **mymatrix**, to champion, support and celebrate the voices of our employees.

We've completed an initial pay equity review and in are the process of exploring the results and understanding areas for improvement.

Our plans for 2024

- Substantial investment into learning and development across all levels; including leadership and management development, insights discovery training for all teams, and our new online learning portal.
- Expand our people data reporting.
- Roll out a new online learning platform to capture data on training hours and increase training levels.
- Continue to implement our wellbeing, training, engagement and DEI initiatives, and improve our pay equity.

matrix

Defending Human Rights

Ever since we launched in 1996 we've prioritised human rights. We have a responsibility to our employees, suppliers, and workers in our value chain to protect and respect their fundamental human rights. We're proud of the progress we have achieved through collaboration with our partners and are committed to the continued expansion of our Beyond Audit programme and paying a fair wage.

Our Modern Slavery Statement talks more about all the work we do on the ground and our plans for the future.

Click here to view our 2023 Modern Slavery Statement

Our targets and progress to date

100% of Tier 1 and high-risk Tier 2 suppliers to complete our Beyond Audit programme by 2028, enabling these suppliers to address salient human rights issues

Our Beyond Audit programme goes beyond reliance on audits alone, to working collaboratively with our suppliers to implement our robust due diligence process. This includes identifying risks, conducting on-site audits, designing effective remedial actions, supporting factories with closing out actions, and providing targeted training and capacity building programmes.

We implement the programme across our China-based Tier 1 product suppliers, and are working on rolling it out to our suppliers in other regions, as well as our Tier 2 suppliers. 70% of the 209 instances of non-compliance we identified through on-site audits were resolved within three months, with a further 20% having demonstrated improvements with resolution timelines in place.

Pay living wage or above for all employees by 2025

We've completed an initial assessment of our wages, based on the Living Wage framework in the UK and the Fair Wage Network framework for China. We're using the results of this to inform our pay structures and will work to address identified gaps over the coming years.

We're also working with our suppliers to ensure they pay their workers a living wage. Our Supplier Code of Conduct requires suppliers to pay wages that are at least compliant with local minimum wage regulations and sufficient to meet basic needs. Living wages are one of the key findings we identify in our onsite audits, so last year we conducted a study of wages in three of our Tier I factories.



- Enhance our responsible supply chain policies and procedures.
- Develop a training programme for all employees to increase awareness.
- Map our supply chain to Tier 2 and beyond and risk assess each supplier (including our remaining Tier 1 suppliers).
- Continue with the ETI's Responsible Purchasing Practices Initiative which is helping us better understand how purchasing practices impact workers' rights.



Engaging with our communities

Being a global business, we recognise the ability we have to positively impact the communities in the areas we operate. We care deeply about our communities and strive to make a positive impact wherever possible. We want to be recognised as leaders in the areas that matter most to us and to share our learnings with other businesses, amplifying our impact. We are also committed to empowering our employees to engage in volunteering to give back to our communities in meaningful ways.

Our targets and progress to date

Demonstrate industry leadership on social and environmental challenges by 2025, focusing on the needs of our communities in the regions where we operate

For over 11 years we've been members of the Ethical Trading
Initiative (ETI), a group of companies, trade unions and nongovernmental organisations working together to improve labour conditions and promote ethical trade practices. Being members of the ETI provides us with engaging and highly valuable learning and development opportunities, and gives us access to an amazing network of businesses on the same journey to learn from and collaborate with. Their Corporate Transparency Framework keeps us honest to our goals and ambitions, helping us to regularly reflect on our progress and identify areas for improvement.

matrix are also proud founding patrons of the <u>British Beauty</u> <u>Council</u>, who represent the voices, opinions and needs of the industry at government level. In 2023, we attended their Plastic Summit, which brought together beauty business leaders in an effort to solve beauty's plastic waste problem.

Provide skill-based volunteering opportunities for our team to give back to our communities and industry

We offer our employees two days of volunteering leave a year. Prior to COVID this was a well-established programme, working with charities chosen by our team; to get back to promoting this actively is a focus for 2024.

At Christmas time we donated £700 to Soup Kitchen, a charity for the homeless, elderly, lonely and vulnerable in London who aim to tackle the core issues of homelessness.

In China and the UK, we also donated samples and products to partners, including <u>Beauty Banks</u>.

In November, our ARKIVE team held a press event with the charity <u>Migrateful</u> to promote the great work they do in supporting migrants, refugees and asylum seekers in their journey to integration into the UK. The charity enables them to teach cookery classes showcasing the cuisines of their home countries and sharing their experiences with others.

- Identify the areas where we want to be known as leaders, and the forums for us to make a real impact, plus continue to share our knowledge and experiences through ETI, British Beauty Council and B Beauty Coalition.
- Develop a plan for skill-based volunteering opportunities and improve our tracking of community contributions. .

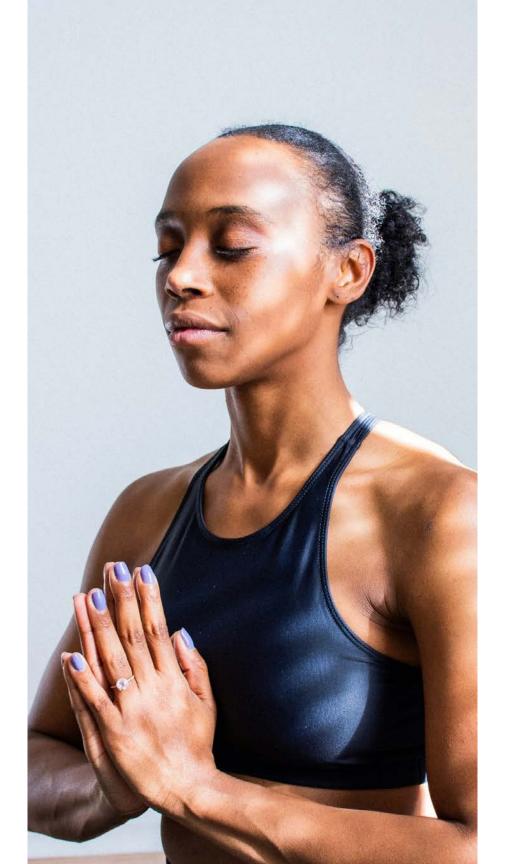
Case study: Wellbeing at matrix

We know that now more than ever, modern life can be complex, full of demands and stresses, so we want to support our employees and improve their health and happiness.

Following feedback from our Summer 2023 Staff Engagement survey, we developed a comprehensive wellbeing programme to support our team's mental and physical health. So far the results have been positive.

We did another survey to check-in specifically on our team's wellbeing in December 2023, and generally saw favourable scores, with 82% of our team scoring themselves as engaged or highly engaged.

However, we know that this is a consistent and persistent area that needs improvement across our business. We're now including a question about workload in each of our quarterly performance reviews, so that our team have a dedicated safe space to talk openly. We have begun a series of focus groups to understand the issue in more detail, to better enable us to understand and make improvements.



Our wellbeing initiatives and policies

We're passionate about supporting our team's wellbeing, in as meaningful and authentic a way as possible, so we offer a number of initiatives and benefits from the very first day of their employment, including:

- Next day virtual access to trained medical professionals who specialise in a range of mental health services such as counselling, therapy, mindfulness and coaching through MyndUp.
- Additional half day of annual leave 'You Time' to dedicate some time to do something we love.
- A calendar of events including desk yoga, meditation, weekly breakfasts and on-site massages.
- Mental Health First Aiders on site.
- Generous annual leave across our offices
- 10 days per year to work from abroad.
- 24/7 access to help and advice on a wide range of mental health topics through our Employee Assistance Programme.

We're also proud of the policies we have in place to support the wellbeing of our team. These include support for menstrual/period-related issues, menopause, pregnancy loss, fertility treatment, gender reassignment, carers leave and elder care.

Respect our planet

We have a responsibility to respect the plant, reduce our impact and contribute to restoring nature to address the negative impact the beauty and travel industries have on the environment We're focusing on sustainable product design, tracking and reducing our waste, water, energy and carbon emissions, and where our packaging and ingredients are being sourced from.

We're in the process of educating ourselves and upskilling our team on the impact of our formulations and embedding circular practices in design. We're passionate about leaving the planet in a much better place than we found it, and are committed to embedding this into the way we create products and brands.







Our commitments

- Confronting the climate crisis
- Responsibly sourcing raw materials
- Preserving our natural environment



Confronting the climate crisis

We're committed to doing our part to address the global climate crisis by reducing our carbon emissions. At the same time, we're also passionate about addressing the global biodiversity crisis and contributing to restoring biodiversity in the UK.

We recognise that as a fast-growing business we need to find a way to balance our commercial growth with a reduction plan. We haven't set a net zero target, or any emissions reductions target at this stage. We'll be setting these in 2024 now that we have a better understanding of our carbon footprint.

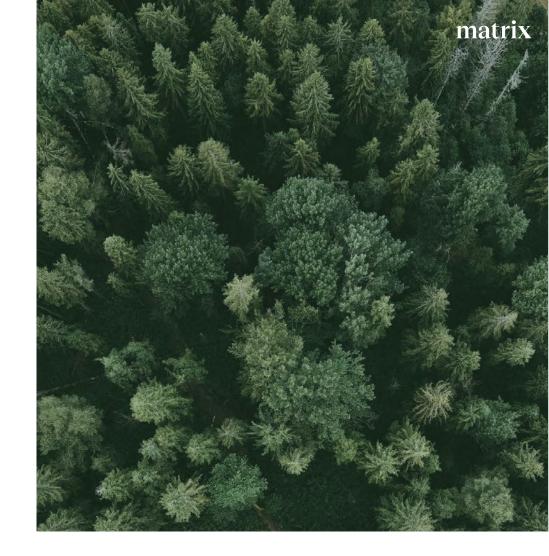
Our targets and progress to date

In 2024, we will calculate our emissions baseline and develop meaningful GHG emissions reduction targets for 2030

We've been working to accurately understanding our carbon emissions over the last three years. Since 2020 we've been offsetting our emission through Ecologi (you can see our contribution here), helping to plant trees and fund renewable energy and methane emissions reduction projects.

Establish 150 acres of matrix-owned, UK based carbon sequestration projects by 2025

We're in the early stages of developing a carbon sequestration project in the UK. Through our trial site we're hoping to convert 20 acres of what was previously poor quality grassland habitat into a rich, diverse area. We've planted 200 fruit trees, from 133 species which historically would have been present in the area, along with fruit bushes and wildflowers to attract pollinators. Each year we conduct an annual ecology survey to understand how biodiversity is changing and we've seen promising results so far.



- Improve the quality of our Scope 3 data, and develop a plan to reduce our emissions.
- Continue with our biodiversity project and work to expand the project footprint.

Responsibly sourcing raw materials

The ingredients that we source to create our products are an essential part of creating our **matrix** magic. We're aware of the potential negative impacts that our raw materials can have on the environment at a local level, and are committed to improving our understanding of the environmental and social impacts of what we source.

Our aim is to be able to trace our materials back to their origin and have sustainable sourcing policies in place to minimise these impacts, allowing us to shift our internal decisionmaking processes towards more sustainable alternatives.

Our targets and progress to date

Map 100% of raw materials to their regions of origin by 2030; develop sustainable sourcing policies for each of our product categories and apply to 90% of new products by 2025

Responsible sourcing of raw material is a new focus area for us. We're at the beginning of mapping the origins of our raw materials and developing sustainable sourcing policies, and we look forward to sharing our progress in our next report.

All our owned brand products have Leaping Bunny certification from Cruelty Free International. The comprehensive chain of custody process for obtaining this certification will help us obtain some of the data we need for mapping our raw materials.

- Work with our raw material suppliers to obtain data on the origin of our materials, to be used as part of the product development process.
- Make materials sourcing as part of our formulation briefing process.
- Work collaboratively with our formulations partners and suppliers to develop sustainable sourcing policies.

Preserving the natural environment

To conserve our planet's finite natural resources, we're committed to reducing the environmental impact of our production, focusing on the key environmental risks for each of our manufacturing sites, such as minimising the amount of waste we send to landfill and reducing water consumption.

To ensure our suppliers support our ambition we'll audit their environmental performance, like we do with our social audits, and work with them to improve.

Our targets and progress to date

Measure our water use, waste production and energy consumption, and establish an environmental management system to responsibly manage and reduce our impacts

We're aware of our environmental impacts, and are developing processes to improve how we understand, measure and monitor our environmental risks, and reduce our negative impacts.

Conduct environmental audits of high environmental risk Tier 1 product suppliers by 2025 and high environmental risk Tier 2 product suppliers by 2028

We're developing a more in-depth environmental audit checklist and process to expand our understanding of our suppliers' environmental performance.

In 2023, nine of our Tier I factories in China were audited using the SMETA 4-pillar framework, which assesses environmental performance including waste, water, energy and greenhouse gas emissions.

In addition, five of our 15 Tier 1 China-based product suppliers have implemented an ISO14001 environmental management system, showing their commitment to monitoring and reducing their environmental impact.



- Start collecting water, waste and other relevant environmental data for our operations and Tier 1 suppliers.
- Develop an environmental audit programme, building on the aspects covered in third-party audits.
- Identify our high environmental risk Tier 1 and Tier 2 suppliers, and prioritise suppliers based on their level of risk to inform our audit schedule.
- Develop a new environmental training module for highrisk suppliers.

Scope 3 emissions breakdown



Over the last few years we've been gradually building our carbon footprint. For 2023 we've calculated our Scope 1, 2 and 3 emissions. Our Scope 3 emissions represent over 99% of our footprint, so this is where we'll be focusing our efforts to reduce emissions, working with our team and our suppliers.

Emissions

deep dive

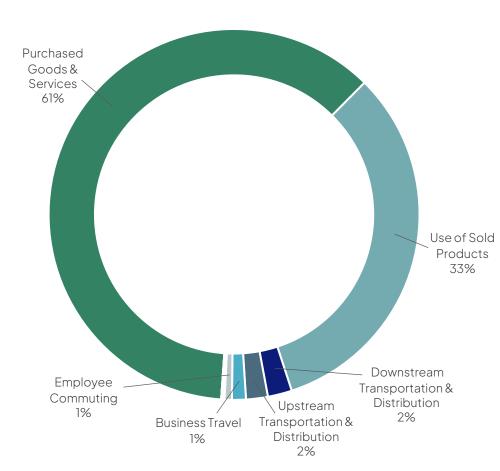
2023 Carbon footprint

Scope 1 emissions: 12 tCO₂e

Scope 2 (location-based) emissions: 31 tCO₂e

Scope 2 (market-based) emissions: 33 tCO₂e

Scope 3 emissions: 20,112 tCO₂e



Our purchased goods and services make up 61% of our carbon footprint. These are the emissions from the manufacturing of our products. Working with our suppliers to reduce their emissions will help us bring this figure down.

Our second highest emissions source is the use of our sold products. This is primarily energy used by airlines to launder blankets used on flights, and the energy used in peoples' homes to heat up water for showers and washing their face. In the coming years we'll be working on educating our customers to reduce the amount of energy they use - such as reducing shower times and washing at lower temperatures.



Our plans for 2024

• We'll continue to improve our carbon footprint, closing some of the gaps in our Scope 3 data as more information is available, and refining our assumptions.

Innovate our products

We are passionate about creating amazing products.

Offering quality products and cultivating long-term

customer relationships are at the core of our business; we're

dedicated to designing products and brands that create

value and a positive impact.

We acknowledge that as an industry there is a need for us to mprove, and create products more responsibly. We have always put a lot of time and effort into creating the highest quality products for our customers, and as the business continues to grow, we will ensure sustainability and nnovation are front of mind in our design process and embedded throughout the product lifecycle.







Our commitments

- Reduce our packaging impact
- Consciously create
- Educate our customers



Reduce our packaging impact

The personal care and beauty industry produces more than 120 billion units of packaging annually, with 95% thrown away. We want to create beautiful products while addressing the significant waste issue that comes as a result. We are committed to reducing the impact of our packaging and making it easier for our customers to responsibly dispose of our packaging. We're doing this by increasing the amount of recycled content, reducing overall packaging and increasing the reusability, recyclability and compostability of our packaging.

Our targets and progress to date

Over 50% of plastic to come from recycled sources by 2030; over 80% of packaging to be reusable, recyclable or compostable by 2030; reduce packaging weight intensity (based on overall product weight) by over 15% by 2030 (against a 2023 baseline)

Until now we've been able to achieve ongoing improvements in our packaging impact, but this hasn't been approached strategically. We're working on calculating our baseline and will then develop a plan to achieve our targets.



Highlights so far

We currently use 40% post-consumer recycled (PCR) materials across our range and are working on increasing this to 100% by

end of 2025. The current range of bottles, tubes and caps (not

pumps) are recyclable. We have switched all our polybags used in shipping to be made from recycled material, and to be fully

Our Cultured range is housed in fully recyclable glass and fully

recyclable outer cartons (which are made from FSC approved

paper). Where possible we reduce our use of non-environmentally

friendly print finishes e.g. laminations and foils, and use vegetable

inks for printing on bottles and outer cartons. These inks are easier

to remove making the recycling process easier.

ARKIVE

recyclable after use.

Cultured

matrixtravel

We've been working with our airline clients to identify and address improvement areas; our achievements to date include:

- For British Airways, we've removed all single use plastic within the Club World amenity kit, replaced plastic toothbrushes with bamboo toothbrushes, and replaced plastic packaging with wax paper packaging for dental sets and ear plugs.
- For Emirates, we've removed single-use plastic packaging for first class sleepsuits, slippers and eye masks, and introduced a jersey fabric bag, which can be used to take these items home and reused as a shoe or linen bag.
- We are currently supporting Cathay Pacific to reduce and remove single-use plastic items from their First and Business Class amenity kits - including dental kits and packaging for earplugs plus swapping to aluminium tubes for selected skincare items.

Private Brands

We have helped support our clients introduce more sustainable packaging solutions into their product ranges, including:

- Replacing plastic shrink-wrap with paper tamper seals.
- Swapping pumps for flip caps on travel-size products to improve recyclability.
- Including at least 40% PCR in product ranges wherever possible.
- Working with a UK supplier to test a new recyclable refillable pouch made from recycled content.



- Establish our packaging data baseline, and identify quick wins across our range where we can easily increase PCR content, decrease overall packaging, and shift end-of-life options.
- Improve our design process, bringing in stage-gates and checklists to make sustainability considerations part of how we design, every time.

Our targets and progress to date

Actively educate our customers to change behaviours and minimise environmental impact, including providing information on packaging and recycling on our websites and products by 2025

We use our own brand websites and social media channels to share our sustainability credentials with our end consumers. This includes our B Corp, cruelty free and vegan certifications, use of PCR and recyclable packaging, and options for recycling our products.

Cultured is currently on <u>Provenance</u>, which validates and amplifies sustainability credentials for consumer packaged goods. This allows us to prove and communicate our sustainability claims, something we're looking into for our other brands.

We've started presenting options and advocating for more sustainable product choices to our Private Brands and Travel clients during the pitch process. We work closely with our partners to understand their short and medium term sustainability objectives, and design solutions to support these goals. Our dedicated Insights and Innovation team help us to identify innovations and emerging technology and materials that we can bring to our customers.

100% of products to have traceability information and environmental impact scores available on packaging and online by 2030

All our products are vegan and cruelty free, and we include this on all our packaging. We currently don't publish any product transparency or impact data, but we're working on it.



Our plans for 2024

- Our product development team is focused on understanding and reducing the climate and waste impacts of our products and will use the <u>Bluebird</u> software platform to support this.
- Build out content on recyclability and packaging for our own brands and enhance our ingredient glossaries to make it easier for customers to recycle our products.
- Our Travel team has been working with our retail partners, and digital and supply chain teams to design new solutions to disrupt the current amenity delivery model. We aim to have a proof of concept ready to share with customers later in 2024.
- For our Private Brands clients we'll be focusing on educating and offering more sustainable options.

Educate our customers

We exist to create amazing brands and products for our customers, but we also have a responsibility: to use our influence to educate our customers on reducing their impact and to make sustainability the easiest choice. As a business we will do our best to improve our ways of working, and support our customers to engage in becoming more sustainable. We believe that through effective relationship building and communication we can inspire and empower our wider community to leave a positive impact on the world.

Case Study: matrixtravel

Often the focus for the aviation industry is reducing greenhouse gas emissions, however, there's increasing awareness of the environmental impact of inflight products including amenity kits, bedding, headphones, and meal equipment, which we're passionate about finding a solution for.

Whilst significant advancements have been made in single-use plastic reduction, many of the products in amenity kits and other in-flight products continue to be made from single-use plastic or other less sustainable materials. If passengers don't take them off the plane with them they're incinerated or sent to landfill. Even if passengers do take items home and reuse them, recycling travel-size containers is almost impossible, as they are too small for recycling.

With amenity kits being an important part of creating a luxurious travel experience for travellers, there is a real need to challenge and disrupt the industry to drive change.

At **matrix** we see this is an area where we can make a real impact and are excited to be exploring opportunities to innovate and change the sector for good. For example, we're working to identify ways to leverage existing technologies to redesign the amenity experience, allowing passengers to select products prior to their flights to minimise wastage and choose from a wider range of products.

By driving systemic change to the current amenity model, we aim to deliver better customer, operational and sustainability outcomes for our travel customers.



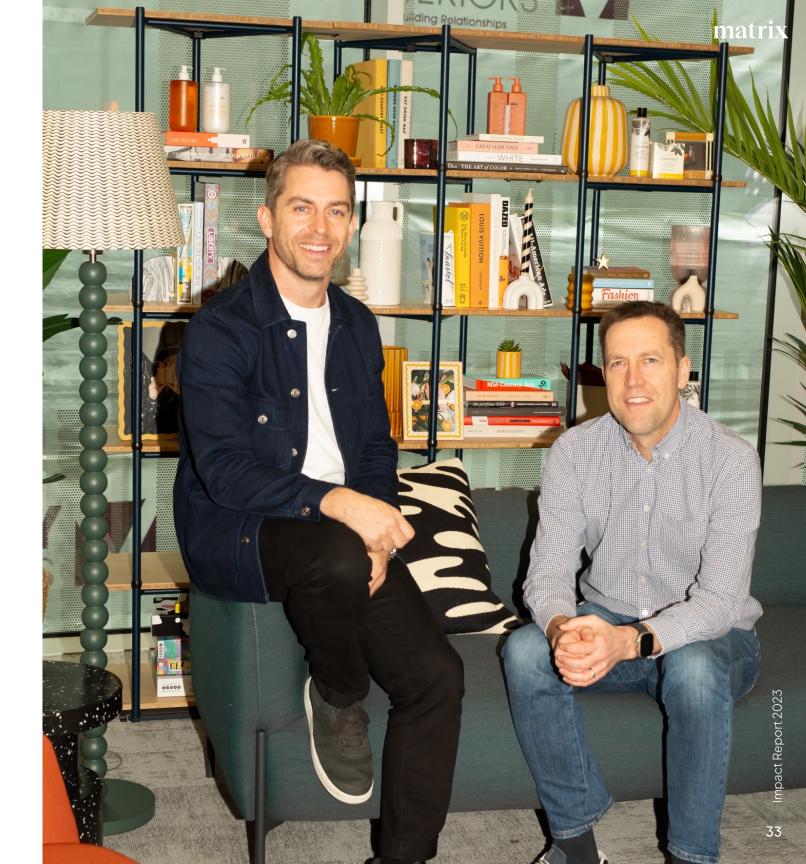
A final word from our Co-CEOs

We are extremely proud to share with you our first ever Impact Report. We developed a new Impact Strategy in 2023, which the whole team has got behind with clear goals to push the boundaries to drive sustainable change. Producing our Impact Report is another key achievement in our renewed focus. We hope you enjoyed reading it and we look forward to reporting in the future on our progress. Finally, we would like to thank everyone that has played such an important role in achieving this milestone.

Jorden Mah

Harry Zalk & Jon Yates

Co-CEOs



We create and grow amazing brands.

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