

Corporate Social Responsibility Policy

Company Profile

For 60 years Pennine Healthcare has been one of the UK’s leading manufacturer and supplier of single use, sterile medical devices, and Custom Procedure Packs. As part of an extensive product range, Pennine specialises in products for Anaesthesia, Gastroenterology, Urology, Surgical Suction, Micro suction, Laparoscopy and Custom Procedure Packs.

Our vision is supplying world class products and distinctive customer service supported by a culture of continuous improvement and investment in our people. Our core skills in manufacturing and engineering make us competitive through technological innovation, enabling us to be flexible and responsive, supplying healthcare organisations and businesses globally with the highest quality British manufactured products. Our manufactured products are supplemented with ethically sourced quality products from approved global suppliers who have consistently demonstrated their production and quality competencies.

As an Employee-Owned Trust, Pennine are a value led company. We are passionate, responsive, innovative and strive to have integrity in all that we do, and we remain proud to be measured by these values.

Our Corporate Social Responsibility Policy

Our Corporate Social Responsibility (CSR) exists to ensure that Pennine’s operations are ethical and beneficial for society. This over-arching policy covers all aspects of corporate governance that supports our dedication to operating in an economically, socially, and environmentally sustainable manner.



The areas of governance that follow are underpinned by the foundations shown above which we believe guide our efforts and support Pennine as a reliable, ethical employer, supplier, and corporate neighbour. We communicate policies, objectives, and performance openly and honestly to our employees, customers, partners, and other stakeholders in an accurate and timely manner.

Economic Partnership

Stakeholder Engagement

Pennine engages with a variety of stakeholders including customers, patients, doctors, government regulators, policymakers, shareholders, employees, suppliers and local communities. Contact with these groups encompasses a variety of methods and frequencies as appropriate for each situation. These activities include, but are not limited to, HSE meetings, internal business update meetings, hosting customer audits, internal and external notified body audits, our annual management review, and participation in industry conventions. We conduct post market surveillance, as well as seek feedback via regular customer contact, customer complaints, user opinion surveys and we host distributor product training sessions.

Customers

We base our partnership approach on customer-focused solutions and strive to be highly responsive to our customers' needs, delivering products and services that aim to exceed their expectations. This is continuously evaluated through our post market surveillance activities that form an integral aspect of our Quality Management System. Additionally, our unshakeable belief in the importance of first-class customer service is at the core of what we do. We believe it is the combination of expert skills and our friendly, helpful, professional attitude that enables us to offer exceptional customer service.

Suppliers

We seek to develop relationships with supply chain partners that are consistent with our company ethics and are willing to commit to our Supplier Code of Conduct. We expect strong social and environmental standards from suppliers and are committed to working to fair trading terms and not applying any undue pressure. We aim to constructively resolve issues with respect to human rights and conditions of employment. Our ethical good practice is promoted by the positive selection of suppliers in line with maintaining our accreditation to Labour Standards Assurance System Level 3. This is detailed further below under the Ethical Trading Policy.

EHS and Sustainability

Environmental Policy Statement - "Protect, Prevent, Preserve, Prosper"

Protecting the environment is one of the core aims at Pennine Healthcare, therefore, we manage operations to **prevent** environmental impact. We believe in **preserving** natural resources by utilising technological and innovative best practices, reducing waste, and developing sustainable opportunities to use recycled materials. Our aim is to preserve the natural resources of today for future generations.

Where reasonably practicable we aim to reduce the impact of our actions on the environment within the necessary constraints to produce safe and reliable products. Our systems help deliver products that contribute to the sustainable and economic success of our business, our community and of our customers, helping us all to **prosper**. Pennine as a socially responsible organisation recognises that it should have a significant, positive impact on the local environments in which it operates, and the global environment in general.

Environmental Initiatives

We believe in providing our employees with comfortable surroundings in which to work. We have taken great care to ensure that we have considered the use of energy throughout our buildings. We have chosen to install sensor lights in common areas of the buildings and elsewhere low consumption gas boilers and air conditioning systems, and LED lighting in our warehouse and cleanrooms.

Health and Safety Management

Pennine recognises that to ensure a safe workplace, the company must have an effective Health and Safety Policy that states the overall aims in terms of health and safety matters and describes the arrangements in

place to ensure health and safety is communicated and achieved. Our Health and Safety Policy reflects the commitment of the Board of Directors and Senior Management to lead the way and the day-to-day responsibilities placed on each member of staff.

We are committed to providing a safe environment in accordance with the Health and Safety at Work Act (HASAWA) 1974 and we pride ourselves on the active involvement of all employees and the commitment of employees serving on our Safety Committee. To verify that policy and procedures are always relevant to the business, data from inspections and reviews, audit results, accidents and near-miss reports are analysed frequently. The results are reported to senior management through regular monthly company reports and where necessary appropriate actions are taken. In addition to ensuring the wellbeing of all our employees and visitors, we evaluate potential subcontractors to ensure that they have a meaningful Health and Safety Policy and strive for them to exceed Health and Safety at Work Act (HASAWA) 1974.

As of the end of 2022, Pennine are 3 years lost time accident free.

Health and Wellness

We promote the health and well-being of our employees and their families and to that end we conduct on-site wellness screenings and health risk assessments.

Sustainability Policy Statement

Pennine Healthcare is committed to sustainability performance as an integral, strategic issue that shapes the future of our business and supports our reputation as a respected medical device manufacturer. We have a measurable sustainability framework for key areas of our business, and we believe that engaging with stakeholders on sustainability brings new opportunities to build community prosperity by improving standards of health, the environment and quality of life.

Sustainability Principles

Sustainability principles should guide Pennine's day to day operations and our impact on the community. Consideration should be given to any new activities which may be improved by reflection upon our sustainability principles. Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own particular needs, whatever they might be.

Our **Sustainability Policy** is based upon the following principles:

- ✓ To comply with, and exceed where practicable, all applicable legislation, regulations, and codes of practice.
- ✓ To integrate sustainability considerations into our business decisions.
- ✓ To ensure that all staff are aware of our Sustainability Policy and are committed to implementing and improving it.
- ✓ To minimise the impact on sustainability of all our activities.
- ✓ To make suppliers aware of our Sustainability Policy and encourage them to adopt sound sustainable management practices.
- ✓ To review, annually report, and to continually strive to improve our sustainability performance.

Our Sustainability Policy contains our sustainability framework comprised of these key areas: pollution prevention, energy and carbon reduction, waste management, product stewardship, supply chain requirements and employee welfare and engagement.

Quality and Innovation

Quality and Patient Safety

Our focus has always been on ensuring that each product we produce is of world class quality and performs *exactly* as required to safeguard the wellbeing of each patient it is used on.

Our expertise in manufacturing high quality medical products and emphasises the dedication of our team members to the on-going support of patient safety worldwide. Every single product we provide to our customers is manufactured with only one patient and their family in mind. We are proud of the work that our employees undertake as we support healthcare professionals and strive to enhance lives.

Quality Management

Pennine has a quality management system in place to ensure product quality and safety from design stage to the end of the product life cycle, as well as addressing regulatory compliance and product performance.

Our Quality management system is registered to ISO 13485:2016 and EN ISO 13485:2016. Processes and procedures are documented and subject to monitoring and control as necessary to achieve company and customer requirements. Conformance to the ISO 13485 is monitored by internal audits and continuous notified body assessments. We focus on the continual improvement of customer offerings to ensure products and services meet our strict quality assurance criteria, are legally compliant and safe, and offer value for money. In addition, statutory, regulatory, and environmental requirements are regularly reviewed to ensure that current processes can deliver products and services that are safe to use, environmentally friendly and 'fit for purpose'.

Regulatory Compliance

Pennine products are regulated by governmental agencies, health ministries, and other regulatory authorities worldwide. Our Quality and Regulatory teams, in conjunction with our senior leadership team, oversee company-wide compliance with worldwide product regulations, including design controls, clinical evaluation, marketing approvals, good manufacturing practice requirements, standards, and labelling and advertising. If quality issues arise, we maintain open communications with regulators and take proactive, appropriate actions, such as issuing revised labelling, field safety notices, suspending distribution of a product, and/or recalling a product from the market.

Pennine have EU MDR and UKCA certification.

Business Ethics

Ethics

We believe in conducting all our business activities in an open and honest way. We actively encourage a culture of trust, integrity, respect, and professionalism across our company with employees, customers, suppliers, and other stakeholders.

Ethical Trading Policy - Suppliers

Pennine Healthcare conducts 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.

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.

Human Capital

Employee Engagement

We know that our most important resource is our team of friendly, highly skilled, trained, and experienced staff. Cross functional teams are involved in the entire process from product design, through to delivery. All intermediate activities, including engineering, planning, procurement, manufacturing, quality, regulatory affairs, IT and logistics are incorporated into our manufacturing capabilities.

As a newly formed Employee-Owned firm, we are proactively working to improve how we communicate policies, objectives, and performance openly to our staff. At present we have a Health, Safety and Environmental Committee that meets bi-monthly, and we strive to ensure that all communication channels inspire, motivate, and engage our employees and we actively encourage their feedback. We want employee feedback to better understand how we can improve our working practices and the workplace environment. We issue a quarterly newsletter, recognise long service each year with an awards ceremony, and when employees leave, we conduct an exit interview to gain their feedback.

Equality, Diversity, and Inclusion

We seek to create a culture of inclusion and leverage the benefits of a diverse skills base. Capitalising on what is unique about individuals and drawing on their different perspectives and experiences adds value to all our business activities. Equally, a diverse workforce better reflects our customer base and can effectively communicate across cultures as well as increase our competitive advantage and ability to attract and retain top talent.

We are committed to recruiting, training, and promoting the best person for the job and encouraging all our colleagues to reach their full potential, regardless of age, gender, marital status, race or ethnicity, nationality, disability, religion or other religious beliefs, sexual orientation, gender reassignment, social or educational background or family and care responsibilities. Also, we strive to create a working environment which supports our vision and values and is free from any form of discrimination, harassment or bullying and within which all individuals are treated with respect, fairness, and courtesy.

Equal Opportunity Employer

We provide an equal employment opportunity to all persons regardless of age, colour, national origin, physical or mental disability, race, religion, creed, gender, sexual orientation, gender identity and/or expression or marital status. We provide reasonable adjustments for disabled individuals.

Employee Development

Pennine is committed to the training and development of its entire workforce to ensure they reach their full potential. To ensure the quality of our products and the safety and well-being of our workforce, good training is essential. This allows staff to gain the necessary skills to carry out their roles safely and with confidence and this in turn leads to the company achieving its aims and objectives.

We are partners with Derby College and The University of Derby to maintain employee skills, knowledge, and expertise. We develop young workers in our Apprenticeship scheme and support the development of National Vocational Qualifications.

The individual training and development needs are identified through legal, quality assurance and HSE requirements or annual performance appraisals or individual requests from employees. Training costs form part of our annual budgeting process. The training and development needs identified will be met through a variety of activities depending on the nature and extent of the requirements and can include:

- All statutory training for HSE requirements
- Good Manufacturing Practice (GMP) training
- NVQ or equivalent
- Technology training such as Q Pulse software, Microsoft: Excel, Word, etc.
- Personal development: Leadership, Supervisory, Project management
- Role specific: On or off site, conducted by training professionals.
- Webinars and E-learning

Employee Retention

We believe that retaining capable, experienced staff enables us to respond positively to changing business demands, therefore, we financially reward long service annually at five-year intervals. Our staff retention remains strong at 91% retention and nearly 40% of our entire workforce have over 15 years of service.

Community Involvement

We support various organisations and charities, such as Business in the Community, the local Chamber of Commerce, we are part of Marketing Derby, as well as sponsoring the Derby book club annually. Pennine regularly donates medical devices to support the medical needs of people in the UK as well as in developing countries who lack access to these lifesaving medical devices or supplies.

The Chief Executive and Senior Management Team are responsible for ensuring that this policy is implemented throughout Pennine Healthcare. This Policy was approved on 31st March 2023 and will be communicated to stakeholders and reviewed annually as part of our management review.



Graeme Cameron
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