

Challenge-trg Group - Sustainable Procurement Policy

Challenge-trg Group is one of the UK's leading recruitment, training, and logistics agencies. With three brands under our portfolio, Challenge-trg Recruitment, Challenge Logistics, and Challenge-trg Skills, each are key players within their respective markets. As leaders and innovators, we don't wait for the industry to move and then react, we influence. This is why we are driven by technology and data, where our innovative technological solutions allow us to always deliver the highest quality service across all contracts. In today's ever-changing markets, our unique, integrated, and multi-sector offering, joined with our technology and data underpinning ensures we always deliver the very best results for our clients.

POLICY STATEMENT

Embracing sustainability is no longer an option in today's world, it is a necessity. At Challenge-trg Group, we are committed to embracing and championing sustainable development throughout our business operations. In line with this ambition, we recognize the importance of ensuring the suppliers we work with value sustainability as much as we do. Adopting a sustainable procurement methodology helps us to ensure environmentally and socially responsible practices are being conducted throughout our supply chain.

Our Sustainable Procurement policy formalises this commitment towards sustainable procurement. It serves to outline the key standards we abide by, and the important criteria we seek when selecting suppliers to work with. It also details the current measures we have implemented and the targets we have established to ensure we promote sustainable procurement wherever possible.

SUPPLIER CATEGORIES

As a multi-sector company offering recruitment, training, and logistics services, our supply categories are varied. Our main suppliers can be divided into the following categories:

- **Procurement category 1 - Direct procurement:**
Involves the direct purchase of raw goods, machinery, and wholesale goods that directly contribute to the company's end product/service delivery.
- **Procurement category 2 - Indirect procurement:**
Involves the purchasing of goods like office supplies.
- **Procurement category 3 - Goods procurement:**
Largely refers to the procurement of physical items, but it can also include items like software subscriptions.

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This policy is relevant to all employees of Challenge Group Holdings Limited and its subsidiaries and/or Challenge-trg Group Holdings Limited and its subsidiaries (together, the 'Group', 'Challenge-trg' or Challenge-trg recruitment)

OUR STANDARD FOR SUSTAINABLE PROCUREMENT

Challenge-trg Group is committed to ensuring sustainable practices are conducted throughout our supply chain. In line with this commitment, we have set the following environmental and social standards we expect our buyers to look out for when selecting and prioritizing suppliers.

Environmental Standards

At Challenge-trg Group, we are committed to promoting environmental sustainability throughout our business operations. We recognize that a sustainable environment is central to our lives and the successful continuity of our business. In line with this commitment, we seek to reduce our carbon footprint and uphold environmental sustainability throughout our supply chain.

As a baseline, we prioritize working with suppliers that align with our passion to promote environmental sustainability and that have actively incorporated environmentally friendly practices within their business operations. This includes reducing the consumption of natural resources, ensuring a circular use of materials, properly managing waste, and minimizing pollution. In addition to this, we also seek to procure our goods and services locally and seasonally and to employ temporary labour from local communities, wherever possible. We strive to avoid the use of transport and specifically air freight where possible, or otherwise to offset the emissions generated.

Specifically, we also prioritize the following principles for specific goods and services:

- Sourcing catering and food items from organic, local and/or fair-trade sources
- Sourcing timber or other wood-based materials from recyclable or sustainable sources
- Sourcing all consumables such as cleaning materials and inks from eco-friendly labels

Social Standards

As part of our commitment to sustainable procurement, we also strive to work with suppliers that have implemented socially responsible practices within their business. At Challenge-trg Group, we believe people are at the heart of everything we do. We value our employees and as such, we seek to work with suppliers that align with our respect for the people we work with.

We prioritize working with suppliers that have implemented a labour and human rights management system, to identify, address and remediate any issues with labour and human rights throughout their business operations. This includes but is not limited to conducting risk assessments to identify potential labour and human rights violations, implementing measures to promote labour rights, and developing grievance and remediation protocols to properly

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address any violations identified. Specific measures to be addressed include ensuring the safety and inclusivity of the workplace, allowing for social dialogue, promoting the professional growth and development of employees, and importantly, preventing the use of child and forced labour.

Challenge-trg Group takes respecting labour and human rights very seriously. As such, we seek to ensure sustainability throughout our supply chain by aligning our work with suppliers who are as socially responsible.

SUPPLIER SELECTION

To ensure we select suppliers that align with our values towards sustainability, on top of the price and quality of goods and services, we will prioritize suppliers that meet the following criteria:

- **Certification:** Attained certification on environmental or labour management systems, including ISO14001 and/or ISO 45001.
- **Compliance with legal requirements:** Compliance with local environmental and labour regulations
- **Policies and programmes:** Implemented policies and programmes to respect and uphold environmental and social sustainability.
- **Endorsement:** Received endorsement on sustainability management system, including by being a signatory to the United Nations Global Compact.
- **Ownership:** Women-owned or minority*-owned business

*As defined by **MSDUK**

SUSTAINABLE PROCUREMENT TARGETS

We recognize that attaining sustainable procurement is a process that takes time and active effort. To ensure we meet our goal of procuring sustainably, we have set the following targets:

- Ensure 100% of buyers are trained in sustainable procurement practices by June 2024
- Organize sustainable procurement awareness training for 100% of suppliers by June 2024
- Implement a supplier sustainability code of conduct by June 2024
- Include sustainable procurement objectives in 100% of buyer performance reviews by 2025.
- Draft a supplier questionnaire to evaluate supplier sustainability performance by February 2024.
- Ensure at least 75% of suppliers have completed our supplier questionnaire by June 2024

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SCOPE OF APPLICATION

Our Sustainable Procurement Policy is applicable to all employees of Challenge-trg Group who are involved in procurement activities, including full-time, part-time, contracted employees, temporary employees, and interns.

RESPONSIBILITIES OF OUR TEAM

The SHEQ and HR teams are responsible for the implementation of this policy, ensuring that it is properly disseminated to all employees.

The SHEQ team is also responsible for driving the initiatives outlined in this policy, promoting programs to ensure targets are achieved.

All employees involved in procurement activities are responsible for acknowledging and understanding the principles and targets detailed in this policy, upholding and promoting them wherever possible. All employees also have the responsibility of encouraging the promotion of this policy wherever possible, reporting violations or possibilities of violations where relevant.

REVIEW MECHANISM

This policy shall be reviewed once a year by the senior management of Challenge-trg Group, to ensure our target issues, initiatives, and targets remain relevant and effective in achieving sustainable procurement.

Version No.	Date of Last Review	Date of Next Review
V1.0	29/12/2023	29/12/2024

COMMUNICATION

This policy shall be disseminated to all Challenge-trg Group employees via the company's internal HR Documentation system (Cezanne). The same platform will also be used to communicate any changes or developments to this policy.

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SANCTIONS

Challenge-trg Group encourages all employees to be vigilant in identifying any possible violations of this policy, and to report them as soon as possible via phone at 0330 1279 010 or email at whistleblowing@challengetrg.co.uk. All allegations of violations will be reviewed promptly and thoroughly, without discrimination. Whistleblowers will also be protected by our confidentiality and non-retaliation guarantees. More information can be found in our Whistleblowing Policy.

Review

We will formally review this policy each year to ensure that it is still valid and reflects the needs of the business.



Steve Imber

Managing Director

Reviewed 29th December 2023