

### **Supplier Sustainability Code of Conduct**

# Hello

#### **Dear Partner**

Through our creativity, relationships and our work, VCCP is committed to using communications to create social cohesion, encourage kind and responsible actions for ourselves and our planet, and share our skill to deliver social good.

Sustainability is core to how we operate and an expectation of our supplier relationships. We want to work with companies that share our commitment to sustainability and will engage with us to drive climate action.

We are committed to elevating sustainability in our purchasing decisions which is why we have developed this Supplier Sustainability Code of Conduct. In it you will find out more about our sustainability expectations and how we work with our suppliers, in partnership, to drive positive change and reduce carbon impact.

Included are links to resources and industry partners that can support your company on its sustainability journey.

Please share this guide with your team and let's work to create a more sustainable future together.

With best wishes Michael

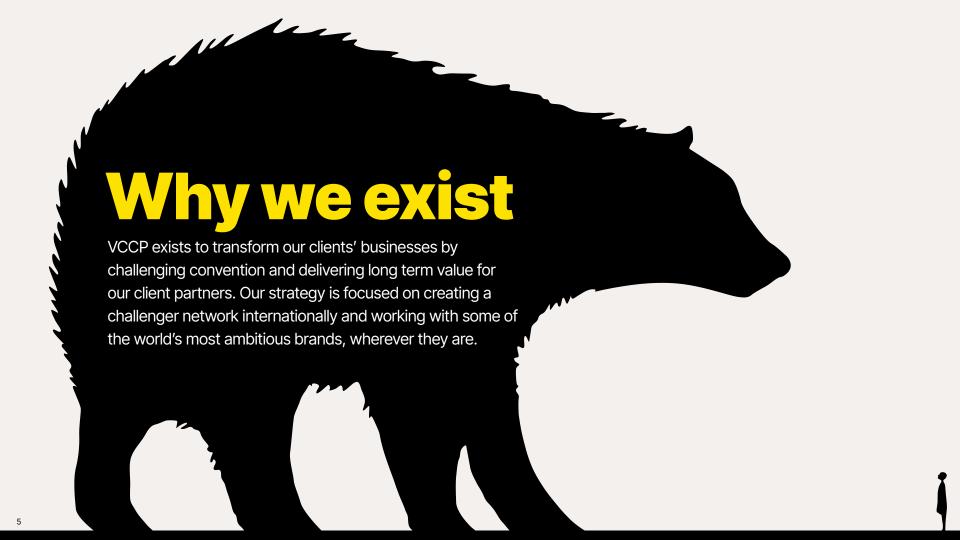
Michael Sugden

Co-CEO VCCP

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### **Our ESG Strategy**

We take our responsibility to people and the planet seriously.

As the challenger company that creates value, we ask ourselves, "Is the world a better place because our business is in it?" – in the work we do and the actions we take every day.

Our ESG strategy is based on the pillars of action shown in the diagram.

For more information on our ambition and progress to date see our 2024 ESG Report.



# **Sustainability at VCCP**

Sustainability and being a responsible business, is core to how we operate and an expectation of our expectations of our supplier relationships.

Our ambition is to not only play our part but to encourage our partners to accelerate the world to net zero greenhouse gas (GHG).

VCCP recognises that urgent action is necessary to limit global temperature increase to prevent irreparable damage to our planet due to climate change. That's why we've set ambitious targets to reduce or emissions across our full value chain.

Core to achieving our ambition is ensuring accountability and transparent reporting of our environmental, social and governance (ESG) goals and impact to stakeholders. We are also focused on enabling our partners, customers and peers to get to next zero as quickly as possible.

As a VCCP Supplier you are a critical partner in achieving this ambition.

VCCP is committed to achieving

# Net Zero by 2040

across scope 1, 2 and 3. In advance, Net Zero by 2035 for Scope 1 and 2.

# Creating a Sustainable Future, Together with our suppliers

Core to achieving our ambition is ensuring accountability and transparent reporting of our environmental, social and governance (ESG) goals and impact to stakeholders. We are also focused on enabling our partners, customers and peers to get to next zero as quickly as possible.

### As a VCCP Supplier you are a critical partner in achieving this ambition.

By engaging with our suppliers, both in strategy and in our behaviours, we want to increase sustainability in our purchasing decisions.

This will create a cascade of impact in our value chain and accelerate global progress to net zero.



### **Our Supplier Sustainability approach**

### **Require Action**

Our ambitious expectations for ourselves and our suppliers are based on what the planet needs for a sustainable future. Our set of contract provisions make these expectations of suppliers into contractual obligations.

### **Enable Success**

Our goal is to bring companies along with us on the journey to nexnet zero and a nature positive future. We want to equip our suppliers to accelerate progress on that journey with support and resources that can help them succeed.

### **Empower Impact**

Our sourcing teams are empowered to engage with suppliers to drive climate action and demonstrate that sustainability is a business priority.



# Our Sustainability Expectations

# Our Supplier Sustainability Expectations

By setting ambitious expectations for ourselves and our suppliers, and by working together to achieve them, we can amplify our impact and accelerate progress. Our expectations are anchored in internationally recognised standards including the UN Guiding Principles on Business and Human Rights, the United Nations Global Compact and the Universal Declaration of Human Rights. Suppliers must adhere to these principles at all times.

VCCP aims to be a good partner and to work with suppliers to support any necessary improvements and encourage ongoing development both by VCCP and our supply chain.

We are working towards the ability to score and prioritise suppliers against the following five areas:

Set a Science Based Climate target Reduce emissions and disclose related data annually Share diversity data against measured commitments

Demonstration collaboration & transparency

Agree to sustainability provisions as part of onboarding

### **Our Supplier Climate Expectations**

### **VCCP**

We have been submitting to the CDP Climate Change every year since 2009. In 2022 we set our SBTi aligned near term 2030 targets, and in 2025 we set our net zero target as 2040 for Scope 1, 2 and 3. Our Carbon Reduction Plan provides further detail.

### **Supplier Expectations**

- We expect suppliers to operate in an environmentally responsible and efficient manner by identifying, managing, and reducing Greenhouse Gas emissions, water and waste and other adverse impacts on the environment. We may ask for evidence of the measurement of your emissions and corresponding reduction plans.
- We expect suppliers to systematically manage environmental risks to ensure the necessary measures are taken to prevent pollution, conserve natural resources, safeguard biodiversity and take all reasonable measures to prevent any accidental spills/releases.
- We expect suppliers to seek to align with and support us to achieve our GHG reduction commitments. This could include:
  - Measuring their GHG emissions
  - Setting science-based targets
  - Developing carbon reduction plans
  - Tracking & Reporting: Provide climate/GHG data as required.

### **Our Supplier People Expectations**

### **VCCP**

Our award-winning DE&I Collective hold us accountable to our targets and practices, ensuring that inclusion is woven into every aspect of our business, from training and wellbeing to recruitment, HR and production. Examples include:

- Our Accessibility Collective embedding web accessibility into our culture, ensuring that every digital product we create meets the highest standards of inclusivity.
- 1 in 3 Production policy fosters inclusion by ensuring 1 in 3 production talent is from an underrepresented background, whether that's gender, ethnicity or disability.

### **Supplier Expectations**

- We expect suppliers to have policies that enforce the legal requirements of the Equality Act 2010 or their equivalent local legislation.
- Workers' health and safety is protected. We expect suppliers to provide a safe and healthy workplace, to support the wellbeing of their employees and to prevent accidents and injury as a result of the employer's operations. We expect suppliers to manage health and safety risks systematically in accordance with applicable laws and regulations and international standards.
- Fair and equitable employment. We expect suppliers to guarantee that the fundamental rights enshrined in the Universal Declaration of Human Rights and workers' rights stated within the ILO Conventions are upheld. We expect suppliers to abide by these principles which ensure fair wages (preferably paying at least the relevant living wage) and decent working hours; the right to freely chosen labour, protection of young workers and no use of child labour.
- We expect suppliers to monitor and to mitigate the risk of modern slavery within their own business and supply chain and to take steps to comply with applicable laws and regulations and international standards.

### **Our Supplier People Expectations**

### **VCCP**

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  product we create meets the highest standards of inclusivity.
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### **Supplier Expectations (Cont.d)**

- We expect suppliers to foster a culture of non-discrimination, equality of opportunity and humane treatment for all in a workplace free of harassment and abuse, and to monitor progress. Suppliers should not discriminate against any worker based on age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, colour, nationality, ethnic or national origin, religion or belief, sex, sexual orientation, or any other legally protected characteristic. Further, we expect suppliers to have policies that enforce the legal requirements of the Equality Act 2010 or their equivalent local legislation.
- Measured Commitments. Have diversity and inclusion commitments as well as equal opportunities across pay, working conditions, benefits, maternity/ paternity entitlement, pensions, recruitment, training and promotion.
- Tracking & Reporting: Provide diversity data as required.
- Accessibility: Work with us to deliver an accessible supply chain, by complying with accessibility legislation.

# Our Supplier Responsible Business Expectations

#### **VCCP**

We act responsibly, and we conduct our business with honesty and integrity and in good faith. We set ourselves high standards in our business practices, and work with our value chain partners to meet the same level of business ethics, as well as being mindful of our impact on the environment.

These values are underpinned by our Responsible Business Code and our Staff Code of Conduct. All employees (100%) are trained in business ethics, from initial onboarding to mandatory annual refresher training on topics such as Anti-Bribery, Cyber Security, Social Media Safety and Data Protection, Retention and Privacy.

### **Supplier Expectations**

- We expect Suppliers to always be honest, fair and truthful in all of their dealings.
- Compliance with laws and Regulations.
  - To comply with anti-bribery laws and the VCCP Group Anti-bribery and Corruption Policy and support any additional due-diligence we may undertake.
     All business and commercial dealings must be transparent and accurately recorded in the supplier's records.
     We expect suppliers to ensure that all conflicts of interest are disclosed and managed.
- Comply with all relevant legislation and have controls and procedures in place to prevent tax evasion.

# Our Supplier Responsible Business Expectations

### **Supplier Expectations (Cont.d)**

- Confidentiality & Data Protection.
  - We expect suppliers to respect data belonging to others, preserving confidentiality and data subjects' individual rights.
  - We expect suppliers to have in place appropriate policies, contract terms and procedures (including procedures to manage and resolve breaches), and to be able to demonstrate that they are aware of the data they process, and that such personal data is processed in compliance with applicable laws and regulations and international standards.
- Information Security
  - We expect suppliers to be able to demonstrate they have effective, industry-standard best practice security controls in place to protect all customer information that is stored/ handled by their systems in providing services to us.
  - We expect suppliers to be able to demonstrate they conduct routine security assessments on their systems and processes.
- Insurances. We expect suppliers to have appropriate insurance policies to cover claims and liabilities arising from the goods/services being provided to us with appropriate limits, compliant with national requirements. Ordinarily, suppliers should have the following policies in place: broad form public liability insurance, and employer's liability insurance / worker's compensation insurance. Those providing professional services are also expected to maintain appropriate professional indemnity / errors and omissions insurance.

# Do these expectations apply to my company?

In short, yes. These expectations apply to all of our suppliers. We recognise that sustainability is a journey. Some of our suppliers are already meeting and exceeding these expectations, whilst we know others are just getting started.

While our sustainability expectations are ambitious, they are based on they collective action companies need to take to secure a sustainable future for our world.

From the start of all of our supplier relationships we expect that our suppliers are committed to making progress towards meeting or exceeding these expectations over time that is appropriate to their business.





# VCCP Supplier Sustainability Engagement and Evaluation

# **Engaging with VCCP on Sustainability**

VCCP seeks action from all of our suppliers in the form of:

### Contracts

Agree to our
Environmental, DE&I and
Governance
Expectations within all
contracts

Adhere to our Supplier Sustainability Code of Conduct

### **Onboarding**

As part of our Kissflow onboarding process completion of all questions on Environment, DE&I, Community and Responsible Business

### Collaboration

Respond to progress update and reporting requests

Leverage our proposed resources

Align with industry frameworks

#### Please note:

This Code supplements, but does not supersede, any contractual agreement you may have with us. Where a contract does contradict this Code, then the contract will always prevail. Suppliers may also be expected to comply with additional or more detailed policies that would form part of your contract with us. We expect suppliers to have appropriate controls in place to ensure that you, and your supply chains comply with this Code.

# **Evaluating Suppliers Against our Expectations**

VCCP is committed to prioritising suppliers with stronger sustainability performance and partnership.

Evaluation is based on:

Set a Science Based Climate target Reduce GHG emissions and disclose related data annually Share diversity data against measured commitments

Demonstrating collaboration & transparency

Agree to sustainability provisions as part of onboarding



# Sustainability Resources and Support

### **Corporate Resources**

Since 2022 VCCP has aligned with the Corporate Net Zero Standard of the Science Based Targets Initiative (SBTi). Here are the key standards that we adhere to and partnerships that we disclose through.









#### Further helpful resources:

- SME Climate Hub, a non-profit initiative of the We Mean Business Coalition: https://smeclimatehub.org
- SBTi supplier engagement guidance: /https://sciencebasedtargets.org/resources/files/Supplier-Engagement-Guidance.pdf

# **Communication Industry Resources**

VCCP is particularly focussed on the environmental impact of our advertising activity and we continue to seek to quantify emissions resulting from Production activity and media buying. Already working closely with the key industry initiatives shown below, we intend to to adopt the AdNetZero framework for measurement of both Media and Production which is due to be launched in 2025.

Having alignment behind key industry initiatives should make data capture and sharing Media and Production easier which is why we encourage our suppliers to be part of these standards.









- The advertising industry's collaborative response to standard setting and tools driving to real net zero.
- Measurement frameworks for Media, Production, Events.
- Initiatives and Awards for mainstreaming sustainable behaviours.

- The Conscious Advertising Network (CAN) aims to redefine advertising by promoting positive change, equality, and social responsibility.
- Manifesto for change
- Awards

- Training
- Reference Guides
  - Sustainable Suppliers
- Carbon Calculator for creative development
- Reporting if calculator is used

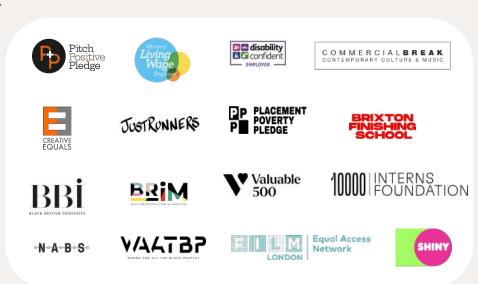
- Pre Prod carbon calculation
- Advice & Support
- Post Prod carbon calculation
- Sustainability Report
- Green Screen Certification
- Sustainable Suppliers
- Offsetting

### **DE&I Resources**

VCCP is proud to have a number of certifications, pledges and commitments towards being a more sustainable and diverse business – all of which is led by our DE&I Collective.

These include being signed up to the Pitch Positive Pledge, two Living Wage pledges: the Placement Poverty Pledge and the Living Wage certification (across the business), and are proud to be a Disability Confident Employer.

See Appendix for links to other resources.



# **Enabling our suppliers**

As part of driving the industry forward to net zero, VCCP is keen to support our suppliers with resources to help them succeed in meeting our expectations and accelerating progress to Net Zero.

In taking an inclusive approach to sustainability, this includes working with our Small enterprises such as independent Producers.





Our global content studio, Girl&Bear, have a Climate Charter initiative to help Small production houses to better capture their emissions data.

Aligning with AdNetZero's framework for Production we intend to extend this initiative to work with Small Media suppliers.

Girl&Bear have introduced a 1 in 3 policy to ensure that in every shoot (directors, photographers etc) must include a bid from an underrepresented background, whether that's gender, ethnicity or disability. In 2024, 40% of all shoots included a 1 in 3 bid, up from 21% in 2023.



# Appendix

# **Onboarding Sustainability Questions**

Questions that you an expect when responding to an RFP from VCCP include:

#### Responsible Business

- Have you reviewed and agree to align with the VCCP Supplier Sustainability Code of Conduct?
- Provide a link to your company's most recent annual corporate sustainability / ESG report. If no such report is available, briefly describe your company's high priority sustainability initiatives, goals, commitments and timelines.

#### Climate Action

- Does your company have a sustainability or environmental policy?
- Have you set science-based GHG reduction targets?
- If not, do you expect to set science-based GHG reduction targets in the next 3 years?
- Have you set a commitment to reach net zero emissions across Scope 1, 2 and 3 emissions?
- If so, by when? (2035 or earlier, 2040, 2045, 2050)
- Is your company able to provide VCCP with an annual report of your greenhouse gas emissions, including emissions attributable to VCCP's business within your company?
- Provide an estimate of they average annual greenhouse gas emissions intensity of the products and/or services that will be delivered to VCCP (tCO2e per £ spent)
- For Production suppliers: Do you work with AdGreen and Greenshoot on every production?
- For Production suppliers: Will you adhere to our 1 in 3 policy to promote under-represented groups?

#### People Action

- Does your company have a Diversity & Inclusion policy?
- Do you pay the living wage (or your country's equivalent) to all your employees and workers?
- A diverse supplier is "a company/trader owned and managed at least 51% by underrepresented groups. This could include women, minorities, LGBTQ+ and people with disabilities. (In North America this definition includes Veterans)" From this definition, please indicate if your company is a diverse supplier?
- If yes, please indicate which classification of a "diverse supplier" your company fall within (women, minorities, LGBTQ+ and people with disabilities (and Veterans if in N America))
- Do you track information on the demographic profile of the owners of your suppliers (including subcontractors)? (Yes, No)
- Do you provide any diversity and inclusion training for your employees?

#### Community Action

- Does your company give time, money or skills to pro-bono, low-bono or charitable work? Please share details.
- These questions are examples of the kind of information and data that we require and are subject to change.

### **DE&I Resources**

In terms of D&I, we believe the more we listen and learn about minority groups and the issues they face, the more we can help foster a diverse working environment that is welcoming and inclusive to all.

Here's a starter-pack of online resources to help you on your journey:

- Download the BRiM framework here from The Advertising Association which provides actionable advice to help improve the representation of Black people in marketing.
- Discover a host of Black Lives Matter resources here.
- Sign up to The Conscious Advertising Network here.
- Learn more about the history and importance of LGBTQ+ rights from Stonewall.
- Read about why we need stronger LGBT+ representation in advertising here.
- Find out more about the hidden challenges of invisible disabilities here.
- Understand the Purple Pound Market.
- A handbook here for embracing neurodiversity in the creative industries.
- Read about how to embrace socioeconomic diversity here.
- <u>Learn more about anti-semitism here.</u>
- Find resources to help understand more about East and Southeast Asia cultures and people here.
- <u>Listen to this podcast about ageism here.</u>
- Read about how men can become better allies for women here.
- <u>Listen to 'Mental' here a podcast that destigmatizes mental health.</u>
- Find out more about the different types of mental health problems here.
- Learn more about major religions of the world here.

# Thank you!



If you have any questions please contact General Counsel, VCCP Email: <u>legal@vccp.com</u> Tel: +44 (0) 207 592 9331