

# Gamma UK Ethical Procurement Policy

Gamma Communications plc (“Gamma”)

## Introduction

To ensure that Gamma’s business is conducted ethically, sustainably and within the local law, Gamma requires its staff, including employees, contractors, and temporary staff, and its suppliers to meet the principles outlined in this Policy. Gamma expects suppliers to comply with local laws, meet UK legal standards if higher than the local requirement; and to go beyond by following the other elements of this document.

Gamma requires its suppliers to uphold and maintain high ethical and moral standards. The policy seeks the procurement of goods and services from suppliers that minimise negative and enhance positive impacts on the environment and society whilst meeting our business needs and maintaining alignment with our values. Gamma encourages suppliers to require the same of their supply chains.

The Gamma Group aims to ensure that the working conditions at the suppliers of the products and services we procure meet the standards of the International Labour Organisation (ILO) and the Universal Declaration of Human Rights (UDHR) and also the UN Sustainable Development Goals (SDG’s).

Gamma will periodically audit its supply chain to measure supplier performance against this policy.

## Scope

This policy applies to all suppliers for Gamma UK group companies. This policy supersedes all other guidelines previously issued on Ethical Procurement.

## Policy Statements

To implement the Ethical Procurement Policy, Gamma will publish this policy on its corporate website and will communicate the policy to employees and suppliers. Gamma will measure and monitor the application of the policy and the principles it contains by:

1. Periodically reviewing and revising the Policy and principles
2. Ensuring all employees and suppliers are aware of the Policy.
3. Working collaboratively with suppliers to improve ethical, social and environmental standards across the supply chain.
4. Auditing suppliers to ensure that they can evidence compliance with the policy via a questionnaire.
5. Ceasing trade with suppliers who show a persistent disregard for the importance of ethical, social and environmental standards.
6. Taking the appropriate action should staff disregard the policy, which may include disciplinary action.

Gamma requires suppliers to complete the Ethical Procurement Policy Supplier questionnaire and confirm that they comply with the Gamma Ethical Procurement Policy within their own business. If suppliers do not comply with the Policy, they will be required to explain the reasons for non-compliance.

We expect suppliers to take reasonable steps to:

1. Assess their supply chains for risk of non-compliance against the Policy

2. Probe those supply chains of moderate risk and satisfy themselves they are compliant and provide evidence of this on request
3. Probe and where appropriate audit supply chains of high risk including going as many steps down the supply chain as is necessary to reach the risk areas. Key areas include child labour, modern slavery, anti-bribery, discrimination and disciplinary practices. Suppliers may be required to provide evidence on request that high risk supply chains have been reviewed and audited where appropriate.

If Gamma is not satisfied with questionnaire responses, or the reasons for declaring non-compliance, or if Gamma suspect or receive evidence of non-compliance by the supplier or from within the supplier's supply chain, we may:

1. Exclude from tender or consideration for future business.
2. Apply sanctions according to any contract in place.
3. Cease to trade with the supplier.

# UN Sustainable Development Goals

Gamma confirmed its commitment to the UN Sustainable Development Goals in 2020 and we have worked towards understanding the goals in more depth and defining our priorities. We have identified four goals that we believe we can influence and contribute towards, either directly or indirectly. As part of this process, we have assessed our potential impact internally within the company, externally, and in our supply chain.

The goals Gamma has adopted are:

- Goal 5: Achieve Gender Equality and Empower all Women and Girls.
- Goal 8: Promote Sustained, Inclusive and Sustainable Economic Growth, Full and Productive Employment and Decent Work for All
- Goal 10: Reduce Inequalities Within and Among Countries
- Goal 13: Take Urgent Action to Combat Climate Change and Its Impacts

This Ethical Procurement Policy supports Gamma's adoption of the above UN Sustainable Development Goals; Gamma accepts that suppliers may not have adopted these. We have recognised that we may not be able to influence all the targets, but there remains significant opportunity to embrace the remainder as part of our Environmental, Social and Governance frameworks. Gamma requires that suppliers do not operate in such a way as to impede our achievement of these goals.

# Labour Standards

Gamma is committed to promoting inclusive economic and social growth which sustains skilled jobs for people of all backgrounds, with positive outcomes for shareholders and society. We support diversity in our sector and are advocates of meaningful social change. The Equality Act (2010) legally protects people from discrimination in the workplace.

We require all businesses in our supply chain to respect the people they employ directly or indirectly and offer a safe workplace that is free from discrimination, harm, intimidation, harassment or fear. Gamma requires suppliers to confirm that they comply with the following Labour Standards within their own business. Businesses in our supply chain should require the same from their suppliers. Suppliers and their supply chain must also comply with all national and other applicable laws including but not limited to the following areas:

## Modern Slavery

Gamma has a zero tolerance of modern slavery in all its forms within its own business and supply chain. This means not using forced labour, servitude, slavery, human trafficking, debt bondage, forced or servile marriage, descent-based slavery or child labour, and the rights to freedom of association and freedom of movement are respected.

Gamma's suppliers must not have any form of modern slavery across their business or supply chain. Gamma suppliers with a turnover over £36m must comply with the Modern Slavery Act 2015 and publish a modern slavery statement publicly each year. Suppliers' review processes for their own supply chain should be robust, and suppliers must confirm that they do not have any modern slavery in the supply chain. Gamma at its discretion may seek evidence that suppliers have appropriately reviewed downstream suppliers, and that suppliers with a turnover greater than £36m are compliant with the Modern Slavery Act.

Gamma suppliers must provide to their employees a mechanism for them to raise issues of modern slavery practices with their senior management and also must not constrain their freedom to seek remedy, compensation and justice from the relevant authorities (courts, etc.).

## Human Rights

Gamma requires its suppliers to support and respect the protection of internationally proclaimed human rights and to ensure that they are not complicit in human rights abuses, as defined by law or otherwise identified by international human rights organisations and conventions.

## Child and Forced Labour

No person shall be employed who is below the minimum legal age for employment. Children and young persons under 18 are not employed for any hazardous work or work that is inconsistent with the child's personal development. Where a child is employed, the best interests of the child shall be the primary consideration. Policies and programmes that assist any child found to be performing child labour are contributed to, supported, or developed.

Forced, bonded or compulsory labour is not used, and employees are free to leave their employment after reasonable notice. Employees are not required to lodge deposits of money or original identity papers with their employer. Recruitment companies shall not be permitted to charge recruitment fees to job candidates (worker-paid recruitment fees).

## Health and Safety

A healthy and safe working environment is provided for employees, in accordance with international standards and national laws. This includes access to clean toilet facilities, drinkable water and, if applicable, sanitary facilities for food storage. Where an employer provides accommodation, it shall be clean, safe and meet the basic needs of employees. Appropriate health and safety information and training is provided to employees.

## Freedom of Association and Collective Bargaining

As far as any relevant laws allow, all employees are free to join trade unions (UK) or similar external representative organisations relevant to the local jurisdiction and workers' representatives are not discriminated against.

Gamma requires its suppliers and their indirect suppliers to recognise and respect the rights of employees to freely associate, organise and bargain collectively in accordance with the laws of the countries in which they are employed.

## Discrimination

Gamma will not tolerate discrimination based on age, disability, gender, gender reassignment, marriage and civil partnership, pregnancy and maternity, race (which includes colour, nationality and ethnic or national origins), religion or belief, sex or sexual orientation. As per the Equality Act 2010, these are protected characteristics and treating people unfairly because of these characteristics is prohibited by law. Negative discrimination of any kind is strictly prohibited and is not acceptable to Gamma in its supply chain.

## Disciplinary Practices

Employees are treated with respect and dignity. Physical or verbal abuse or other harassment and any threats or other forms of intimidation are prohibited.

## Working Hours

Gamma requires that working hours of employees should comply with national laws and not be excessive, and compulsory overtime is prohibited. Gamma encourages its staff to maintain an appropriate work-life balance and urges customers and suppliers to do likewise.

Regulating working hours is important for employees' health and safety and also for Gamma. Ensuring that employees work a reasonable number of hours and that these hours are agreed to by the employee improves worker satisfaction, morale, safety and welfare.

## Payment and the Living Wages

Gamma believes that all employees, including contracted employees working on its sites, should earn a rate of pay which allows them to live a decent life, and does not accept actions which compromise this principle, such as the use of deductions from wages as a disciplinary measure. Gamma follows the principles of the Real Living Wage Foundation and requires that the National or Real Living Wage is paid to workers within its supply chain as a minimum.

A living wage is defined as the remuneration received for a standard work week by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family. Elements of a decent standard of living include food, water, housing, education, health care, transportation, clothing, and other essential needs including provision for unexpected events. This is not the same as a subsistence wage, which refers to a biological minimum.

Wages and benefits paid for a standard working week shall meet minimum national legal standards. Employees must understand their employment conditions and wages should not be paid in kind (e.g., vouchers).

The Equal Pay Act 1970 prohibits any less favourable treatment between men and women in terms of pay and conditions of employment. Suppliers should adopt fiscal, wage and social protection policies to progressively achieve greater equality.

## Bribery and Inducements

Gamma is committed to maintaining its established reputation for lawful and ethical behaviour and for financial integrity in all aspects of its business. Gamma has zero tolerance of corruption, fraud and criminality (including financial crime), and the giving or receiving of bribes for any purpose in its business and supply chain.

Gamma suppliers must not engage in any form of commercial bribery or kickback, or offer any incentive to any Gamma employee, their family or friends, in order to win or retain Gamma business.

Gamma suppliers must keep current, accurate written accounts of all payments relating to gifts, meals, entertainment and anything of value made by Gamma, or from funds provided by Gamma, and make a copy of these accounts available on request. Gamma maintains a Gifts, Hospitality and Entertainment policy and register for this purpose.

## Regular Employment

To every extent possible work performed shall be based on a recognised employment relationship established through national law and best practice.

Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed term contracts of employment.

# Compliance with Sanctions

Sanctions are restrictive measures that can be put in place to fulfil a range of purposes. In the UK, these include complying with UN and other international obligations, supporting foreign policy and national security objectives, as well as maintaining international peace and security, and preventing terrorism.

Gamma suppliers must comply with all applicable laws related to sanctions in the countries where they operate. This may include but is not limited to all UK, EU and US sanctions lists.

# Environmental Standards and best practice

Gamma aims to prevent environmental damage and at all times comply with legislative and regulatory requirements. Furthermore, Gamma will actively seek to develop positive environmental impacts as a responsible customer and supplier.

Suppliers are expected as a minimum to comply with all statutory and other legal requirements relating to the environmental impacts of their business. Suppliers should be certified or working towards an appropriate Environmental Management Standard, for example ISO 14001 or similar. Gamma is ISO 14001 certified. Detailed performance standards are a matter for suppliers, but they should address at least the following:

## Waste Management

Waste is minimised and items recycled whenever this is practicable. Effective controls of waste in respect of ground, air, and water pollution are adopted. In the case of hazardous materials, emergency response plans are in place.

## Packaging and Paper

Undue and unnecessary use of materials is avoided, and recycled materials used whenever appropriate.

## Conservation

Processes and activities are monitored and modified as necessary to ensure that conservation of scarce resources, including water, flora and fauna and productive land in certain situations.

## Energy Use

All production and delivery processes, including the use of heating, ventilation, lighting, IT systems and transportation, are based on the need to maximise efficient energy use and to minimise harmful emissions.

## Energy Procurement

All suppliers are encouraged to adopt a green and sustainable energy procurement strategy.

## Conflict Minerals

Gamma requires its suppliers and their indirect suppliers, where they supply products containing tantalum, tin, gold, or tungsten, to be in full compliance with the EU Conflict Minerals Regulation. Gamma expects that its suppliers and their indirect suppliers shall provide such further cooperation as Gamma may reasonably require in order to meet any obligations it may have under the Conflict Minerals Regulation.

## Carbon Footprint

Gamma requires its suppliers to measure, manage and reduce the carbon footprint within their own business and supply chain.

In terms of measuring carbon emissions, Gamma requires its suppliers to measure and disclose Scope 1 and 2 emissions.



**Scope 1 – Direct Greenhouse Gas Emissions (GHGs) that derive from sources that are controlled or owned by an organisation:**

- Direct emissions from owned, leased or directly controlled stationary sources that use fossil fuels or emit fugitive gases.
- Direct emissions from owned, leased or directly controlled mobile sources.

**Scope 2 – Indirect Greenhouse Gas Emissions (GHGs) from energy purchased and used by an organisation:**

- Emissions from the generation of purchased electricity, heat, steam or cooling

Suppliers should also determine which Scope 3 emissions are relevant and/or significant to their operations.

**Scope 3 – All other indirect emissions that occur in a company's supply chain**

Suppliers should attempt to estimate emissions associated with aspects they have determined to be relevant. While not exhaustive, the following list gives examples of potentially relevant Scope 3 energy aspects to an organisation:

- Purchased goods and services
- Capital goods
- Fuel and energy related activities not captured in Scope 1 or 2
- Upstream transportation and distribution
- Downstream transportation and distribution
- Waste generated in operations
- Business travel
- Employee commuting
- Upstream leased assets
- Downstream leased assets
- Processing of sold products and services
- Use of sold products and services
- End of life treatment of sold products
- Franchises
- Investments
- Homeworking

The GHG Protocol Corporate Accounting and Reporting Standard provides a framework for the requirements of organisations preparing a corporate-level GHG emissions inventory. Gamma recommends that suppliers consult this standard for further guidance in relation to energy and GHG reporting.

# Data Protection and Information Security

Gamma manages confidential information and data in line with legislative and regulatory requirements. The objective is to protect the confidentiality, integrity, and availability of Gamma's confidential information and data, including those of the employees and customers of Gamma and of third parties engaged by Gamma.

Gamma is committed to security, transparency and continuous improvement. Security policies, processes and procedures are maintained to protect information systems and assets in connection with Gamma's confidential information and data. Gamma undertakes a supplier security assessment, ensuring we work with suppliers who manage Gamma's confidential information and data appropriately.

Gamma suppliers should protect confidential information and data of Gamma, including personal data, in accordance with all relevant laws and act to prevent data misuse, fraud, theft or improper disclosure.

Gamma suppliers must take appropriate and due care in handling, discussing, or transmitting Gamma's confidential information and data even after their assignment or contract with Gamma has expired.

Any suspected security incidents that may impact Gamma, its employee's data or Gamma customers data must be reported to Gamma at [security@gamma.co.uk](mailto:security@gamma.co.uk) immediately.

# Ethical Policies and Controls

Gamma has policies and measures in place to ensure compliance and prevention of the below. Suppliers are encouraged to ensure management systems are in place to do the same.

- Fraud, Bribery and Corruption and other improper Payments or Gifts – e.g., Anti-Bribery Policy
- Whistleblowing

## Reporting and Further Information

Gamma suppliers who believe that a Gamma employee, or anyone acting on behalf of Gamma, has engaged in wrongdoing, or that their organisation or anyone on their supply chain has breached the requirement of this Ethical Procurement Policy, should report the matter to Gamma immediately.

Reports may be made directly by email to [Procurement@gamma.co.uk](mailto:Procurement@gamma.co.uk). A supplier's relationship with Gamma will not be affected by an honest report of potential misconduct.

For further guidance on this policy, please email [Procurement@gamma.co.uk](mailto:Procurement@gamma.co.uk)

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