

# Section 172 Statement



Section 172 of the Companies Act 2006 requires directors to take into consideration the interests of stakeholders and other matters in their decision making. The directors continue to have regard for the interests of the company's stakeholders, the impact of its activities on the community and the environment and the company's reputation for good business conduct when making decisions. In this context, acting in good faith and fairly, the directors consider what is most likely to promote the success of the company for its members in the long term.

The company has identified its stakeholders as its suppliers, customers, employees and shareholders. The board regularly reviews the company's principal stakeholders and how it engages with them. This is achieved through information provided by management and also by direct engagement with stakeholders themselves.

## Employee engagement

The group and company maintain a special ethos where they work together, encourage openness and the sharing of ideas and believe that the Company is only as good as the people working for them.

The Company is committed to preventing bullying and harassing behaviour in the workplace and have training and guidance readily available to all staff, and additional training to managers to ensure everyone is informed on the acceptable standards of conduct and work and routes of escalation and resolution where behaviours fall below these acceptable standards.

The Company supports the principles of equal opportunities and values diversity in employment and oppose all forms of unlawful or unfair discrimination on the grounds of age, disability, gender reassignment, marriage or civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation

Intersurgical will take every step to ensure that individuals are treated equally and fairly and that decisions on recruitment and selection, training, promotion and career development are taken solely on job based criteria, taking into account the individuals capability for that role.

Their goal is to ensure that these commitments, reinforced by their values, are embedded in the day-to-day working practices with all suppliers, customers, employees and shareholders.

The Company demonstrates their commitment by:

- Promoting equality of opportunity and diversity
- Building a workforce which reflects their customer base, within the diverse communities in which they work, with the aim of having parity of representation across the workforce
- Encourage recruitment from groups currently under-represented and their career progression once employed
- Treat everyone fairly and with respect.
- Promote an environment free from discrimination, bullying and harassment, and tackling behaviour which breaches this.
- Recognising and valuing the differences and individual contribution that people make.
- Providing support and encouragement to staff to develop their careers and increase their contributions to the organisation through the enhancement of their skills and abilities.
- Building in legislative requirements and best practice to all policies and procedures, and support these with appropriate training and guidance

The company is fully committed to the personal development of staff through internal and external training. It operates an extensive internal Learning Management System, available to all levels within the organisation, with courses being assigned as part of an employee's appraisal process or as a result of statutory or regulatory requirements.

The company provides all employees with information on its progress in regular internal newsletter, intranet news, group briefings and individual employee consultations. In its decision making process management have due regard for the impact of those decisions on staff welfare, morale and working conditions and, if possible, relevant staff are consulted as part of that process. In addition to this the Company actively encourages its employees to share their own ideas and suggestions on improved ways of working with the senior management team on a designated platform.

## Other stakeholder engagement

The group and company consider their suppliers to be partners and ensure that all amounts due to them are paid promptly. The last payment practices report filed by the company, up to 31 December 2019, showed that 99% of payments to suppliers were made within 30 days. The group also co-operates with key raw material and equipment suppliers on their product development for the mutual benefit of both parties.

The group's main customers are government funded hospitals. The group highly values its relationship with its customers and works closely with them to ensure that they receive good quality products on time. Given the critical nature of the products being supplied, the group will always discuss payment of overdue invoices with its customers in a reasonable and sensitive manner.

The company has a single parent company shareholder and the board reports to the board of its parent through various means. Minutes of company board meetings are shared with the parent board, individual directors respond regularly to information requests from directors of the parent and extensive information is provided for review and approval at parent company board meetings. All key decisions affecting the company or wider group have to be approved by the parent board.

The board regularly reviews the company's principal stakeholders and how it engages with them. This is achieved through information provided by the management and also by direct engagement with stakeholders themselves.

The company always strives to work in a responsible manner with stakeholders, including suppliers. The board continually reviews its anti-bribery, anti-corruption and whistleblowing policies and ensures that they are communicated to all relevant staff at every level of the organisation.

The company is fully committed to minimising the impact on the environment of its operations. It has implemented an Environmental Management System conforming to ISO 14001 and environmental impact reduction and life cycle management is considered in product design, manufacture and subsequent disposal after use by the customer. Manufacturing processes are designed to minimise waste and energy consumption and selection of materials is influenced by their ease of recycling. Construction projects undertaken by the company incorporate the latest energy saving materials and equipment.

There were two key board decisions made during the year:

- *Expansion of UK manufacturing operations*

This impacted shareholders, employees and customers.

Shareholders approved the plans and proposed capital expenditure, existing employees will benefit from improved job security as part of an expanded operation and customers should benefit from improved supply of products, in particular those in the UK.

- *Purchase of minority shareholdings in Spain*

This impacted shareholders and employees.

Shareholders approved the capital outlay to purchase the minority shareholdings, given the significant uplift to group EBITDA. Employees were consulted in order to ensure a smooth transition after the planned retirement of one of the shareholders in 2020.



Intersurgical Ltd, Crane House, Molly Millars Lane, Wokingham, Berkshire, RG41 2RZ, UK  
T: +44 (0)118 965 6300 F: +44 (0)118 965 6356 info@intersurgical.com www.intersurgical.com



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