

## Responsible business – our approach to ESG

Our purpose is to make a difference to people’s lives through making a range of clinically valuable healthcare products available to consumers and patients around the world.

At Alliance, we have always had a strong focus on our people, and on how we do business and interact with our stakeholders, through our values-based culture, which promotes trust, openness, and fairness. This, coupled with the adoption of an increasingly mature approach to governance, has provided a strong foundation for the development of the Group’s ESG strategy.

We work hard to ensure that we conduct our business in an ethical and sustainable way, having regard to the interests of all our stakeholders and the impact that our business has on the wider world and the people and communities within it.

Over the course of 2020, we have gained greater clarity around our priorities from an ESG perspective and considered how we can best manage and report on these, both internally, and externally, within the context of recognised reporting frameworks.

Ultimately the aim of our ESG strategy is to provide greater clarity and transparency around our business operations, and evidence of the steps we are taking to ensure our business operates in a way which is both responsible and sustainable.

A number of the initiatives we started in 2020, for example our Know Your Supplier ('KYS') programme, which aims to further improve and streamline our supplier management and associated business assurance activities, are currently at a fairly early stage and so we will report substantively on the outcomes from these next year. However, this is something we intend to do in the future, as these initiatives become more established and embedded in our day-to-day business operations.



### UN goal:



**Ensure healthy lives and promote well-being for all at all ages**



**Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all**



**Ensure gender equality and empower all women and girls**



**Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all**



**Ensure sustainable consumption and production patterns**

### Selection of an appropriate reporting framework

Following a review of recognised external reporting frameworks, we concluded that the most relevant primary reference framework for Alliance was the United Nations Sustainable Development Goals (UNSDGs), the 17 goals which were adopted by all UN Member States in 2015, as part of the 2030 Agenda for Sustainable Development, which sets out a 15-year plan to achieve the Goals.

The goals which we consider to be most relevant to Alliance are:

### How Alliance contributes:

Alliance’s focus is on supplying clinically valuable healthcare products which enable people to lead healthier lives, either through the treatment of existing conditions, or through promoting well-being through adopting a preventative approach.

Alliance works closely with HCPs, providing them with product and therapy area education, information and resources, so they can prescribe or recommend our products with confidence and offer informed guidance to users.

Alliance is committed in its recruitment, promotion, and other selection processes to ensuring equal opportunities for all, irrespective of gender, and to maintaining a culture of inclusion, in which diversity is seen as a strength.

Alliance currently employs more than 200 people around the world, working together in the delivery of our vision and sustainable growth of our business. Alliance recognises that its employees are key to the business’s success, and ensuring that we have an engaged, skilled and motivated workforce is considered to be one of the Critical Success Factors to the successful delivery of our strategy.

Through its quality management systems and supply chain management activities, Alliance aims to ensure that all its products meet the highest standards of quality, safety and efficacy and are manufactured by contract manufacturers who hold the required authorisations, comply with the Group’s audit requirements and adhere to the Group’s policies on anti-bribery and anti-slavery.

### Board and SLT involvement

In recognition of the increasing importance of ESG, both to the Board and to key stakeholders, and following the Board evaluation which took place in January 2021, the Board took the decision to create an ESG Committee, initially comprising all Board members, to take overall responsibility for ESG matters.

Responsibility for overseeing the Group’s ESG initiatives at an operational level will continue to sit with the Senior Leadership Team (‘SLT’).

### Materiality assessment

Having considered the areas identified by the Sustainable Accounting Standards Board (SASB) standards as being likely to be material for businesses operating in the Healthcare sector / Pharmaceuticals industry, we have worked on developing our own internal landscape mapping and reporting structures around ESG, and have concluded that the areas which are most likely to have a material impact on Alliance’s business performance from an ESG perspective are:

These areas form the focus of our ESG coverage for 2020.



### People

- Culture & employee engagement
- Training & development
- Diversity & inclusion
- Health & well-being



### Customers

- Access & affordability
- Product quality & safety
- Customer welfare / HCP support

### Suppliers

- Supply chain management – including human rights & business ethics

### Leadership & governance

- Business Ethics – existence of policies, employee training

## Our principal stakeholders

Working together we create sustainable value for all our stakeholders



### Our shareholders

- Strong financial performance
- Share price appreciation
- Dividend income

### Our employees

- Competitive reward structures
- Share options
- Flexible working
- Learning & development opportunities, on a global basis



### Suppliers & partners

- Continued business growth opportunities

### Consumers & patients

- Safe and effective healthcare products



### Healthcare professionals

- Engagement, education, information, and resources
- Therapy area expertise

### Communities

- Local engagement
- Charitable & product donations

# Stakeholder engagement

Our business is based around our culture of working together to achieve more – working as one global team to create partnerships that unlock potential for brands, businesses, and people, thereby maximising the value we create, not just for our shareholders, but for all the key stakeholders in our business, recognising that each has a part to play in ensuring the business’s long-term success.

For Alliance, regular engagement with our stakeholders is an integral part of how we operate as a business – actively seeking to understand the concerns and aspirations of our employees, how they perceive the business and their levels of engagement, the challenges faced by our suppliers and distributors – particularly in 2020 against the backdrop of the global pandemic – and the needs of consumers and patients, and healthcare professionals – the users and recommenders of our products.

The Board recognises the importance of maintaining an engaged and motivated workforce, dependable supply chains, customer confidence in our products, close relationships with healthcare professionals, good returns for our shareholders and social impact in both our local and wider communities.

Our key stakeholders, their material issues and how we engage with them are set out in the table overleaf, with additional information on how stakeholder considerations have been considered by the Board in their decision-making in accordance with s172 of the Companies Act 2006 being provided as part of the s172 statement on page 42.

We summarise below the relevance of the four key elements of our strategy to our key stakeholder groups.

Relevance to:	Strategic objective				
	Maximising brand potential to deliver organic growth	Acquiring new products to deliver additional growth	Investing in people and in developing our strong, collaborative culture	Acting responsibly to maximise the value created for all our stakeholders	
Shareholders					Our shareholders are interested in the overall financial performance of the business, which in turn is dependent on its ability to deliver sustainable long-term growth
Employees					Our employees are primarily interested in the business’s ability to provide them with fulfilling and rewarding work, to receive a fair reward for their efforts and to benefit from the business’s success
Consumers & patients					Consumers and patients are interested in having access to products with a good safety and efficacy profile, at a reasonable cost
Suppliers & distribution partners					Our suppliers and distribution partners are primarily interested in the development of long-term partnerships, with balanced contractual terms, and the continued growth of our business
Healthcare professionals					HCPs are interested in our product expertise and engaging with us to share information and resources
Communities					Our social impact activities are focused on donations of time, cash, and products

- Highly Relevant
- Relevant
- Indirectly Relevant

## Stakeholder engagement continued

Our key stakeholders	Shareholders	Employees	Consumers & patients
<b>Their material issues / what's important to them</b>	<ul style="list-style-type: none"> <li>■ Financial performance</li> <li>■ Share price appreciation</li> <li>■ Strategy</li> <li>■ Dividends</li> <li>■ Business model</li> <li>■ Corporate governance</li> <li>■ ESG</li> </ul>	<ul style="list-style-type: none"> <li>■ Fulfilling and rewarding work</li> <li>■ Competitive remuneration and benefits package</li> <li>■ Opportunities:               <ul style="list-style-type: none"> <li>– to share in the Group's success</li> <li>– for learning and career development</li> <li>– to make a difference</li> <li>– to discover and realise their potential</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>■ Product quality</li> <li>■ Product safety and efficacy</li> <li>■ Product availability</li> <li>■ Product cost</li> </ul>
<b>How we engage with them as a business</b>	<ul style="list-style-type: none"> <li>■ Investor roadshows</li> <li>■ Capital Markets Days</li> <li>■ One-to-one meetings</li> <li>■ Annual Report and Accounts</li> <li>■ Half year and Full year Trading and Results Announcements</li> </ul>	<ul style="list-style-type: none"> <li>■ Monthly Company briefings</li> <li>■ Bi-annual appraisal process</li> <li>■ Annual development reviews</li> <li>■ Staff surveys</li> <li>■ Social events</li> </ul>	<ul style="list-style-type: none"> <li>■ Consumer healthcare products: digital channels (websites, social media), advertising (TV, print, in-store promotions), focus groups</li> <li>■ Medicines: direct engagement limited, due to regulatory constraints, although we do provide basic product information as part of our Medical Information function</li> </ul>
<b>Key metrics &amp; deliverables in 2020</b>	<ul style="list-style-type: none"> <li>■ More than 50 one-to-one meetings held with current and prospective investors</li> <li>■ 2 significant* new investors gained in 2020</li> </ul>	<ul style="list-style-type: none"> <li>■ Trust Index® score of 79% from Great Place to Work ('GPTW') employee engagement</li> </ul>	<ul style="list-style-type: none"> <li>■ 38m units of product sold in 2020</li> <li>■ 68% of revenues from more widely available Consumer Healthcare products, for which product positioning / market context are the main determinants of price</li> </ul>
<b>Board / SLT engagement</b>	<ul style="list-style-type: none"> <li>■ AGM (full Board)</li> <li>■ Presentation of Half year and Full year Trading and Results Announcements (CEO/CFO)</li> <li>■ Investor meetings (CEO/CFO/Chairman)</li> <li>■ Responding to specific shareholder enquiries (CEO/CFO)</li> <li>■ Commissioning / reviewing shareholder research (CEO/CFO/Board)</li> </ul>	<ul style="list-style-type: none"> <li>■ Monthly Company update meetings, led by CEO and other members of SLT</li> <li>■ Reviewing results from GPTW employee engagement survey, sharing these with employees and formulating action plan (SLT)</li> <li>■ Ensuring our employees were prioritised in determining our response to the global pandemic (SLT) <b>pages 32–33</b></li> </ul>	<ul style="list-style-type: none"> <li>■ Most direct engagement is via our commercial / medical teams, with engagement by relevant SLT members on an 'as needed' basis</li> </ul>
<b>Links to other relevant content</b>	<p>s172 matters A–F and principal decisions <b>pages 42–43</b></p> <p>Responsible Business – Leadership &amp; governance <b>page 48</b></p>	<p>Strategy in Action – Investing in People <b>page 30</b></p> <p>Responsible Business – People <b>pages 44–45</b></p> <p>Responding to COVID-19 <b>page 32</b></p>	<p>Responsible Business – Customers <b>page 46</b></p>

\* >2% of issued share capital

Suppliers	Distribution partners	Healthcare professionals	Communities
<ul style="list-style-type: none"> <li>Long-term partnerships</li> <li>Collaborative approach</li> <li>Balanced contractual terms</li> <li>Fair payment terms</li> <li>Growth of our business</li> </ul>	<ul style="list-style-type: none"> <li>Long-term partnerships</li> <li>Collaborative approach</li> <li>Balanced contractual terms</li> <li>Growth of our business</li> <li>Reliable product supply</li> </ul>	<ul style="list-style-type: none"> <li>Engagement and product expertise</li> <li>Education, information, and resources</li> </ul>	<ul style="list-style-type: none"> <li>Time, skills, and expertise</li> <li>Financial support</li> <li>Donations of goods and products</li> <li>Participation as an active member of the local business community</li> </ul>
<ul style="list-style-type: none"> <li>Regular cross-functional meetings held with key suppliers throughout the year</li> <li>Communications increased in 2020 to understand and manage COVID-19 impacts</li> </ul>	<ul style="list-style-type: none"> <li>Regular meetings held with distributors to understand market dynamics and sales performance, provide product training, and address any regulatory or supply issues</li> <li>Level of communications increased in 2020 to understand and address COVID-19 impacts</li> </ul>	<ul style="list-style-type: none"> <li>Responding to specific product-related questions</li> <li>Providing educational materials and resources</li> <li>Acting as a source of scientific and clinical background to enable them to judge the place of our products in clinical practice, in guidelines and in funding decisions</li> <li>Utilising their expertise and advice in the development of our products and educational materials</li> </ul>	<ul style="list-style-type: none"> <li>Understanding their needs and making donations of cash, goods and products where we believe these can have maximum impact</li> <li>Strategy adapted in 2020 due to the challenges of COVID-19</li> </ul>
<ul style="list-style-type: none"> <li>£47.5m cost of sales spend</li> <li>All key suppliers paid in line with agreed payment terms</li> </ul>	<ul style="list-style-type: none"> <li>c. 55% of our sales are made via distributors</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing engagement through attendance at / presentations to online symposia and other events for HCPs</li> </ul>	<ul style="list-style-type: none"> <li>£150,000 of charitable donations for COVID-19 support</li> <li>11,875 units of product (equivalent to 37,500+ treatments) donated to IHP</li> </ul>
<ul style="list-style-type: none"> <li>Most direct engagement is via functional leads within our operations team, with engagement by SLT lead on an 'as needed' basis</li> </ul>	<ul style="list-style-type: none"> <li>Most direct engagement is via our commercial leads, with engagement by SLT lead generally on an 'as needed' basis, with ongoing direct involvement by SLT lead in a limited number of key distributor relationships</li> </ul>	<ul style="list-style-type: none"> <li>Most direct engagement is via our marketing and medical teams, with SLT review of outcomes from these engagements</li> </ul>	<ul style="list-style-type: none"> <li>Charitable initiatives lead by SLT</li> <li>Charitable donation limits agreed by the Board</li> </ul>
<p>Responsible Business – Suppliers <b>page 47</b></p>			<p>Strategy in Action – Acting Responsibly <b>page 31</b> Responsible Business – Social impact <b>page 50</b></p>

## Directors' responsibilities under s172 Companies Act 2006

Under s172 Companies Act 2006, a company's directors have a duty to discharge their responsibilities having regard to:

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

In the table below, we set out how the Board has discharged its responsibilities under s172 Companies Act 2006 in 2020.

Matter	Key decisions / areas of focus for the Board in 2020	For more information see:
<b>a) Long-term impacts</b> the likely consequences of any decision in the long term	<ul style="list-style-type: none"> <li>■ Dividends – non-payment of 2019 final dividend due to economic uncertainty caused by COVID-19; reinstatement of dividend payments for 2020; review of dividend policy</li> <li>■ Additional investment in ERP system: upgrade to D365 and additional consultancy support</li> <li>■ Review and approval of annual strategy / long range plan</li> <li>■ Extension of the Group's Revolving Credit Facility</li> <li>■ Review of Group risk register</li> <li>■ Succession planning</li> <li>■ D&amp;O insurance cover</li> <li>■ Acquisition of Biogix Inc and submission of non-binding and binding offers for other acquisition opportunities</li> </ul>	<b>Strategic report:</b> <ul style="list-style-type: none"> <li>■ Our Strategy pages 24–31</li> <li>■ Our Business Model pages 22–23</li> <li>■ Chief Executive's Review pages 14–19</li> <li>■ Financial Review pages 52–55</li> <li>■ Risk Management &amp; Internal Controls pages 56–57</li> <li>■ Principal Risks &amp; Uncertainties pages 58–65</li> </ul> <b>Governance:</b> <ul style="list-style-type: none"> <li>■ Audit &amp; Risk Committee Report pages 82–85</li> <li>■ Nominations Committee Report pages 79–81</li> </ul>
<b>b) Employee considerations</b> the interests of the company's employees	<ul style="list-style-type: none"> <li>■ Review of 2021 budget</li> <li>■ Approval of updated whistleblowing procedure</li> <li>■ Approval of share option grants</li> <li>■ Review of findings from Great Place to Work survey</li> <li>■ Review of non-financial KPIs relating to human capital management</li> </ul>	<b>Strategic report:</b> <ul style="list-style-type: none"> <li>■ Our Strategy pages 24–31</li> <li>■ Our Business Model pages 22–23</li> <li>■ KPIs pages 34–35</li> <li>■ Stakeholder engagement pages 39–41</li> <li>■ Responsible Business – People pages 36–51</li> </ul> <b>Governance:</b> <ul style="list-style-type: none"> <li>■ Audit &amp; Risk Committee Report pages 82–85</li> <li>■ Remuneration Committee Report pages 86–94</li> </ul>
<b>c) Business relationships</b> the need to foster the company's business relationships with suppliers, customers and others	<ul style="list-style-type: none"> <li>■ ERP implementation – engagement of additional consultancy support</li> <li>■ Auditors – audit partner rotation</li> <li>■ Brand protection</li> </ul>	<b>Strategic report:</b> <ul style="list-style-type: none"> <li>■ Our Business Model pages 22–23</li> <li>■ Stakeholder engagement pages 39–41</li> <li>■ Principal Risks &amp; Uncertainties pages 58–65</li> </ul> <b>Governance:</b> <ul style="list-style-type: none"> <li>■ Audit &amp; Risk Committee Report pages 82–85</li> </ul>
<b>d) Community and environmental impacts</b> the impact of the company's operations on the community and the environment	<ul style="list-style-type: none"> <li>■ Approval of charitable contributions in response to COVID-19</li> <li>■ Development of ESG strategy</li> </ul>	<b>Strategic report:</b> <ul style="list-style-type: none"> <li>■ Our Strategy pages 24–31</li> <li>■ Responsible Business – Our approach to ESG pages 36–37</li> <li>■ Responsible Business – Social impact page 50</li> <li>■ Responsible Business – Leadership &amp; Governance page 48</li> </ul>

Matter	Key decisions / areas of focus for the Board in 2020	For more information see:
<p><b>e) Good reputation</b> the desirability of the company maintaining a reputation for high standards of business conduct</p>	<ul style="list-style-type: none"> <li>■ Review of financial announcements, financial statements, and narrative reporting</li> <li>■ Review of Group risk register</li> <li>■ Approval of updated whistleblowing procedure</li> </ul>	<p><b>Strategic report:</b></p> <ul style="list-style-type: none"> <li>■ Responsible business – Leadership &amp; governance page 48</li> <li>■ Risk Management &amp; Internal Controls pages 56–57</li> <li>■ Principal Risks &amp; Uncertainties pages 58–65</li> </ul> <p><b>Governance:</b></p> <ul style="list-style-type: none"> <li>■ Audit &amp; Risk Committee Report pages 82–85</li> </ul>
<p><b>f) Acting fairly</b> the need to act fairly as between members of the company</p>	<ul style="list-style-type: none"> <li>■ Dividends – see (a) above</li> <li>■ Approval of share option grants</li> <li>■ Approval of Directors' remuneration and bonus awards</li> <li>■ The impact of acquisitions on bonus arrangements</li> </ul>	<p><b>Strategic report:</b></p> <ul style="list-style-type: none"> <li>■ Financial Review pages 52-55</li> </ul> <p><b>Governance:</b></p> <ul style="list-style-type: none"> <li>■ Remuneration Committee Report pages 86–94</li> </ul>



Alliance's CEO, Peter Butterfield, in conversation with Chairman, David Cook



# People



## UN goals:



## Culture & employee engagement

Alliance's employees are integral to the realisation of the Group's strategy and the successful delivery of its vision. As such, the Group places great importance on attracting and retaining high-quality employees and aligning the success of the Group with their rewards. The Group operates a share option scheme which aims to ensure that all employees have an opportunity to benefit from the growth of the business as reflected in the Company's share price and an annual corporate bonus scheme, which provides for rewards to be made to all employees, based on corporate and individual performance.

Our strong, collaborative culture of working together to achieve more is one of the defining characteristics of our business. Alongside our values (see below), it underpins how we go about our day-to-day activities, how we connect with each other and how we respond to challenges.

It is this culture, attitude and value set which has enabled us to not just survive but thrive as a business through the global pandemic. For more on Alliance's response to the pandemic see 'Responding to COVID-19' on pages 32-33.

The Group's Senior Leadership Team ('SLT') engages regularly with employees and monitors their views and any concerns raised closely. During the pandemic, with extensive remote working arrangements in place, the SLT increased their level of engagement, in recognition of the uncertain and challenging times facing both the business and all of its employees.

The Group has for many years carried out an annual employee engagement survey, the results of which are reviewed by the Board to ensure that appropriate actions are taken in response to the survey findings. In 2020 Alliance took part for the first time in the Great Place to Work® ('GPTW') survey. We were extremely pleased to have been Great Place to Work®-Certified both in the UK and in China and to have earned a Best Workplaces™ nomination in the UK. For more on our participation in the Great Place to Work survey see: **Strategy in Action – Investing in People** on page 30.

Alliance is committed to creating an environment based on the principles of fairness, honesty, integrity, and respect. Whilst employees are encouraged to raise any concerns they may have, relating to their employment with their line manager or a more senior manager within

the Company on an informal basis in the first instance, the Group also operates a formal, confidential grievance procedure through which employees may raise any concerns which cannot be resolved through the informal route. This procedure is designed to ensure that any problem or grievance employees may have about their job or Alliance's treatment of them is properly and fairly considered by the Company.

## Training & development

Alliance is committed to offering all permanent employees, whether full or part time, appropriate opportunities for training, development, and career enhancement, actively encouraging and supporting the development of their skills and knowledge through internal and external short courses and formal training programmes.

Annual development reviews are carried out for all employees, to identify any current job-specific training needs, and future career progression aspirations.

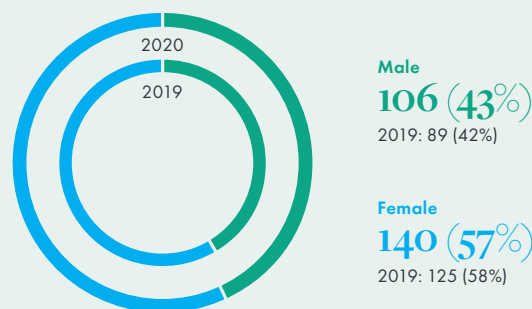
These reviews run alongside our annual performance appraisal process, which operates for all permanent employees, and which provide an opportunity to assess progress and performance against pre-agreed goals and objectives, on an annual basis, supported by mid-year reviews. More informal feedback is provided through regular weekly line management meetings, which are held with all employees.

We have several leadership and management development programmes in place. In 2020, we adapted our Management Development Programme to a virtual setting to ensure we maintained momentum in developing our new line managers and those identified through the development plan and annual appraisal processes as high-potential employees. The first virtual programme began in October with nine participants. This year we also launched our Master Classes for managers, in response to the development needs identified by managers. These focused on Coaching skills and in 'Leading Through Change' – an essential skill in the context of the pandemic.

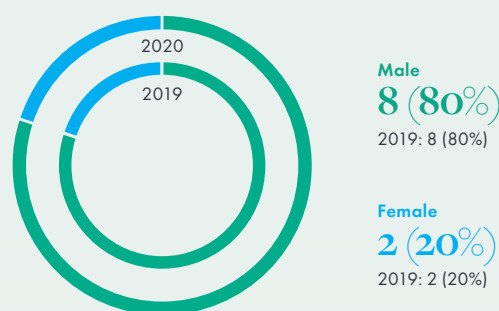
We forecast our hiring needs annually, both on a short-term basis, as part of our annual budgeting process, and in the longer term, as part of our strategic planning process. We continue to provide opportunities for early-stage career development, through our apprenticeship programme, and to carry out an annual succession planning exercise at senior level.

## Make-up of Alliance's employee base at 31 December by gender:

### All employees:



### Board & SLT:



### Diversity & inclusion

Alliance is committed to equality of treatment for all employees, and those seeking employment with the Group, regardless of gender, marital status, race, ethnic origin, colour, nationality, national origin, disability, sexual orientation, religion or age, geographical origin, social status, or area of abode. The Group is committed to complying with all current legislation concerning unfair discrimination and to encouraging good practice in equality of treatment. In furtherance of this commitment, Alliance has an Equal Opportunities Policy Statement, which sets out its commitments, and the expectation Alliance has of all its employees to ensure we treat others with fairness, respect, and integrity.

In the GPTW survey, we were pleased to see that fairness and equality was one of our highest scoring areas.

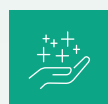
Alliance continues to balance its employee headcount with a contract workforce, so as to maintain a scalable resource capability and ensure flexibility of resourcing, in particular to support resource intensive projects such as our ERP implementation. In 2020, 75 new people joined the business, 54 of whom (72%) joined as employees, with the remaining 21 being short-term contractors.

### Health & wellbeing

The Group remains committed to ensuring the health and wellbeing of its employees and provides Healthcare insurance to all permanent employees and their dependents, subject to qualifying conditions. Schemes are reviewed annually to ensure they continue to meet the needs of the business and our employees, with a new scheme provider being selected for our UK-based employees in 2020.

The Group has a formal work/life balance policy under which eligible employees can request a change to their working hours, or working patterns, for example term-time working, job-sharing, or staggered hours. Recognising the challenges faced by working parents and/or carers in balancing home schooling/caring responsibilities with work commitments during the pandemic, the Group was quick to take a very open approach to supporting those needing more flexible working arrangements.

Whilst the gym in our head office may have been repurposed as a COVID-safe meeting room and the provision of free fruit to employees temporarily suspended, Alliance remains committed to supporting employees in maintaining a healthy lifestyle whilst working from home. Employees have been encouraged to take regular breaks, go on lunchtime walks and stay active, whilst responses to the Ways of Working survey have provided a means for management to identify and address any potential areas of concern.



## Our values

### Performance

Our high-performing people continually drive business success

### Realism

We set stretching goals and targets which we believe are achievable

### Accountability

We take responsibility and deliver what we promise

### Integrity

We build trust in all our relationships through openness and fairness

### Skill

We recruit highly skilled people and develop their talents to the full

### Entrepreneurship

Our people think of the business as if it was their own

# Customers



UN goal:



## Access & affordability

Alliance is committed to ensuring that all its products are readily available to consumers and patients, subject to relevant regulatory restrictions, and that the prices we charge for our products are reasonable and reflective of local market conditions. For many of our Prescription Medicines products, we are subject to external pricing controls, such as the voluntary scheme for branded medicines pricing and access in the UK (VPAS). We work closely with our suppliers and logistics providers to avoid, where at all possible, any disruption to the continuity of supply, particularly for those prescription medicine products deemed to have a high medical need.

In addition, we offer access to our products to those in need through our product donations to International Health Partners – see page 50.

## Customer welfare, product quality & safety – our commitment to patients

Consumers and patients rely on us to deliver products that can help to improve their health – whether these are prescription medicines, or healthcare products bought online, or off the shelf in their local pharmacy or supermarket, by consumers, as part of a self-care regime, or to treat common ailments.

We are committed to ensuring that all our products meet the highest standards of safety and efficacy and that we remain fully compliant with all applicable regulations. Our quality assurance systems and processes aim to provide an appropriate level of confidence that suppliers, vendors, and contractors are able to supply consistent quality of materials, components, and services in compliance with regulatory requirements and to identify and mitigate any associated risks.

## Support for healthcare professionals – our commitment to transparency

Alliance is committed to providing transparency and clarity around our collaboration with healthcare professionals, healthcare organisations and patient organisations. In the UK and Republic of Ireland, Alliance publishes transfers of value in accordance with the ABPI and IPHA Codes of Practice.

## Responsible marketing, advertising, and sales practices

Alliance is committed to ethical business practices regarding the marketing, advertising, and sales of our brands, and we have robust standard operating procedures in place to achieve this, with comprehensive training for all compliance staff, to ensure our activities comply with the appropriate standards and legislation. Ultimately this provides reassurance for healthcare professionals, patients and consumers regarding the integrity of Alliance's brands.

Though our membership of key trade associations such as the Association of the British Pharmaceutical Industry (ABPI), the Proprietary Association of Great Britain (PAGB) and the Association of the British HealthTech Industry (ABHI), we are able to stay at the forefront of continually evolving compliance legislation. Our processes are regularly audited and refined to ensure continued compliance with relevant internal and external regulatory requirements.

# Suppliers

UN goal:



## Supply chain management

We recognise that, as a business which outsources all its manufacturing activities, we have an obligation to maintain adequate oversight of our end-to-end supply operations and to be aware of any associated environmental health and safety, business ethics and supply chain security risks which may exist within our supply chain, including risks to our supply chain arising from the effects of climate change, so these can be effectively managed.

Our established vendor selection processes aim to ensure that all new CMOs are subject to cross-functional assessment by representatives from our Finance and Legal, Sourcing, Technical and Quality teams against a broad set of measures, to ensure compliance with Alliance's internal policies, in addition to appropriate external quality standards, such as EU GMP, ISO 13485, ISO 22716 and GPvP, and that they have held appropriate third party authorisations, e.g. MIA for medicines, issued by a competent authority.

To support those aspects of our supply chain which we are directly involved with, in the UK, we hold Wholesale Dealers Authorisations, assessed, and approved by the MHRA to allow wholesale dealing of medicines in the UK and in France we hold Exploitant status and a Wholesale Dealers Authorisation, assessed and approved by ANSM, to allow the marketing and wholesale dealing of medicines in France. Both our UK and Italian trading companies hold ISO 13485:2016 (similar to ISO 9001) assessed quality systems to support the marketing of medical devices, which are independently assessed by BSI (UK) and TUV (Italy). Both of these entities also have CE marked medical devices, Class II and above, independently assessed by the Italian and UK Ministry of Health assigned Notified Bodies. In the UK, we are audited regularly by Trading Standards to support the placing on the market of products designated as food supplements.

In China, we are working towards having an NMPA accredited quality management system to enable us to hold Marketing Authorisations in China.

To support these accreditations, in addition to annual pharmacovigilance training, all employees receive training on Good Distribution Practice, with regular training on Company procedures and policies being provided to relevant employees within the business, as needed. Those employees holding statutory roles, such as QPPV, RP, Clinicians, are expected to perform ongoing professional development as a prerequisite for holding these roles.

## Business ethics considerations

We are committed to ensuring there is transparency not only in our own business but also in our approach to tackling modern slavery throughout our supply chains, consistent with our disclosure obligations under the Modern Slavery Act 2015. We expect the same high standards from all of our contractors, suppliers, and other business partners, and as part of our contracting processes, we include specific prohibitions against the use of forced, compulsory or trafficked labour, or anyone held in slavery or servitude, whether adults or children, and we expect that our suppliers will hold their own suppliers to the same high standards.

We carry out ongoing, risk-based monitoring of our suppliers, to ensure they remain able to supply consistent quality of materials, components, and services in compliance with regulatory requirements and to identify and mitigate any associated risks.

As part of our efforts to further improve and streamline our supplier management and associated business assurance activities, in 2020, we instigated a Know Your Supplier ('KYS') programme, partnering with a market-leading data aggregator / analytics provider to gain access to wide-ranging supplier data and in-depth analytics capabilities, to give us improved visibility of any potential 'red flags' in our supply chain. This in turn will enable us to better align existing compliance review and escalation processes, so as to ensure any identified issues are remediated on a timely basis. The solution is expected to be implemented during the first half of 2021, with the focus initially being on our direct suppliers, using a risk-based approach to selection.

## Supply chain security and brand protection

We recognise that, for some of our consumer products, there is a risk of counterfeit product reaching the market, which may not have been subject to the same rigorous production standards and quality testing as genuine product, rendering it potentially less effective. In 2020, we created a new Head of Brand Protection role, to understand any potential vulnerabilities in our supply chain and address any identified counterfeiting risks.

We are also in the process of setting up a Know Your Customer ('KYC') programme, to bolster our customer qualification and approval processes and ensure we have full visibility over our end-to-end supply chain.

# Governance – business ethics

## Our approach to business ethics

Alliance is committed to operating its business in an ethical and sustainable way, putting in place formal policies around Modern Slavery and Bribery and Corruption, together with training for all employees and contractors, to ensure these policies are understood and adhered to.

## Modern slavery

Alliance has an anti-slavery and human trafficking policy, designed to promote compliance with the Modern Slavery Act 2015. The policy provides guidance to employees, contractors and other business partners on slavery and human trafficking and the measures taken by Alliance to tackle any slavery and human trafficking in its business and its supply chains.

All employees and contractors are required to comply with this policy, with training on the policy, and on the risk the business faces from modern slavery in its supply chains, forming part of the induction process for all individuals who work for Alliance. Regular refresher training on this and other compliance matters is provided to all employees on an annual basis – see Employee training on this page.

For further detail on Modern Slavery and our supply chain, see page 47.

## Bribery and corruption

It is our policy to conduct all business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter bribery and corruption.

We will uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which we operate. However, as a UK-registered Group, we remain bound by UK laws, including the Bribery Act 2010, in respect of our conduct both at home and abroad.

Alliance has an anti-bribery and corruption policy, designed to assist in the prevention of bribery and corruption by or involving the Group's employees. The policy provides guidance both to the Group and its employees and contractors, with respect to their respective obligations and potential liabilities under the Bribery Act 2010. All employees and contractors are required to comply with this policy.

The Group also operates a formal Whistleblowing Procedure, to support employees in raising any concerns they may have around any suspected wrongdoing.

## Employee training

In 2020, we rolled out a suite of online training courses to all employees, covering:

- Anti-Bribery
- Anti-Money Laundering
- Competition Law
- GDPR
- Market Abuse
- Modern Slavery Act
- Sanctions
- Tax Evasion Prevention

## Over the course of the year, we achieved

1,359

course completions...

...accounting for

1,571

hours of study

All our employees (including contractors) are also required to undergo annual pharmacovigilance training, and we continue to provide further in-depth training for specific employees around such matters as competition law and contracts, as required.



# Environment

## 2020/21 improvements to our Avonbridge House HQ:

- Replacement of existing windows with thermally efficient argon filled double glazing throughout the building
- Replacement of the last old AC unit with a modern energy efficient system
- Replacement of the lights in the Atrium and final suite with LED units
- Insulation of the attic space
- Replacement all of the glazing in the Atrium with thermally efficient units



Given the nature of our business and the fact that we outsource all of our manufacturing, our actual carbon emissions and other environmental impacts from our direct business operations are relatively modest.

We recognise that our business operations do have some limited impact on the natural environment both through the consumption of natural resources, such as water and fossil fuels, and through carbon emissions, both from our offices and from business travel.

We continue to look for ways to improve the energy efficiency of our UK headquarters building, where around 70% of our employees are ordinarily based, with further improvement works carried out in 2020, with an expected completion in H1 2021. Our opportunities to bring about positive environmental change in our regional offices around the world is limited, due to their much smaller size and location within multi-occupancy office buildings.

We are actively looking at how we can best utilise our office space to accommodate potential new ways of working as the global pandemic subsides and restrictions are lifted.

The amount of both domestic and international travel undertaken by our employees in 2020 has been significantly reduced due to global pandemic restrictions. This has forced us to rely much more on virtual rather than face-to-face meetings. Whilst we expect there to be some resumption of both domestic and international travel once restrictions are eased, it is unlikely that this will return to pre-pandemic levels.

## Company reporting detail

Alliance Pharma plc is a company limited by guarantee, registered in England and Wales Number 04241478. Registered office: Avonbridge House, Bath Road, Chippenham, SN15 2BB.

The Company has gathered data regarding scope one and scope two carbon emissions (as defined by the GHG Protocol) for the financial year spanning 1 January 2020 to 31 December 2020 from its UK Operations for inclusion in Company Reporting (2020) as defined by the requirements of the Streamlined Energy and Carbon Reporting (SECR) legislation.

Scope 1	Unit	Raw Quality	kWh	Conversion Factor	tCO <sub>2</sub> e
Natural Gas	kWh	10,644	10,644	0.18387	1.96
Transport (Diesel)	Litres	10,644	58,040	0.24057	13.96
Transport (Petrol)	Litres	4,456	42,824	0.2292	9.82
Scope 2					
Electricity (Imported)	kWh	241,339	241,339	0.23314	56.27

Total kWh	<b>352,847</b>
Total tCO <sub>2</sub> e	<b>82.00</b>
Revenue (£m)	<b>109</b>
kgCO <sub>2</sub> e/£m	<b>0.7523</b>

The combined Scope 1 and Scope 2 Carbon Emissions for the period was recorded at 82 tCO<sub>2</sub>e. Since this is the first year of carbon footprint calculation it is not possible to publish a year-on-year change at this time. The energy consumed in the period is 352,847 kWh with 71% relating to building consumption and 29% related to employee travel. The Specific Carbon Consumption (SCC) for the period is calculated at 0.07523 kgCO<sub>2</sub>e/£m of revenue excluding management fees and recharges.

During the reporting period Alliance complied with the Energy Savings Opportunity Scheme (ESOS) second phase, engaging with an external Lead Auditor to undertake energy and transport efficiency audits.

## Social impact



Every year Alliance works with employees to identify and support a charity of choice either at a local or global level. Additionally, all employees are given a charity day each year to provide practical or fundraising support to a charity they care about.

In 2020, we decided to support one local charity in each country where we have an office base, which needed help to respond to the increased demands on their services as a result of COVID-19. Over the course of the year, we provided more than £150,000 of support, to local charities chosen by employees in each of our office locations. For more on how we helped others respond to the challenges of COVID-19, see Strategy in Action – Acting Responsibly on page 31.

### Our work with International Health Partners

For more than 15 years, International Health Partners (IHP) has worked to facilitate the donation of essential medicines and healthcare products to some of the world's most vulnerable communities, including those caught up in conflict, and those impacted by natural disasters. In 2020, IHP sent 5.8 million treatments to those in need, covering 36 countries.

Alliance has been a long-term supporter of IHP and in 2020, we donated 11,875 units of product (equivalent to 37,500+ treatments) with a value in excess of £100,000, which were distributed to those in need in 10 countries across Africa, the Middle East, and Central America.

## Our values

Acting in accordance with our values, we maintain our strong and collaborative culture of working together to achieve more

### Performance

Our high-performing people continually drive business success



### Integrity

We build trust in all our relationships through openness and fairness



### Realism

We set stretching goals and targets which we believe are achievable

### Accountability

We take responsibility and deliver what we promise



### Skill

We recruit highly skilled people and develop their talents to the full

### Entrepreneurship

Our people think of the business as if it was their own