

Creating Effective Engagement with our Key Stakeholders (s.172)

AMS aims to sustainably grow its medical device and woundcare businesses organically and via acquisition – focusing on customer satisfaction, productivity, innovation, business continuity and Health and Safety. We achieve this through the application of our values – Care, Fair, Dare – which ensures we value our employees and behave as good corporate citizens. To achieve this we maintain close relationships with our key stakeholders.

Engagement with our stakeholders is critical to the business. It helps us to appreciate the impact our decisions have on stakeholder interests and better understand their needs and concerns. It strengthens our relationship with them and is an ongoing part of the operational management and governance of the Group.

We have identified our key stakeholders below. We engage with our stakeholders in a number of ways. Details are provided in the Stakeholder Engagement section which can be found on pages 30 to 43.





Section 172 obligations

The UK Corporate Governance Code 2018 (Code) emphasises the importance of s.172 of the Companies Act 2006, which requires Directors to act in a way that promotes the success of the Company for the benefit of shareholders as a whole. In doing so s.172 requires the Directors to have regard to a number of matters including:

- The likely consequences of any decision in the long-term;
- The interests of the Group's employees;
- The need to foster the Group's business relationships with patients, suppliers, customers and others;
- The impact of the Group's operations on the community and the environment;
- The desirability of the Group maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between members of the Company.

An overview of the Board's 2019 engagement with stakeholders who are material to the long-term success of the business is explained in the Engagement with Stakeholders section on pages 30 to 43.

In 2020 the Board will receive regular updates from the Executive Directors on how the business has engaged with stakeholders, the feedback received and the impact this has had on the Group's existing policies, processes and procedures. This will include an enhanced Health, Safety and Environment Report to support the Board's consideration of the impact of their decisions on our community and the environment. Board reports will include an assessment of the impact on our stakeholders.

Ensuring high standards of business conduct is also critical for the success of the Group. The Directors receive regular updates throughout the year on ethical and compliance issues and our Corporate Governance Report on pages 52 to 57 identifies policies and guidelines governing our approach to anti-corruption, anti-bribery, social matters and human rights.

Consideration of the long-term impact of decisions is integral to the approval of the strategy. Our strategic progress in 2019 is disclosed in the Chief Executive's Q&A on pages 9 to 11 and in the review of our Strategic Pillars on pages 12 and 13.

Stakeholder Engagement

Effective engagement with our key stakeholders and managing our impacts



Engaging with Investors



Investor and analyst meetings and consultation

The Executive Directors and external strategic communications advisors manage the Group's external relationships with investors, prospective investors, and analysts. They schedule a comprehensive programme of investor and analyst meetings and calls, in particular following the release of annual and half-year results and trading updates.

Engagement in 2019

- The Executive Directors attended 118 investor or analyst meetings (107 one-to-one meetings and 11 group meetings), engaging with around 70% of our current shareholders (by shareholding value) and 7 analysts. Key themes discussed included results, strategy, market dynamics, R&D pipeline, acquisition strategy, dividends and other matters relevant to individual parties. Investor roadshows were organised in London and Liverpool and also a number of site visits were arranged for investors;
- The Remuneration Committee Chairman consulted with major shareholders on the proposed increases in the remuneration package for the Chief Executive Officer and newly appointed Chief Financial Officer;
- The Chairman, the Senior Independent Director and other Non-Executive Directors were available to attend meetings with major shareholders at the request of either party to gain an understanding of any issues and concerns; and
- Our investor website was updated and reviewed regularly to ensure that our information was up to date.

Outcomes

- Information has been provided in results announcements and trading updates on:
 - Progress against market expectations and short to medium-term targets;
 - General market conditions, including progress made in key markets such as US topical skin adhesives, internal adhesives and EMEA/APAC;
 - Details of product pipeline, including new product launches in the EU, US and smaller international markets, and progress on the premarket approval (PMA) for LiquiBandFix8®;
 - Progress on the acquisitions made and the strategy for future acquisitions
 - Ongoing impact of the Medical Device Regulation (MDR), and challenges and opportunities this provides;
 - Impact of the realigned Business Units in 2019; and
 - Preparations to mitigate impact of Brexit and COVID-19.

Effect of engagement with investors and analysts on Board decisions

- The Board has reviewed matters such as: the best use of distributable reserves, for example for dividend payments; the timing and content of results announcements, trading updates, composition of the Board and succession planning, as well as other matters raised by shareholders at the AGM.
- The Board decided to continue to increase investment in major R&D and regulatory projects and to look for further acquisitions that meet our strict criteria as the best use of our cash balances.
- The Board decided to put in place a medium-term succession plan for the Non-Executive members of the Board.



Board awareness of investor views

Engagement in 2019

- The Chief Financial Officer reported regularly to the Board on the Company's investor relations activities, including updates from the Company's brokers to ensure that all Directors are aware of, and have a clear understanding of, the views of major shareholders and analysts covering AMS.
- The Company's brokers provided an analysis of investor and analyst feedback during the year under review and the Executive Directors regularly circulated updates to the Board.

Outcomes

- Additional information was provided to investors in results announcements and trading updates as outlined above
- Gives the Board a clear understanding of investor sentiment and how this changes over time

Views of retail shareholders

Engagement in 2019

- The Deputy Company Secretary, together with the Company's Registrars, engaged with our retail shareholders throughout the year to deal with enquiries relating to their shareholdings or information requests.
- A number of retail shareholders attended the AGM and had the opportunity to meet with and put questions or comments to the Board.
- The Deputy Company Secretary notifies the Chairman and Chief Financial Officer of any areas of concern or importance raised by retail shareholders. No such queries were raised during the year.
- This provides a good perspective on the different drivers for investment in the Group and the reasons as to why retail shareholders may hold shares in the Company, such as brand recognition, capital growth and dividends.

Views of voting agencies

Engagement in 2019

- The Board is fully aware of the influence that proxy agencies, such as the Institutional Shareholder Service (ISS), Glass Lewis and the Investment Association, have on how our investors will vote at the AGM or via proxy. We wrote to investors and voting agencies to update them in respect

of the remuneration packages and practices for Executive Directors, where applicable. We have worked closely with the proxy agencies and significant shareholders on key issues such as Director independence, tenure and number of Board appointments in 2020.

Outcomes

- More insight into what our shareholders expect
- Any feedback from proxy agencies helps to form our Remuneration Policy to ensure that our practices are satisfactory and provides input into succession planning for the Board and Nomination Committee

Annual General Meeting

Engagement in 2019

- At the 2019 AGM, the Chief Executive updated shareholders on the Group's performance and activities during the prior year.
- The Chairman and each Board Committee Chair were available throughout the AGM to answer any queries raised.
- The 2020 AGM will be a closed meeting in response to Government guidance on COVID-19.
- The Notice of AGM will be circulated to all shareholders at least 20 business days prior to the meeting.

Outcomes

- At the 2019 AGM, a number of retail shareholders asked the Board to consider the AGM location. We decided to hold the 2020 AGM in Cheshire. We will consider shareholders' views for the 2021 AGM

Trading updates

Engagement in 2019

We continue to keep our shareholders fully informed of the performance of the business on a regular basis, through the publication of two trading updates, in January and June as well as the full and half-year announcements in March and September, and further announcements as and when required, including a COVID-19 update on 2 April 2020.

Stakeholder Engagement

continued



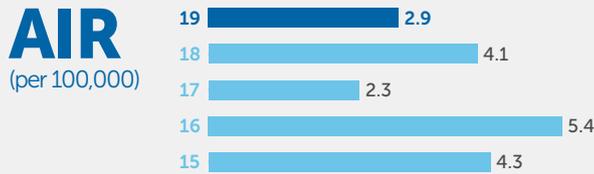
Engaging with our Employees

Health and safety, well being, and environment

Engagement in 2019

- We are focused on maintaining the highest levels of health and safety within our business. The health and safety of our employees, as well as that of our customers, suppliers, sub-contractors and all other visitors to our sites and offices, is of the utmost importance to us. We reduced our AIR (All Incident Rate) target by 33% from 6.0 to 4.0 in 2019 which reconfirms our desire to continuously improve our safety performance and enhance our safety culture.

AIR total number of injuries x 1000
Total labour hours worked



- AMS continued to deliver solid safety performance with an AIR score of 2.9 (2018: 4.1). The number of incidents fell, driven by the stricter targets and improvements implemented following the higher score in 2018.
- The Deputy Company Secretary updates the Senior Management Team (SMT) with a report highlighting any key H&S matters on a monthly basis and these reports are reviewed at the respective Board meetings during the year.
- A Group Health, Safety & Environmental Manager was appointed in 2019, highlighting the importance of this area to the Group.
- During 2019 the following engagement took place with employees on health and safety:
 - Group Health, Safety & Environmental Manager visited the Group sites to understand any health, safety or environmental issues impacting employees;
 - Process to audit and assess all locations was undertaken;
 - Engaged with site employees on how they see health and safety, what they would like to see; and
 - Key health and safety messages were reiterated at the Employee Forum meetings, and opinions sought on ways to improve health and safety at our sites and reduce our impact on the environment.

Outcomes

- Reviewed and updated the training and information provided to our employees and those visiting our sites to ensure that they remain fit for purpose and reflect the feedback received from our employees;
- Developed the 2020-2024 Environmental, Health & Safety strategy;
- Site H&S plans driven by site leadership teams introduced; and
- Prepared and consulted on an environmental and energy management system for introduction in 2020

Employee Forum/Works Council

Engagement in 2019

- Employee Forums have been established at sites across the Group, taking into account local requirements:
 - The Group has Employee Forums at both UK sites and a combined UK Employee Consultative Group (ECG), which discusses key initiatives relevant to UK employees. UK site and ECG meetings are held twice annually. SMT members attend the site meetings and the ECG is chaired by a SMT member and attended by the Group HR Director. In Germany, there is a Works Council which meets monthly at our Nuremberg site and the Group HR Director and CFO attended a number of meetings in 2019, covering a variety of issues relating to employee working conditions. Both the ECG and Works Council comprise representatives from across the related sites.
- Our French site (Biomatlante) has a Works Council, which will be integrated in 2020. Our smaller sites (Etten Leur, Israel and Neustadt) have HR on-site and hold monthly site employee meetings, allowing direct access to Group HR to raise issues.
- The objectives of the forums are to:
 - Achieve closer engagement between the SMT and employees
 - Provide further opportunity for employees, via forum members, to influence working conditions and ways of working
 - Provide an initial indication of possible employee reaction to proposed policy and benefit changes
 - Share results of engagement activities and generate ideas for action; and
 - Allow direct access to Group HR to raise issues

- Since it was set up, the National ECG Forum has met three times. During these meetings, they have discussed and considered various matters, including mental health awareness, stress, reward and recognition, employee benefits and charitable donations, flexible working arrangements, and Code of Conduct. A bespoke Code of Conduct applicable to the Group will be implemented in 2020.

Outcomes

- The National ECG forum has provided valuable input since it was put in place in 2018, including raising awareness of mental health across the Group, providing training to Mental Health First Aiders, introducing a Stress Policy, and increasing the awareness of recycling projects.
- Forum members have helped to increase the profile and awareness of charity work across the Group. Charity matching is available, helping to increase the focus on St Luke's Cheshire Hospice and Jeremiahs Journey, the selected charities in the UK in 2019, as well as a number of charities in Germany including animal protection, help for people with disabilities and children's charities.

Internal Communications

Engagement in 2019

We continue to ensure that our employees are kept informed of developments and important issues. These are cascaded throughout the business through a variety of channels including the Group's intranet, emails and newsletters.

The SMT meet monthly and communication is cascaded down through team meetings. This allows employees the opportunity to provide feedback or raise questions directly.

Employees also have the opportunity to ask the SMT questions directly through a portal on the Group's Intranet, which can be done anonymously if desired.

There is a Group Whistleblowing Policy which provides direct access to the Board. This is a mechanism for employees to communicate any concerns they may have.

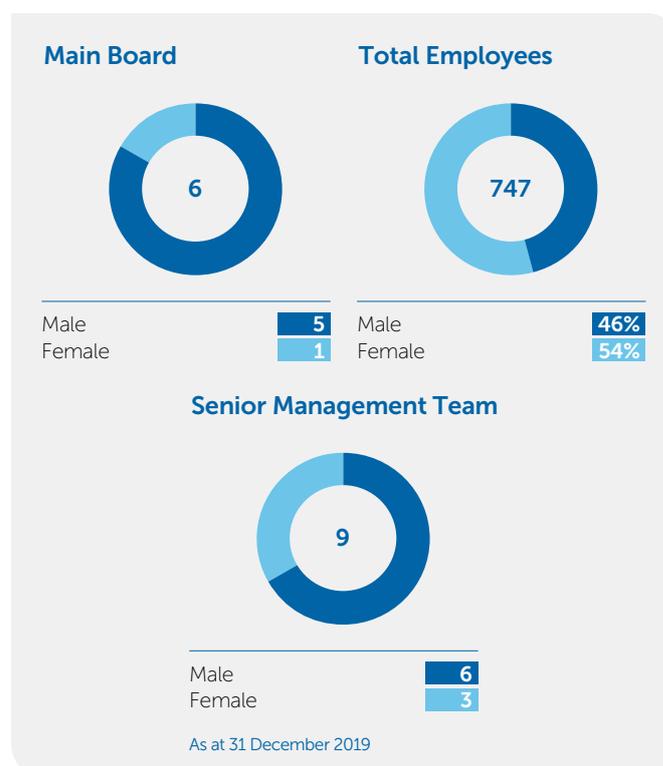
Outcomes

- Employees raised a number of issues with Senior Management, such as looking at ways to utilise renewable energy at higher energy use sites and how to better tackle plastic waste and recycling in general. Site visits allowed employees to present issues in an open forum to the Executive Directors. These were part of the gap analysis carried out at the end of 2019 and will be integrated into the updated Environmental Plan in 2020.

Diversity and inclusion in recruitment and training

Engagement in 2019

- HR assessed the need for diversity in the recruitment process.
- Actions were initiated at our RESORBA® site to ensure compliance with local legislation relating to disabled employees, which resulted in a long-standing fine not being levied.
- In April 2019, the Company again invited all employees in the Group to participate in the Deferred Share Bonus Plan (DSB). The invitation enabled eligible employees to contribute up to £1,800 or 100% of their bonus, whichever is higher.



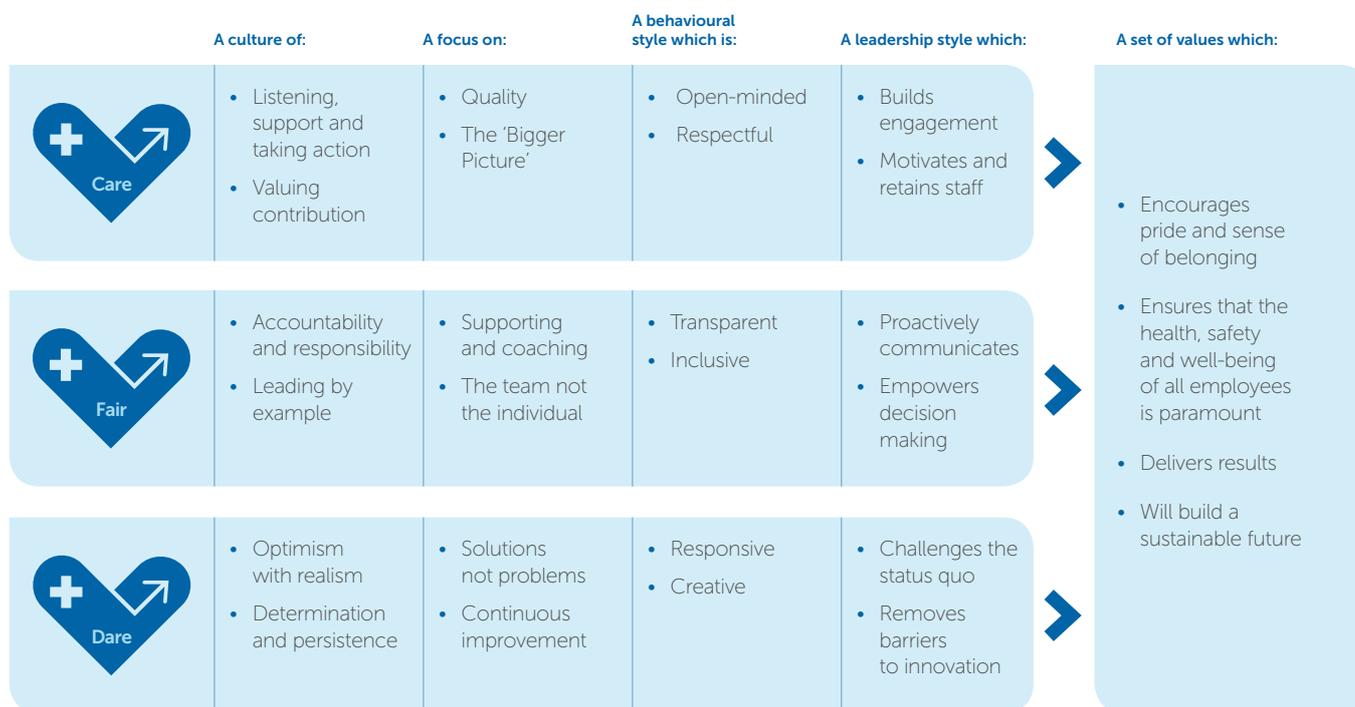
Outcomes

- The Group introduced a policy of having women in all recruitment selection pools.
- There are women on all interview panels across the Group.
- At 31 December 2019, approximately 31% of employees participate in one or more active DSB grants and 188 employees participated in the April 2019 DSB Scheme. All Group employees were eligible.
- The inclusion of employees in share schemes aligns their interests with that of the Executive Directors and other shareholders and increases their engagement with the performance of the Group through investment in the Company's shares.

Stakeholder Engagement

continued

The Advanced Medical Solutions' 'Care, Fair, Dare' Approach



Culture

Engagement in 2019

- Our Group operates to the highest ethical standards with our values of Care, Fair, Dare embedded in all we do. Our culture defines the behaviours we expect from every one of our employees when going about their business. We have well established processes through which we seek feedback from our employees about their perception of our culture and how employees have demonstrated the values during their interaction with them. We also receive feedback from our cultural workshops, employee engagement surveys, exit interviews, Employee Forums and visits by the Executive Directors and Senior Management to our sites and offices.
- Employees had the opportunity to attend Care, Fair, Dare workshops to agree action plans for their team and feedback on the process.



Outcomes

- To ensure that the tone of our culture is driven from the top, the Board's involvement in the review process is critical. The Board is scheduled to undertake a more detailed review of our culture in 2020 to assess how it is perceived (both positive and negative), and will agree with management as to what, if any, actions need to be taken. The review will also outline how we propose to measure and report on our culture in the Annual Report going forward.

Engagement survey

Engagement in 2019

- We annually undertake an employee engagement survey which focuses on the implementation of Care, Fair, Dare.
- For the year under review, the survey results showed the overall level of engagement increased from 41% in 2018 to 48% in 2019.
- We are satisfied with the employee engagement score in 2019, although we aim to increase this in 2020.
- Employees have seen a positive improvement and 49% of employees took part. Participation has increased from 38% in 2018.
- These results have been shared with the teams and each team have implemented a Care, Fair, Dare action plan to further embed the culture. It is hoped this will help to maintain or enhance employee engagement levels.
- We are investigating the use of a variety of software tools to further enhance and improve employee engagement in 2020.

Outcomes

- New strategies to promote health, safety and environment have been put in place as detailed above.
- We have implemented a number of initiatives to improve internal communications. These include cascading our Corporate Objectives to help employees better understand the big picture, a request raised in the Care, Fair, Dare workshops and introducing an 'Ask the SMT' intranet portal where any employee can ask the SMT any question, anonymously if desired.
- Provided resource to introduce a Project Management Office to prioritise our most important projects and optimise resource allocation.
- Reviewed Authority Matrix to empower employees, a request from employee workshops.
- Articles in our newsletter outlined further changes made from survey results.
- Introduced competency-based interviews using Care, Fair, Dare values.
- Trained managers on 360-degree feedback.
- Revamped R&D processes to better link it to our Care, Fair, Dare values.



Effect of engagement with employees on Board decisions

To increase its engagement with the workforce and comply with Code Provision 5 the Board nominated Penny Freer, the Senior Independent Director, as the designated Non-Executive Director for workforce engagement. Penny will attend her first UK ECG meeting as soon as the practicalities of COVID-19 allow and report back to the Board thereafter. She will attend at least one meeting annually going forward and is also available to members of the UK ECG, Works Councils and any other employee body from across the Group throughout the year.

The Board also listened to recommendations regarding how to improve new product development and better manage competing demands on resources. This led to the development of the improved Product Development Process and implementation of a Project Management Office (PMO). This will help with launching products into the market quicker and overcoming regulatory hurdles.

Talent reviews were initiated across the Group, which included five-year training and development plans, and were presented to the Board in Q1 2020. Senior Management presented directly to the Board on their areas of responsibility in 2019, to increase engagement, and this will continue in 2020.

Stakeholder Engagement

continued



Engaging with Patients, Partners and Clinicians

Patient, Partner and Clinician Satisfaction

Engagement in 2019

- We focus on delivering innovative and technologically advanced products and industry-leading training, whilst resolving partner or clinician problems quickly and efficiently.
- We ensure that our partners have the opportunity to speak to key employees at any time and any concerns are reviewed and acted upon quickly and effectively.
- We invested significant resources in our ActivHeal® Academy to deliver free educational programmes to our clinicians, providing them with online training that can also meet their CPD needs.
- We provided education and training for our partners and clinicians, both through face-to-face training and masterclasses, as well as developing platforms such as social media, dedicated websites, online tools and marketing software, allowing increased accessibility to our resources.
- Patient outcomes and clinician experience provide key inputs to our innovation process.
- We provide value-based incentives, rebates and pricing schemes that create win/win relationships with our partners.

Outcomes

- Increased loyalty and positive feedback in the market for ActivHeal®, with 96% of clinicians viewing the provision of educational materials as important to them and 100% indicating that they benefited greatly from it.
- ActivHeal® nominated for a Marketing Excellence Award.
- Investment in technology to improve our communication with partners and clinicians.
- Growing global network and Surgical Business Unit, supported by investment in technology to improve communication with partners and clinicians.

Partner and Clinician Insight

Engagement in 2019

- Partner and clinician insight is crucial to decision making and continuous improvement of our products and business. 2019 engagement initiatives included:
 - Increased our understanding of the key reasons that our products are chosen;
 - Engaged an extensive survey through an industry-leading journal to gain insight as to how our ActivHeal® brand is perceived by clinicians;
 - Worked with the NHS on a Clinical Evaluation Team Report in order to enhance our ActivHeal® brand and raise awareness of the benefits we can provide by making 'best in class' packaging;

- Engaged clinicians more directly, including support and participation in industry clinician groups;
 - Conducted 'Voice of Customer' and focus groups to review products and ideas to provide feedback on a regular basis;
 - Leveraged our 'best in class' LiquiBand® evaluation support tools to train and support evaluation and implementation of our products;
 - Provided masterclasses and training, and allowed Key Opinion Leaders the opportunity to learn our products; and,
 - Sessions with key partners and clinicians, which allow us to receive feedback directly from them.
- In 2020 we will establish clinician/advisory panels focusing on woundcare and microbiology to identify technologies and patient and clinical need.

Outcomes

- Aligned our pipeline of new products and value-added rebates, services and customer support programs with partners.
- Results from feedback received has led to a review and further enhancements and marketing of our ActivHeal range.

Patient and Customer Feedback

Engagement in 2019

- Held Quarterly Business Reviews (QBRs) with all major partners to solicit market and product feedback.
- Customer feedback is used in a number of ways:
 - Focus groups to gain insight on our launches to market;
 - Issues raised by partners and clinicians at Clinician Groups is shared with our Procurement and Commercial teams for planning future design and specification;
 - Complaints are analysed to agree actions to resolve root causes.

Outcomes

- Refined internal policies, processes and procedures to take into account partner and clinician feedback.
- Enhance product design to improve user experience.

Industry Bodies

Engagement in 2019

- We continue to work closely with industry bodies and charities working in our markets, such as the European Hernia Society, International Bariatric Club, The Lindsay Leg Club and Tissue Viability Society. This enables us to keep informed on any trends or changes that will affect partners or clinicians, and also gives us a voice to contribute to the sector.



Engaging with our Supply Chain

Ongoing supplier relations

Engagement in 2019

- The Chief Executive Officer, Chief Operations Officer and Group Purchasing and Supplier Quality Manager meet with suppliers and sub-contractors to ensure that: (i) we are receiving the level of service expected; (ii) we have contracted on favourable commercial terms, locally and nationally; and (iii) any issues or challenges they are facing can be considered and suitable solutions found.
- During the year, our Group Purchasing and Supplier Quality Manager attended a networking event to meet suppliers and material innovators.
- Our Sourcing and Procurement Department held business briefings for new and existing subcontractors to ensure that they are aware of our plans and can provide performance feedback.
- Numerous calls and face-to-face meetings were held with a key supplier who experienced a technical failure at their sterilisation plant.

Outcomes

- Ongoing discussions with suppliers have led to mutually beneficial arrangements improving costs and the consistency of supply of materials, and reducing lead times.
- Informed the business of innovative and alternative technologies available for possible future adoption.
- Keeps our sub-contractors and supply chain up to date in respect of any changes to our working practices as appropriate.
- Key sterilisation supplier committed to significant investment at a key UK site to improve the service provided to AMS as one of their key customers.



Research and Development

Engagement in 2019

- We invite all of our supply chain to bring product and service innovations and improvements to our attention.

Outcomes

- Development of a new product through to launch by working with an existing supplier and utilising their knowledge and network.
- Aim to launch two new products per year. A pipeline is in place to achieve this goal in the coming years.

Payment terms

Engagement in 2019

- We are fully aware of the importance to both the Group and our sub-contractors and suppliers of complying with all payment terms.
- We have complied with the requirements to disclose our payment terms as required by Section 3 of the Small Business, Enterprise and Employment Act 2015.

Outcomes

- Our payment practices compare favourably with industry norms.

Stakeholder Engagement

continued



Minimising our Environmental Impact



Environmental Review of 2019

It is the Group's policy to abide by all laws, directives and regulations relevant to its field of operations and we aim to minimise the effects of our operations on the environment. We are required to comply with the Streamlined Energy and Carbon Reporting (SECR) regulations in 2020. In 2019, we measured our environmental impact in line with the SECR requirements and planned the actions we need to implement in 2020. Our high-level findings are set out below:

Environmental Impact

During 2019 AMS emitted 2,562 tonnes of CO₂e into the atmosphere



Communication is key

2020 is a key year as AMS needs to comply with SECR



2020 targets need to be agreed

AMS has a base line figure to meet SECR, it now needs to meet the criteria of SECR



Future Sustainability

We need to commit to taking action on energy and environmental activities



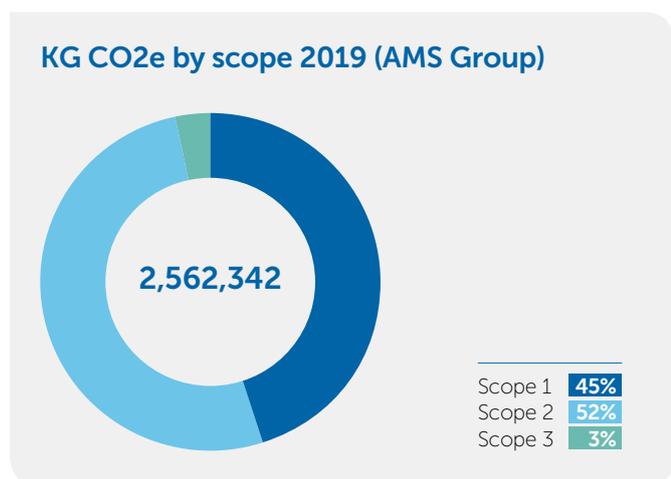
Change of mindset

Public expectations are changing. AMS must react to this



Our focus

Our focus was on the areas of largest environmental impact, including manufacturing sites, warehouses, R&D sites and offices. Acquisitions completed in 2019 are not included in the data. Our emissions reporting represents our core business operations and facilities which fall within the scope of our Consolidated Financial Statements. Primary data from energy suppliers has been used wherever possible.



We report our emissions in three scopes:

Scope 1 – All Direct Emissions from the activities of an organisation or under their control, including fuel combustion on site such as gas boilers, fleet vehicles and air-conditioning leaks.

Scope 2 – Indirect Emissions from electricity purchased and used by the organisation. Emissions are created during the production of the energy eventually used by the organisation.

Scope 3 – All Other Emissions from activities of the organisation, occurring from sources that they do not own or control.

Location-based emissions are calculated in compliance with the factors published by BEIS/DEFRA for 2019. In 2020 we will be reviewing ways to offset carbon generation.

AMS Group (2019 emissions by footprint/scope)¹

Footprint	Scope 1	Scope 2	Scope 3	GHG emissions sub / total (kg CO ₂ e)
Premises				
Employees	465,928			465,928
Electric		1,322,642		1,322,642
Water			9,998	9,998
Waste			70,096	70,096
Sub total				1,868,664
Travel				
Company Vehicles	406,308			406,308
Sub total				406,308
Other – Materials used				
F-gas losses	287,370			287,370
Sub total				287,370
Total	1,159,606	1,322,642	80,094	2,562,342

¹ Data compiled under the requirements of the Streamlined Energy and Carbon Reporting Framework (SECR).

Stakeholder Engagement

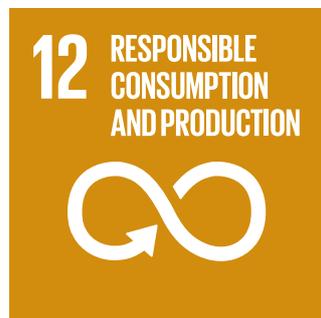
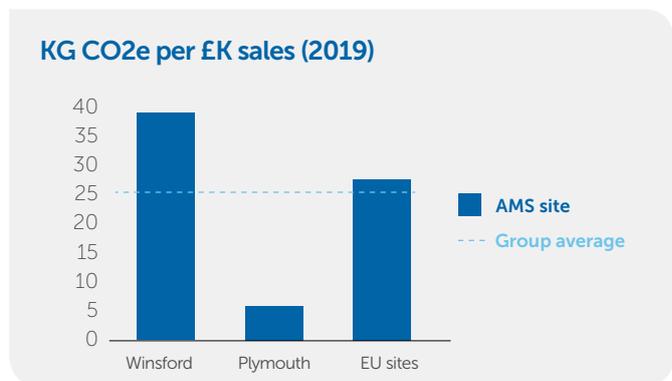
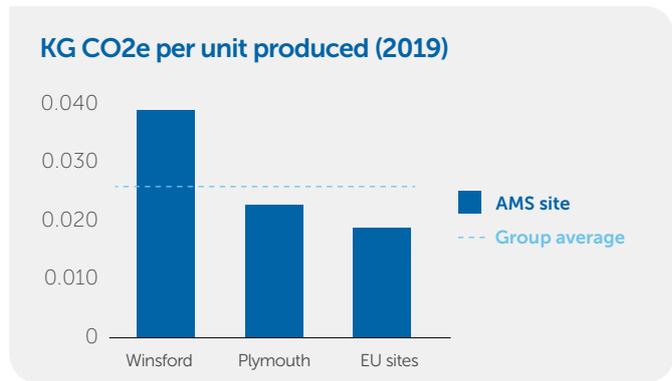
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A breakdown of the KG CO₂e per unit and per £k sales at our sites combined, together with a summary of the key data shows:

- Average KG CO₂e emitted from all reported activity was 0.04 KG CO₂e per unit sold.
- Average KG CO₂e emitted per £K of sales from all reported activity was 25.14 KG CO₂e.
- Business travel by car accounted for 16% of all KG CO₂e reported.
- Service use (Gas & Electric) followed by business miles are the biggest generation of emissions equalling 70%.
- Waste accounts for 3% of the total reported.
- Indirect emissions was the biggest area of KG CO₂e generation accounting for 52%.

The Future – what we will do

- Report and feedback on our environmental progress each year.
- Set targets to reduce environmental burden through effective energy and environmental management.
- Investigate and implement (where appropriate) energy and environmental initiatives that will reduce our burden.
- In line with AMS's own environmental and energy commitments, we will incorporate the United Nations Sustainable Development Goals that can be made applicable to our business (see below).
- Look to reduce essential service use (Electric & Gas) as this is our single biggest resource and accounts for 70% of our reported environmental figures. AMS will aim to reduce by 10% over 2020 with further reductions year on year planned.
- Look at business travel as this accounts for 16% of emissions and with modern communication methods could be area to reduce environmental burden.



Above: United Nations Sustainable Development Goals being incorporated by the Group.



Engaging with our Communities

Volunteering/local community

Engagement in 2019

- We encourage all of our employees to participate in our engagement with the community. We took part in Passion for Learning, a caring and inclusive organisation passionate about using fun and imagination to boost children's confidence and self-esteem, where our Chief Executive Officer and R&D Department attended in person. We also provided volunteer marshals for the St Luke's Hospice Midnight Walk, our dedicated charity at the Winsford site. Among the other good causes we supported in 2019 were being involved in local schools and providing HR guidance for a local charity.
- We participate in the local communities, through events such as those above and through charitable giving outlined below and also through other activities, such as membership of the Winsford 1-5 Group, for businesses local to the Winsford Site.

Outcomes

- Employees gained a better understanding of the needs of their local community and the work our chosen charities carry out.



Charitable giving

Engagement in 2019

- We believe that it is important to support charitable causes, both locally and nationally. We have therefore allocated funding in the form of matching funds (with an appropriate financial cap) raised by each site and individuals for their chosen charities.
- In the UK we have a long-standing relationship with St Luke's Hospice, who provide palliative care to local people, and raised funds for Jeremiah's Journey, who provide free support to children, young people and their parents and carers who have, or are about to experience, the death of someone special. We also support a number of charities local to sites across the Group, sponsor local community events and sports teams, and employees and close family members of employees who participate in sporting teams or activities, where appropriate.

Outcomes

- Substantially increased focus on charities and charitable giving
- Increased focus on employee volunteering



Above: Charities selected by UK sites in 2019.

Stakeholder Engagement

continued



Engaging with our Regulators

Engagement on 2019

- The Board is committed to ensuring that it is open and transparent with regulators and look to work closely with them.
- We work closely with our notified bodies to ensure that our products are approved as quickly as possible. This has been critical in the last two years following the need to renew product certificates Group-wide and the upcoming introduction of the Medical Device Regulation (MDR).
- Work with the Notified Bodies in 2019 lead to monthly meetings, clear contacts and lines of communication, and attending workshops to help both sides understand the enhanced requirements of the MDR.

Outcomes

- Ability to be more efficient in obtaining product renewal certificates and well prepared ahead of the MDR deadline with better understanding and positive relationships with notified bodies, potentially providing a competitive advantage to the Group.
- Gaining an increased understanding of regulatory requirements during the MDR transition period led to improved regulatory guidance and service to partners and customers.
- Improved success on new product approvals moving forward.
- Robust Group-wide regulatory strategy.

Effect of engagement with Regulators on Board decisions

- Broader understanding of MDR and other legislation affecting the Group ensures that Board decisions are based on the full understanding of the environment in which we operate and reference the five-year strategy and post-MDR landscape.
- The Board has significantly increasing resources available to invest in regulatory affairs following a review of the regulatory strategy and increased exposure to regulatory issues.
- The Board better understands the key drivers for the Notified Bodies and Competent Authorities we certify with, resulting in more informed decisions.

