

**Alliance Healthcare (Distribution) Limited**  
**Alliance Healthcare Management Services Limited**  
**Section 172(1) statement**  
**for the year ended 31 August 2021**

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the long-term success of the Company for the benefit of its members as a whole and in doing so have regard (amongst other matters) to,

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

As a part of their induction, the Directors of the Company are briefed on their duties including those under Section 172 (1) and they can access professional advice on these either from the Company Secretary or, if they judge necessary, from independent advisors for effective discharge of their duties.

The Company continues to be true to its purpose of helping people lead healthier and happier lives, while playing a fundamental role in the provision of medicines and healthcare services across the UK. When making any decisions, during the year ended 31 August 2021, the Directors considered, both individually and together, the matters set out in section 172(1)(a-f) and have acted in a way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members, as a whole, over the long term. Below are some of the ways in which the Directors have engaged with various stakeholders and fulfilled their duty under this section.

Customers: The Directors strongly believe in treating customers fairly and providing them with safe and quality products and a superior service and product availability. The Company continued to supply customers throughout the period during the Covid 19 pandemic, retained its field based employees and adopted alternative ways to engage with customers, which included video and audio calls. The Company also introduced a new measure for feedback which was through the Institute of Customer Service along with other internal feedback and surveys, where the Directors use these processes to understand the views of the customers and consider the impact of their decisions on customer's interest. Whilst there were challenges with some supply consistency at times throughout the pandemic, the Company had a solid market performance, supported by improvements to its customer service. This was further enhanced through the customer digital functionalities providing easy access to a number of new services and information.

Suppliers: The Directors aim to ensure that the Company operates fairly, transparently and with integrity with its suppliers and values these relationships of significant importance. The Company engages with its suppliers through multiple channels, both formally and informally. These engagements provide the Directors with a broad and diverse understanding of supplier priorities and allows them to take into account the interest of suppliers while making decisions.

Employees: The Directors consider employee engagement a critical factor in the long term sustainable success of the Company. The Company has a number of different employee forums with the aim of assessing employee engagement levels and identifying key concerns that have representation of all areas and locations of our business. A number of actions have been implemented during the year including various employee welfare related improvements at its facilities.

The Company focuses on the health and well-being of its employees. During the year the Company invested in 60 colleagues across the business being trained and accredited as mental health first aiders, enabling them to support colleagues in times of distress. The Company also launched a toolkit to help line managers identify and support when colleagues may experience mental ill health.

Development programmes have taken place throughout all sites for first line managers and the Company also has an e-learning platform with a suite of learning modules. There have also been apprenticeship programmes running at all levels of the organisation.

Communities and other: The Directors value an open dialogue with the communities in which the business operates. This allows the Directors to understand how these communities view the business and the emerging needs of these communities. It also enables the Directors to take into account the impact of their decisions on these communities. The Company, either directly or through its associated companies, engages with the wider community through multiple means which could include social media, charity events, and engagement with various associations.

The Company has raised funds for the European Organisation for Research and Treatment of Cancer ("EORTC") to support its efforts in the fight against cancer through a wide variety of activities involving many colleagues. During the current year the Company has continued with its efforts to raise funds for the EORTC, holding various charity events.

The Company has raised funds for Vitamin Angels to help its work to end child malnutrition in the UK and across the world. The Company continues to raise funds through various colleague activities.

The Company considers the care of the environment as an integral part of running a responsible and successful business. Measures to reduce CO2 emissions have been implemented through investments in technology and lower emissions vehicles, with new vans deployed in the current year using euro 6 engine technology to lower emissions. Recycling accounts for 99% of the Company's waste disposal, and over 35% of single-use secondary plastic has been removed from operations since 2019, with work streams in place to remove a further 25%.

COVID-19: The ongoing pandemic has had an impact not only on the Company but also on various stakeholders associated with the Company. The Company provides an essential role in the supply of medicines in the UK. The Directors have engaged with multiple stakeholders, both formally and informally, using processes and methods discussed above to take into account their views and interests, while making decisions that would promote the long term success of the Company for all its members. Some of these decisions included:

- a. Putting contingency plans in place to maintain continuity of operations and ensure provision of service to our customers. Service during the pandemic has been uncompromised, with strengthened delivery services to NHS hospitals when required.
- b. Introducing measures and new protocols to keep all colleagues healthy and safe. Transitioning office based colleagues to remote work environment and installing protective equipment at workplaces.
- c. Supporting suppliers to ensure adequate availability of critical products throughout the supply chain and additional deliveries to pharmacies/hospitals.
- d. Ensuring adequate funding for the Company to support continuity of business through these adverse conditions.

During the COVID-19 crisis, the Company has played an integral part in the distribution of flu vaccines and COVID-19 lateral flow devices.