



Pennant International Group Plc
Social Value & Corporate Social Responsibility Policy



Contents

- 1 Policy Statement / Overview
- 2 Our Vision & Core Values
- 3 Wellbeing, People and Communities
- 4 Our Environment & Fighting Climate Change
- 5 Responsible Trading, Corporate Governance and Good Practice
- 6 COVID-19 Our Answer



1. Policy Statement / Overview

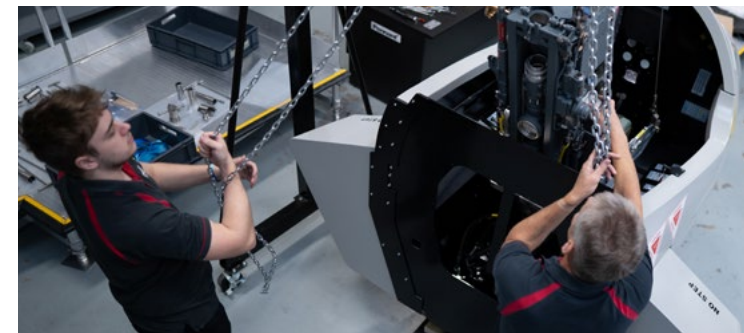
At Pennant we believe that a commitment to the principles of Corporate Social Responsibility (CSR) and Social Values not only makes good business sense but also complements our core business strategy and corporate values.

Our policy is based on the following principles:

- To minimise the impact and maximise the benefits that our work has on the environment and people around us.
- To integrate our CSR and Social Value considerations into all our business decisions.
- To comply with, and exceed where practicable, all applicable legislation, regulations, and codes of practice.
- To review, annually report, and to continually strive to improve our CSR performance.

In developing our strategy, we aim to deliver gradual but continuous improvements in our performance every year. As a result, our approach continues to evolve as we learn lessons along the way. To help define our policy we have divided it into five areas:

- 1 Our Vision and Core Values
- 2 Wellbeing, People and Communities
- 3 Our Environment & Fighting Climate Change
- 4 Responsible Trading, Corporate Governance and Good Practice
- 5 COVID-19 Response





2. Our Vision & Core Values

Our Vision: To be the leading provider of world-class integrated training technologies and product support for the defence, aerospace, rail and other safety critical industries.

In order to achieve our Vision, we actively encourage all Pennant employees to follow our five core values; Innovation, Quality, Teamwork, Respect and Performance, enabling all to drive the change that is welcomed at Pennant.

Alongside achieving our Group Vision, we have several targets for our Corporate Social Responsibility success. These objectives include reducing our CO2 footprint, support for local communities, challenging in-equality, and promoting equal opportunities.



3. Wellbeing, People and Communities

We know that people are our most important asset.

Our employment practices are designed to create the right workplace culture in which employees feel valued, respected, empowered, and inspired. The Group seeks to have a positive impact within all the global communities and territories we operate, and we recognise the importance of making these communities better places and improving local links.

3.1 Employee Communication, Mental Health Commitment and Wellbeing

We understand the need for clear and consistent communications that allow employees to feel supported and involved across the global offices, bringing together our employees to be one team.

As a Group we strive to keep employees up to date with regular updates by newsletter, intranet, and staff briefings. We actively encourage employees to send feedback and suggestions in, so we can review and make suitable decisions which will benefit the wider team.

We also recognise the importance of promoting staff mental wellbeing. Pennant are proud to have signed up to [The Mental Health at Work Commitment](#).

The commitment is a set of six standards which we pride ourselves on implementing across our offices. We implement many techniques and practises to fulfil the commitment. These can be seen below.

3.1.1 Employee Survey's and feedback

We have an annual employee survey that that measures employee satisfaction and encourages suggestions for improvements.

In previous years these suggestions from our employees have led to the implementation of new chairs for employees, new phone system, the resurfacing of the Cheltenham HQ car park, introduction of PEN NEWS (internal newsletter) and the introduction of buying and selling holding scheme.

3.1.2 Mental Health First Aiders

We understand the importance of employees having the support they need at work which is why our UK offices have a designated Mental Health First Aider.

These First Aiders are an additional point of contact with whom our employees can discuss mental health issues and seek additional audience as appropriate.

Our Mental Health First Aiders are trained to ensure they are fully equipped with the latest knowledge and resources available.

3.1.3 Training and sign-posting services

As well as our Mental Health First Aiders we make available to all line managers Mental Health and Wellbeing courses to ensure the necessary level of support is there for our employees.

We also pay an external provider to make available an 'employee assistance programme' which provides free advice to our employees on physical and mental health, and financial matters. Pennant also take an active role of promotion specific known days and weeks such as the Marmalade Trust's Loneliness Awareness Week promoting self-care tips on the Pennant Group's intranet pages.

Managers are reminded to highlight in regular employee 1:1s or PDR reviews, this 'employee assistance programme'.

Additionally, as well as the EAP we provide additional resources from other wellbeing sites such as Mental Health First Aid (MHFA), MIND and The Black Dog Institute, and when appropriate share articles and tips on ways to promote wellbeing.

3.1.4 Encouragement of Physical Activity

The Pennant team are made up of lots of exercise enthusiasts and one of our key aims is to encourage staff to get involved with different activity and even make sure they take simple steps to look after their physical self, even if it is just getting up from their desk chair and moving around for a short while.

To encourage staff to get involved in a physical activity, Pennant share tips and resources on short courses, different physical activities and host charity lead events focused on exercise.

Pennant take an active role of promotion specific known days and weeks such as the Marmalade Trust's Loneliness Awareness Week promoting self-care tips on the Pennant Group's intranet pages.





3.2 Equal Opportunity & Diversity

We recognise that diversity of gender, age, culture, experience, and expertise serve to enhance our ability to operate effectively and ethically. We are committed to the principle of equal opportunity in employment and ensure that all applicants receive equal treatment during their recruitment, promotion, training, assessment of salary and benefits, irrespective of an individual's sex, race, disability, sexual orientation, age, religion or beliefs, pregnancy or maternity, marriage, or civil partnership status.

You can view our Equal Opportunities Policy [here](#).

We implement the guidance in the [Good Work Plan](#) and utilise several other measures to ensure we are offering a fair opportunity to all, such as recruitment skill-based assessments, structured interviews and regular equal pay audits.

Our recruitment process is open to anyone and we guarantee that CVs and applications are reviewed in such a way as to reduce prejudice or bias.

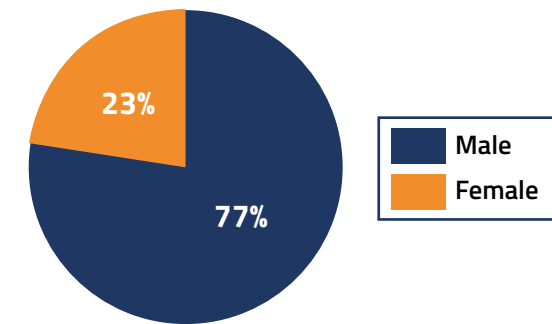
We believe that strength comes from combining what we have in common – our shared goals and values – with what makes each of us different, in a diverse and inclusive environment will help us to achieve our vision and aims.

The company takes bullying and harassment very seriously. We expect our people to be able to work in a harmonious working environment where they can come to work and carry out their roles to the best of their ability, be treated fairly and respectfully and with dignity. We all have a personal responsibility to ensure that we treat others as we would like to be treated, and that our action and interactions reflect our commitment to diversity and inclusion. We ask all our colleagues to make a personal commitment to these aims.

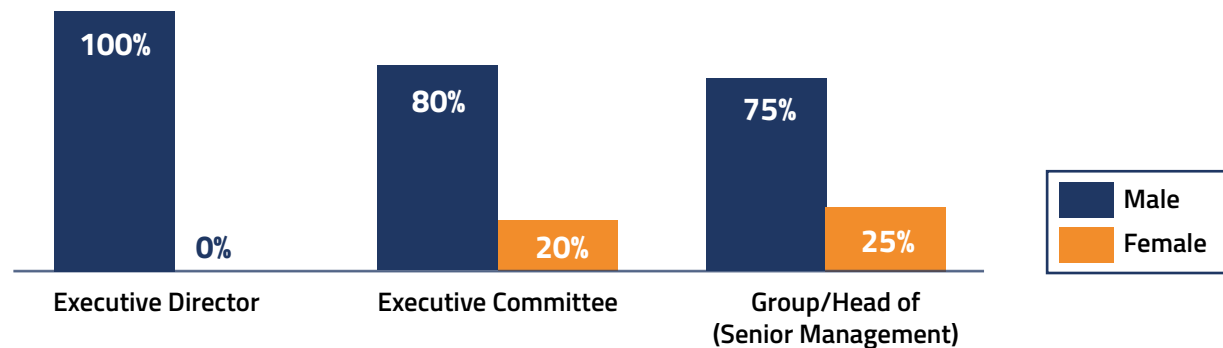
As well as actively following equal opportunity and diversity requirements, Pennant actively promotes opportunities to the Armed Forces and are proud signatories to the Armed Forces Covenant.

We are committed to addressing the gender gap to the best we can.

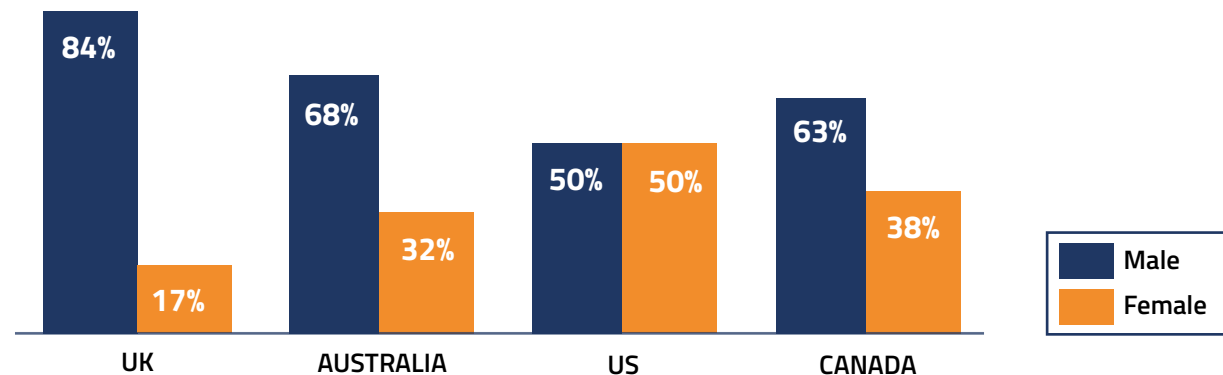
Gender Breakdown - Group Level



Gender Breakdown by Seniority - Group Level



Gender Breakdown by location





3.3 Personal Development Plans & Biannual Appraisals

Pennant believes in supporting and developing all its employees to achieve the very best they can and to further develop in their roles and as individuals.

We require all departmental managers to undertake bi-annual appraisals and personal development reviews with our employees.

To support the appraisals and personal development reviews, managers are asked to undertake regular 1:1s with employees, to discuss concerns, successes and address any other issues. We hope this process addresses problems quickly and therefore enables us to be proactive and respond in a timely manner.

Pennant recognise the need to offer training to employees. Courses are regularly identified in PDR reviews and where appropriate arranged for employees to undertake.

3.4 Benefits

We offer our employees enhanced benefits such as:

- An annual flu vaccination
- The opportunity to buy and sell holiday (policy PPG029)
- Employee assistance programme. This offers not only mental wellbeing advice but financial advice and physical wellbeing advice as a starting point
- Share Incentive Plan
- Flexible and home working if employees require this

3.5 Volunteering Scheme & Local Community

We empower and encourage our employees to take part in our volunteering scheme. A scheme which is designed to enable us to respond to local needs and the charities which are important to our employees, by giving employees two paid days a year to volunteer.

The scheme supports charities, communities, and individuals in need. We believe that, as well as making a difference to those in need, employee volunteering will allow our staff to:

- Build new skills
- Increase motivation back in the workplace
- Cement relationships with colleagues
- Try new challenges
- Add variety to their work and life

Pennant Benefits from:

- A raised profile in the local community
- Employees having a better understanding of the voluntary and community they live and work in
- Developing local links with the community that can support business priorities

Historically, our volunteers have supported local science days and career fairs. As well as providing support externally, Pennant have opportunities at our sites for apprenticeships and sandwich year students to further develop their understanding, skills and knowledge in a real business environment.

3.6 Charitable Donations

Every year we undertake a Group wide nomination to select local charities that our employees wish to generously support, as well as charities and causes that strategically align to us, including providing support to ex-service men and woman and users of our products and services. Throughout the year we host numerous events and activities to raise funds. We recognise that the success of supporting these charities hinges on our employees. We have achieved this through several projects including, engaging with local communities, sponsoring youth sports teams, and contributing the Pennant team's time, resources, and expertise.

Despite challenges from a pandemic several fundraising events took place across the Group and our global offices. Fundraising events included distance mile challenges, bake sales, Olympic medal sweepstakes, themed clothes days, and photography competitions.

We are proud to also support several other charities and fundraising events throughout the course of the year, getting involved in Macmillan's Coffee Morning, raising money for the British Legion, and taking part in the well-known Save The Children's Christmas Jumper day.

As a company, Pennant actively matches funds raised at key events throughout the years.





3.7 Managing Health & Safety

We strive to look after the health and wellbeing of our staff with this being a key priority for the Group. Our objective is to achieve Health & Safety excellence targeting zero accidents. We provide our staff with the training and tools needed to recognise and understand the importance of Health & Safety and how to mitigate risk.

The Chief Executive Officer and Directors have overall responsibility for Health & Safety. We have a Group Health & Safety Manager who works with staff, managers, and directors to ensure effective day-to-day management of Health & Safety across the Group. This involves sharing best practice and maintaining appropriate Health & Safety management systems to collect, report and act on Health & Safety data. All employees undertake foundation Health & Safety training on commencement of their employment with annual refreshers thereafter. As a minimum all staff are trained in Fire Safety, Manual Handling and Stress Management. Additional training is given appropriate to their role. All accidents and near misses are recorded, investigated and reported monthly to prevent re-occurrence.

We actively manage and promote best practice safety and occupational health within all of our businesses and sites in the UK and internationally. We seek to involve our employees and ensure they recognise their responsibilities and contribute fully to a safe and healthy working environment.

3.7.1 Managing Risk

Risk assessment is a cornerstone for Health and Safety management at Pennant. We conduct site based general risk assessments with additional risk assessment for specific processes and activities, or irregular work carried out by our staff. These risk assessments are periodically reviewed or whenever conditions change that significantly affect the risk.

Within our Production Facilities we pay particular attention to mitigating the risk posed by manufacture and assembly of our products and working with machinery. Where required, Personal Protective Equipment (PPE) is issued to staff.

3.7.2 First Aiders

We have several trained First Aiders on our sites to make sure there is always help and support available for our employees in case of any accident or injury at work. We actively advertise our first aiders and where they can be found on posters throughout our offices. We also have a specific Health and Safety area on our intranet highlighting how to contact our first aiders and actions to take.

3.7.3 Fire Safety

We have a high level of fire safety here at Pennant, which includes regular Fire Risk Assessments and documented evacuation procedures led by our Fire Marshals. If a fire starts, it's the Fire Marshal's responsibility to make sure everyone evacuates the building quickly and calmly and liaise with the emergency services if necessary. They will also let everyone know when it's safe to go back into the building.

“ We have several trained First Aiders on our sites to make sure there is always help and support available for our employees in case of any accident or injury at work. ”

4. Our Environment & Fighting Climate Change

We recognise the need to minimise our environmental impacts and take great pride in the measures and solutions we take to support our environment and tackle climate change. Pennant remains committed to our sustainability work and understands it is essential to protect the planet.

You can view our full environmental policy [here](#).

4.1 Managing Carbon Emissions

100% of our employee UK company cars are Plug-in hybrid models, with a shift and move to fully electric cars for employees who have the infrastructure to support the charging of vehicles. Our UK sites are equipped with charging points to cater for those with an allocated company vehicle. Our commercial fleet is currently regularly reviewed and changed, as greener commercial vehicles become more widely available.

4.2 Sustainability

We monitor our consumption of resources identifying trends and opportunities for reduction. All our staff are encouraged to critically review their consumption of resources on a day-to-day basis and where possible reduce them or suggest areas for improvement.

Our products in themselves reduce the impact on the natural environment by transitioning training activities from the real physical environment to the virtual environment. This reduces the need to perform activities on real, labour and material intensive assets by replacing them with simplified or virtual solutions.

Within physical product delivery we actively work to reduce the use of hazardous substances and the consumption of natural resources. Where appropriate we utilise, the Project Oriented Environmental

Management System (POEMS) to consider the wholistic environmental impact of our products.

Within our buildings, the majority of lighting is provided by low energy consumption LED fittings and where possible, we have installed motion activated lighting in lower traffic areas. This is complemented by the use of 'aerated taps' to reduce the amount of water used for hand washing, and the use of 'dual flush' toilets and water efficient urinals.

4.3 Managing Waste

Our policy is target zero waste to landfill and to minimise the amount of waste generated by business activities using this waste hierarchy:

- Eliminate
- Reduce
- Reuse
- Recycle

All waste is disposed of in a responsible manner, and documented where necessary, via the appropriate waste streams. Where appropriate we explore donating IT equipment to local schools and charitable trusts.

4.4 Suppliers & The Environment

During our approval process we review the environmental management processes our suppliers have in place to ensure that they align with our own goal to minimise impact on the environment through continual review and improvement activities.



5. Responsible Trading, Corporate Governance and Good Practice

The Group Staff Handbook articulates the standards that we expect our staff to meet. It includes the requirement to comply with laws, regulations, and Group policies. It is Group policy to conduct business free from bribery and corruption. All employees are made aware of the policy during the induction process. All gift, entertainment or hospitality given, received, or offered must comply with the Group Anti-bribery and Corruption Policy (PPG024). Our whistleblowing policy enables members of staff to raise concerns regarding, fraud, malpractice, health and safety, criminal offences, miscarries of justice and failure to comply with legal obligations.

5.1 Economic Inequality

Pennant regularly refer to UK's Government Good Work Plan to ensure wherever applicable Pennant are actively promoting and tackling economic inequality.

A key way to make connections within the supply chain is through Pennant's MakeUK membership, with our team regularly attending 'Meet the Buyer Events' and member networking events, expanding connections across the entire UK.

When possible and where appropriate Pennant will aim to offer work placements and apprenticeships in several of our office locations. Additionally, historic work placements have occurred remotely, highlighting that Pennant are equipped to support anyone anywhere is needed.

5.1.1 Cyber Security

Pennant have technical expertise in-house to cover risk assessment for cyber security concerns, as well as going one step further by engaging with Bytes (our primary security vendor) to benchmark what we do against

industry standards. Pennant has extensive experience in assessing and mitigating cyber security risks, with a combination of off-the-shelf and bespoke technical security solutions couple with in-house expertise in a wide range of information security disciplines. Pennant also makes use of independent third-party assessment of its procedural and technical security measures to ensure alignment with industry best practice.

Pennant are actively working towards achieving the '10 Steps To Cyber Security' by the end of 2022, with eight out of the ten already being covered by existing policies and systems. Furthering this point, Pennant are compliant with NCSC 14 Cloud Security principles, as well as supporting other cyber security criteria with Cyber Essentials for our O-S networks and cyber insurance. Our aim is to work towards achieving Cyber Essentials Plus in the future.

5.2 Human Rights & Modern Slavery Act

Our policy is that we will not deal with any suppliers dealing in modern slavery. We carry out on new suppliers to verify this. Pennant's standard terms of purchase address modern slavery.

5.3 Suppliers and Responsible Trading

We strive to trade responsibly building and maintaining the highest standards amongst our suppliers.

It is Pennant's policy to conduct business in an honest way, without the use of corrupt practices or acts of bribery to obtain unfair advantage. It is committed to ensuring adherence to the highest legal and ethical standards. Bribery is a criminal offence in most countries in which Pennant International Group Plc operates and corrupt acts expose the company and its employees to the risk of prosecution, fines and

imprisonment, as well as endangering the company's reputation.

We oppose the exploitation of workers and we will not tolerate forced labour, or labour which involves physical, verbal or psychological harassment, or intimidation of any kind. We will not accept human trafficking or the exploitation of children and young people in our business and undertake all reasonable and practical steps to ensure that these standards are maintained.

All suppliers are expected to supply us with details regarding their capability with regards to quality, health and safety and the environment. This information is requested on a regular basis so that information remains current and accurate.

6. COVID-19 Our Answer

Pennant believe that following the global pandemic there is a long challenge ahead of all businesses to support our local communities in the recovery from COVID-19.

6.1 Workplace and our employees

Pennant have started by focusing on our employees and their families to ensure safe working environments and support for those who are vulnerable and high-risk.

- We continue to follow all government guidance and update employees as and when regulations change
- As a business supplying key defence programmes our employees were key workers
- We have welcomed 80% of staff back to the offices and are offering flexible working to those who wish to incorporate this into their working style.
- We provided employees with Lateral Flow testing kits in the height of the pandemic to help us track and monitor any outbreaks. We now request and encourage employees to order their own lateral flow kits through the Gov.UK website.
- Lateral Flow testing kits are around our offices to ensure our employees have free access to the test
- For our global locations that have returned to the office, we currently still encourage all to wear masks when away from their desks
- Employees are encouraged to use hand-sanitisers that have been placed around all buildings

- We have implemented a workplace 'bump' system, equivalent to a track and trace system for our employees on production floors, to minimise risk and exposure levels, whilst also providing an additional level of peace of mind

6.2 Supporting People and Local Community Recovery

6.2.1 Supply Chain

Pennant are committed to utilising the expertise and experience of local supply chains to provide us with the necessary material and services needed to complete customer contracts. 49% of our Critical Suppliers all within a 10-mile radius to our headquarters site.

We endeavour to continue our efforts in using the local supply chain for future contracts and work going forward. When required Pennant will seek the use of other suppliers further afield to supply niche and specialist materials and capability.

6.2.2 STEM Ambassadors and Apprenticeships

We are proud at Pennant to have active STEM Ambassadors making up our workforce. We allow our employees to attend and support several STEM events in the local community and when possible provide supporting material.

To support our developing workforce, we regularly accept new apprentices across several departments. 90% of our apprentices stay with us to start their permanent careers, and the team are always pleased to see these young individuals put into practice the skills they have picked up along the way.

As well as our strong support for apprenticeship schemes Pennant offer a variety of different work-experience opportunities to individuals at school or college to give them an opportunity to experience what it's like to work in an SME company. The work experience opportunities have also come about from STEM events Pennant have been a part of, with one female student spending a week with us, shadowing our hardware, software and product management team to understand how we operate as a business and to demonstrate future career prospects.

6.2.3 Local Green Spaces and Volunteering days

To support local green spaces, Pennant offer employees 2 volunteering days a year. Pennant aims to organise group volunteering activities such as overhauling gardens, grounds and helping with the upkeep for the likes of local schools, clubs or care homes.

Not only are Pennant proud that this activity supports the local community, it enhances natural green spaces, improves areas for wildlife, and also offers our employees the chance to do something positive and meaningful while being outside, something we hope improves the wellbeing of our employees.

Further information on Pennant's volunteering scheme is available in section 4.5 and 4.6.

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