SUSTAINABLE & ETHICAL PROCUREMENT POLICY

ECHO HOUSE

SUSTAINABLE & ETHICAL PROCUREMENT POLICY

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SUSTAINABLE & ETHICAL PROCUREMENT POLICY

1. SUSTAINABLE & ETHICAL PROCUREMENT AT ECHO HOUSE

2. PURPOSE

To make sure we add value to our business and clients, Echo House has committed to considering the total costs and benefits of a product or service over its lifetime when choosing suppliers to work with. This will include assessing the environmental, social and economic impact of our activities, products and events through design, material selection, manufacturing, production, transportation, usage and disposal in accordance with our Environmental Policy.

Echo House and its partners will need to work collaboratively to ensure we achieve this ambition.

3. SCOPE

This policy applies to all Echo House business units and regions, that engage in the procurement of goods and services across all products and services.

The policy is to be applied where relevant and proportionately to the goods and services that are being procured. The guidelines within this policy will support Echo House processes across all procurement activity and will be aligned with commercial and contractual decision making.

Suppliers and subcontractors must also comply with the Echo House's Code of Conduct and the specific undertakings set out in the Echo Life© Supplier Code of Conduct and Questionnaire. It is the responsibility of the suppliers and subcontractors that all their suppliers and subcontractors also comply with these policies and standards.

4. WHO THIS DOESN'T APPLY TO

This policy does not apply to the following processes:

- Any individual procurement activity with an anticipated annual spend of less than £25,000.
- Any procurement activity involving an individual freelancer / contractor with an anticipated annual spend of less than £25,000
- Any procurement activity with Micro Businesses
- Any procurement activity with SMEs and/or Social Enterprises with an anticipated annual spend of less than £50,000

5. ROLES & RESPONSIBILITIES

All Echo House employees who engage in development, commercial planning, sourcing and procurement activities are expected to conduct their work consistently within the guidelines of this policy.

6. DEFINITIONS

SCOPE 1: Scope 1 and 2 refer to carbon emissions that an organisation directly controls. Scope 1 is on-site combustion of gas and oil, fuel for company vehicles, industrial usage of greenhouse gases such as CO2, and leakage from units such as refrigeration.

Scope 2: Scope 1 and 2 refer to carbon emissions that an organisation directly controls. Scope 2 refers to the purchase of electricity, steam, heating, or cooling that was generated by a third party.

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SCOPE 3: Scope 3 is all other greenhouse gas emissions associated with the activity of an organisation, most notably in their upstream and downstream supply chain. Scope 3 also includes other activities such as business travel, commuting, capital goods and leases, along with the processing, use and end-of-life of products sold to another organisation or to the end consumer.

NET-ZERO: A net zero company has reduced its carbon emissions to zero where reasonably possible and offset the rest.

SMALL TO MEDIUM ENTERPRISES (SME): An SME is any organisation that has fewer than 250 employees and a turnover of less than €50 million or a balance sheet total less than €43 million.

MICRO BUSINESS: Micro Businesses is any organisation that has few than 10 employees and a turnover or a balance sheet of less than or equal to €2 million.

SOCIAL ENTERPRISE: A social enterprise can be defined as a business that ploughs its profits back into a strong social or environmental mission – i.e. trading to create benefits for people and planet.

SECONDARY MATERIALS: Secondary materials are any materials that are not the primary products from manufacturing and other industrial sectors. These materials can include scrap and residuals from production processes and products that have been recovered at the end of their useful life.

7. WHAT DO WE EXPECT OF OUR SUPPLIERS?

A. SUPPLIER OPERATIONS

We expect our suppliers operations to:

- Support Echo House with its carbon reduction objectives and improve energy.
- Demonstrate sound Environmental Compliance and performance procedures.
- Demonstrate targeted, or implement, carbon and energy reduction plans across all operations and supply chain with a focus on transitioning to renewable energy sources .
- Collect and provide sustainability performance data to allow Echo House to conduct effective reporting for supplier emissions from operations (scope 1 & 2), and provide data on supplier's own suppliers (scope 3) emissions where possible.
- Adopt meticulous waste management processes .
- Reduce energy from buildings and processes by transitioning to energy sources and/or purchasing renewable energy certificates (RECs).
- Provide a safe work environment and conditions to all employees and sub-contractors .
- Demonstrate exemplary Social Responsibility in all their conduct.
- Promote equal opportunities and treatment of all employees, irrespective of skin colour, race, nationality, ethnicity, political affiliation, social background, disabilities, gender, sexual identity and

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orientation, religious conviction, or age.

- Adopt a circular approach to minimize waste generation and manage waste levels to landfill.
- Demonstrate targeted water consumption and waste reductions across your operations and supply chain.

B. SUPPLY CHAIN & SUB-CONTRACTORS

We expect our suppliers to manage their supply chains & subcontractors by:

- Use reasonable efforts to make suppliers comply with the principles of this Sustainable Procurement Policy .
- Pay fair wages for labour and comply with all global wage and compensation laws which are applicable.
- Pay suppliers and sub-contractors on time to the agreed payment terms.
- Neither use nor contribute to slavery forced and/or compulsory labour and human trafficking.
- Where possible, offer small and medium enterprises, social enterprises and local businesses and labour the opportunity to participate and work with suppliers to manage D&I across their supply chain.
- Ensure that commercial processes are fair and are free of bias and discrimination.

C. PRODUCTS & GOODS

- Make diligent efforts to identify more sustainable alternative materials and solutions for use within your products & goods.
- Be transparent in disclosing the origin of materials and products.
- Utilise local materials (in country), or source materials from less than 1,000km away from where they will be consumed or processed.
- Make use of secondary materials (re-used and recycled), where applicable that may offer Echo House equal value or greater value for money.
- Consider the total environmental impact of your products and how that may impact Echo House .
- Avoid the use of raw materials which originate from Conflict-Affected, High-Risk and sanctioned areas including materials originating from Russia and other Echo “Red list” regions that Echo will publish from time to time, that may contribute to human right abuses and corruption.

D. SUPPLIER SERVICES

- Prevent unnecessary travel through liaising and communicating via video call.
- Avoid issuing paper copies of documents and invoices and wherever possible using electronically signed documentation.

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8. PREFERRED SUSTAINABLE MATERIALS AND EXCLUSION LISTS

SUSTAINABLE PRACTICES AT ECHO HOUSE

Echo House is committed to sustainability in every aspect of our operations. We ensure that our products, services, and processes minimise environmental impact while maintaining the highest standards of quality. Our dedication to sustainability is reflected in our stringent selection of materials, innovative product development, and efficient waste management.

SUSTAINABLE MATERIALS AND INNOVATIONS

At Echo House, we prioritise using environmentally conscious raw materials and strive to source, promote, and utilise sustainable alternatives throughout our business. This is reflected in our Prohibited and Preferred Materials List and our Sustainable Media Library.

PROHIBITED AND PREFERRED MATERIALS LIST

The Prohibited and Preferred Materials List classifies our material as either Gold, Green, Amber or Red. For a full list of materials please refer to Appendix 1.

GOLD: Echo's eco materials - E.g. Non-virgin backlit film, Lintec, Tyvek, Utack gel film, Reboard, Dispa, Ecoboard, Greencast, Medite, Storm Board.

GREEN: Preferred materials.

AMBER: Avoid wherever possible, minimise use and only use when no other acceptable alternatives are available – E.g. Foamex/Palight, Non-Recycled Plastics, PVC Self-adhesive vinyl's and seals.

RED: All sanctioned products: E.g. Non-FCS rated wood, Steel from Russia.

SUSTAINABLE MEDIA LIBRARY

The materials recommended in our Sustainable Media Library share several key characteristics that contribute to their eco-friendliness. For a full list of sustainable medias please refer to Appendix 1.

RECYCLED CONTENT: Many of the materials, such as the exclusive non-virgin backlit film, incorporate a significant percentage of recycled content. This reduces the need for virgin raw materials and promotes the reuse of waste materials.

RECYCLABILITY: We ensure that the materials in our media library are 100% recyclable. This allows them to be processed and reused after their useful life, minimising waste and reducing environmental impact.

PVC-FREE: The recommended materials are often PVC-free, avoiding the harmful chemicals associated with PVC production and disposal. This helps reduce potential environmental and health impacts.

LOW ENVIRONMENTAL IMPACT PRODUCTION: The production processes for these materials use less energy and water than traditional methods. For example, our backlit film uses minimal energy and the least amount of water of any plastic to manufacture, indicating a lower environmental footprint.

BIODEGRADABILITY: Some of the materials, like ECOBOARD®, are biodegradable, breaking down naturally without leaving harmful residues and preventing long-term environmental pollution.

LOCAL SOURCING AND PRODUCTION: We prioritise local sourcing and production to reduce the carbon footprint associated with transportation and to support local economies. Our backlit film is produced in the UK, ensuring a lower transportation impact.

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USE OF NATURAL AND SAFE INGREDIENTS: Where possible, materials exclude hazardous chemicals, chlorine, plasticisers, and phthalates, ensuring a healthier lifecycle from production to disposal.

INNOVATIVE WASTE MANAGEMENT: We employ advanced waste management practices, ensuring that waste materials are efficiently reused, recycled, or recovered for energy. This includes detailed processes for handling waste streams for materials like acrylics and polycarbonates.

9. WHISTLE-BLOWING

At Echo House we are open with how we communicate to our colleagues and we would expect our suppliers to be the same. If our suppliers or sub-contractors are made aware or see activity which does not align with the guidelines set out within this policy or our Code of Conduct, they would be encouraged to Speak Up by contacting Pace HR 020 8016 3029. By working in collaboration, we can prevent and eliminate all non-compliance in our business and supply chain.

10. POLICY COMPLIANCE

SUPPLIER REVIEW AND ON-BOARDING

All new Suppliers must be first requested by a departmental manager and properly reviewed for compliance with this Policy and Echo Procurement Procedures followed.

All Suppliers will be required to complete a New Supplier assessment form and agreed standard Terms & Condition's format, along with the Echo Life, Code of Conduct and where appropriate a Confidentiality Agreement.

The Echo Life Code of Conduct requires all new Suppliers to confirm that they meet strict standards relating to key CSR obligations.

ECHO LIFE© - CODE OF CONDUCT AND QUESTIONNAIRE

Echo Life© is our all-encompassing Social Responsibility strategy, commitment, and the core structure to our sustainability movement.

Core to our Echo Life© principles is our commitments to and our expectations of our suppliers and their subcontractors. This includes, but is not limited to; service providers, manufacturers, landlords, as well as any third party which has a relationship with any entity within Echo.

Our Echo Life© documents - including our **Echo Ethics Charter** and our **Supplier Code of Conduct** - outline Echo's moral values, principles, and standards of behaviour; our procedures, policies, commitments to and expectations of our people.

Following a review of the response to the Code of Conduct and Questionnaire, the Procurement department will ensure the Supplier is aligned with Echo Sustainability goals and values.

If any supplier does not meet expectations, they will be provided with feedback and encouraged to comply within an agreed time scale. Failure to comply may lead to exclusion from the approved preferred supplier list. Our approved key suppliers list must include only suppliers who have returned a Supplier CSR Questionnaire (as per our supplier procurement process) and for specific categories of supplier also who have provided evidence and relevant information including as follows:

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INSTALLATION COMPANIES: Safe Contractor certification, Public Liability Insurance certificate, code of conduct, Health and safety questionnaire.

WOOD SUPPLIERS: Certificate of compliance issued by FSC®/TPI or equivalent.

PACKAGING SUPPLIERS: Only suppliers who have provided confirmation that all Echo supplies will be FSC® certified. In the event that a product is not FSC certified then alternative suppliers must be sought and only if no alternative can be found should a PO request be sent for Director approval and any such stock need to be tagged and quarantined away from FSC stock.

OFFICE SUPPLIES: All office paper for office printing must be recycled paper and FSC® certified.

PURCHASE ORDERS

All material procurement for stock items must have a Purchase Order issued by our procurement team from Clarity CRM. Only approved stock and subcontracted suppliers can be used for stock. All PO's must be issued linked by URL to the standard Echo Terms and Conditions including the requirement for a Corporate Responsibility Policy. Echo Terms and Conditions also to be available on the website.

SUPPLIER COMMUNICATION AND SETTLEMENT

All Suppliers will be treated with courtesy and respect, and all enquires responded to within a reasonable period. All suppliers will be paid against approved invoices at the end of the month following invoice date as set out in the Terms and Conditions.

11. REFERENCED POLICIES AND DOCUMENTS

The following Echo House policies should be read and understood in conjunction with the Sustainable procurement Policy:

- Supplier Code of Conduct.
- Vendor Code of Conduct.
- Environmental Policy.

12. POLICY CONTACTS AND RESPONSIBILITY

- Responsibility for the issuing and annual review of the Policy remains with the Operations Director.
- Responsibility for implementation and compliance with the Policy remains with the Procurement Coordinator.

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ECHO HOUSE

ECHO STUDIOS LIMITED

DOCUMENT REFERENCE:

REVISION: ONE

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