

Section 172 (1) Statement

Section 172 (1) (a) to (f) of the Companies Act 2006 requires the directors of Mawdsleys Group Investments Limited (“Mawdsleys”), which includes the subsidiaries Mawdsley-Brooks & Company Ltd, Positive Solutions Limited and Lowry Pharma Limited, to act in a way which they consider promotes the long-term benefit of its members as a whole. In doing so, the directors take due consideration, amongst other matters, to the:

a) Likely consequences of any decisions in the long term

The directors ensure that the choices that are made, match Mawdsleys’ core objective of delivering sustainable, innovative solutions to healthcare customers. The group’s vision is to *‘Deliver excellent healthcare services through the passion and innovation of our people’* and every key decision for the group is reviewed against this strategic vision and corporate values.

b) Interests of the group’s employees

The health and wellbeing of all staff remains a fundamental pillar of the company and additional resource has been provided to ensure ongoing compliance and adherence to our relevant health and safety policies.

The directors continue to publish a quarterly newsletter, featuring company updates and news from around the subsidiaries and interviews with key members of staff and management. Now Covid-19 restrictions have been fully eased, staff briefings and question and answer sessions with the CEO and senior management have re-started. Similarly, focus groups on each site have resumed allowing an ongoing free flow of information and ideas, enabling several local issues to be raised and resolved, leading to an improved local working environment and engagement with staff. Further communication channels are being trialled including monthly briefing notes to be cascaded via managers and supervisors, ensuring consistency of message.

A staff survey carried out in June 2022, returned similar positive overall results to the previous study from 2020, although varied from site to site. The results reflected positively, where local improvements and actions had been implemented since 2020 and a similar programme of upgrades will be introduced in conjunction with the managers and focus groups at each facility.

The introduction last year of an Employee Assistance Programme has been warmly received by staff and the group continues to explore a number of additional benefits.

A key objective for 2022 was to significantly increase learning and development opportunities across the group. A two year ‘Rising Stars’ programme has been introduced for selected staff, utilising trained mentors from the senior management team. This is in addition to group-wide ongoing training, including activity to support the implementation of the new IT systems and ongoing regulatory compliance following the release by the MHRA of the new version of the Green Guide in April 2022.

Where possible, the group endeavours to train and recruit internally, enabling personal development opportunities for staff within the business. An example of this is the highly successful ‘Warehouse to Wheels’ scheme, where warehouse colleagues are supported to obtain an HGV driver licence.

c) Need to foster the company’s business relationships with suppliers, customers and others

Outstanding customer service is fundamental to Mawdsley-Brooks & Company Limited and Positive Solutions Limited. A recently commissioned independent survey amongst suppliers, customers and staff reinforced this message with excellent feedback. This was further highlighted during the NHS annual wholesale review, where Mawdsley-Brooks received numerous plaudits from representatives of the NHS Hospital pharmacy procurement teams.

As face-to-face meetings with manufacturing suppliers resume, the group's procurement teams are working collaboratively to respond to supply chain issues and medicine shortages to identify solutions using the company's unequalled market intelligence network.

As a pharmaceutical wholesaler, Mawdsley-Brooks & Company Limited regards regulatory compliance with the utmost importance, and we seek to foster open and productive relationships with all relevant regulatory bodies.

d) Impact of the company's operations on the community and the environment

The group has launched a series of initiatives as part of its Corporate Social Responsibility policy. IntoUniversity is a national charity, providing local dedicated educational support that can break down barriers to success, located where young people need it, close to home. IntoUniversity is opening a new site in Salford and Mawdsley-Brooks is acting as a launch sponsor, along with the universities of Manchester and Salford to ensure funding for the next five years. This aligns to the group's historic values supporting local communities and ongoing education.

Following the invasion of Ukraine and the subsequent refugee crisis, the group engaged with International Health Partners (IHP), funding the shipment of urgent medical supplies to the affected areas. IHP are specialists in responding to global emergency situations and have the equipment, supplies and logistics appropriate for a particular crisis. The group has worked with IHP in the past and was pleased not only to part fund some of the initial shipments, but to offer continued support of medicines and financial support on an ongoing basis, recognising this will sadly be a long-term disaster.

Many of the group's sites manage local events in support of various charities. For example, the Hospital team recently helped InterCare – Medical Aid for Africa, collect British National Formulary books from a number of Hospital Trusts and delivered to their warehouse, for onward shipment to Malawi.

The group recognises the importance of the environmental challenges the planet is now facing and that it is important to progress towards net carbon zero as soon as practically possible. The NHS as part of the UK government's wider environmental agenda will have to include a minimum of 10% weighting on future tender awards relating to carbon footprint. Medicines and chemicals are estimated to represent 20% of the NHS carbon footprint and Mawdsleys is working towards developing a plan on how to achieve the base requirements of Scope 1 and 2 of the NHS Carbon Footprint strategy, and how quickly Scope 3 of Carbon Footprint Plus can be delivered.

All energy continues to be sourced from renewable energy providers, though recognising there is further work to be done to reduce energy usage. To ensure that the business can plan to grow and operate in an increasingly sustainable and responsible manner, the group has engaged a multi-disciplinary environmental consultancy. Their advice will help the company develop a strategic and cohesive Net Carbon Zero plan, part of which in the short term may include an element of carbon offsetting.

e) Desirability of the company maintaining a reputation for high standards of business conduct

Training is regularly provided to directors and senior managers on matters of corporate governance and includes areas such as Responsibilities of Directors, Diversity and Inclusion, GDPR, Bribery Act and Health and Safety requirements.

f) Need to act fairly as between all members of the company

Over the past year, there has been regular dialogue with all shareholders, communicating an overview of future initiatives and providing a platform for views to be considered.



By order of the board

A handwritten signature in black ink that reads 'W J Sanders'.

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W J Sanders
Director

Date: 2nd May 2023....