

## S172 Statement by the Directors

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 be most likely to promote the success of the company for the benefit of its members as a whole. In doing so, s172 requires a director to have regard, amongst other matters, to the:

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

In discharging its s172 duties, the Board has regard to the factors set out above. By taking into account Eisai's corporate philosophy of '*hhc*', together with strategic priorities and having a process in place for decision-making, the Board ensures its decisions are consistent and meet the above factors.

The Board reviews matters relating to financial and operational performance; business strategy; key risks; stakeholder-related matters; compliance; and legal and regulatory matters, over the course of the financial year. This is supported through the consideration of reports and presentations provided throughout the year.

The Board reviews the likely consequences of any decisions in the long term by undertaking robust long-term business plans: planning for the future of the business in 2021 and over the next ten years to 2030.

The company takes compliance obligations very seriously. Compliance and ethical behaviour is critical to ensuring Eisai Manufacturing Limited lives up to the corporate mission and all employees are required to support the company with this. Each employee has the opportunity to reaffirm their commitment to compliance, ethics and patient safety annually via training and certification.

Engaging with Eisai Manufacturing Limited's stakeholders is key to the way the company runs its business and is an important consideration for the directors when making relevant decisions. Details of how the directors engage with employees and consider the company's environmental responsibilities can be found in the directors' report on pages 8 and 9.

The Board has made some key strategic decisions during the year ended 31 March 2020 where due consideration was given to the company's key stakeholders. An example of the Board's consideration to the company's stakeholders was during the COVID-19 outbreak:

The Board engaged with its stakeholders throughout the pandemic. The Board held multiple meetings to discuss and consider the impact of the outbreak on the company's stakeholders. These included regular teleconferences to review operational, business continuity and employee wellbeing, maintaining constant communication with government and providing proactive advice and responding quickly to requests, keeping in touch with industry trade associations to share best practices and reviewing the company's manufacturing and supply chain situation to ensure the effective delivery of medicines to patients. It was important to ensure the company could continue the distribution of pharmaceutical products to patients, whilst ensuring the safety and wellbeing of employees, suppliers and the long-term success of the company.

*Consideration: The outbreak of COVID-19 could cause significant economic uncertainty*

<b>Stakeholder impact</b>	<b>Outcomes</b>
<p>Patients – The Board recognises the importance of ensuring the distribution of pharmaceutical products to patients.</p>	<p>The Board recognised the COVID-19 outbreak caused unprecedented challenges for many communities, families, governments, healthcare systems and businesses. The Board supported those most in need as, at Eisai Manufacturing Limited, it is important to always give first thought to patients and their families, to understand their needs and how best to support them. The company has continued its production operations during the pandemic to ensure continuity of supply to patients. At the outset four different stages of crisis management were identified which included an assessment of product prioritisation to ensure impact to public health could be mitigated in the event of any possible disruption to operations. There was an increase in overtime, with weekend working, to accelerate production in anticipation of potential staff absence. The use of a second Quality Control laboratory was secured for release testing if necessary. Assessments were made on the sourcing of API, excipients, bulk and materials. Potential issues with inbound and outbound freight were monitored. Warehouse delivery precautions were introduced to enable the warehouse to continue to operate. Order quantities were increased for small markets to ensure future supplies in the event of any downtime in production.</p>
<p>Employees – The economic uncertainty could cause employees to worry about their own personal situations. The Board wanted to ensure that employees did not put themselves or others at risk by coming into work if they displayed symptoms of COVID-19 and provide reassurance around working from home if it was possible to do so.</p>	<p>Where possible, employees were asked to work from home and follow government guidance. A remote working guide was sent to all employees during this period. To ensure a duty of care all employees were asked to attend online mental health training. Health and Safety home working desk assessments were carried out and appropriate equipment was provided. The required IT software was rolled out to ensure remote working was seamless and regular training provided. Where it was not possible to work from home, for example in the manufacturing plant, investment was made to ensure the plant was COVID-19 safe with relevant PPE and social distancing measures in place and none of the company’s employees were put at risk.</p>
<p>Suppliers – The Board continued to engage with suppliers to understand the effect of the pandemic on their financial stability and ability to continue in operations.</p>	<p>The company engaged with key suppliers who supported each business group, throughout the pandemic. This engagement has allowed the company to understand the individual needs of suppliers. The company’s aim is to support suppliers where possible and maintain good working relationships with them.</p>