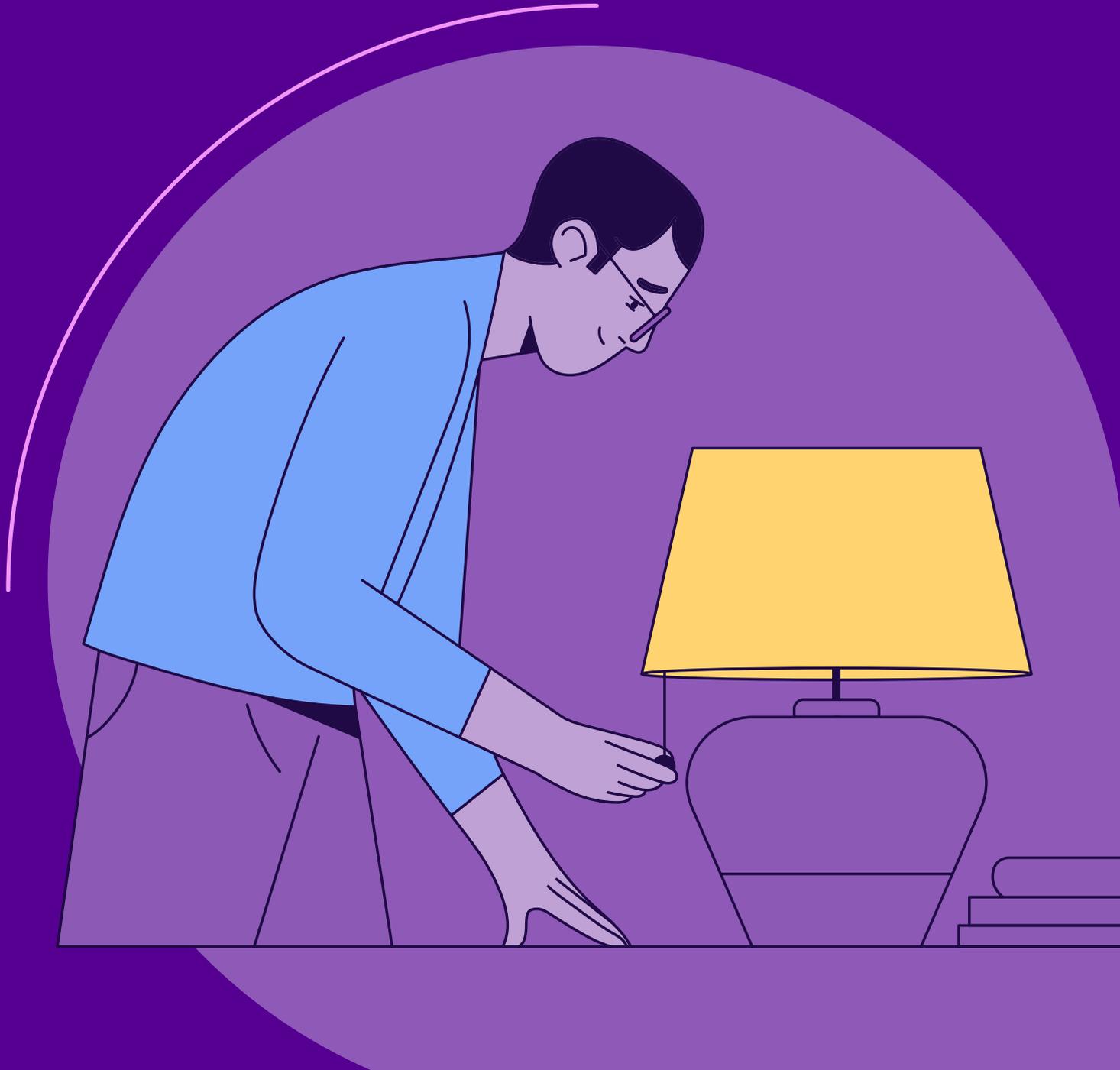


TelecomPlus

Environmental, Social & Governance



Environmental, Social & Governance Summary

Introduction

There is little need for a lengthy explanation as to why sustainability is an important topic for our business.

We have always thought of ourselves as being focussed on the long term, not least as this is a key component of what we offer our Partners - an opportunity to build a long-term recurring income stream, in return for recommending UW to their friends and family.

But in the context of having a business model that has sustainability at its heart it's almost more important to look at how we work.

All our business is done in person, by Partners who live just around the corner from each of us. Just as they recommend UW one neighbour at a time, so we are approaching our ESG strategy in the same way: not just looking at our impact on a global scale that can sometimes be hard to relate to or act upon. But looking at the difference we can make with the people we see, the places we know, the neighbourhoods where we live.

The positive impact our business has on a local level through our Partners is huge, and as a result they view UW as much more than simply an income. In the same vein, UW has always been about much more than making a profit - but historically we have failed to tell this narrative. We therefore welcome the opportunity to showcase the steps we have already taken and the commitments we are making for the future, including donating 1% of our reported profits to the UW Foundation every year.

This year we have carried out a materiality assessment to engage with key stakeholders - our customers, Partners and employees amongst others - to better understand the ESG issues which are important to them and that are relevant to our business.

This approach has provided us with a clear understanding of where our priorities should be, have informed the commitments we are making this year, and will do for the years to come. Our commitments contribute to the ambitions of the UN Sustainable Development Goals (SDGs), but just like our business, they start local and we have grouped them accordingly: One Culture, One Neighbourhood and One Planet.

More detail on the materiality assessment we carried out and our overall approach can be found in our ESG Strategy Report, available at www.telecomplus.co.uk

One Culture

Investing in growth and belonging

Inspiring and developing our employees and our Partners through the opportunities we provide as well as our ongoing training and development, and working to develop our diversity and inclusion strategies.

Our goals

We want to transform the lives of more people than ever before through UW Partnership, and we believe that a flexible income opportunity like ours has never been more relevant than it is today. Our aim is that anyone, anywhere is able to start earning a meaningful income from UW simply by helping their neighbours.

We also want to transform our employee experience, focussing on the key moments that matter, from onboarding through to development and retention. In doing so, we aim to achieve an employee Glassdoor rating of over 4 and a 'recommended to a friend' measure of 80%.

We are growing an increasingly diverse UW. We have signed up to and are embedding the Race Charter within the business, and we will provide career progression for all, specifically focussing on activities that support the progress of ethnically diverse employees.

We have also set Diversity & Inclusion targets for all management roles (employees who manage others). By the end of FY2025, at least 30% of all management roles will be held by ethnically diverse employees and at least 40% will be held by female employees.

Progress to date

We are fully committed to helping Team Purple - our 48,000-strong community of Partners - to achieve their goals through UW, whatever they may be. We have reduced the cost of becoming a Partner, developed our remote appointment capability, replaced our traditional lines of communication between our Partners and the business, and introduced home-based incentives, mental and physical wellbeing sessions, and remote personal development training.

We have also made it easier for new Partners to succeed by developing the Partner onboarding journey (making it an entirely digital app-based experience), developing our Planner tool (to automatically identify the most attractive prospects amongst a Partner's existing contacts), paying experienced Partners to help new Partners gain the confidence to sign up customers unaided in future, and introducing a simplified Customer Bonus that strengthens the appeal of our opportunity for those seeking an immediate income.

We have embedded our Smarter Working model into the business, giving our employees the opportunity to work from home at least two days a week or fully remotely, providing them with all of the equipment and support to do their job anywhere in the UK. We also provide comprehensive support for employees' mental health and wellbeing, wherever they are working.

Since 1st April 2021, we have been paying the Real Living Wage and the London Living Wage to all those who have over one year's service with us.

We are proud to have signed up to the Race Charter, which is championed by our Chief Operating Officer. We have recently set out our commitments which are set out in our ESG Report. Our Diversity & Inclusion forum, sponsored by our Board, meets monthly to develop our Belonging at UW agenda. This year we have developed our D&I policy and set targets across the business (above) which we are working towards delivering.

UN SDGs we contribute to:



One Neighbourhood

Investing in how we work with others

Ensuring reliability of supply, service and product delivery through periods of uncertainty and risk such as extreme weather events and global pandemics.

Conducting business that is fair, transparent and accountable both within UW and across its supply chain.

Protecting our customers' safety both online and offline, through the delivery of safe products and services and protecting our customers' data and privacy.

Committed to protecting vulnerable customers who need additional support.

Our goals

The UW neighbourhood has continued to grow, but we're still focussed on the best interests of the people and businesses who we serve and work with. Being a responsible and reliable supplier is therefore key, and every initiative we deliver has to reinforce the confidence and trust our customers and Partners have in the way we run our business.

Our goal is to ensure that we are able to reliably supply our customers with their services; that we run our business in a fair, transparent and accountable manner; and that we protect our customers' safety and support vulnerable customers effectively. We want to ensure that all new suppliers sign up to our ways of working by FY2023. This year we will also be working closely with Citizens Advice Plymouth to learn how to better support our vulnerable customers.

It's also why we set up the UW Foundation in 2020 focussing on key environmental, social and charitable projects and which provides a focal point for our Partners and employees and their charitable activities, and we match fund amounts raised. From 2021, we're committing to contributing 1% of our reported annual profits to the UW Foundation to support the environmental and social causes the Foundation supports.

Progress to date

We want to work with our suppliers, employees and Partners who share our values, and a big part of this is the way we do business together. As part of our commitment to reliable supply and fair and transparent business practices, we launched our Supplier Code of Conduct (and a series of associated policies) and are aiming for all new suppliers to sign up to this Code.

Ensuring reliability of supply has been vital throughout the pandemic. We enabled almost all of our employees to work remotely from home by early April 2020, including in our call centre teams, to ensure we were able to supply and communicate with our customers and Partners. Offering this high standard of service relies on strong supplier relationships, which is why we select them carefully and now ask them to sign up to our Supplier Code of Conduct.

Our Anti-bribery and Corruption Policy makes it clear that we do not tolerate bribery or corruption anywhere within our business or in any form. All new starters complete a mandatory training module on our compliance learning platform, and employees who are in supplier-facing or

Environmental, Social & Governance Summary

continued

procurement roles complete additional training. Our staff handbook and Partner policies and guidelines set out the standards of behaviour we expect from everyone who works with UW.

We want to make sure we are open and transparent in our communications and the way we do business. As a result, we ensure anyone who wants to report an ethical concern to us can do so safely and in confidence. This year we refreshed our Whistleblowing Policy and we have an externally managed helpline via SafeCall where our employees, Partners, suppliers, contractors and all other parties we work with can report any concerns.

We are committed to respecting Human Rights across our business and our supply chain and have a Human Rights Policy which covers human rights, modern slavery and forced labour. Our Board have approved a Modern Slavery and Human Trafficking Statement in compliance with section 54 of the Modern Slavery Act 2015, which is available on our website.

We have signed up to the Energy UK Vulnerability Commitment and partnered with Citizens Advice Plymouth to provide additional support for vulnerable customers.

We also provide our customers with tips on our website to help them stay safe online and protect themselves from cybercrime. We have recently started to offer our customers eero WiFi mesh devices for their homes with weekly security digests, built-in parental controls, (meaning that our customers are able to control who is able to see what content at what time) so we can help our customers manage their online lives and security more effectively.

UN SDGs we contribute to:



One Planet

Investing in a low carbon future

Tackling the climate crisis and committing to Net Zero to support the UK Government's transition to net zero whilst also helping our customers to do the same.

Playing a leading role in the Green Industrial Revolution, by leading the use of an investment in new technologies to help our customers to lower their emissions and access and use low emission energy.

Our goals

We believe, based on the work we have undertaken this year, that our target to be net zero by 2040 is eminently achievable and we are playing our part in the UK Government's transition plans. Working with our energy supplier E.ON, we will significantly reduce our emissions and the carbon intensity of electricity we supply, and over the course of 2021 we will establish clearly defined targets to reduce our emissions and plot our path to net zero. With regards to our scope 2 emissions, we aim to be net zero by the end of FY2023 by using 100% renewable electricity in our buildings. We're already using electricity backed by low-carbon generation in our HQ building. We're also investigating how to introduce electric vehicles into our engineering fleet.

We will lead on supplying energy saving technology where appropriate: this is primarily in the form of smart meters, and we aim to install these in 85% of our customers' homes by the end of FY2023 and 70% by the end of FY2022. Although this is in line with Ofgem's industry target, we aim to meet this much sooner than FY2024 as we are already significantly ahead of almost all suppliers in our rollout program.



Progress to date

We completed the mapping of our scope 1, 2 and 3 emissions this year.

We are a carbon neutral business in respect of our scope 1 and 2 emissions. We have achieved this by offsetting those emissions by partnering with Forest Carbon and the Verified Carbon Standard accredited Rimba Raya project in Indonesia.

The UW Foundation has been supporting a tree planting project in Bryn Arw in Wales as part of its commitment to improving our environment and biodiversity in the Brecon Beacons. So far, we have planted 117,400 trees across 73 hectares, which will absorb up to 32,000 tonnes of carbon dioxide in future years.

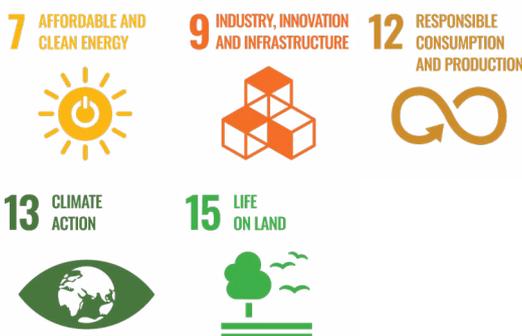
We have offered multiservice customers a Green Fixed tariff since March 2020 and over 64,000 customers have chosen it. Between them they have consumed 186,000MWh of renewable electricity. Our Green Fixed tariffs are REGO (Renewable Energy Guarantees of Origin) backed, so for every unit of electricity our customers use we buy a REGO certificate from a renewable generator, supporting their further development.

We have installed almost 600,000 smart meters in total and 145,000 in FY2021 despite the covid pandemic.

We now give Partners the choice of an electric vehicle - a Tesla Model 3 - when they reach customer milestones, instead of a petrol or diesel vehicle.

Through our LED light bulb programme we have installed 5 million bulbs in 150,000 UW customers' homes. Over their lifetime, this will save approximately 46,000 tonnes of carbon. We will continue to post replacement low energy bulbs to customers for free whilst they remain with us.

UN SDGs we contribute to:



Carbon reporting

Greenhouse gas emissions statement

This year, we have reported on Scope 3 emissions (indirect supply chain; primarily our customers' energy usage) as well as Scope 1 and 2 emissions (see table below for full data) to better understand the full extent of our impact. We have reported our carbon intensity using 'Tonnes CO2 per £million Turnover' for the first time and will continue to report in this way on an annual basis. Our GHG reporting year is the same as our financial year.

We believe this to be the most appropriate metric for the sectors in which we operate.

We plan to disclose our GHG emissions through the Carbon Disclosure Project (CDP) in 2021. Our reporting covers all of our UK based emission sources, we do not have any non-UK operations.

We recognise that the past year is not representative of normal operations and that our absolute emissions and carbon intensity is likely to increase next year (as postponed carbon intensive activities such as Partner incentives occur once covid-related lockdowns lift). During 2021 we will begin the transition to low carbon alternatives for our Scope 1 and 2 emissions which includes investigating and ultimately implementing programmes to move our fleet to EV alternatives and using 100% renewable electricity in our buildings.

Our carbon footprint data was calculated by Carbon Change Ltd and the overall approach we used is based on the Greenhouse Gas Protocol Standard (and supporting reporting guidelines) which enables organisations to measure, manage and report their GHG emissions from direct operations and through their supply chains. We have reported on all the emission sources required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

Our GHG emissions for scopes 1 (direct emissions from our own operations) and 2 (indirect emissions from the generation of purchased energy) are set out below, with a comparison against the previous year. Our emissions are lower than the previous financial year, largely due to covid travel and working restrictions. This year we have also reported on our scope 3 emissions (indirect supply chain; primarily our customers' energy usage) for the first time.

Environmental, Social & Governance Summary

continued

		20/21 tCO2e	19/20 tCO2e
Location based emissions			
Scope 1	Combustion of fuel and operation of facilities	1,665	1,937
Scope 1	Refrigerants	77	243
Scope 2 (location based)	Electricity purchased for own use (incl. PV generated and green tariff)	1,138	1,341
Scope 3	Includes electricity and gas sold to customers	1,725,129	1,792,121
Gross Emissions (location based)	Total scope 1+2+3 CO2e emissions	1,728,009	1,795,642
Intensity Measure (location based)	Tonnes of CO2e per £m turnover	2,007	2,050
UK underlying energy use (kWh)			
Total Scope 1 Energy use	Combustion of fuel and operation of facilities (natural gas, fleet fuel oils, company cars)	6,614,107	7,552,764
Total Scope 2 Energy use	Electricity	4,882,710	5,247,423
Total Scope 3 Energy use	Electricity and gas sold to customers, leased buildings and fuel use in personal/hire cars	8,584,096,502	8,667,018,852
Total Energy use (kWh)		8,595,593,319	8,679,819,039

Energy efficiency initiatives

We are committed to reducing the carbon impact from our operations and supply to our customers. We have set our target of net zero operational carbon emissions across the organisation by 2040 and we're putting in place our plans to achieve this. With regards to our scope 2 emissions, we aim to be net zero by the end of FY2023 by using 100% renewable electricity. We're already using electricity backed by low-carbon generation in our HQ building. We're also investigating how to introduce electric vehicles into our fleet. This year we measured our Scope 3 emissions and we realise we need to focus our attention here with our energy supplier, E.ON (formerly npower).

The building layout of our NHQ premises allows for individual floors to be isolated when not in use. An excellent example of this is the zoning of the LED lighting control to mirror how working teams use the space with local sensor control to avoid wastage outside of core hours. The Group has implemented a number of the recommendations outlined in both the ESOS Phase I & II audit reports, e.g. increasing the temperature set point in the large server rooms and smaller patch panel room with monitoring of temperature in the event of failure, upgrading the lighting in the warehouse

to LED, ensuring air conditioning units are time controlled with appropriate temperature set points, temperatures, and dead band control strategy. The Group's van fleet operates on-board telematics to improve miles per gallon and driving style. This data enables the Group to tailor training to each driver's needs, thus improving the efficiency of their vehicles.

Please see our ESG Report for more detail on our goals, ambitions and progress to reduce our greenhouse gas emissions.

TCFD

We are currently working on the implementation of the Task Force on Climate related Financial Disclosures in time for the next financial year. We support the recommendations of the TCFD and we are working towards being able to make our TCFD disclosures in our annual report next year. We recognise that these requirements are an important part of ensuring our reliability of supply and enabling a path to net zero carbon emissions. This year we have carried out a gap analysis to better understand where we need to make changes and develop our plans to do so.

TCFD Pillars

Governance

We are in the process of formalising the role, responsibilities and governance structure for ESG matters. We have an ESG Strategy Group, overseen by our CEO who will report ESG matters to the Board who have ultimate responsibility for our ESG strategy and progress.

Strategy

We will progress our climate related risk assessment over the coming financial year which will inform our key risks and opportunities to our business operations, financial planning and strategy. Given the nature of our business (we rely on third party supply relationships and do not own our own distribution or generation infrastructure), we do not expect a material level of risk to our business and will largely depend on our supply relationships.

Risk Management

We performed a materiality assessment with our key stakeholders as part of our ESG strategy development and to understand which topics are most important to them. As set out above, we do not currently expect that climate related risks will have a material impact on existing assets or financial models but we do acknowledge the importance of and our reliance on our supplier relationships and it is important for us to understand the risks facing our suppliers. We will work to update our corporate risk assessment process to reflect how we identify, assess and manage climate related risks going forwards.

Metrics and Targets

This year we have carried out a more comprehensive review of our GHG emissions (including our scope 3

emissions) which has given us a much better picture of our impact on the environment and we have disclosed our GHG emissions in this Annual Report. We will use this to develop our targets and ambitions. We will ensure we continue to measure our GHG emissions effectively and comprehensively and manage them accordingly in line with our targets.

In the future, we will undertake climate risk scenario analysis and resilience assessments when we have fully implemented our plans set out above.

Section 172(1) statement

Background

The Companies Act 2006 (the “Companies Act”) sets out a number of general duties which directors owe to the Company. New legislation has been introduced to help shareholders better understand how directors have discharged their duty to promote the success of the Company, while having regard to the matters set out in section 172(1)(a) to (f) of the Companies Act. In the current financial year, the directors continued to exercise all their duties, while having regard to these and other factors as they managed and governed the Company on behalf of its shareholders.

Engaging with key stakeholders

The success of the Company is dependent on building positive relationships with all of our key stakeholders to deliver long-term sustainable success.

The table below sets out details of engagement with key stakeholders.

Environmental, Social & Governance Summary

continued

Stakeholder	Details
Shareholders	<p>As owners of the Company we rely on the support of shareholders and their views are important to the Board.</p> <p>The executive directors have an open dialogue with our shareholders through one-to-one meetings, group presentations with analysts, and at the Annual General Meeting. Discussions with shareholders cover a wide range of topics including financial performance, strategy and outlook. The non-executive directors engage with institutional shareholders on matters of governance and remuneration.</p> <p>Shareholder feedback, along with details of significant movements in the shareholder base are regularly reported to and discussed by the Board and, where appropriate, their views are sought as part of certain decision-making processes.</p>
Partners	<p>The Company relies on the Partners within its independent distribution network for gathering new customers.</p> <p>Communication with our Partners is a key focus for the business and is conducted through various meetings, forums and large-scale conferences.</p> <p>Where appropriate, Partner feedback is sought when significant changes are being considered to the operation of the distribution network.</p>
People	<p>Employees are key to the Company delivering award-winning services to customers.</p> <p>There are many ways we engage with and listen to our employees including weekly email updates, employee surveys, forums, face-to-face briefings (including breakfast with the CEO), and an internal company magazine.</p> <p>Key areas of focus include company development and strategy, health and well-being, development opportunities, pay and benefits. Regular reports about what is important to our employees are made to the CEO ensuring consideration is given to employee needs.</p>
Customers	<p>We build long-lasting relationships with our customers as evidenced by our low levels of churn.</p> <p>We devote considerable resources to understanding customer requirements and soliciting feedback from them on ways to improve our offer and services. We use this knowledge to inform our strategy of helping customers to “get on with their lives” by offering savings, simplicity and service across all the household services we are providing to them.</p>
Suppliers	<p>As a reseller we are required to work closely with our key suppliers to ensure that we are delivering the best possible combination of value and service to our customers; our success in achieving this is demonstrated by the numerous endorsements and consistent recommendations we receive from Which?</p> <p>The interests of our suppliers are strongly aligned to our own as the number of customers we are able to attract has a direct impact on their own financial performance and market share. This generates close and supportive relationships with our key suppliers which are fostered through regular interaction at a senior management level.</p>
Community	<p>We are committed to building positive relationships within the communities where we operate.</p> <p>We are a significant employer in the local community around our head office and support a number of charitable activities. We have recently set up the UW Foundation to further these endeavours.</p> <p>Our Partner business opportunity allows a range of people from communities across the UK to advance their lives, driving our strategy to help Partners to “get on in life”.</p>
Regulators	<p>We operate in highly regulated markets and understand the importance of maintaining a constructive working relationship with Ofgem, Ofcom and the FCA, who between them are responsible for the regulation of the diverse range of services we offer.</p> <p>We engage with officials from these regulators as necessary to make them aware of the Company’s views when they are consulting on proposed regulatory changes, or if there are competition issues that need to be raised with them.</p>

Further s172 factors

Further information as to how the Board has had regard to the s172 factors:

Section 172 factor	Key examples	Page
The likely consequences of any decisions in the long-term	Sustainability Report	32
The interests of the Company's employees	People & Organisation Report	28
Fostering business relationships with suppliers, customers and others	Chief Executive's Review	10
The impact of the Company's operations on the community and the environment	Sustainability Report	32
Maintaining a reputation for high standards of business conduct	Sustainability Report Corporate Governance Statement	32 44
The need to act fairly between members of the Company	Corporate Governance Statement Directors' Report	44 73

Strategic report approval

The Strategic Report set out on pages 1 to 39, which incorporates the Financial and Operating Highlights, the Chairman's Statement, the Chief Executive's Review, the Financial Review, Principal Risks and Uncertainties, People and Organisation and Sustainability Report, has been duly approved by the Board.

By order of the Board
David Baxter
Company Secretary
18 June 2021

