

Environmental, Social and Governance report

Gamma takes its responsibilities towards the environment seriously and it is systematically assessing its environmental impacts and developing programmes to minimise them. The Company is committed to social responsibility and embeds this into its policies and practices. Gamma believes that sound corporate governance is essential and that everyone within the business has a duty to behave responsibly and ethically.

The ESG Committee oversees the development and activity of Gamma’s ESG agenda, further details of which can be found on page 64.

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 were selected by Gamma and these goals form the foundation on which to develop its environmental, social, and ethical policies and will influence how we do business in the future.

The goals are:

- 5**
GENDER
EQUALITY

Goal 5: Achieve gender equality and empower all women and girls
- 8**
DECENT WORK AND
ECONOMIC GROWTH

Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- 10**
REDUCED
INEQUALITIES

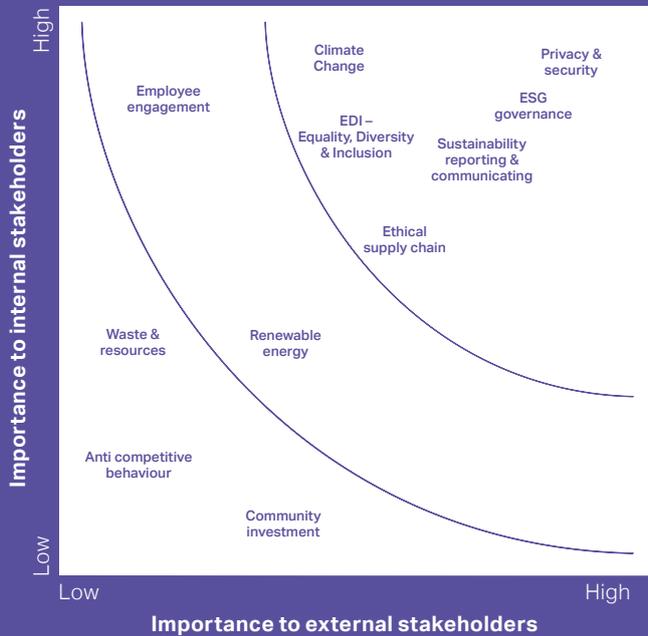
Goal 10: Reduce inequality within and among countries
- 13**
CLIMATE
ACTION

Goal 13: Take urgent action to combat climate change and its impacts

During 2021, supported by a specialist third party, Gamma undertook a materiality exercise of environmental, social and governance issues, with the aim of understanding the most impactful sustainability objectives, target areas and high-level actions that the Company should consider as part of its overall strategic plan.

This exercise included peer reviews, analysis of current and emerging regulation, and consultation with internal and external stakeholders, including shareholders, to understand their views and priorities. All of these activities enhanced Gamma’s understanding of current expectations of its stakeholders.

The priorities identified as most material will be used to inform Gamma’s ESG plans and strategic decision-making moving forwards.



Environmental

Understanding environmental impact

Gamma recognises the increasing risk climate change poses to our planet. Although Gamma as a service business has a lower impact on the environment than many other businesses and many of its services have a positive impact by reducing the need for travel, Gamma understands that all companies have a responsibility to act.

Over the last 12 months Gamma has increased the scope of reporting to include all acquisitions in Europe. Using this extended scope in 2021 Gamma has set its baseline energy and carbon emissions data which will be used to support future emissions reduction targets, more detail of which can be found below.

Gamma is pleased to announce its commitment to move from a Carbon Neutral business to become a carbon net-zero business by 2042, supporting both the Paris Treaty's aims to limit the temperature increase to 1.5°C globally and the UN Sustainable Development Goal 13: Climate Action.



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Gamma has also committed to set near and long-term Company-wide emission reductions in line with climate science and with the Science Based Target initiative (SBTi). The Company will seek validation of its target within the SBTi timeframes.

Our carbon net-zero ambition

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Environmental overview

Scan to watch a video of our Group Sustainability Director, Sarah Kirton, talking about our plans to become Carbon Net-Zero.

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. In addition, at the end of 2021, Gamma appointed a Group Sustainability Director responsible for the planning of all aspects of ESG, with specific responsibility for Gamma's Group environmental policy and carbon net-zero commitment.

During 2021 Gamma appointed an Environmental Data Manager to support the commitment to measure and reduce its carbon emissions through a clear and science-based carbon net-zero plan.

Gamma has published a Group Environmental Management Policy, available on the Gamma website, defining its commitment to reduce its impact on the environment and outlining the controls put in place to do so.

Measuring Gamma's impact on the environment Re-baselining of emissions

A baseline is a quantitative reference providing a basis for comparison of energy/carbon performance over time. Gamma specifies the period to which baseline data applies as one year. It was important for Gamma to reset its energy and carbon emissions baseline in 2021 for several reasons.

The first and most important reason is that the data presented for emissions and energy consumption in 2021 relates to activities across the Gamma Group. While previous disclosures did include small operations in Hungary, Poland and Germany, the majority of historical emissions reported derived from UK-based operations and excluded acquisitions. These have now been included, with the exception of Mission Labs in the UK that was acquired by Gamma in March 2021. Mission Labs will be included in emissions calculations from 2022 onwards as this will be the first full year as a Gamma-owned company.

The acquisitions of Dean One and gnTel in the Netherlands (now Gamma Communications Nederland), HFO Telecom in Germany, and VozTelecom in Spain, supported by strong organic growth in all markets, have increased the number of employees and floor space in the business, reflected in the Group's GHG reporting scope for 2021.

Furthermore, the re-baseline gives the Company an opportunity to better define the remit on which Scope 3 emissions are reported.

The extent of emissions sources included in Scope 3 calculations has increased year on year and in 2021 Scope 3 includes IT equipment, hotel accommodation, and private commuting for the first time.

The emissions generated by Gamma are reported within three defined reporting scopes, as per the Greenhouse Gas Protocol. Primarily used to identify sources of emissions and methodically address their reduction, this data is also 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	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.	<p>Gas boilers are used for building and water heating within Gamma office premises.</p> <p>Air conditioning units are operated in staff premises and data centres that use refrigerant gases.</p> <p>Off-grid generators are utilised at Gamma's critical operational sites.</p> <p>Gamma has a fleet of vehicles utilised by engineers for the installation and repair of connectivity and communications services.</p>
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.	Electricity is used within office premises and dedicated data centres.
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, supplier or distributor activity.	<p>Gamma consumes electricity which incurs transmission and distribution losses.</p> <p>Gamma employees use trains, planes, taxis, ferries and hire cars for business travel.</p> <p>Gamma employees commute to and from offices and other areas of work. Employees often stay in overnight accommodation when travelling.</p> <p>Many Gamma employees work from home.</p> <p>Waste and waste water is produced at facilities.</p> <p>Gamma procures products from suppliers including capital goods.</p> <p>Gamma utilises third party data centres and Points of Presence across its UK and European networks.</p> <p>Emissions are generated through the transportation and distribution of products required for Gamma's services.</p>

Energy Performance

Due to ongoing business growth and because of its acquisitions, Gamma's total GHG emissions have increased year on year. This increase is not unexpected, and the Company is in the process of defining carbon reduction activities to support its carbon net-zero commitment. Gamma acknowledges that further acquisitions, coupled with more primary emissions data, will inevitably add to the total carbon emissions and therefore, Gamma understands that complementary metrics such as carbon intensity, regularly tracked over time, are vital barometers of improvements and efficiencies made.

In order to normalise its energy and carbon management performance the Company has chosen to define its emissions data

in relation to floor space. The largest source of Gamma's GHG emissions is derived from the use of electricity for its network, data centres and offices. As such, tonnes of CO₂e per total square metres of floor space provides a consistent comparison of energy efficiency and carbon management performance over time.

The carbon emissions intensity ratio data for 2021 reflects a significant increase in floorspace (42.15%) because of the acquisitions made to the business. An increase of 24% tCO₂e per sqm in 2021 is associated with Gamma's acquisitions, an increase in Scope 3 sources and improved data collection methods.

GHG Emissions Intensity Ratio

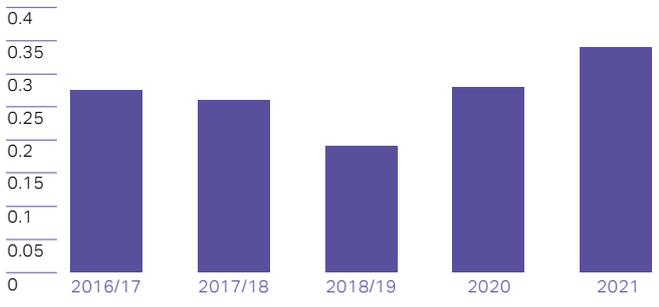
	2018-2019*	2020*	2021	Annual Change (%)
UK GHG Emissions (tCO ₂ e)	1,620	2,409	3,630	+50.71
Non-UK GHG Emissions (tCO ₂ e)	81	120	862	+618.96
Total GHG Emissions (tCO ₂ e)	1,701	2,529	4,493	+77.67
Total Floor area (m ²)	8,964.6	9,174.6	13,041	+42.15
GHG Emissions per sqm floor space	0.190	0.276	0.344	+24.64***
Total FTE	980	1,163	1,631**	+40.24
GHG Emissions per FTE	1.74	2.17	2.75	+26.7

* 2018 – 2019 represents 12 months emissions data from July 2018 to June 2019. 2020 and 2021 represents 12 months emissions data from January to December.

** Total Group employees on 31 December 2021 was 1,745. Mission Labs employees (114) removed from this total as not in scope for environmental data reporting in 2021.

*** Reflects the increase in floorspace and emissions due to European acquisitions.

Gamma emissions intensity (tCO₂e/m²)

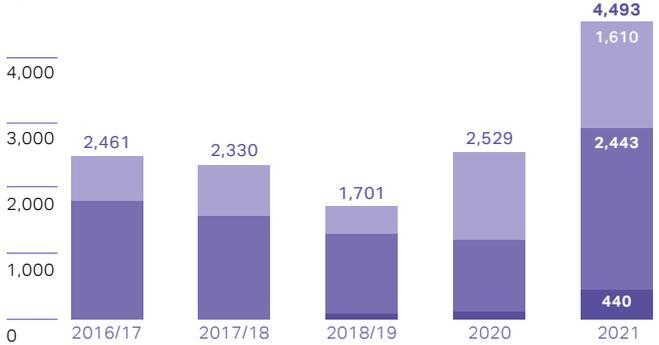


Gamma emissions by scope

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

Gamma emissions by scope (tCO₂e)

Location-based



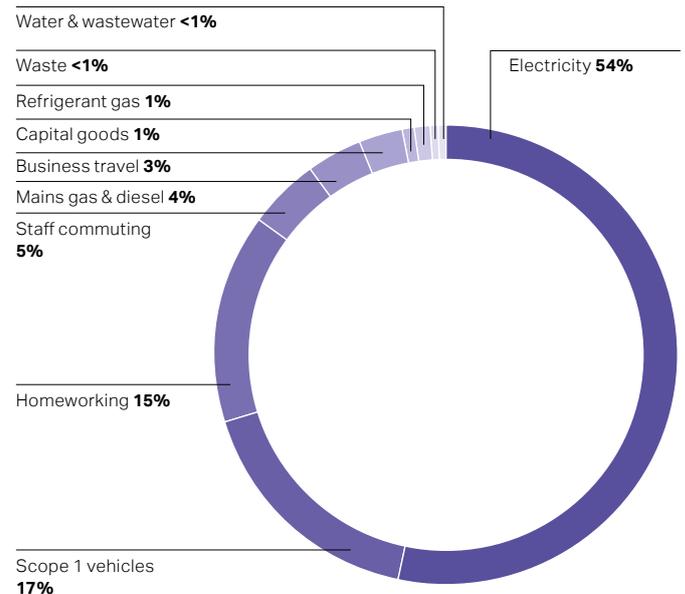
- Scope 1
- Scope 2
- Scope 3

* 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.

Gamma's emissions by source

Scope	Emissions Source Category	tCO ₂ e
1	Direct emissions from owned, leased or directly controlled stationary sources that use fossil fuels or emit fugitive gases	87.6
	Direct emissions from owned, leased or directly controlled mobile sources	352.3
2	Emissions from the generation of purchased electricity, heat, steam or cooling	2,443.2
3	Water	2.1
	Capital Goods	15.1
	Upstream emissions from purchased electricity and fuels	781.2
	Transmission and Distribution (T&D) losses	200.4
	Waste	6.4
	Wastewater	3.9
	Business Travel	71.9
	Hotel Accommodation	20.5
	Employee Commuting	129.9
	Homeworking	378.8
Total (location based)		4,493.3

Gamma GHG emissions by source



During 2021, electricity was Gamma's largest source of emissions (approximately 54%), followed by Scope 1 vehicles (17%) and homeworking (15%). All remaining sources account for approximately 14% of Gamma's GHG emissions.

Gamma's energy usage

Electricity

	2018/19	2020	2021	Annual Change (%)
UK (kWh)	8,542,592	8,011,782	7,339,515	-8.39
UK (kWh / m ²)	1,067.14	916.62	839.71	-8.39
Non-UK (kWh)	39,816	36,953	2,008,130	+5334.28***
Non-UK (kWh / m ²)	91.57	84.98	466.79	+449.29
Total (kWh)	8,582,408	8,048,735	9,347,645	+16.14
Total (kWh / m ²)	1,016.88	877.21	716.70	-18.30

Gas

	2018/19	2020	2021	Annual Change (%)
UK (kWh)	103,026	86,881	198,411	128.37
UK (kWh / m ²)	12.87	9.94	22.70	128.37
Non-UK (kWh)	35,390	26,591	175,738	560.89
Non-UK (kWh / m ²)	81.39	61.16	40.85	-33.21
Total (kWh)	138,416	113,472	374,149	229.73
Total (kWh / m ²)	16.39	12.37	28.69	131.93

* 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.

*** Reflects the increase in emissions due to European acquisitions

In 2021, Gamma used 9,347,645 kWh of electricity and 374,149 kWh of gas. More than 78% of Gamma's electricity usage in 2021 was within the UK, with less than 22% used in non-UK locations. In 2021, 53% of gas was used within the UK and 47% of gas used in non-UK locations.

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.

In order to effectively implement the waste hierarchy once waste has been produced, "office waste" is separated into recyclable and non-recyclable materials in Gamma staff premises:

	Tonnage	tCO ₂ e diverted	tCO ₂ e landfill
UK	36.47	0.69	2.54
Non-UK	31.28	0.57	2.60
Total	67.74	1.26	5.14

Total mass estimated diverted from landfill = 83.67%, equal to 0.04 tonnes per FTE.

Key Biodiversity Areas

Gamma's operational impact on ecology and biodiversity is very low. At Group level there are three offices within 1km of Key Biodiversity Areas. Gamma will continue to assess proximity to KBAs in respect of staff premises and other facilities.



Taking climate action

Carbon Neutrality

Gamma has held 'Certified Carbon Neutral Company' status (conferred by Natural Capital Partners) since 2006. 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. Following a review of the projects in which Gamma invests, and in an effort to align the investment with Gamma's aim to support the UN Sustainable Development Goals, the offsetting projects for 2022 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.

Gamma’s carbon net-zero ambition

Gamma acutely understands the need to contribute to the climate challenge with ever more ambitious plans and targets. As such, following the baselining of GHG emissions in 2021, Gamma is committed to becoming a carbon net-zero company by 2042.

Net-zero requires a reduction in emissions to a point at which Gamma can demonstrably show any remaining emissions are business critical. Net-zero plans can be backed and verified by science-based targets which quantifies what can be considered ‘residual’, e.g. total reduction = ~90%.

Gamma has committed to set near and long-term Company-wide emission reductions in line with climate science with the Science Based Target initiative (SBTi) and the Company will seek validation of its target within the SBTi timeframe of 24 months from commitment.

Gamma has constructed a plan over five, four-year carbon emissions reduction periods, ensuring the Company’s efforts are consistent with the need to decarbonise the wider economy at pace.

Goals

- Gamma will commit to reducing internal carbon emissions through five key reduction periods – the two periods between 2022-2030 will target a 90% reduction of both Scope 1 & Scope 2 emissions, in line with the 1.5°C pathways.
- Gamma will seek to have net-zero plans ratified by external accreditation (SBTi).
- Gamma is committed to maintaining Carbon Neutral status in the interim period prior to achieving net-zero.

Reducing energy consumption and environmental initiatives

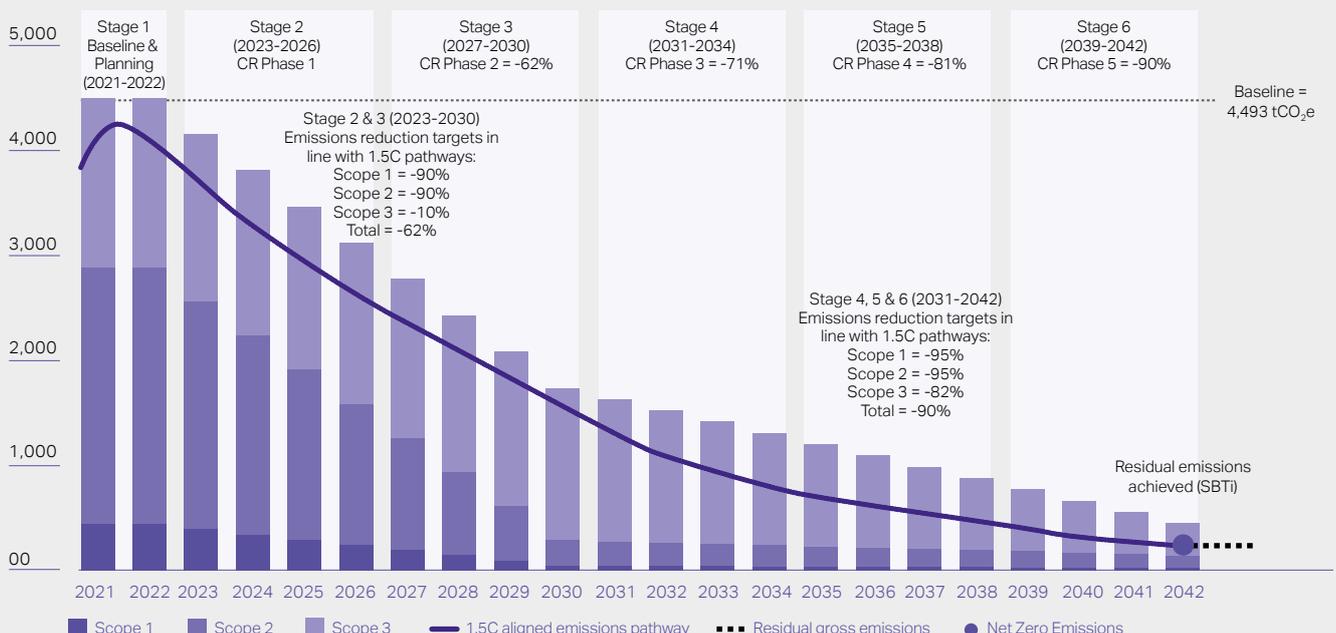
Gamma understands that energy and carbon reduction is the priority in implementing a science-based net-zero plan.

Emissions reduction projects have been ongoing throughout 2021. Gamma’s commitment to move its small fleet of cars and vans over to self-gen hybrids is ongoing, with completion expected in 2023. In line with the reduction activities for the carbon net-zero plan, Gamma will then target the switch over to electric vehicles prior to 2030.

Gamma continues to improve the energy efficiency of its data centres and its technology. Annual capital expenditure investment ensures that the Company deploys energy efficient technology and continues to optimise its heating, ventilation and air-conditioning in key data centres. A rolling programme of decommissioning ensures that legacy and energy-hungry infrastructure is replaced.

Gamma has partnered with Thales and announced that it will switch the Gamma SIM supply with eco-designed card, made from recycled refrigerators, further reducing its environmental impact and contributing to a circular economy. You can read more on page 9.

Gamma Aggregated Emissions Trajectory (Target) (tCO₂e)



Gamma's 2022 environmental targets

In 2022, Gamma will extend its emissions measurement to include Mission Labs that was acquired in 2021.

Supported by its Ethical Procurement Policy, Gamma has started to work with major upstream suppliers to understand the applicable Scope 3 emissions and this work will continue into 2022 to understand the greatest opportunity to influence reductions.

Gamma is certified with the ISO14001 for Environmental Management in the UK and the Company will complete an assessment to consider extending its scope to include its European subsidiaries during 2022.

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.

Working within the Company's risk management framework and using the Taskforce on Climate-related Financial Disclosure (TCFD) scenario-based risk and opportunity assessment criteria, Gamma has identified potential climate change risks, none of which are considered of material impact at present. An extensive financial impact analysis will be completed in 2022.

Transition risks are risks related to the transition to a lower-carbon economy. These might include risks relating to policy and legal changes, technology, market and finally reputation.

Physical risks are related to the physical impacts of climate change in the short term (acute) or longer term (chronic). These risks may have financial implications for Gamma, such as direct damage to network assets, or indirect impacts from its supply chain.

Potential impact

The impact of both transition and physical risks to Gamma is assessed to be minimal at present.

Gamma recognises that current and emerging regulations in both the UK and Europe are likely to lead to enhanced disclosure requirements, with additional metrics and monitoring. Gamma's expansion strategy, the demand for carbon credits, as well as potential increases in carbon taxes, could have a negative impact on its financial performance. Additionally, the Company's existing commitment to remain carbon neutral could become prohibitively costly should carbon offset credits increase significantly in price.

Although Gamma's energy costs are a small proportion of its costs, the increasing demand for low carbon energy is likely to drive up electricity prices, which will impact its operational costs. Given the material importance of climate change to Gamma's internal and external stakeholders, as demonstrated by the results of a materiality exercise conducted in 2021, Gamma considers that there is a risk of reputational damage if it does not continue to respond appropriately to reducing its contribution to global climate change.

Gamma has assessed the physical risks of climate change both in the short term and longer term to be minimal. There is potential for disruption to the power supply to Gamma's data centres during a prolonged, extreme heatwave, leading to higher consumption and costs for cooling. Additionally, an acute flooding event would increase the likelihood of damaged infrastructure both in buildings (data centres/offices) and below ground level (network equipment).

Longer term, temperature increases in its key locations has been identified as potentially impacting the cost of cooling offices and data centres, as well as increasing Gamma's impact on the environment through carbon emissions. Wildfires are considered low risk overall but using climate factors and scenario forecasting, Gamma appreciates that this risk is heightened in Spain and Morocco.

Mitigating actions

Gamma has strengthened the governance around potential climate change impacts, ensuring that the Company submits to the Carbon Disclosure Project (CDP) annually.

Activity required to support CDP disclosures include identification and management of transition risks relating to regulation changes, disclosure requirements and carbon offset costs. Gamma's environmental programme of work ensures that its understanding of the market and emerging regulation is understood and assessed. Any strategic acquisition will include climate-scenario planning and emissions assessments to understand the potential impact on the Company's net-zero ambition and the risks outlined here. Any new premises will also be assessed thoroughly in terms of environmental credentials.

Gamma is committed to reducing its emissions and energy usage, and the Company will continue to remain Carbon Neutral by investing in carbon offset initiatives that are validated and verified to recognised global standards (Verified Carbon Standard (VCS), the Gold Standard, and Climate, Community and Biodiversity Standards (CCB).

Gamma has announced a carbon net-zero plan, aiming to be net-zero by 2042. To support its ambition, the Company has committed to set near and long-term Company-wide emissions reductions in line with SBTi, the Business Ambition for 1.5°C and the UNFCCC Race to Zero campaign. Aligned to SBTi key principles, Gamma's net-zero commitment consists of five key emissions reduction periods, facilitating the setting of interim targets to track progress. Gamma has committed to cutting emissions in line with halving emissions by 2030 and is aiming to have its target officially validated by the SBTi within SBTi guidelines of 24 months.

Gamma's business continuity planning is certified to the ISO22301 standard and the business can rapidly respond to climate-related incidents. In the event of extreme weather Gamma has well-rehearsed procedures to protect all critical business operations. There are 'hot standby' operational sites, and the business can operate almost entirely remotely with secure, multi-factor authentication access to the network. Gamma has also installed back-up generators at key network and customer support sites to mitigate the risk of power cuts.

Gamma is also proud that one of its biggest contributions to mitigating climate change is through the products that its employees and customers utilise. Unified Communication products enable users to reduce their travel and thus, reduce their own carbon footprint.

Additionally, there exists an opportunity to extend Gamma's waste management processes to customers through the recovery, re-use, and repair of consumables such as handsets and routers.

Social

Gamma has established processes to consider the welfare of all of its stakeholders systematically which are set out in detail below.

Customers

Gamma produces products which allow end users to communicate easily and reliably.

Gamma's ethos is to provide a robust product at a fair price. Where Gamma sells via channel partners the Company wants the partner to make a fair margin for the value that they are adding to the end user.

The Company has a strong reputation for service and support, and it invests time engaging with customers across a range of topics to ensure the Company remains straightforward to deal with. Regular satisfaction surveys are run across the UK businesses in order to understand overall customer satisfaction levels and the 'Likert Scale' continues to be used as the method to measure customer satisfaction. Gamma is pleased to report a 68% CSAT rating in 2021 (2020: 69%) with improved engagement from its partners. Gamma tracks an annual Net Promoter Score (NPS) and recorded a positive score of 48 for 2021, which remains well above the industry sector average.

Gamma continues to provide an online digital learning management system called the 'Gamma Academy' to support channel partners with their product knowledge and during 2021 a series of independent knowledge bases have been launched to end users with the aim of improving knowledge about how they consume Gamma products and reduce the need for additional support from channel partners.

Data protection and privacy

Gamma recognises its duty to ensure that any personal data that is collected is properly protected and that the Company is transparent and responsible in the way data is handled. Details regarding Gamma's privacy policy can be found on the website.



Social overview

Scan to watch a video of our Chief People Officer, Chris Bradford, talking about some key People initiatives.

Suppliers

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

The process of improving and standardising the management of suppliers is key to Gamma and is constant as the Company strives for continuous business improvement. 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 (positive or negative) are reported to the appropriate category procurement representative, so accurate performance records can be maintained and supplier performance managed.

Regular performance reviews take place with key suppliers and there is also a fortnightly 'Supplier Management Meeting' chaired by Gamma's procurement team, with inputs from key internal representatives on behalf of its Commercial, Customer, Network, Product and Regulatory functional areas. This forum is used to discuss supplier performance and risks.

To ensure that Gamma's business is conducted ethically, sustainably and within the local law, Gamma has implemented an Ethical Procurement Policy and expects its suppliers to meet the principles outlined in the Policy.

This policy is designed to support the procurement of goods and services from all its suppliers that minimise negative and enhance positive impacts on the environment and society whilst meeting business needs and maintaining alignment with its values. Gamma encourages suppliers to require the same of their supply chains.

Gamma requires suppliers to complete an Ethical Procurement Policy Questionnaire and assesses supplier responses as the mechanism to assess these risks. The Company audits its supply chain continuously to identify compliance risks. Failure to complete the questionnaire or unsatisfactory responses may result in suppliers being excluded from the Gamma supply chain.

Gamma people

Employee engagement

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

By engaging with employees, the Company gives employees a voice to create a culture in which everyone can thrive. Gamma wants its people to bring their best selves to the working environment which should be a place where they feel safe, they belong, and they matter.

The majority of Gamma's employees continued to work remotely during 2021, and as seen in the previous year, engaging with staff, understanding how they are feeling and giving them a voice remained a high priority.

Gamma's engagement tool, The Gamma Pulse, is a resource tool for managers and employees that ensures Gamma not only engages with its people in real time, but quickly gives insights to enable actions to be implemented and to communicate results efficiently.

Gamma Pulse surveys became biannual in 2021. The tool was introduced to the European subsidiaries during 2021 and the survey will extend out to the recent UK acquisition, Mission Labs, in 2022.

In September 2021 the Company surveyed 1,539 people, with an 81% participation rate and received 6,800 comments. The survey results were communicated directly to the CEO, Senior Leadership Team and the Gamma People Business Partners, and via a webcast and email communication to all employees. In addition, the results were explained to the Board.

2021 also saw the launch of an Employee Forum pilot in the UK. Comprised of nominated employees with a range of diverse roles, the forum aims to further strengthen the connection between employees and management through sharing ideas and feedback in a safe environment. It is the ambition to extend this forum more widely in 2022.

Employee experience

Gamma is committed to lead with a culture that enables employees to be their best, to feel connected to the Company, and contribute to its long-term success. Gamma's culture is underpinned by four values – Aim High, Consider Others, Think Differently, and Stronger Together.

The Company recruits people from a wide variety of backgrounds which supports one of its values making the Company 'Stronger Together'. The experience Gamma employees have within the Company remains a key focus of Gamma's People Function agenda and across the business in general.

Gamma has 12 qualified Mental Health First Aiders working on a rota system across all UK office locations, sign posting to external organisations where applicable and offering 'in-house' and 'bite-sized' training on topics such as managing remotely, dealing with stress, and work-life balance. The Employee Assistance Programme has provided employees with access to online information and advice.

Financial wellbeing is also important to Gamma's employees and the Company offers a salary sacrifice pension scheme, life assurance and income protection. Gamma offers a reward package which includes: the government cycle to work scheme, childcare vouchers, as well as access to a health cashback plan. The flexible holiday trading package offers employees the opportunity to purchase additional holidays or sell back holidays, with additional trading windows open during the pandemic. 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, saving employees over £38k in 2021. Gamma offers enhanced adoption, maternity and paternity pay and shared parental leave.

Wellbeing will continue to be a key focus in 2022 to help support employees with advice, training and assistance where needed.

Sharing in the success of Gamma's 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 a 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 2021 34% (2020: 43%, 2019: 47%) of eligible employees chose to participate in the SAYE scheme, with options being granted over 155,514 (2020: 345,953, 2019: 377,800) shares. The Gamma share schemes have been extended to Mission Labs and there remains a desire to extend the plan out to the European subsidiaries.

Health and safety

Gamma's health and safety initiatives evolved in 2021, ensuring employees had safe offices to return to. The Company's return plan focused on a steady increase, stopping at 50% capacity to ensure social distancing could be supported to at least the end of 2021. This has allowed employees the flexibility to use an office in which to collaborate with colleagues safely as well as the ability to continue to work remotely where possible.

As a service business, Gamma experiences few workplace injuries, however during the return to the office Gamma experienced an anticipated increase in very minor accidents and absenteeism related to COVID-19 infections. Gamma had no fatalities or major injuries related to work during 2021.

A quarterly report is provided to the Board that outlines accidents, updates regarding health and safety initiatives, and relevant metrics such as contact made to the Mental Health First Aiders.

Gamma's health and safety policy has developed alongside the new working environment and the Company continues to work with third-party specialists to ensure its employees are supported and environments are safe.

Skills and talent

Gamma is focused on attracting, retaining and developing the critical skills required to support its strategic ambitions.

During 2021 a new induction and onboarding platform was launched in the UK businesses. This provides a blended learning approach to equip all new starters in the Company with a foundational understanding of the Gamma Group, its products, markets and customers, as well as its way of working, culture and values. The platform supports the additional role-specific onboarding activity that already takes place across the business, including interactive technical product training.

Gamma has extended its learning and development offering during 2021, recognising that the skills and capabilities of its existing employees need to change with evolving modern technologies. The Company's learning and development team has delivered 2,700 hours of technical product training across 186 different courses to its customer services teams. This is supported by the Gamma Academy, also available to internal users, on which 2,000 courses have been completed by 760 distinct internal users.

Gamma has also introduced LinkedIn Learning within its Technology areas, providing employees with access to over 16,000 expert-led courses, enabling continuous growth and development.

Apprenticeships and Technology Graduate Programme

The Gamma apprenticeship programme has continued during 2021 with 20 apprentices in various functions (2019: 24, 2020: 15). Most of Gamma's 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.

Alongside a newly launched Technology Careers Site, Gamma has been working closely with the Graduate Recruitment Bureau to onboard 10 graduates by September 2022. The aim of the programme is to offer graduates experience of four different areas of technology across a two-year period. Gamma guarantees the graduate a permanent position at the end of successfully completing the programme.

Gender pay gap

In 2022 Gamma will continue to assess its 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.

The gender pay gap report for the snapshot date of 5 April 2021 shows 1,123 employees within the Gamma Telecoms Holdings Ltd UK workforce, excluding Mission Labs: 783 men and 340 women.

Gender	% of Workforce 2021 vs (2020)
Male	69.72 (69.60)
Female	30.28 (30.40)

Below is the data from the 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 % 2021 vs (2020)	Median % 2021 vs (2020)
Pay Gap	19.60 (25.45)	19.80 (23.19)
Bonus Gap	59.41 (63.27)	20.07 (26.47)

Proportion of Males and Females receiving bonus

Gender	% receiving a bonus 2021 vs (2020)
Male	92.66 (94.57)
Female	94.00 (93.56)

Pay Quartiles

Quartile	Male % 2021 vs (2020)	Female % 2021 vs (2020)
Upper	77.94 (80.53)	22.06 (19.47)
Upper middle	75.00 (72.41)	25.00 (27.59)
Lower middle	62.99 (61.83)	37.01 (38.17)
Lower	62.99 (63.60)	37.01 (36.40)

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 the workforce, however, we are seeing improvements in the mean figures.

Group employee numbers at 31 December 2021

	Male	Female	Total
Directors of Gamma Communications plc	7 (78%)	2 (22%)	9
Senior Managers of the Company (including subsidiary Directors)	26 (96%)	1 (4%)	27
Employees	1,192 (68%)	553 (32%)	1,745

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

Whistleblowing Scheme

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

The 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 a third-party provider to Gamma's Whistleblowing Officers who are Independent Non-Executives on the Board. After an initial assessment, the report will either be delegated to a panel which is made up of representatives of Gamma's Senior Leadership Team or the Whistleblowing Officers may choose to deal with it independently, including obtaining external advice. Gamma has trained appropriate level employees to manage the investigation process. Reports of wrongdoing concerns are reported to the Board on a regular basis.

The Gamma induction programme explains the Whistleblowing approach to all new starters and Gamma remains committed to providing awareness and training to existing staff.

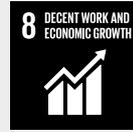
2022 Activity

In 2022, Gamma will be focusing on Equality, Diversity and Inclusion. The Company has partnered with ENEI (Employers Network for Equality and Inclusion) to complete a benchmarking exercise to understand the gaps and strengths in its current approach. The exercise will focus on key areas such as Gamma's workforce, strategy, leadership and accountability, recruitment and attraction, training and development and other employment practices. The outcomes will be used to set the ED&I strategy moving forwards. Gamma will also collect demographics data to better understand its workforce and align its future plans to support and strengthen its approach to attracting, developing and retaining underrepresented groups.

As part of Gamma's goal to impact and inspire young people the Company has formally partnered with Speakers for Schools and is designing a nationwide programme to support young people with understanding the technology industry, raising their confidence levels, mentoring and providing opportunities for work experience.

Gamma is also targeting talent communities internally and externally. Internally, the Company will be creating employee communities, to strengthen inclusion and belonging.

Externally, its Recruitment team has started to build networks to broaden the Company's connections with specific groups, focusing on Women in Technology, apprenticeships, and other underrepresented groups. This will include participation in hosted events and the creation of targeted recruitment campaigns to attract a more diverse talent pool. Gamma's Senior Leadership Team has committed that, starting this year, all senior roles at Gamma must have a diverse shortlist and Gamma will ensure its partners in executive search are working to deliver this.



Giving something back

As part of the 2021 social plan within Gamma's ESG strategy, the Company is committed to supporting the communities in which it is based and enhancing its charitable giving plan.

Supporting the UN Sustainable Development Goal 8: Decent work and economic growth, Gamma's technology teams have continued to provide remote Hi-Tech Horizons sessions through an initiative run by 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.

Additionally, Gamma has partnered with Speakers for Schools to deliver STEM insight to pupils in the North-West of England during Virtual Work Experience week in April, and Digital Careers in September. Gamma has a broad range of colleagues that volunteer to support these events to help inspire students and provide them with a wider perspective on what their options are for their future careers and opportunities.

Working in the communities in which the Company operate, Gammass 'Direct' customer business unit has worked with local authorities in the Manchester and Portsmouth areas to support their efforts in tackling digital poverty, address emerging skills gaps and prepare young people for the world of work in addition to providing employment in the area.

Gamma is committed to maintaining these relationships as well as building new ones during 2022 and the Company will endeavour to contribute to the UN Sustainable Development Goal 10: Reduced Inequalities through the extension of initiatives.

Gamma has 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 and Gamma has continued to provide match funding across a range of charitable events that its staff has completed during 2021. A Charity Forum exists to support its employees to raise funds as well as use their charity day.

'Giving something back' is important to Gamma and its employees and is aligned to its "Consider Others" value. Driven by the Gamma Charity Forum, the Company will continue to build on its community and charity plan in 2022 to help make a difference to good causes and local communities.