

Environmental, social and governance report

Gamma takes its responsibilities towards the environment seriously. Despite being a service business with lower environmental impact than many other businesses, we are systematically assessing our impacts and developing programmes to minimise them. We are committed to social responsibility and embed this into our policies and practices. We believe that sound corporate governance is essential and that everyone within our business has a duty to behave responsibly and ethically. In 2020 an ESG committee was established and held its inaugural meeting in October 2020, further details can be found on page 65.

The Gamma Board adopted the UN Sustainable Development Goals in January 2020 and since that time Gamma has assessed each goal in depth to understand how the business is best placed to make a meaningful contribution. Four goals have been selected by Gamma and these goals form the foundation on which to develop our environmental, social, and ethical policies and will influence how we do business in the future.

The goals 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 inequality within and among countries
- Goal 13: Take urgent action to combat climate change and its impacts

Environment

Helping the environment is a positive impact of our core products and services

Gamma's products help people communicate in smarter ways. By creating innovative Unified Communications, Gamma helps business people travel less and work in a way that is better for the planet and helps create a positive work-life balance.

Gamma is committed to reducing its impact on the environment. As part of its ongoing commitment to support the UN Sustainable Development goals, the Company has made good progress in 2020 on better understanding the impact its business has on the environment. Gamma has sponsored internal, as well as global projects aimed at carbon reduction since 2006.

In 2020 Gamma extended the reporting boundary to increase the accuracy of its UK emissions data and comply with the Streamlined Energy and Carbon Reporting (SECR) regulations. In addition, it increased its carbon offset to align with the new reporting boundary.

Gamma purchases 100% renewable energy to power its business in the UK and is proud to be certified as a carbon neutral company by Natural Capital Partners in line with the Carbon Neutral Protocol. Gamma is certified until the end of December 2021.

By creating innovative Unified Communications, Gamma helps business people travel less and work in a way that is better for the planet and helps create a positive work-life balance.

Responsibilities

The Board has responsibility for oversight of environmental issues and also risks related to climate change which are discussed below. The CEO is responsible for executing strategies that have been agreed with the Board which maintain the values to which Gamma has subscribed since its foundation.

Through the ESG Committee, the Board also ensures that environmental policies and suitable governance structures are established to align with Gamma's committed environmental targets.

As part of Gamma's executive management team, the Group Operations Director has responsibility for the Company's emissions reporting and carbon reduction planning.

Measuring our impact on the environment

The scope of the data presented for emissions and energy consumption primarily relate to Gamma's UK based activities. In addition, Gamma also has small staff operations in Hungary, Poland and Germany which help develop and support its UK products. The emissions and energy data do not reflect the non-UK European acquisitions in Netherlands, Spain and Germany.

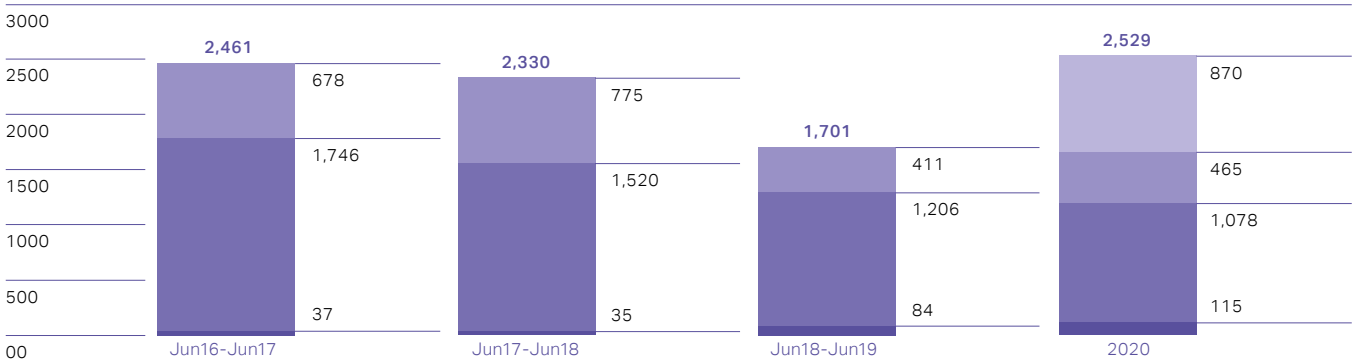
The emissions generated by Gamma are reported within three defined reporting scopes. Experienced third parties are used to measure the Company's energy usage and report on its carbon emissions data. This data is then used to manage Gamma's carbon offset. All carbon offset projects are validated and verified to 'The Carbon Neutral Protocol' global standard and carry guarantees of origin.

Scope	Description	How this applies to Gamma
Scope 1 – Direct GHG emissions	Greenhouse gas emissions released on an organisation's site or from their vehicles. More accurately, they are CO ₂ e emissions that come from sources that are owned or controlled by an organisation. Typically, these are emissions generated by gas boilers and owned or leased cars, vans & lorries. A telecoms specific example would be an off-grid generator to power a base station.	Gamma uses gas boilers for building and water heating within staff premises within the UK, and small staff premises in Hungary, Germany and Poland which help develop and support its UK products. Its key UK locations include premises in Glasgow, Manchester, Newbury, Port Solent and London. Gamma also operates off-grid generators at critical operational sites as well as a small fleet of vehicles utilised by engineers for the installation and repair of connectivity and communications services. There were no exclusions made within this scope.
Scope 2 – Indirect GHG emissions	Greenhouse gases released into the atmosphere from the consumption of purchased electricity, steam, heat and cooling. Although the CO ₂ e emissions result from an organisation's activities, they occur at sources it doesn't own or control. As a result, they are indirect emissions.	Gamma measures energy consumption within staff premises and dedicated data centres in the UK, and small staff premises in Hungary, Germany and Poland which help develop and support its UK products. There were no exclusions made within this scope.
Scope 3 – Other indirect GHG emissions	Other emissions resulting from business activities or sources connected to, but not directly generated by the business itself for example business travel, employee commuting, suppliers or distributors.	Gamma uses benchmark data to estimate the emissions generated through the use of water and wastewater. It also uses benchmark data to assess emissions arising from business travel (such as public transport, air, taxi, and hire car usage). Home working emissions were also calculated using benchmark data, estimating the impact of remote working through the COVID-19 pandemic during 2020. Gamma has a UK national network which comprises network assets providing 'Points of Presence' across the UK. Although Gamma's network uses energy and therefore generates emissions, the energy is procured by third parties and therefore is categorised under Scope 3. For reporting year 2020 Gamma has not calculated or offset emissions generated from employee commuting. This scope is voluntary; however it is Gamma's intention to continue to mature this for future reporting.

A thorough analysis of the impact of Gamma's UK business was concluded in 2020 which has resulted in the extension of the emissions reporting boundary to include emissions arising from all the business's UK network 'points of presence'. In addition, to allow for greater accuracy of GHG emissions reporting, in 2020 the carbon emissions measurement was moved from biennial to annual and the reporting period was aligned with the Company's financial year. In consideration of the extended emissions reporting boundary and to reinforce the business's commitment to the environment, the carbon offset plans have been increased to account for additional emissions measured in 2020. Further analysis will be conducted in 2021 to enable the reporting of emissions within recently acquired UK and European subsidiaries and to set a 'base year' for the purpose of setting future carbon reduction targets.

Gamma's GHG emissions have been quantified by applying the most relevant emission factors. GHG emission factors relating to the 2020 reporting period are predominantly sourced from DEFRA's 2020 UK GHG Conversion Factors for Company Reporting (June 2020). For air travel, Gamma has elected to apply an Aviation Impact Factor (AIF) of 1.2 for the 2020 GHG assessment as per the requirements of the updated 2021 Carbon Neutral® Protocol.

Gamma emissions by scope (Tonnes CO₂e)



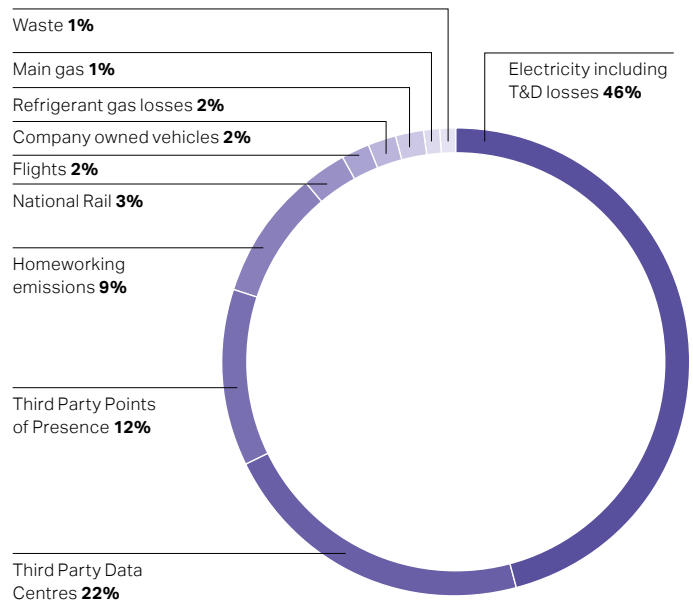
- Scope 1 – Direct GHG Emissions
- Scope 2 – Indirect GHG Emissions
- Scope 3 – Other Indirect GHG Emissions
- Scope 3 – Other Indirect GHG Emissions (Network PoPs)

* GHG emissions data is location-based
 ** To calculate 12 months emissions for 2020, 18 months emissions data was produced by a specialist third-party and then apportioned between reporting periods
 *** To allow for greater accuracy of GHG emissions reporting, in 2020 Gamma moved the carbon emissions measurement from biennial to annual and aligned the reporting period to the Company’s financial year. Emissions recorded between July 2019 and December 2019 total 1,264 tCO₂e. Of these emissions, 58 tCO₂e were recorded under Scope 1, 539 tCO₂e recorded under Scope 2, and the total recorded under Scope 3 was 667 tCO₂e.

In 2020, Gamma has reported an increase in emissions as a result of two contributing factors.

- To improve the accuracy of the emissions reporting, reliance upon estimated data has been reduced and 70% is now based on primary data. Where primary data is unavailable, Gamma has used benchmarks recommended by experienced third parties.
- 77 shared data centres and network ‘points of presence’ have been included within Scope 3 to represent emissions arising from Gamma’s UK national network.

Gamma’s emissions by source



* To calculate 12 months emissions for 2020, 18 months emissions data was produced by a specialist third-party and then apportioned between reporting periods

During 2020, electricity procured and used by Gamma was its largest source of emissions (approximately 46%), followed by third-party data centres, third-party points of presence, home-working emissions, company owned vehicles, business travel (flights and rail), refrigerant gas losses, mains gas, and waste. The remaining sources; water, wastewater, taxis and hire cars each account for less than 1%.

GHG Emissions Intensity Ratio

	2018-2019	2020
UK GHG Emissions (tCO ₂ e)	1,620	2,409
Non-UK (offshore) GHG Emissions (tCO ₂ e)	81	120
Total GHG Emissions (tCO ₂ e)	1,701	2,529
Total Floor area (m ²)	8964.6	9174.6
GHG Emissions per sqm floor space	0.19	0.28

* 2018 – 2019 represents 12 months emissions data from July 2018 to June 2019. 2020 represents 12 months emissions data from January 2020 to December 2020.

The largest proportion of Gamma's emissions is generated through the use of electricity for its national network and offices and as such the floor space the Company occupies provides the most accurate emissions intensity ratio. The increase in GHG per square meter of floor space in 2020 relates to the disproportionately higher emissions generated by third-party data centres and network 'points of presence' included within the emissions reporting for this period. In 2020, 95% of emissions were produced in the UK, with 5% generated offshore.

Gamma's energy usage

	Electricity (kWh)	
	2018-2019	2020
UK	8,542,592	8,011,782
Non-UK (offshore)	39,816	36,953
Total	8,582,408	8,048,735

* 2018 – 2019 represents 12 months electricity data from July 2018 to June 2019. 2020 represents 12 months emissions data from January 2020 to December 2020.

** For the purposes of measuring energy efficiency trends, electricity and gas usage between 2018-2019 has been calculated retrospectively using the 2020 reporting boundary.

	Gas (kWh)	
	2018-2019	2020
UK	103,026	86,881
Non-UK (offshore)	35,390	26,591
Total	138,416	113,472

* 2018 – 2019 represents 12 months gas data from July 2018 to June 2019. 2020 represents 12 months emissions data from January 2020 to December 2020.

** For the purposes of measuring energy efficiency trends, electricity and gas usage between 2018-2019 has been calculated retrospectively using the 2020 reporting boundary.

In 2020, Gamma used 8,048,735 kWh of electricity and 113,472 kWh of natural gas. More than 99% of Gamma's electricity usage in 2020 was generated within the UK, with less than 1% generated offshore. In 2020, 77% of gas was used within the UK and 23% of gas used offshore.

Taking climate action

Gamma has made good progress in 2020 developing better climate related data and improving reporting capabilities to establish 2021 as the 'base year' for its carbon net-zero planning. In addition, the Company has taken steps in 2020 to further reduce its emissions. In 2020 it began to transition its fleet to 'self gen' hybrids, the desire is to complete this migration by 2023. It is estimated that this transition will result in a 15% annual CO₂ reduction per vehicle.

Gamma is also looking at the choices it makes when selecting vendors for its computing and network equipment. There is a rolling process of renewal of this infrastructure and in each iteration the new equipment is more energy efficient. This has facilitated a general downward trend in overall electricity consumption despite the Company's continued growth.



Because no organisation can produce no CO₂ footprint, where the Company's activities do result in CO₂ being released into the atmosphere, Gamma made a commitment in 2006 that it would fully offset this. Gamma has held 'Certified Carbon Neutral Company' status (conferred by Natural Capital Partners) since 2006 and to improve the accuracy of the carbon offset, the Company has switched from biennial to annual offset. 2529 tCO₂e will be offset for the 2020 reporting period.

Over the years Gamma has invested in a variety of "offset projects" which have been a combination of environmentally friendly power generation projects in the developing world and forest conservation. At present, the offsetting projects include:

- Acre Amazonian Rainforest Conservation Project (Brazil) which aims to protect 105,000 hectares of rainforest in the Amazon basin from deforestation. The project works with communities and local Groups to help protect ecosystem services while providing alternative models of economic development which avoid destruction of the forest.
- Meru and Nanyuki Community Reforestation Programme (Kenya) offers hundreds of individual tree planting activities and enables local communities to improve access to food and create additional sources of income beyond subsistence farming, helping to improve the biodiversity of the local area.
- Improved Water Infrastructure Project (Uganda): this project provides clean drinking water to small rural communities by repairing and drilling new boreholes, helping to reduce water scarcity. Boreholes can be used as water wells by installing a vertical pipe casing and well screen, which allows water to be extracted from the ground. By providing clean water, communities no longer need to purify water through boiling. This alleviates pressure on local forests, the predominant source of firewood, and reduces greenhouse gas (GHG) emissions.

Waste Management

As well as producing CO₂, like any business, Gamma produces other waste. The larger waste items are network assets which need to be retired. These are disposed of in compliance with the Waste Electric and Electronic Equipment Directive (WEEE Directive). Such assets are sent to a WEEE certified operator which is engaged to dispose of the items appropriately in compliance with the certificates they provide to the Company.

Across Gamma sites, more general "office waste" is separated into recyclable and non-recyclable materials. Further improvements to waste management are planned, and although presently the mass of waste produced annually is not recorded, in 2021 it will begin to be measured and reported to enable future reduction and recycling targets to be set.

From Carbon Net-Neutral to Carbon Net-Zero

Gamma's 2021 Environmental targets

In 2021 it is Gamma's ambition to record emissions throughout the recently expanded Group. This data will form the 'Base Year' reporting to support the strategic 'Carbon Net-Zero' planning. In addition to this, the business will also measure and report on the mass of waste produced across the Group.

As such Gamma will further extend its 2021 reporting to include the following:

- Carbon emissions generated within all recently acquired European subsidiaries
- The mass of waste produced within all Gamma UK and European office facilities
- Emissions produced by major upstream suppliers
- Disclosures consistent with the recommendations of the Taskforce for Climate-related Financial Disclosures (TCFD)

And it will set out plans to make the energy that is purchased greener by switching to more Solar, Wind and Hydropower generation sources.

Climate-related business risks and opportunities

As well as working to reduce Gamma's effect on the environment, the Board has also considered the business risks which are associated with climate change. It believes that climate change presents an opportunity for the Unified Communication industry as the products which are supplied allow business users to reduce their travel.

The COVID-19 pandemic has facilitated several climate opportunities in 2020, allowing travel to be curtailed and reducing business travel mileage by on average 100 miles per employee per month. Utilising its own Unified Communications products, Gamma transitioned to remote working quickly and it has since formulated plans to leverage the opportunity to reduce the longer-term emissions generated through employee travel.

Notwithstanding, there are risks which are discussed in the "Our principal risks" section of the Annual Report and these risks are reviewed quarterly by the Risk Committee, which reports to the Board.

Some types of "extreme weather" (which is becoming more frequent as a result of climate change) could pose a risk to Gamma. For example, the impact on assets caused by data centre flooding or extreme wind resulting in roof loss. The Company's buildings are maintained to a high standard and key network sites are located carefully to mitigate this risk. More widely, this type of weather could impact the electrical grid supply, and this is mitigated by having back-up systems in place on core parts of the network.

In addition to the risk of the direct impact of climate change, there are also internal risks relating to potential disruption to Gamma through its transition to net zero, as well as maintaining compliance with increased reporting and disclosure requirements, however these risks are also assessed as low impact.

Social

Gamma has established processes to consider the welfare of all of its stakeholders systematically.

Customers

Gamma's ethos is to provide a robust product at a fair price. Where we are selling via channel partners we want our partner to make a fair margin for the value that they are adding to our end user. We want to produce products which allow our end users to communicate easily and reliably.

The business has a strong reputation for service and support. We invest time engaging with our customers across a range of topics to ensure our business remains straightforward to deal with. In order to understand overall customer satisfaction levels, we run regular satisfaction surveys from our Sales and Support teams and in 2020 we introduced the 'Likert Scale' as our method to measure customer satisfaction. We are pleased to report a 69% CSAT rating in 2020. We also track an annual Net Promoter Score (NPS) and recorded a positive score of +66 for 2020, a year-on-year increase of 26 points, which is well above the industry average for our sector.

We aim to ensure our pricing is fair and transparent.

Data protection and privacy

We recognise our duty to ensure that any personal data that we may collect is properly protected and that we are transparent and responsible in the way we handle it. Details regarding our privacy policy can be found on our website: <https://www.gamma.co.uk/privacy-policy/>

Suppliers

Gamma works with carefully chosen suppliers. The main suppliers are those who provide equipment (both for our own network and for onward sale to customers) and other telecoms businesses.

Gamma is in the process of improving and standardising the management of suppliers. Preferred and strategic suppliers have their performance managed, monitored and reviewed to ensure the supply relationship always represents best value to Gamma and to underpin constructive discussion and resolution of any issues that might arise. Employees are asked to ensure that any issues relating to the supplier's service provision, quality of goods or any other indicator of performance (good or bad) is reported to the appropriate category procurement representative, so accurate performance records can be maintained and supplier performance can be managed and improved.

Regular supplier meetings take place with key suppliers and there is also a fortnightly 'Supplier Management Meeting' chaired by procurement, with inputs from Gamma key stakeholders including Commercial, Customer Operations, Network Operations, Product and Regulatory and Compliance which is a forum to discuss key suppliers and raise issues.

Gamma people

Employee engagement

Employee engagement is fundamental to Gamma's success at retaining highly motivated employees and contributes to the achievement of our strategic objectives.

By engaging with employees, we want to give them a voice to create a culture in which every employee can thrive. We want our people to bring their best selves to the working environment which should be a place where they feel safe, they belong, and they matter.

With the majority of Gamma's employees working remotely during the pandemic, engaging with staff, understanding how they were feeling and giving them a voice was a high priority.

We implemented a new engagement tool in 2020, the Gamma Pulse, with an Engagement Channel which is a resource tool for managers and employees. The Gamma Pulse ensured we could engage with employees in real time, which gave us quicker insights to enable us to implement actions and communicate results back to the business more efficiently.

In July we ran a COVID-19 survey to find out how our employees were, how they were feeling, whether they had the right equipment to do their role effectively and how we could help support them. We had an 81% participation rate with over 6,000 comments. In August we ran a further survey to gain feedback into new ways of working and again received a high participation rate of 82%. For both surveys we were able to communicate results and turn actions around quickly.

In October our regular surveys became quarterly and our Gamma Pulse enabled us to react to real-time feedback in an effective manner. We had an 80% participation rate with nearly 9,000 comments. Our results were communicated via an employee webinar and email communication.

We have created a senior leaders engagement working group to help drive change and actions in the business and to ensure we have a consistent approach. Engagement remains a key driver of our people agenda.

Culture and values

In January 2020 we launched our new values; aim high; consider others; think differently; and stronger together. The values were co-created with our employees through a number of workshops and feedback sessions to ensure they were authentic and were aligned to our culture.

We held a launch day in tandem with our new brand design and held a celebration in all our offices with senior leaders presenting to employees to raise awareness of our new values. In 2020 we have continued to embed our values through initiatives, inductions, our Gamma Pulse survey and communications, and will continue to build on our good foundations in 2021.

Diversity, belonging and inclusion

Gamma is committed to continually lead with our beliefs that enable our employees to develop their potential, continuously learn and bring their best selves to work. Our people come from a wide variety of backgrounds which makes our Company stronger together.

Our wellbeing programme has helped Gamma to create an awareness of different cultures by celebrating key calendar events, where employees have shared their stories and knowledge, such as Black History Month, LGBTQ+ and National Windrush Day. Our people also share information and their experiences to help educate others about festive celebrations such as Diwali, Eid, Rosh Hashanah, and Yom Kippur.

Wellbeing

We have put an increased focus on employee health and wellbeing in response to the pandemic in 2020 and we launched the Wellbeing Channel on Teams for employees in April 2020. The purpose of the Channel is to engage with and help staff during the pandemic and beyond. Sub-channels have been launched covering themes such as mental health support, tips for working remotely, fitness, health, and support for those shielding and for those isolated. Gamma has hosted events through the channel to help bring staff together such as gaming challenges, baking competitions, giving something back, and social support running to suit our employees' availability.

Our 17 mental health first aiders have worked on a rota system helping to support colleagues and we offered bite sized training on topics such as managing remotely, dealing with stress, and work-life balance. Our Employee Assistance Programme has provided employees with access to online information and advice and employees have shared their experiences of working from home and helping others. This has enhanced our culture and values and brought them to life as we have considered others and been stronger together.

Financial wellbeing is also important to our employees and we offer a salary sacrifice pension scheme, life assurance and income protection. Gamma offers a benefits package which includes: the government cycle to work scheme, childcare vouchers and additional holiday purchase as well as access to a health cashback plan. Gamma has also partnered with Reward Gateway to offer staff a variety of discounts from retail outlets and access to health and fitness discounts including gym memberships. We also offer enhanced adoption, maternity and paternity pay and shared parental leave.

Wellbeing will continue to be a key focus in 2021 to help support our employees with advice, training, assistance and continue to enhance our Wellbeing channel through our four key pillars of wellbeing: mental health, physical health, financial wellbeing, and community and social.

Health and safety

Gamma's health and safety initiatives evolved in 2020 with the aim of providing the same level of support from Gamma during the pandemic. Gamma's Group Operations Director chaired our COVID Committee, unifying Health and Safety with Employee Wellbeing, and with Business Continuity to ensure we are considering the welfare and safety of our employees. We responded rapidly to the outbreak of the pandemic, quickly transitioning our workforce to remote working, removing the need to travel for the vast majority of Gamma employees. For those employees where travel was essential, Gamma focused efforts on providing personal protective equipment (PPE) and introducing safety guidelines. In 2020 we also adjusted our employee health and safety training to support our employees working in a remote environment.

As a service business, Gamma experiences few workplace injuries. Nevertheless, Gamma recorded a reduced number of injuries in 2020, likely due to the office closures, and had no fatalities or major injuries related to work. A process has been established whereby all workplace injuries are reported to the Board.

Our health and safety policy has developed alongside our new working environment and we continue to work with third party specialists to ensure our employees are supported and environments are safe. Our health and safety governance has continued to mature in 2020, with enhancements to our internal reporting to provide better visibility to management of any concerns.

Sharing in the success of our business growth

As well as providing long-term incentive schemes which offer options to key employees, Gamma is keen to ensure that all employees who would like to be shareholders can do so in the most tax-efficient way. In the UK Gamma has an optional Save As You Earn ('SAYE') scheme which allows eligible employees to acquire shares and a Share Incentive Plan ('SIP') to allow employees to buy shares on a monthly basis. In 2020 43% (2019: 47%) of eligible employees chose to participate in the SAYE scheme, with options being granted over 345,953 (2019: 377,800) shares. Gamma is looking to roll out share schemes in Europe.

Apprenticeships

The Gamma apprenticeship programme has continued during 2020 with 15 apprentices in various functions (2019: 24). The majority of our apprentices are continuing studies from previous years, in some cases up to degree level or existing employees continuing their professional development through the apprenticeship model. We are committed to developing our employees and continuing to support talented people throughout their careers.

Gender pay gap

In 2021 we will continue to assess our gender pay gap and look at ways to continually support closing the gap between male and female employees and working to ensure that all employees are treated fairly.

Our gender pay gap report for the snapshot date of 5 April 2020 shows 1,046 employees within the Gamma Telecoms Holdings Ltd UK workforce: 728 men and 318 women.

Gender	% of Workforce 2020 vs (2019)
Male	69.60 (71.25)
Female	30.40 (28.75)

Below is the data from our UK Gender Pay Gap analysis.

The median pay gap is the difference between the midpoints in the ranges of hourly earnings of men and women. The mean gender pay gap is the difference between the average hourly earnings of men and women.

Pay and Bonus Gap

	Mean % 2020 vs (2019)	Median % 2020 vs (2019)
Pay Gap	25.45 (30.55)	23.19 (21.78)
Bonus Gap	63.27 (63.43)	26.47 (22.01)

Proportion of Males and Females receiving bonus

Gender	% receiving a bonus 2020 vs (2019)
Male	94.57 (95.68)
Female	93.56 (93.15)

Pay Quartiles

Quartile	Male % 2020 vs (2019)	Female % 2020 vs (2019)
Upper	80.53 (83.06)	19.47 (16.94)
Upper middle	72.41 (75.52)	27.59 (24.48)
Lower middle	61.83 (64.05)	38.17 (35.95)
Lower	63.60 (62.40)	36.40 (37.60)

Gamma operates in a sector where there is a shortage of technically skilled females who choose to pursue a career in telecommunications and technology. As seen across the sector, male employees continue to make up much of our workforce, however, we are seeing improvements in our mean figures.

Our development team within Gamma have been actively involved with the Hi-Tech Horizons initiative in conjunction with the Education Business Partnership. The initiative aims to engage and inspire the future workforce, raising awareness of the hi-tech sector and the opportunities available.

We have senior leaders within Gamma who continue to work with schools in the Greater Manchester and Newbury areas, supporting with career advice, work experience mornings, as well as promoting graduate and apprenticeship roles.

Group employee numbers at 31 December 2020

	Male	Female	Total
Directors of Gamma Communications plc	8 (80%)	2 (20%)	10
Senior Managers of the Company (including subsidiary Directors)	28 (97%)	1 (3%)	29
Employees	1,057 (69%)	473 (31%)	1,530

Group employee numbers at 31 December 2019

	Male	Female	Total
Directors of Gamma Communications plc	7 (87%)	1 (13%)	8
Senior Managers of the Company (including subsidiary Directors)	14 (93%)	1 (7%)	15
Employees	828 (70%)	348 (30%)	1,176

Whistleblowing Scheme

Gamma has recently launched a new Whistleblowing Policy and reporting system via an independent third party available to all employees, workers, suppliers, customers and other relevant third parties.

The enhanced approach provides employees with a confidential channel in which to raise any wrongdoing anonymously. The system is available 24/7 either online or via the telephone with multi-language functionality.

To ensure concerns are treated objectively, wrongdoing reports initially are sent directly from our third-party provider to our Whistleblowing Officers who are Independent Non-Executives on our Board. After an initial assessment, the report will either be sent to the panel which is made up of Gamma's Senior Leadership Team or the Whistleblowing Officers may deal with it independently.

Reports of wrongdoing concerns will be reported to the Board on a regular basis.

We will proactively communicate the Whistleblowing approach within our induction programme and have provided awareness communication and training to existing staff.

As part of our 2021 social plan within our ESG Strategy, we are committed to supporting the communities in which we are based and enhancing our charitable giving plan.

Giving something back

As part of our 2021 social plan within our ESG Strategy, we are committed to supporting the communities in which we are based and enhancing our charitable giving plan.

At Gamma we have always encouraged charitable initiatives, and often a worthy cause will find people's time just as valuable as any financial donation. Employees can contribute one day a year to help support their chosen charity or community support project. Whilst in 2020 our employees have been limited to what support they can offer due to the pandemic; they have still been involved with virtual initiatives and as a result we have set up a charities page for employees within our wellbeing channel.

Gamma agreed to match £25 for every donation up to £5,000 for the Ambitious about Autism virtual 10k fundraiser and 29 employees took part. One of our employees has raised £2,600 for the Children's Heart Surgery Fund and become a Trustee of the Board and the wellbeing channel has helped to raise awareness and get other employees involved. £574 was raised by an employee for the Royal British Legion through a 10k run and £1,089 was raised by another employee for the Stroke Association.

In 2020 we held a virtual Gamma Show which was a fantastic event which attracted widespread participation. For every live participant on the day Gamma gave £10 towards a charitable cause and topped this up to a £10,000 donation. Employees could apply to donate part of this money towards their chosen charity and we had £400 going to 25 different charities.

Giving something back is important to Gamma and our employees, and is aligned to our "consider others" value. We will continue to build on our community and charity plan in 2021 to help make a difference to good causes and our local communities.

Governance

Overview

The Board is responsible for defining, approving and monitoring the key activities of the business. The split of roles between the Board itself and executive management (i.e. the CEO, CFO and their reports) is set out in a 'Matters Reserved for the Board' document.

The Board delegates some of its activities to the Nomination, Audit, Remuneration, Risk and ESG Committees in accordance with their respective terms of reference. The operation of these Committees is set out in the 'Corporate Governance' section of this Annual report, and in the individual Committee reports. Certain Committees have employees who are not Board members as regular attendees.

Strategy

The Board approves the strategy of the business, which is refined in both Board meetings and in separate strategy events which involve senior management. In addition, the Board sets financial targets for the CEO, CFO and senior management (relating to both the annual bonus and Long-Term Incentives), and also personal targets. The combination of the agreed strategy and the targets enable the Board to steer the business and its evolutionary path.

Policies

Furthermore, certain critical Group policies are approved by the Board and then are implemented across the Group by executive management. These largely relate to legal compliance and ethical standards and include:

- Ethical Conduct (which covers not only compliance with the law but also high ethical standards in all dealings with customers, suppliers, staff and other stakeholders including Anti-Slavery)
- Anti-Bribery
- Whistleblowing
- Political contributions
- Share Dealing
- Tax strategy

These policies are publicly available on the Group's website:
<https://www.gammacommunicationsplc.com>

Risk and ESG Committees

The Risk and ESG committees act as a focus for the development of projects to keep the Group aligned with standards appropriate for its size and for reporting on them, and so their influence can run deep into the organisation.

Senior Leadership Team

The CEO directs the business through the Senior Leadership Team (SLT) which meets regularly by videoconference. It includes the senior managers leading sales, product and marketing, software development and network architecture design, operations, people resources, commercial and legal. This team is central to the development of strategy and makes or reviews many of the key medium-term choices and priorities, in line with the agreed strategy.

Financial performance, sales, operational performance and product development are all reviewed at least monthly. A budget is set annually alongside a five-year financial plan to establish both the short-term and long-term viability of the business. Financial performance is monitored against this budget.

Non-UK operating companies

Gamma has made a number of acquisitions. There is now a holding company in Germany, Spain and the Netherlands. The holding company directors are the CEO, CFO and the local CEO. The trading company directors are the local CEO and their team. The legal directors of these operating companies are constrained by a 'Matters Reserved for the Group' document – where appropriate these constraints are written into the articles (or their local equivalent).

On a monthly basis the CEO, CFO and Chief Strategy Officer meet with the local CEO and their team to review the performance of each European business. In addition to the formal monthly meeting there are frequent informal conversations between the senior group team and the local management teams.

Acquisitions, regardless of whether they are an initial acquisition "in country" or a "bolt-on" are always brought to the Group Board for approval.

Regulation

Gamma operates in a regulated industry and the framework within which we work is governed by EU Regulations, Directives and Recommendations, and the UK Government through our regulators, Ofcom, the PSA and the FCA (and their equivalents in Europe). Each of these will consult with industry from time to time and Gamma (as a significant communications provider in the UK) will participate in consultation responses in its own right and as member of several industry bodies.

Gamma's engagements with the relevant authorities are generally based around a number of key principals promoting transparency and an open marketplace.

- Defend the channel – we recognise that many communications services are provided by channel partners who are themselves SMEs. They do not all have the resources to engage with regulatory bodies in the consultation process nor implement significant levels of regulation.
- We give a voice to UK business – often regulation is (quite rightly) aimed at protection of the domestic consumer but this can have unintended consequences when applied to business users as well; we aim to ensure that regulation is balanced and fair to business as well as residential users.
- Challenge the cost assumptions for implementation – as there is a high possibility of underestimating the costs of implementing new regulation, especially for smaller channel partners and in the more complex, less vertically integrated value chain that is the hallmark of business-to-business communication provision in the markets in which we operate.
- Ensure that regulation stays current – communications is a fast-moving industry and new services can be offered (for example "over the top" services which are not based on a network) which may not be regulated in a way to provide (in our view) adequate protection for end users or where outdated regulation creates competitive distortions.
- We are selective in responses – we only contribute where we have something relevant to say.
- We work alongside the relevant industry bodies and trade associations.

Political contributions

There were no political contributions in the year.

The Strategic Report was approved by the Board of Directors on 22 March 2021

Andrew Belshaw
Chief Financial Officer