

**Alliance Healthcare (Distribution) Limited
Alliance Healthcare Management Services Limited
Section 172(1) statement
for the year ended 30 September 2023**

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,

- b. *the likely consequences of any decision in the long term;*
- c. *the interests of the company's employees;*
- d. *the need to foster the company's business relationships with suppliers, customers and others;*
- e. *the impact of the company's operations on the community and the environment;*
- f. *the reputation for high standards of business conduct; and*
- g. *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 creating healthier futures, playing a fundamental role in the provision of medicines and healthcare services across the UK. When making any decisions, during the year ended 30 September 2023, 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.

Employees: All staff and Directors were employed and paid on behalf of the Company by a fellow Group undertaking and the Company is recharged for their services. 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 the Company's facilities. Development programmes have taken place throughout all sites for first line managers and team members. The Company also has an e-learning platform with a suite of learning modules.

Creating healthier futures starts with the health of team members, and as a purpose-driven company, the health and well-being of team members is fundamental to the Company. The Company is also committed to fostering an inclusive and diverse workplace and treat the people behind the organisation with dignity and respect so that they feel supported, appreciated and valued both inside and outside of work. This aligns to our wider global aspiration of fostering a global workplace that values diversity, equity, and inclusion, by creating pathways for every team member to thrive, making a positive impact on our communities. The Company also conducts mandatory learning to every team member to build a foundation of knowledge. We recognise important events locally that connect with our team members throughout the year such as Pride month, Black History month, Diwali, global inclusion day and International Women's Day to name a few so that team members feel connected, supported and proud to be their true, authentic selves in and outside of the workplace.

Customers: The Company places a strong emphasis on treating customers with fairness and ensuring their satisfaction by delivering safe, high-quality products and exceptional service. To achieve this, the Directors actively engage with customers through dedicated field-based employees who provide support and assistance. The Company values customer feedback and seeks to understand their perspectives through various channels, including the Institute of Customer Service and internal surveys. By incorporating customer insights into decision-making processes, the Directors consider the impact of their decisions on customer interests. Furthermore, the Company continuously enhances its customer services by leveraging digital capabilities that offer easy access to information, streamlined ordering processes, and a range of additional services.

Suppliers: The Directors aim to ensure that the Company operates fairly, transparently and with integrity with its suppliers and views 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.

Communities: 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 in our united responsibility to create healthier futures. 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, its membership of the Healthcare Distributors Association and its engagement with the associations representing community pharmacy, such as Community Pharmacy England (CPE), Association of Independent Multiple Pharmacies (AIMp), The Company Chemists' Association (CCA) and The National Pharmacy Association (NPA). The Company also fully supports the Alphega Pharmacy network's 1,000 members, whose aim is to improve the health and well-being of communities by delivering a future vision for independent community pharmacy.

Alongside other Group companies in the UK, the Company has raised over £100,000 for Action Medical Research, Vitamin Angels UK, and the Theodora Children's Charity, following three charity fitness challenges: Race the Sun, Tour D'Alliance, and a Sports Championship event. Each event raised thousands of pounds for sick and disabled children in the UK.

The Company has supported the Medicine to Ukraine campaign through its distribution network; via a coordinated, country-wide poster drop to UK pharmacy stores. Over 15,000 Medicines to Ukraine posters were delivered to pharmacies across the UK.

Environment: The Company takes its Environmental, Social and Governance responsibility seriously and recognises that the business has a significant impact on the environment due to the nature and scale of the operation.

The Company has pledged to be the sustainable wholesaler partner of choice for the healthcare industry as it shows its support for the global efforts to cut carbon emissions, as set out at the recent UN Climate Change Conference, COP28 and has the ambition to become net carbon zero by 2030 (scope 1 and 2).

The Company has set waste reduction targets across its operations which have resulted in the Company recycling up to 60% of its waste. The Company continues to work with teams across the business to increase recycling and reduce single-use plastic.

Additionally, the Company is supporting manufacturer partners in the recycling of their waste streams, by providing logistics services to take back certain waste types and aid in diversion from landfill.