

Supreme PLC Annual Report and Accounts 2024



Our Approach to ESG

Our vision for ESG is to create a happy, motivated and fulfilled workforce who can work in a safe and inclusive environment, for our business to contribute positively to its local community, and for us to make a positive and lasting change to our environmental impact. We are committed to maintaining a culture based on ethical practices, underpinned by our values that we truly live by everyday and we are proud to be a responsible manufacturer and employer.

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.

Throughout FY24, we have remained focussed on our ESG agenda via the work done by our wonderful employees who are passionate about sustainability and social responsibility.

Supreme continues to manage its ESG operations via various sub-committees; the Sustainability Committee, the Energy Steering Team, the Workers’ Committee, and the ESG Forum, all of which are closely managed by our Head of HR and overseen by our Chief Finance Officer. Every committee has a balanced representation of staff from across our business and all efforts are communicated in real time to the wider business via Yapster, our much-celebrated internal social media platform that has become the core real time, two-way communication platform for the Group.

• With regards to sustainability, we have developed our energy strategy more comprehensively which has led to the installation of solar panels across the roofs at our principal operating site. We have also celebrated some important product wins in terms of product innovation and consulted with external advisers to proactively minimise our carbon footprint.

• In terms of people, we have continued to enhance our benefits package. We have provided extensive internal training programmes linked to external and transferrable qualifications for many members of our team and have launched a business-wide mentoring programme with excellent success rates.

• We worked harder than ever to ‘give back’ and support those less fortunate within our local community.

Much of our ESG agenda in FY24 has been shaped by our incredible people at Supreme. We continue to recognise that talent is one of our greatest assets, ensuring we place high value on our people. We know that listening, consulting, and communicating with our teams is critical to maintaining a dedicated, energised, and motivated workforce.

This year, Supreme’s social agenda became more centralised than ever before, as Supreme took proactive steps to combat underage vaping. We have also been a key participant of the UK Government’s ‘Swap to Stop’ scheme, helping to support adult smokers to find an affordable, sustainable, safer alternative to smoking.

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 and our wider community. Supreme aims to be a company where people can thrive, progress, be heard, be valued, and be proud to work for.

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 to the UN Sustainable Development Goals.



We work hard to ensure that ESG is at the heart of everything we do. The Company has assessed which of the United Nations 17 Sustainable Development goals (UNSDGs) are relevant to the business and how our actions could directly and positively contribute towards these.

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. We are focused on the following goals:

	Responsible consumption & production:	Supreme manages a socially and environmentally-conscious supply chain network, to promote effective waste management and 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.
	No poverty:	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.
	Good health & wellbeing:	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 4.7 million vapers in the UK and, according to public health charity Action on Smoking & Health (“ASH”), over 92% 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; it reduces the harmful impacts of passive smoking and relieves smoking-related pressures on the NHS. Within Sports Nutrition & Wellness, our brands of vitamins, meal replacements, and protein snack bars promote healthy active lifestyles and positive wellbeing.
	Affordable & clean energy:	Focusing on the source and cost of the energy we consume in our operations has been a key strategic focus in FY24.
	Climate action:	Supreme is committed to making a proactive contribution to combat climate change and will encourage others within its network to do the same.
	Reduced inequalities:	Supreme aims to reduce inequality in all forms and remains committed to fair pay and working conditions across its business operations.
	Gender equality:	We recognise that ensuring we have appropriate male to female representation across our entire business is key to fairly retaining a balanced workforce.
	Quality education:	Supreme has a passion for nurturing talent within its organisation and providing its people with the tools and opportunities to progress professionally within the company.

We Look After Our People

Supreme aims to be a place where people can thrive, progress, be heard, be valued and be proud to work at.

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 talent. 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.

In FY24 we continued to work on our employee journey initiative, a project to improve the way we recruit, induct, reward, and engage with our teams. The following changes were made as a result:

Engage
In a bid to gather more insights from staff across the business, Supreme established a workers' committee with representatives from across our warehousing, manufacturing, and administrative functions and also placed suggestion boxes around the business to ensure all members of staff had an opportunity to contribute to ideas for change or anonymously feedback on more sensitive matters. Much of the change implemented below came from ideas from the workers' committee or these suggestions.

Gender reporting
Promoting a diverse and inclusive culture includes having a management team that is balanced and representative of cultures and genders across the business. We are committed to increasing female representation at Supreme at a managerial level.

Employees at 31 March 2024 (392)	FY24		FY23	
	Male	Female	Male	Female
Total employees	250	142	64%	36%
Quartile 1: <£26k (FY23: <£19k)	80	18	82%	18%
Quartile 2: £26k–£27k (FY23: £22k – £25k)	27	71	53%	47%
Quartile 3: £27k–£30k (FY23: £25k – £33k)	73	25	69%	31%
Quartile 4: £30k+ (FY22: £33k+)	70	28	77%	23%
Those holding management roles	26	12	67%	33%

Median salary by gender	FY24	FY23
Total employee median	27,000	25,000
Male median	27,500	25,168
Female median	25,888	22,194
Difference	1,612	2,974
Gender pay gap %	6%	13%

Recruit & induct
In FY23, the business phased out its reliance on agency staff by recruiting a dedicated recruitment manager and by investing in our 'people marketing'. In FY24, the next phase has been to launch the Supreme mentor programme to ensure a fulfilling induction process by providing comprehensive on-the-job training to new starters whilst simultaneously providing a rewarding role for our experienced members of staff, upskilling and financially rewarding those eligible. The programme has sped up our onboarding cycle by 3-4 weeks meaning that new starters are fully trained and productive more quickly. The programme has also reduced our reliance on dedicated trainers across the business. The programme began in manufacturing and is now being rolled out across warehousing and distribution.

Development & support
In FY24, Supreme provided more training than ever before, with record uptake levels of external qualifications ranging from forklift truck licenses, The Dangerous Substances and Explosive Atmospheres Regulations 2002 (DSEAR), food hygiene, hazard analysis and critical control point (HACCAP), and first aid. Further training was provided for fire wardens, mental health volunteers, manual handling, excel, and health & safety.

Wellbeing is a critical component of Supreme's desire to foster a supportive and inclusive culture but in FY24 the board acknowledged (after receiving feedback from staff) that receiving support from outside the business is equally important. In FY24, Supreme invited all members of staff to use the help at hand service on an unlimited basis. Help at hand provides essential services including unlimited mental health consultations and 24/7 remote GP appointments. Over a third of our workforce have used this service at least once during the year. To support financial wellbeing, we partnered with HSBC to host seminars to help staff deal with the cost-of-living crisis.

Reward
With competitive rates of pay (having moved the bandings above national living wage during the year) and with further investment into its benefits programme, Supreme is confident it can attract and retain talent in all roles across the business. The additional benefits added in the year include a cycle to work scheme and complimentary fresh fruit offered to all staff daily. In FY24, Supreme hosted its first company-wide Christmas party since before COVID-19.



We Look After Our Local Community

Our community work is integral to our core values and our endeavours are always warmly welcomed by our generous workforce so this will continue to be a key focus for us going forward. Our charitable endeavours remain very local and our nominated charities and associated charitable events are chosen by our staff.

In what has become a Supreme Christmas tradition, many of our team volunteered at the Toy Appeal to contribute to the packing and wrapping of Christmas presents to be sent to some of the northwest's most under-privileged children.



We continued to host bake sales and coffee mornings throughout the year raising hundreds of pounds for charity.



Image on left:
Once again, staff chose to swap their annual Domino's Pizza Christmas lunch to instead support HM Pasties, a charity that was set up to employ ex-offenders to make and sell handmade Cornish pasties.



Image on right:
Salford Baby Bank was recently chosen as our next nominated charity. Donations from our workforce of pre-loved items including prams as well as critical items for any new mum (nappies, wipes, formula, etc) were overwhelmingly generous.



We Look After Our Environment

As a manufacturer, distributor, and brand owner, we are passionately committed to manufacturing and distribution practices that support social responsibility and environmental sustainability. We are cognisant of the environmental impact of our operations and remain committed to utilising modern technology and state-of-the-art equipment across our sites to ensure products are developed efficiently and with minimal carbon emissions.

At the start of 2023, we partnered with Arete Zero Carbon to assess our net-zero readiness. The assessment acknowledged that we had an understanding of our operational carbon footprint (scope 1 & 2 emissions) and that we were able to identify the potential sources of emissions in our value chain.

Via the screening we learnt that we could reduce 59% of our operational carbon footprint by switching to renewable electricity either via investment into onsite renewable energy (e.g. solar panels or wind turbines) and / or procuring Renewable Energy Guarantees of Origin (REGO)-approved energy.

We proceeded with both initiatives (which are proudly presented in further detail in the sustainability round-up below and overleaf) – a clear indication of Supreme’s commitment to sustainability.

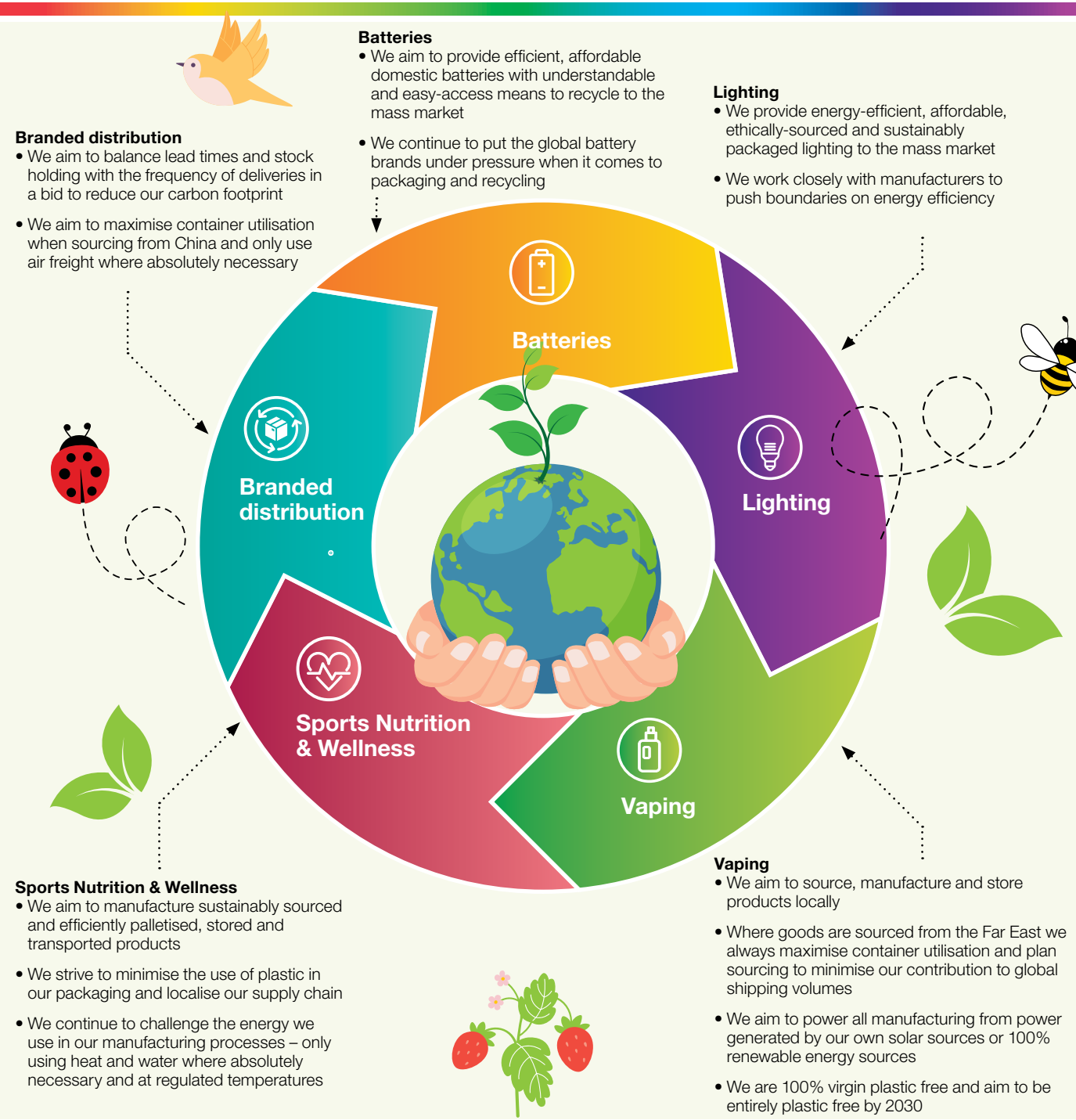
FY24 initiatives

- The establishment of Ark, our 167,000 sq ft warehousing facility, represented a consolidation of a number of warehouses across the group in multiple locations. Operations were streamlined as a result and “shunting” between sites was significantly reduced.
- In a bid to self-power our manufacturing operations, we installed 980 individual 410w solar modules (panels) across the roofs of our manufacturing facilities in Autumn 2023, creating a 310 kWp system. Over the course of a year Supreme expects to utilise around 70% of this power generated and will sell back the surplus to the grid. The solar panels have a 3-year payback and the investment marks an important step in our commitment to sustainability.
- During the year (and at the earliest opportunity) the entire Supreme Group made a switch to 100% renewable energy (gas and electric) backed by Renewable Energy Guarantees of Origin certification (REGO).
- Electric car charging points have been installed at our two principal operating sites in Manchester.
- In our Lighting division, we have introduced the Energizer Elite range; domestic light bulbs that are expected to last 15,000 hours (i.e. 15 years) extending the cycle for replacement for the consumer. Bulbs in this category have been awarded a category E rating for energy efficiency – this represents a noteworthy differentiator versus most supermarket lightbulbs which are typically only rated F.

Small changes that make a big difference

Alongside the big-ticket projects and investments, the team has introduced a number of smaller-scale impactful changes, including:

- The use of only recycled paper across the Group
- All printing double-sided only as standard practice
- Old laptop sales to staff
- Recycling facilities in all office and warehouse locations
- Plastic-free daily milk deliveries
- Lunch and snacks delivered to site to reduce congestion in our local area and allowing people to travel to work on public transport (no longer needing to drive out to buy lunch)
- Cycle to work scheme launched with 16 initial participants





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