

## Ethical Trading Policy

Pennine Healthcare will conduct business in a manner that reflects our *Code of Conduct*, including fair trading, being a good corporate citizen, supporting a safe and healthy workplace, being environmentally responsible while complying with applicable laws. We will, as far as is reasonably practicable, ensure that our company and suppliers adhere to our *Code of Conduct*, which we adopted from the Base Code of the Ethical Trading Initiative (ETI). This code states:

- Employment is freely chosen.
- Freedom of association and the right to collective bargaining are respected.
- Working conditions are safe and hygienic.
- Child labour shall not be used.
- Living wages are paid.
- Working hours are not excessive.
- No discrimination is practiced.
- Regular employment is provided.
- No harsh or inhumane treatment is allowed.

### Pennine Principles for Ethical Trade

Commitment: Ethical trading is an important goal at Pennine, and we are committed to providing sufficient resources to ensure it is achieved. We aim to develop long-term partnerships with suppliers who share our values and who are willing to commit to our *Code of Conduct*.

Expectations: We expect strong social and environmental standards from suppliers and believe our challenge is to build supply chains that are resilient to the challenges facing the healthcare sector by working closely with suppliers that need support in implementing sustainability practices.

Fair Trading Terms: We are committed to dealing openly and fairly with suppliers, adhering to contract terms and avoiding any undue pressure. We strive to be transparent on our ethical trade performance and ask suppliers to do likewise. Working together we strive to respond promptly to any ethical issues that may arise.

Continuous Improvement: As a minimum, we expect suppliers to work towards compliance with our *Code of Conduct* shown above or local law, whichever affords the greater protection of workers, and commit to driving continuous improvement. We aim to work collaboratively with suppliers and constructively resolve issues that drive the continuous improvement of working conditions.

### Our Principles in Action

As a member of ETI we gain the opportunity to put a comprehensive ethical trade framework into practice.

Our executive leadership team will champion this policy, ensuring its implementation, audit and policy reviews and developing remediation programmes designed to create sustainable change in our procurement strategy.

We will ensure a high level of knowledge on relevant ethical trading issues, including training our sourcing team on SA800, the internationally recognised ethical trade standard.

Systems will be created to measure, monitor and report how our buying practices affect quality, cost and delivery and these benefits will be communicated to employees and the Board of Directors.

## Ethical Trade Policy (continued)

### Ensuring Adherence to our Principles:

We will communicate our commitment and *Code of Conduct* to key stakeholders, including the public, our customers, suppliers and employees ensuring a sound understanding of our code.

Maintain our accreditation to the Labour Standards Assurance System (LSAS) Level 3 and ensure our system meets the *ETI Ethical Procurement for Health* framework.

We will conduct independent assessments and third-party audits of working conditions in supplier facilities against our *Code of Conduct*.

Work to implement risk reduction practices to eliminate labour standards abuses in products procured for the health sector. We aim to reduce risks which threaten the security of supply, such as supply continuity or the risks to product or service quality from the existence of poor labour standards and reputational risks to Pennine if suppliers use unethical practices in their processes.

Ensuring that our *Code of Conduct* is understood by our procurement team, is integrated into our core business and our purchasing practices do not encourage breaches of the code.

### Scope

This policy was reviewed on May 29, 2021 and applies to all procurement at Pennine Healthcare.

We are confident that managing ethical procurement risks proactively and effectively will bring a variety of benefits to the company and our suppliers. This policy shall be reviewed for effectiveness and suitability annually as part of the management review process.

Signed on behalf of Pennine Healthcare:

*Graeme Cameron*

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Graeme Cameron  
Chief Executive Officer

*Susan Finch*

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Susan Finch  
General Manager

Pennine's *Code of Conduct* requirements are based on the ETI Base Code, [www.ethicaltrade.org](http://www.ethicaltrade.org)

