

# ESG Committee report

## ESG Committee

The ESG Committee is primarily responsible for:

- Overseeing the development of the Group’s ESG strategy and governance structures and associated goals and policies.
- Ensuring that management establish appropriate ESG KPIs and related targets, and for overseeing their ongoing performance measurement and reporting.
- Monitoring ESG trends and related standards and legislative requirements and how those are likely to impact on the Group’s strategy and financial performance.
- Making sure that the Group is transparent in its reporting of ESG matters to all its key stakeholders and that an ESG awareness is promoted throughout the organisation.

The Committee’s terms of reference are available on the Company’s website.

### Meetings attended by committee members in 2021

Martin Lea (Chair)	4/4
Andrew Belshaw (CFO)	4/4
Charlotta Ginman <sup>1</sup>	3/3
Richard Last	4/4
Henrietta Marsh	4/4
Andrew Taylor (CEO)	4/4
Wu Long Peng	4/4

<sup>1</sup> Charlotta Ginman was a member of the Committee until 3 September 2021.

In addition to the Committee members, quarterly meetings are also normally attended by the Group Operations Director, the Company Secretary, the Chief People Officer, the Group Financial Controller, the Group Procurement Director, and the General Counsel.

## Dear shareholder,

I am pleased to introduce the ESG Committee report for the year ended 31 December 2021.

There has been one change to the composition of the Committee during the year with Charlotta Ginman ceasing to be a member from 3 September 2021. The Committee now comprises four of the Company’s Non-Executive Directors, the CEO, and the CFO.

Details of our Environmental, Social and Governance related strategy, policies, activities and performance are presented on pages 36 to 47 of the Strategic Report. In addition, more detailed disclosures can be found in the ‘ESG Information Hub’ on the Company’s website.

## Role of the ESG Committee

The Committee is responsible, on behalf of the Board, for overseeing the development of the Group’s ESG strategy and governance structure and the establishment of related goals and policies. It also should ensure that appropriate KPIs are established, together with performance targets across each key area of the ESG spectrum, and for overseeing their ongoing monitoring and reporting. In addition, the Committee is responsible for making sure that the Group is effectively monitoring ESG trends, and in particular the evolution of standards and legislative requirements, and how those may impact the Group in terms of strategy and financial performance. The Committee works in conjunction with the Risk Committee to oversee the identification and mitigation of risks relating to ESG matters, and for the identification of related opportunities. It is also required to ensure that the Group provides appropriate information and is transparent in its reporting of ESG strategy, policies, activities and performance to all its key stakeholders. The Committee is responsible for ensuring that there is an evolving ESG awareness and culture throughout the organisation.

## Activities of the ESG Committee in 2021

The Committee held four quarterly meetings during 2021, in order to review strategy, risks and opportunities, policy, governance, reporting and communications developments across all areas of ESG. In addition, it received regular updates from management regarding the regulatory environment and the evolution of various ESG standards. Good progress has been achieved in many areas but our particular focus in the past year has been on Climate and the Environment, and this is reflected in the more extensive disclosures being made for the year ending December 2021. Another key area of work has been to further strengthen the governance and ownership around our ESG priorities. During the past year an ESG Executive Steering Committee was established comprising members of the Senior Leadership Team and chaired by John Murphy our Group Operations Director. In addition, an ESG working group was formed with representation from across the Group both from within and outside the UK. This together with regular all staff ESG briefings is helping to increase levels of awareness and engagement across the Group.

In addition, during the year management commissioned a specialist third party to undertake an ESG materiality exercise to help us prioritise our ESG initiatives. This involved consultation with a broad set of the Group's stakeholders, including shareholders and employees, and has given management and the Committee a clear sense of the Group's current position and the way forward.

The year has not only been about structure and prioritisation. There have been initiatives in all three areas, particularly the Environment. Our emissions reporting boundary and carbon offset has been extended to cover our entire Group, including the non-UK subsidiaries for Scope 1, 2 and 3 emissions and energy data. The Committee is also pleased to have now approved a carbon net-zero plan for the Group with a target date of 2042 and will now be able to monitor the progress against that plan. We have also now included waste management data for the UK business.

With respect to Social impacts, in our last report we highlighted the UN Sustainability Goals where we thought Gamma could have the biggest positive impact, and these included Goals 5 and 10 dealing with Equality. Consistent with that the Group has identified Equality, Diversity and Inclusion (ED&I) as a key focus area. Management is undertaking an ED&I assessment of Gamma which will provide a clear view of the opportunities and challenges enabling us to develop a roadmap including the formulation of key metrics. In addition, we have reviewed our existing 'giving back' initiatives with a view to extending and enhancing these.

In terms of Governance, during the year several new policies have been developed such as Group Environmental Management and Group Ethical Conduct Policies which together with updated versions of previously existing policies are now available on the Company's website. The Committee takes responsibility for ensuring that all policies are subject to annual review.

### Engagement with stakeholders

The Committee is responsible for ensuring that the Group provides appropriate visibility of its ESG credentials to the investment community, as well as other stakeholders. We are therefore pleased to report that during the year the Company has been subject to its first ESG assessments and received positive ratings from CDP and MSCI as well as an updated assessment and rating from Sustainalytics. We have also engaged individually with a number of larger shareholders whose ESG teams have requested meetings.

We have observed interest from employees and potential new recruits in certain ESG matters, for example in our plans for carbon net-zero and ED&I. In a competitive recruitment market, we believe our ESG efforts are a point of potential differentiation.

Some larger customers also require detailed questionnaires to be completed covering ESG matters and the results contribute directly to their decisions on contract awards. We consider that we are currently well placed competitively but need to keep investing in this area.

### Looking forward

Looking to the year ahead, the Committee will focus on several areas. Considering the broad ESG scene, we will continue to develop a set of core KPI metrics across all aspects using the World Economic Forum (WEF) International Business Council (IBC) common metrics as a guide. The Committee will also carefully monitor progress by the International Sustainability Standards Board (ISSB) in achieving a harmonised set of ESG disclosure standards.

On the environment, we will focus on commencing the detailed planning around our carbon net-zero plan. Gamma has committed to set near- and long-term Company-wide emissions reductions in line with the Science Based Targets initiative (SBTi) and we will submit our target for validation within the SBTi guidelines. We will further improve the extent of our emissions measurement across the Group and further enhance our disclosures consistent with the TCFD recommendations. We will review the scope of our ISO 14001 (Environmental Management) UK certification and also plan to extend certification to our non-UK operating subsidiaries where that is appropriate.

We will continue to further develop our social programmes relating to our employees and the broader community, and as part of that continue to develop metrics and KPIs that will enable us to objectively and transparently report our performance. In particular our focus will be on the development of our Group ED&I strategy, policies and programmes as well as the implementation of a more structured approach to how we give back to the communities in which we operate and beyond.

From a governance perspective, we will continue to review key policies and monitor how they are being implemented as well as introducing additional policies where gaps in our framework are identified.

We remain strongly committed to our ESG programmes and the overarching principles of the UN Sustainable Development Goals. In order to reinforce this commitment we have also introduced ESG objectives into the 2022 senior executive bonus scheme. We will continue to develop Gamma's credentials as an environmentally and socially conscious business partner with high standards of governance and will endeavour to transparently disclose our progress and performance to all our key stakeholders.

**Martin Lea**  
Chair ESG Committee

21 March 2022