

SUPREME

PLC



BUILDING AN ESG AGENDA

FOR AS LONG AS WE HAVE BEEN PROVIDING AFFORDABLE CONSUMER STAPLES TO THE UK MASS-MARKET, WE HAVE ACKNOWLEDGED THE IMPORTANCE OF “DOING THE RIGHT THING” IN HOW WE CONDUCT OURSELVES AND OUR BUSINESS FOR THE GOOD OF THE ENVIRONMENT, OUR COMMUNITY, OUR PEOPLE AND OUR STAKEHOLDERS

A principal strategic priority for FY22 was to consolidate and formalise our efforts across our ESG agenda and this report will provide an insight into how this has evolved and the progress we have made to-date. Supreme is blessed with employees who are passionate about sustainability and social responsibility and this has enabled us to accelerate our efforts across many different initiatives.

In FY22, Supreme's ESG Committee evolved into a number of separate sub-committees to enable maximum engagement and relevant discussion points for those involved. Representatives from Buying, Design, Warehousing, Manufacturing, Finance, Health & Safety & HR are included in the committees and all are overseen by the Chief Finance Officer with direct and regular input from the wider Board of Directors. We acknowledge there is a lot more to do, however, we are proud of the progress to-date and are excited to share some insights with our stakeholders.



ENVIRONMENT

We are working hard to reduce the energy we consume, increase our volume of responsible recycling (and also encouraging the end consumer of our products to do the same), reduce the waste generated from each of our operations, and minimise the impact of packaging and distribution.



SOCIAL

We are extremely proud of our efforts in supporting our diverse employee base; we view talent as a major asset and place a high value on people, in particular their input and their energy; and this is evidenced in our excellent track record of retaining a sought-after pool of talented resource.








GOVERNANCE

We recognise the importance of maintaining the highest standards of corporate behaviour and setting the right example for others to follow. Good governance is at the core of our business and we conduct our operations with integrity, fairness and transparency.

ALIGNING OUR AGENDA

Supreme is now working hard to ensure ESG is at the heart of everything we do, using our corporate values and the UN 17 Sustainable Development Goals (“SDG”) as our guide to formulate a longer term strategic plan for ESG. Ultimately, we aim to act responsibly through effective governance and by managing our social and environmental impacts appropriately throughout our operations and across our supply chains. Initially we are focused on the following goals:

<p>Supreme brings high-quality, branded consumer products to the mass-market at low prices, relative to the branded alternatives. Supreme is proud to give consumers access to choice when making routine purchases and its ethos is aligned to the Government’s own objectives around “levelling up”. Our price-disruptive business model means many consumers have access to products that may otherwise have been reserved for the more economically privileged, and we expect to play an integral role in mitigating the broader economic impacts of the ongoing cost-of-living crisis.</p>	
<p>The continued correlation between the falling number of smokers and the rising number of vapers in the UK is well-documented. There is widespread support for vaping as a safer alternative to smoking and as a proven method to quit smoking. There are now around 3.6 million vapers in the UK and, according to public health charity Action on Smoking & Health (“ASH”), over 95% of these are either ex-smokers or dual-users (interchanging between smoking and vaping). Vaping, as an alternative to smoking, fosters a healthier, cleaner society, reducing the harmful impacts of passive smoking, reducing the pressures on the NHS and making our streets cleaner. Within Sports Nutrition & Wellness, our brands of vitamins, meal replacements and protein snack bars promote healthy active lifestyles and a positive wellbeing.</p>	
<p>Supreme has a passion for nurturing talent within its organisation and providing its people with the tools and opportunities to progress professionally within the organisation.</p>	
<p>Supreme aims to reduce inequality in all forms, including gender and ethnicity, and remains committed to fair pay and working conditions across its business operations.</p>	
<p>Supreme manages a socially and environmentally-conscious supply chain network, to promote effective waste management and to focus on reducing its carbon footprint when it comes to sourcing and distributing product. Responsible consumption also extends to ethical sourcing with regards to social and economic conditions, particularly with respect to its Far East supply chain network.</p>	
<p>Supreme is committed to making a proactive contribution to combat climate change and will encourage others within its network to do the same.</p>	

SUSTAINABILITY

THE SUSTAINABILITY COMMITTEE IS PROUD TO REPORT THE FOLLOWING CHANGES SUCCESSFULLY IMPLEMENTED IN FY22, ALONGSIDE AN UPDATE ON ONGOING INITIATIVES WE ARE COVERING



We will continue to work closely with the world's largest brands and our own supply chain to ensure the UK's consumers have access to efficient, affordable, domestic batteries with understandable and easy-access means to recycle

As the largest battery distributor in the UK, Supreme is committed to promoting the increased recycling of used batteries nationwide. There have been setbacks in FY22 when our "freepost return to recycle" scheme was blocked by Royal Mail due to used batteries being outside carriers' guidelines and, as a compromise, we are now working with our retail customers large and small to provide recycling receptacles in-store. We continue to work



closely with Valpak, the UK's largest environmental compliance scheme and to whom we contributed almost £1 million during the period in relation to Waste Electrical and Electronic Equipment's ("WEEE") recycling scheme. We are making changes to the packaging of batteries we manufacture under private label or license to increase awareness of responsible battery recycling and we have also enhanced our consumer website check-outs to ensure specific information on recycling is provided.



Vaping is safer than smoking*, it's cheaper than smoking and it's also better for the planet

After removing all virgin plastic from our outer-packaging in FY21, we have now begun to substitute the approximately 60 million 10 ml plastic bottles sold each year with 100% recycled bottles. We estimate that this will remove 138 tonnes of virgin plastic from circulation each year at the current rate of sale.





In FY22, Supreme has focused on packaging with the aim of substituting all of our plastic packaging by the end of FY24. The entire Illuminate and Energizer

ranges are now packaged in cardboard packaging (replacing blister packs), and there has been a conscious move towards multiples to replace single-sale items, thus further minimising packaging.

Driven by our own ESG agenda and a duty to protect the integrity and reputation of the global brands and licenses we work with, Supreme continues to strive to uphold the highest standards of ethical sourcing within Europe and the Far East. We utilise third parties to carry out routine audits to assess social and economic conditions for workers as well as quality control and health and safety procedures. Many of the audits are unannounced and, additionally, Supreme has a Quality Control Officer based in Shanghai who also carries out regular visits. All new factories continue to be inspected prior to any orders being placed and all factories are required to pass BSCI audits.

Our aim is to provide energy-efficient, affordable, ethically-sourced and sustainably packaged lighting to the mass market

Reduced plastic use – increased container fill reducing “fresh air” shipping



Across the financial year, we focused on expanding our warehousing facilities, bringing the manufacture of certain products in-house. With 90% of Supreme’s customer base located in the UK, and raw materials predominantly sourced domestically, this rationalisation will have significant long-term environmental

benefits, reducing the Group’s carbon footprint by minimising transportation emissions and decreasing distances to end markets.

Our core protein brand, Sci-MX, will re-launch in FY23 with improved formulations, flavours, branding and, most notably, 100% recyclable pouches. This represents the start of our shift to more sustainably sourced and efficiently palletised, stored, and transported products which will also benefit the economics of the category for Supreme and the retailers in equal measure.

In FY21, Supreme launched Sealions, our direct-to-consumer digital vitamins brand. As outlined on page 20, the packaging is entirely compostable and carries a years’ supply in one delivery; reducing the outer packaging and transport obligations associated with a brand retailing in lower frequencies, for example distributing monthly supplies of products. In addition to these sustainability initiatives, we have collaborated with animal and environmental conservation organisations, supporting important causes through raising funds and awareness. The Sealions brand is closely affiliated with the Sea Life Trust, a global charity dedicated to protecting the world’s oceans and marine life. Furthermore, following the launch of Sealions, we have partnered with MOM, a non-profit organisation working to protect the endangered Mediterranean monk seal, and will continue to help the charity to fulfil its goals.

Despite the rising cost of whey protein concentrate, we remain focused on our objective to replace tubs with pouches and to ensure pouches are made from sustainable materials



OUR PEOPLE – A SUPREME PLACE OF WORK

We are extremely proud of our efforts in supporting our diverse employee base and this is evidenced in our excellent track record of retaining a sought-after pool of talented resource. Our aim at Supreme is to foster a culture of transparency and progression, where our people can learn, develop and actively contribute to our dynamic working environment. Equally, we want to provide a business that has a diverse and inclusive culture, where people are accepted for their differences and are treated fairly. We believe this will create an inclusive and positive working environment for all employees to thrive. FY22 has been a busy year where we have focused on creating an even happier, more engaged, informed, and diverse workforce.

FY22 and FY23 collectively will be transformational years for our employees at Supreme; as we all adjust to being part of a PLC environment, we continue to welcome new people (organically and as part of acquisitions) and we search for new premises from which our people can collaborate and inspire one another. We are currently part-way through our “Employee Journey” initiative which aims to improve how we recruit, induct, reward and engage with our people. The launch of Yapster; our mobile employee communication application, and the launch of our Share Save plan in FY22 were key milestones to this initiative and the pipeline of further announcements is exciting!



Average length of service is +4 years

Average length of service excluding entry-level employees is 5.5 years



Yapster: Our employee engagement application

As outlined on page 37 we launched Yapster, the mobile employee communication application, to enable real time, direct, interactive, 2-way communication with every single member of our staff (noting that many of our warehousing and manufacturing staff do not regularly work at PCs). Yapster has enabled staff to discuss topics such as customer meeting updates and new product development, to celebrate employee and team successes, to announce strategic accomplishments such as trading updates and acquisitions, to gather feedback from other team members, to introduce new starters, and ensure everyone is up to date on all matters relating to health and safety. Information gleaned from polls undertaken on Yapster have already helped to direct the efforts of our Employee Journey, initiative and we believe this mobile application will bring everyone at Supreme closer together and will create a more informed, engaged workforce.



Mental Health Committee

This year has seen unprecedented issues within society in relation to mental health and general wellbeing as the global pandemic endured and continued to disrupt people’s lives. In FY22, Supreme launched its own Mental Health Committee to provide support and initiatives to our staff in relation to their mental health and wellbeing. Its overarching objective is to improve conversation, knowledge and support of mental health within the wider company.

OUR PEOPLE – GENDER REPORTING



Women's Forum

Promoting a diverse and inclusive culture includes having a management team that is balanced and representative of the cultures and genders across the business. As reported below, there is disproportionate representation of women at managerial level, something we are committed to improving. Our Women's Forum aims to ensure women at Supreme have a support network within the business where they feel empowered and encouraged to progress and where we identify other future female leaders in our business and ensure they are nurtured in the same way.

Gender reporting

Employees as at 31 March 2022:	Male	Female	Male	Female
Total Employees	152	115	57%	43%
Quartile 1: <£19K	30	37	45%	55%
Quartile 2: £19K – <£21K	36	31	54%	46%
Quartile 3: £21K – <£28K	29	29	50%	50%
Quartile 4: £28K – <£250K	48	18	73%	27%
Those holding management roles	32	12	73%	27%

The table opposite illustrates our median annual salary by gender. The gender pay gap on this measure is currently 8% in favour of our male colleagues. ►

Correct at 31 March 2022	Male	Female
Median annual salary £	21,500	20,000
Difference £	–	1,500
Gender pay gap %	–	8%

LOCAL COMMUNITY SUPPORT – SUPPORTING OUR LOCAL COMMUNITY

IN FURTHER RESPONSE TO DIRECT EMPLOYEE FEEDBACK, SUPREME IS NOW ALSO COMMITTED TO MORE REGULAR AND FOCUSED EFFORTS TO SUPPORT OUR LOCAL COMMUNITY AND LOOKS FORWARD TO PRESENTING MORE ON THIS IN 2022.





3



4



5



- 1 St Lawrence's ladies GAA team ladies football
- 2 Christmas toy appeal
- 3 Christmas toy appeal
- 4 We stand with Ukraine
- 5 Cake bake for Dementia UK