

Sustainability Report

2022/23

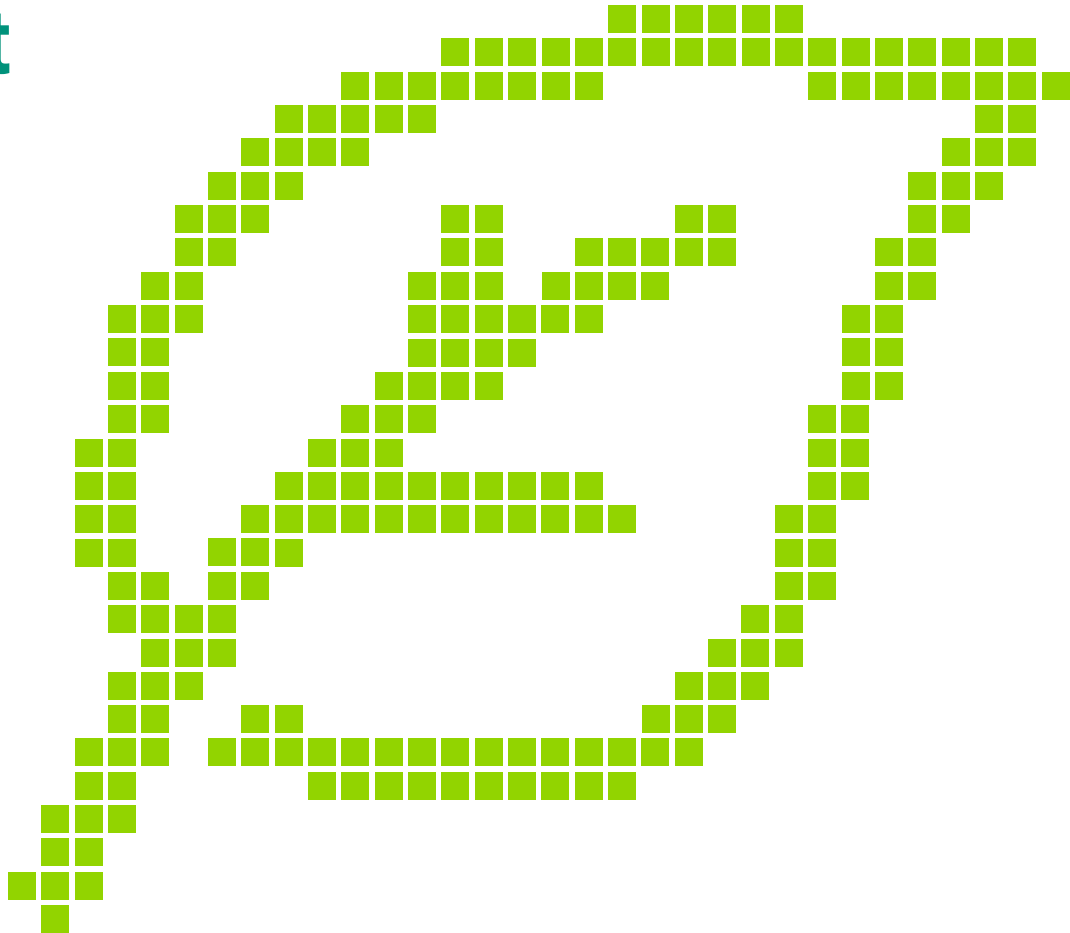


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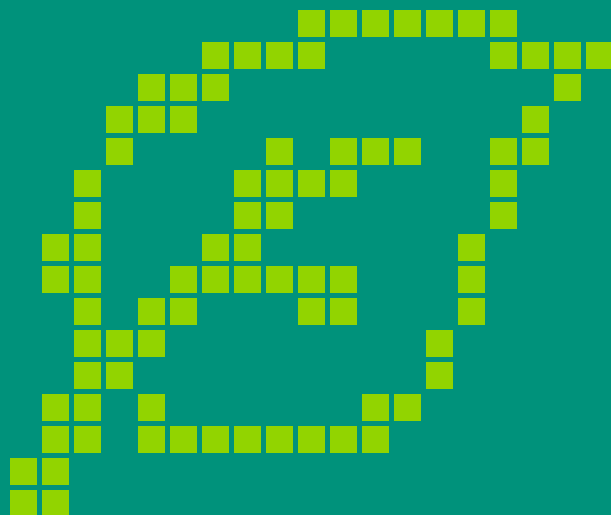
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STATEMENT BY THE EXECUTIVE BOARD

In 2022, the PHOENIX group continued to expand its presence, reaffirming its position as Europe's leading healthcare provider. We recognise that our growth comes with a high level of social and environmental responsibility. One of the ways in which we intend to live up to this responsibility is through our climate target, which we adopted in the reporting year:

We aim to reduce the carbon emissions arising from our own operations by 42 per cent by 2030 compared to the financial year 2020/21. We also aim to achieve carbon neutrality by 2030 by purchasing carbon credits for our remaining emissions. The task that lies ahead for us now is to implement concrete measure to achieve our climate goal. We will do so by establishing local CO₂-reduction targets, monitoring processes as well as guiding principles. We can build on the many individual, promising projects that our European subsidiaries are already implementing: such as switching to alternative fuels.

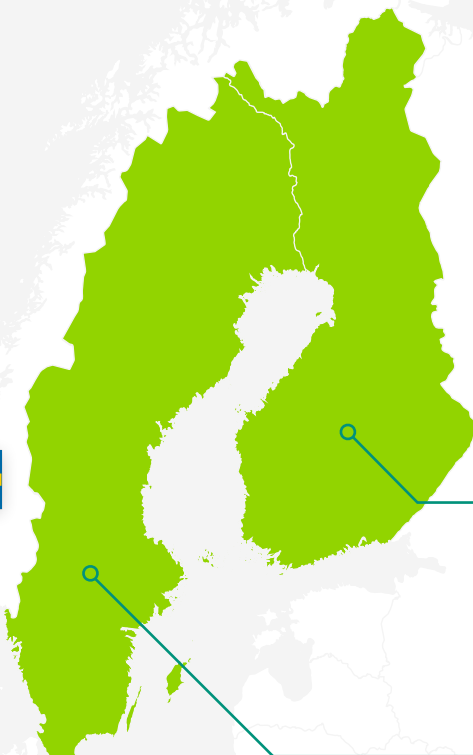
We want to ensure that we treat not only the environment with respect, but also the people who work for us, as well as our suppliers and customers. In addition to developing our climate target, we worked hard to strengthen human rights due diligence in



LEON JANKELEVITSH

Member of the Executive Board Healthcare Logistics & Sustainable Supply Chain

our value chain in 2022 – and to implement the requirements of the German Supply Chain Due Diligence Act (LkSG). We established a Europe-wide due diligence process and adopted a policy statement on human rights. Supply chain responsibility is an important pillar of our Sustainability Agenda, which we will continue to drive forward.



BEST PRACTICE EXAMPLES FROM THE PHOENIX SUBSIDIARIES

+ CIRCULAR ECONOMY IN THE SUPPLY CHAIN

To save raw materials and prevent waste: this is the aim of the recycling chain for excess iodine that the Finnish subsidiary Tamro has set up together with GE Healthcare. GE Healthcare produces contrast agents and was the first company in the world to offer a recycling service for the iodine contained in them. Tamro delivers surplus contrast agents from hospitals to GE Healthcare for recycling and collects new contrast agents for distribution. There are no additional transport emissions as the existing logistics network is used.

🇸🇪 BIOGAS INSTEAD OF DIESEL

Our Swedish subsidiary has taken an important step towards more sustainable transport by switching from diesel to biogas for all internal transport between its distribution centres in Gothenburg and Stockholm. This will reduce carbon emissions on this route by around 80 percent.

🇳🇱 SUSTAINABLE DISTRIBUTION CENTRE IN AMSTERDAM

The newly erected distribution centre in Amsterdam covers 24,600 square metres. When it comes to sustainability, it is a state-of-the-art centre that sets standards: 5,880 solar cells are installed on the roof, special solar glass controls excessive heat gain and the LED lighting has a dimmer switch. In addition, the site is landscaped with a wide range of plants and trees, and rainwater is returned to the ground rather than being added to the sewer system.



Leadership and responsibility

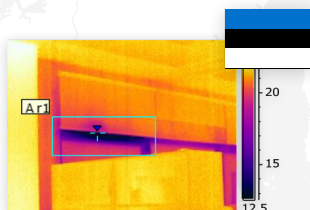
Statement by the Executive Board

Best practice examples from the
PHOENIX subsidiaries

Responsible corporate governance

Our focus areas

Further information



ESTONIA SAVING ENERGY WITH THERMOGRAPHY

During the reporting year, our Estonian subsidiary had its office and logistics building thermo-graphed. Special equipment was used to measure air-tightness and a thermal imaging camera was used to measure temperature. Overall, the results far exceeded expectations. Any leaks that were found could be repaired. Thermography was also carried out at the German distribution centre in Bad Kreuznach.

FRANCE RECYCLING THEME DAY

An information afternoon on waste separation and recycling was held at the Créteil site in France. The recycling company Paprec was present with a stand where they provided employees with information, virtual reality demonstrations and goodies. In Finland, a recycling theme day was also held at two sites in 2022.

ITALY CARPOOLING APP

Encouraging carpooling among employees: our Italian subsidiary has introduced the "BePooler" app to promote carpooling. The objective is to enable employees to reduce both private transport costs and carbon emissions. This could potentially save up to 200 tonnes of carbon emissions per year.

SERBIA FREE DAY FOR PARENTS OF SCHOOL CHILDREN

Starting in 2022, employees at our Serbian subsidiary who are parents of a first-year pupil have been given an additional day off for the first day of school. Our subsidiary in Croatia already offers this to its employees.

RESPONSIBLE CORPORATE GOVERNANCE

The PHOENIX group is Europe's leading healthcare provider. We want to contribute to a healthy and liveable future – and are working towards increasingly integrating sustainability into our processes. We have therefore defined a company-wide Sustainability Agenda with focus topics.

COMPANY PROFILE

The PHOENIX group, headquartered in Mannheim, Germany, is the leading healthcare provider and one of the largest family-owned companies in Europe. Its core business is pharmaceutical wholesale, pharmacy retail and healthcare logistics. In addition, subsidiaries are active in complementary business areas – offering services for the pharmaceutical industry, logistics solutions and pharmacy inventory management systems. With more than 48,000¹⁾ employees, the PHOENIX group makes a vital contribution to comprehensive healthcare in Europe.

With the completion of the acquisition of parts of McKesson Europe, the largest acquisition in the company's history, we have further strengthened the PHOENIX group's market position. The acquisition opens up new healthcare markets in Belgium, Ireland, Portugal and Slovenia and allows us to intensify our activities in France and Italy. We are thus further expanding our position as Europe's leading pharmaceutical wholesaler, pharmacy operator and service provider to the pharmaceutical industry.

INTEGRATED HEALTHCARE PROVIDER

THE LINK BETWEEN THE PHARMACEUTICAL INDUSTRY AND PATIENTS



¹⁾ Data from the acquisition of parts of McKesson Europe are already included in the key figures in this chapter (Leadership and responsibility). However, other key figures in this report do not yet include McKesson data. See [Consolidation scope](#).

The PHOENIX group is active in 29 European countries. As part of our core business, we operate 224 distribution centres and more than 3,200 of our own pharmacies. The group therefore has a highly diversified country portfolio. Germany accounts for almost a third of the group's turnover. Group-wide turnover in the financial year 2022/23 was around €36.3 billion¹⁾ (previous year: €30.7 billion), an increase of 18.2 percent. At the same time, total revenue increased by 15.9 percent to approximately €45.9 billion¹⁾ (previous year: €39.6 billion) and earnings before interest, taxes, depreciation and amortisation (EBITDA) by 53 percent to approximately €1.024 million¹⁾ (previous year: €669.0 million). Adjusted for the first-time consolidation gain and the previous year's inventory valuation charge (related to Covid-19), EBITDA increased by 2.6 percent, or €18.1 million, to €723.8 million.

In pharmaceutical wholesale, the PHOENIX group is number one in 15 countries (previous year: 13). The pharmacy retail business is mainly active in Belgium, Ireland, Italy, Latvia, Lithuania, Montenegro, the Netherlands, Norway, Romania, Switzerland, Serbia, Slovakia, the Czech Republic, Hungary and the United Kingdom. Strong pharmacy brands include BENU, Apotek 1 (Norway), Rowlands Pharmacy (UK), Help Net (Romania) and Lloyds in Belgium, Ireland and Italy. In addition, the PHOENIX group offers its services along the value chain to companies in the pharmaceutical industry.

You can find more information in our » [Annual Report 2022/23](#).

Vision: To be the best integrated healthcare provider
— wherever we are.

Mission: To deliver health — across Europe.

Values: To be reliable, proactive and respectful.

Corporate mission statement and company values

The PHOENIX group's mission statement plays an overarching role in our daily activities. As a family business, we are independent in our decisions and pursue a long-term strategy. We can only fulfil our mission "To deliver health" with motivated and loyal employees. That is why we always have our employees and their motivation in mind. We are currently working on an updated mission statement.

Driving efficiency projects and digitalisation forward

To ensure high levels of efficiency and flexibility, we are constantly reviewing and improving our processes – and implementing many different initiatives and projects.

Strengthening our digital expertise is also an important part of our strategic agenda, which we are driving forward through various initiatives. The goal is to actively shape the digital transformation of the PHOENIX group. A core element of this is to improve data availability and data analysis skills across the group. Another focus is on strengthening digital channels to connect us with our customers and patients. For more information on this, please see our » [Annual Report 2022/23](#).

SUSTAINABILITY MANAGEMENT

The PHOENIX group has defined a shared understanding of sustainability, through which we express what responsible business and sustainable company management mean for us.

The PHOENIX group's understanding of sustainability

The PHOENIX group is committed to promoting the United Nations' global Sustainable Development Goals (SDGs). This applies to all company divisions and in all countries where we are active. As a leading European healthcare provider and a family business with a long-term approach, we want to make a significant contribution towards building a healthy future with a good quality of life.

¹⁾ Data from the acquisition of parts of McKesson Europe are already included in the key figures in this chapter (Leadership and responsibility). However, other key figures in this report do not yet include McKesson data. See [Consolidation scope](#).

Our commitment to sustainability arises from our corporate mission and values and from our goal of being the best integrated healthcare provider in Europe. We face up to the major tasks and challenges of our time, whether digitalisation or climate change. We strive for growth that creates value – both for our company and for society at large. In particular, we intend, and are able, to make our contribution to the health and well-being of people living in Europe through sustainable logistics concepts, the careful use of resources, safe and good working conditions and a supportive stance towards our employees.

High standards of compliance, along with quality, safety and transparency, guide our daily actions. We accept our Europe-wide responsibility, within and across national borders.

Our efforts have been rewarded externally, too. For instance, in 2022 the PHOENIX group again won a bronze medal from EcoVadis, a well-known provider of corporate sustainability ratings.

Sustainability Agenda

In 2021, the PHOENIX group adopted a group-wide Sustainability Agenda. During the reporting year, we also developed a group-wide climate target and began establishing a human rights due diligence process in our supply chain. In the future, we intend to use a group-wide process to develop targets for each pillar of the agenda, as well as performance indicators and a monitoring process. The agenda focuses on the following topics:

- **Climate protection**
Development and implementation of a climate strategy
- **Resource cycling**
Commitment to reuse, reduce and recycle wherever feasible
- **Responsible supply chain**
Development and establishment of processes integrating human rights and environmental due diligence along our value chain

- **Diversity, equal opportunity and inclusion**
Promoting social diversity among employees

- **Social engagement**
Linking our donation activities more closely with our core business

Anchoring sustainability in our organisation and processes

We aim to integrate sustainability considerations in all relevant processes within the PHOENIX group. This also applies to the activities of our subsidiaries, to newly acquired companies as well as to how we collaborate with our stakeholders. It is how we make clear that company success and social responsibility go hand in hand.

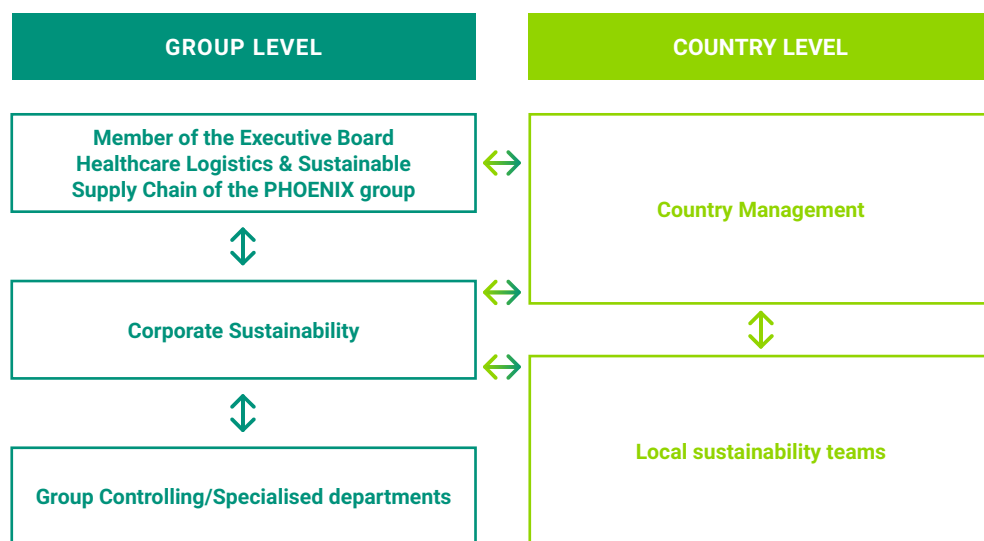
Overall responsibility for sustainability lies with the PHOENIX group Board Member for Healthcare Logistics & Sustainable Supply Chain. The sustainability team of the PHOENIX group reports directly to the Executive Board and acts as a point of contact for all sustainability issues in an ongoing exchange with the specialist departments. Ad hoc meetings take place between the PHOENIX group's central sustainability manager and the Executive Board to discuss current issues. Workshops on strategic topics are held as required.

Within the area of sustainability, we have an established group-wide network. Due to different framework conditions in the various European markets, we continue to take a decentralised approach to many sustainability issues. Each subsidiary has at least one sustainability manager, supported in some cases by interdisciplinary committees. Individual subsidiaries have also developed their own strategic approaches.

This is how the companies respond to regional requirements while also contributing to the implementation of the PHOENIX group's Sustainability Agenda. Non-financial data is collected by local sustainability representatives in the subsidiaries. This process is coordinated by the central sustainability team.

We continue to take a centralised approach to group-wide projects such as pan-European talent management. To promote knowledge transfer, networking and the exchange of best practices across the company, the sustainability representatives meet regularly to discuss all overarching topics.

SUSTAINABILITY ORGANISATION



The PHOENIX group's sustainability framework supports the subsidiaries as they implement the group's sustainability management system. Among other things, this framework defines the responsibilities, roles and tasks for this process. The framework also provides an overview of the activities taking place in the company as part of the Sustainability Agenda, guidelines and reporting as well as in terms of dialogue with stakeholders.

Material topics

We regularly conduct a materiality analysis in accordance with the requirements of the GRI Standards of the Global Reporting Initiative. In February 2021, the topics defined in 2018 were reassessed by the sustainability representatives of the subsidiaries in dialogue with various specialist departments. The materiality matrix was adjusted accordingly. The topics were assessed both in terms of their stakeholder relevance as well as their economic, environmental and social impact on our business activities (see also [List of material topics](#)).

The updated GRI requires a new approach to the materiality analysis. The new requirements have been followed in the management approaches for the material topics; a new materiality analysis was not carried out during the reporting year. The implementation of a materiality analysis according to the Corporate Sustainability Reporting Directive (CSRD) (and therefore according to GRI) will take place in 2023.

The topics identified as material were assigned to the corresponding GRI standards on which the PHOENIX group reports. These material topics are also reflected in the focus topics of our new Sustainability Agenda and provide a chapter structure for this report.

Stakeholder dialogue

We value a partnership-based dialogue with our stakeholders, who are a source of vital inspiration for our Sustainability Agenda.

Our sustainability team is in constant communication with PHOENIX group employees regarding various topics via the Speakap employee app. In addition, we offer training sessions to raise employee awareness concerning such topics as saving energy and preventing and separating waste. Sustainability topics often play a role at our so-called townhall meetings, and workshops are also held on this topic at the top management's annual meetings.

Individual subsidiaries have also launched initiatives to involve employees more closely in sustainability. For example, a "Green Team" project was established in the Netherlands during the reporting year: employees from various departments who have expressed a particular interest in sustainability are involved as so-called Sustainability Ambassadors.

The PHOENIX group also actively works to promote sustainability as a member of the Association of Pharmaceutical Wholesalers in Germany (PHAGRO), and, at the European level, as a member of GIRP, the European Healthcare Distribution Association. Together with other member companies, we participate in working groups to come up with relevant measures and responses to climate protection challenges the industry is facing. We are also involved in the implementation of the German Supply Chain Due Diligence Act (LkSG).

The PHOENIX group regularly engages with industry and business partners on ESG issues, for example at annual meetings or other events.

OUR STAKEHOLDERS' REQUIREMENTS – DRIVERS FOR SUSTAINABILITY AT PHOENIX

KEY ISSUES:

- Occupational health and safety
- Emissions and climate impact
- Community engagement

Growing importance in **attracting and retaining** employees

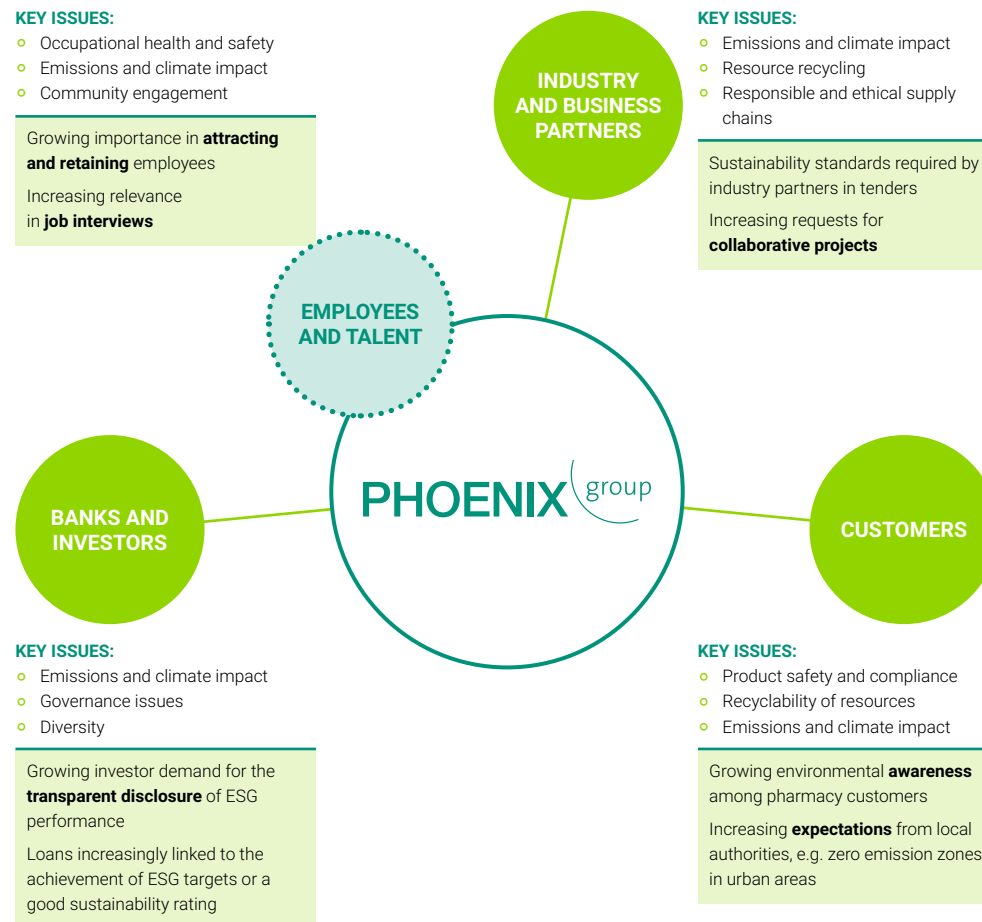
Increasing relevance in **job interviews**

KEY ISSUES:

- Emissions and climate impact
- Resource recycling
- Responsible and ethical supply chains

Sustainability standards required by industry partners in tenders

Increasing requests for **collaborative projects**



01 COMPLIANCE AND THE SUPPLY CHAIN

The success of the PHOENIX group builds on responsible and lawful conduct. This includes, of course, compliance with the law and the group's internal guidelines. We also expect the same from our service providers. As a healthcare provider, ensuring the quality of our products throughout the value chain is our top priority. At a legal level, the requirements for companies to implement human rights due diligence measures in their supply chain have also increased.

COMPLIANCE

Responsible and compliant behaviour is the cornerstone of good corporate governance. Breaches of compliance are associated with negative consequences and risks for companies and for society as a whole.

Compliance is an integral part of the PHOENIX group's corporate culture. Corruption, unfair competition and misconduct have no place within the PHOENIX group or in our dealings with our customers and business partners. Our goal is to permanently reduce compliance risks and avoid violations. One of the most important measures we take is to enable our employees to behave in a lawful and honest manner and to optimise our business processes. To this end, the PHOENIX group has established a group-wide » **compliance system**. Its implementation and responsibilities are described in our » **compliance guidelines**. Overall responsibility rests with the Executive Board, while the group Compliance Officer is responsible for the ongoing enforcement and further development of compliance requirements. In addition, there are local compliance managers in the individual subsidiaries.

Our compliance system is based on the following guidelines:

- » **Code of Conduct**
- » **Anti-corruption compliance**
- » **Competition compliance**
- Sanctions compliance
- Anti-money-laundering compliance

These guidelines lay out our principles of trustworthiness and irreproachable interactions with our colleagues, customers, suppliers and competitors.

Group Compliance conducts regular self-assessments as well as risk assessments to ensure that the compliance management system is implemented and emerging risks identified quickly.

In addition to a group-wide sanctions list check for all business partners, the PHOENIX group carries out a risk-based business-partner check for selected third parties. Before we enter into a business relationship, potential risks – such as explicit and implicit sanctions, and corruption and money laundering – are analysed and evaluated by means of an IT-supported process. If necessary, remedial measures are also defined and, if the risk is considered too high, the business relationship is not established. PHOENIX subsequently monitors the risks of selected business partners by means of a quarterly integrity check.

Dealing with violations

With the full support of the Executive Board, the PHOENIX group pursues a zero-tolerance policy when it comes to violations of its compliance guidelines. Every employee is obliged to follow the guidelines and report any violations immediately. Any violations will be sanctioned. This applies particularly to executives, who must act as role models. Employees of the PHOENIX group can contact their local or group compliance manager by telephone or e-mail if they suspect a violation. Contact details are provided on the intranet, and for the group-wide compliance manager, also on our » [website](#).

Furthermore, employees and third parties can report any compliance risks or violations via our external web-based » [whistleblower system](#), and may do so anonymously if they wish. The system is operated by an external service provider. If the report is made anonymously, the identity of the whistleblower cannot be traced.

We consistently follow up on any information received. Each case is recorded following uniform group-wide criteria, categorised and followed up on locally or centrally. If an investigation confirms an internal compliance incident, measures may be taken, ranging from a warning to – in extraordinary circumstances – the termination of the employment contract and the assertion of damages claims, depending on the severity of the employee's misconduct. A procedural description of the process is currently being prepared.

Violations by third parties, such as business partners, can also result in the termination of contracts, reports to regulators or the police, and possibly civil lawsuits.

The PHOENIX group treats reports of a violation confidentially and ensures that employees who report a violation do not suffer any disadvantages. Each report is thoroughly investigated. If the employee acts with good intentions and his or her concerns are not confirmed, he or she will not suffer any negative consequences. Any negative comments made to employees who have reported a violation will be treated as a serious violation of the Code of Conduct.

Over the course of the reporting year, a total of 70 new cases (2021: 65) passed through the compliance organisation.

Staff training

The PHOENIX group is constantly improving the communication of compliance issues and raising awareness with regard to the whistleblower system. We support employees in acting with integrity and avoiding potential violations from the outset. To this end, we offer, and are continuously developing, training and communication measures tailored to the needs of the target groups. We conduct regular e-learning training sessions throughout the group, primarily geared at conveying the compliance system content and ensuring that all employees behave in a legally compliant manner. Employees from our so-called focus groups receive additional compliance presentation training – this includes those who are in particularly close contact with customers and suppliers, those who are authorised to conclude business transactions as well as all executives. In the reporting year and the previous year combined, a total of 13,807 employees received compliance e-learning training (of which 4,468 in the reporting year) and 3,750 received in-person training (of which 1,297 in the reporting year). New employees receive the training at the beginning of their employment and existing employees receive the training every other year.

Due to Covid-19 restrictions, training sessions that would normally have been held in person still took place mainly virtually in the reporting year 2022/23. In addition to training, we conduct regular communication campaigns, for example in the form of short compliance videos. These campaigns are typically carried out via the intranet or by e-mail.

Focus on data protection

The PHOENIX group attaches great importance to the handling of the data of our customers, business partners and employees in a legally compliant and trustworthy manner. The group therefore possesses a group-wide data protection organisation. All PHOENIX group subsidiaries have officially appointed data protection officers or contact persons for data protection. These people are responsible for advising the organisation and employees on data protection and for monitoring compliance with data protection legislation.

The Corporate Data Protection division is the central point of contact for all data protection matters concerning the group. During the 2022/23 financial year, the Corporate Data Protection division was further expanded in terms of personnel in order to strengthen the data protection organisation and to offer local data protection officers even more extensive support in the implementation of current topics.

The group data protection guidelines apply to all employees and aim to ensure that personal data is processed in strict compliance with applicable data protection regulations and the principles of the EU General Data Protection Regulation (GDPR). The reporting and management of data breaches is also defined and regulated in detail in the policy. A regular update of the data protection policy is planned for the financial year 2023/24.

A data protection management tool for the entire PHOENIX group is currently in the testing phase, with the final implementation planned for the 2023/24 financial year.

Our external web-based » [whistleblower system](#) is available for reporting data protection breaches.

In the reporting year, we also experienced a growing threat in the area of cyber security. The PHOENIX group is aware of this issue and takes it very seriously. Improvements have been made in many areas. Particular emphasis has been placed on governance, user awareness, attack detection, operational security and emergency preparedness.

As in previous years, a group-wide awareness campaign was carried out at the end of January to coincide with European Data Protection Day. This time, the campaign focused on introducing the PHOENIX group's data protection organisation. In addition, the training courses that had already been introduced in Germany were rolled out to our international subsidiaries during the 2022/23 financial year.

In the reporting year, we replaced the existing data protection e-learning course with a new training course. The main objective of this training is to provide all employees, regardless of their role in the company, with easy-to-understand content and to communicate the principles of data protection. The new e-learning course has been rolled out to all our subsidiaries and is now used throughout the entire group. New employees are required to complete the training as part of their onboarding process. Existing employees complete the training every two years.

In addition, for new employees who do not have access to a computer, onboarding documents on data protection which cover the training content of the e-learning course have been prepared. These are given to employees when they join the company and made available through appropriate notices.

SAFE PROCESSES

Quality management

Quality and reliability are top priorities for the PHOENIX group as a healthcare provider. A safe and reliable supply of medicines is only possible if the quality of the supply chain is impeccable. This extends from product storage in compliance with regulations, to targeted delivery to pharmacies and hospitals, to optimal availability of medicines for consumers. All PHOENIX group companies follow the EU guidelines for Good Distribution Practice (GDP).

Our quality assurance systems are monitored through internal audits and external regulatory inspections. The PHOENIX group's quality management system is risk-based and process-oriented in accordance with ISO 9001. Of the PHOENIX group companies, 85 percent are certified to this standard.

Many projects and policies are initiated centrally by the PHOENIX group and then implemented by the subsidiaries. Quality management goals are set at the country level and relevant key figures are recorded, e.g. the number of training sessions, management reviews and audits.

In addition, various European project groups are working on current GxP ("good practice") topics, such as business continuity and quality risk management, which are incorporated into the development of group-wide guidelines. This serves to create a common understanding within the group and to consolidate the quality management systems in the various subsidiaries. During the reporting year, we developed guidelines for handling recalls and complaints and for change management, among other things.

The PHOENIX group duly implements all EU legal requirements to combat the counterfeiting of medicines in accordance with the law and has further optimised its processes. The processes and measures for implementing the new In-Vitro Diagnostics Directive 2017/746, which came into force in 2022, were integrated into the operating processes in good time.

Secure logistics

Thanks to transmed Transport GmbH's track & trace system, we can track consignments throughout Germany and Austria in real time, all the time. The system benefits both the PHOENIX group and its partners. Thanks to this system, mix-ups, errors and oversights in the transport of totes are now almost entirely a thing of the past. In addition, transmed helps to manage delays, eliminate their causes and increase transparency in logistics. Comparable track & trace solutions are used in various subsidiaries.

SUPPLY CHAIN MANAGEMENT

Companies must take responsibility for integrating sustainability into their purchasing processes. For example, if suppliers violate human rights or breach environmental standards, this can cause damage at the place of origin. It also harbours reputational risks. At the same time, legal requirements – both national and international – are becoming stricter, and the PHOENIX group is making the necessary preparations wherever these requirements have not already been implemented. For instance, in the UK, the UK Modern Slavery Act has been binding for several years already. In Germany, the Supply Chain Due Diligence Act (LkSG), which came into force at the beginning of 2023, sets out a binding framework for companies' human rights and environmental due diligence obligations. The EU is also preparing supply chain legislation; a draft was presented in 2022.

In the PHOENIX group, the procurement of trade and non-trade goods is organised in a decentralised fashion. However, our corporate General Procurement department is responsible for many cross-border non-trade goods, such as logistics, consultancy and IT services as well as consumables and capital goods for operational requirements. PHOENIX group Germany has a purchasing guideline for indirect purchasing, which was also introduced in other countries during the reporting year.

The national subsidiaries possess their own purchasing departments or purchasing managers for the procurement of trade goods. Our trade goods are mainly prescription and non-prescription medicines and medical devices as well as other standard pharmacy products, such as cosmetics and food supplements.

Human rights due diligence

Since January 2023, the PHOENIX group has been subject to the LkSG and has had to implement due diligence obligations in its supply chain and within its own business area.

The PHOENIX group is committed to respecting human rights. In doing so, we are guided by internationally agreed standards such as the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights and the Fundamental Principles of the International Labour Organization (ILO).

We expect all our business partners to also comply with applicable laws, human rights conventions and environmental protection standards in accordance with national and international requirements. The PHOENIX group has laid down a » [General Procurement Supplier Code of Conduct](#) for its suppliers of non-trade goods. The Supplier Code of Conduct is currently being reviewed and will be updated next year.

The overall responsibility for human rights due diligence lies with the PHOENIX group Executive Board. The central sustainability manager of the PHOENIX group also acts as the central Human Rights Officer, monitors the implementation of due diligences and exchanges information with the PHOENIX group Executive Board at regular intervals. Since the beginning of 2023, the sustainability managers of the subsidiaries have also acted as Human Rights Officers for their respective companies.

In 2022, we published a » [policy statement on human rights](#). The statement complements the PHOENIX group » [Code of Conduct](#) and applies to all employees and subsidiaries throughout Europe. The Code of Conduct is currently under review.

In 2022, we began implementing a risk management system to identify human rights and environmental risks and potential violations in our own operations and in our supply chain, and to be able to establish appropriate preventive and remedial measures. At the heart of the risk management system lies our business partner screening process, which we have expanded to adequately meet our due diligence obligations.

In autumn of 2022, we completed an abstract risk analysis for PHOENIX Germany using public databases. In early 2023, this was carried out for the entire PHOENIX group in Europe. Suppliers with an increased risk exposure will be subjected to a more detailed analysis. As required by the LkSG, this process will be carried out annually in future, as well as on an ad hoc basis following major changes in the supply chain or in the event of substantiated knowledge of possible human rights violations. The latter also applies to indirect business partners. For the first time in 2023, all new suppliers of non-trade goods to the PHOENIX group across Europe will be screened using the software tool. This process will also be rolled out across Europe in 2023 for suppliers of trade goods. In our own business area, we identify risks annually through a questionnaire. We communicate the priority risks identified through our risk analysis via our » [policy statement on human rights](#).

Preventive measures are derived from the risk analysis, such as sending self-assessment questionnaires to medium-risk and high-risk business partners. We aim to raise awareness of human rights issues among our employees and encourage them to promote respect for human rights. This includes the provision of information and training, which we will gradually expand.

Any violations can be reported anonymously by internal and external parties via the group-wide » [compliance whistleblower system](#) (for more information, see [Compliance](#)).

Our UK subsidiary publishes an annual Modern Slavery and Human Trafficking Statement in accordance with the » [UK Modern Slavery Act](#).

“The law brings with it both challenges and opportunities.”

Stefanie Sevimli, Head of Corporate Sustainability and Human Rights Officer at the PHOENIX group, on the challenges and opportunities of the German Supply Chain Due Diligence Act (LkSG).



How long has the PHOENIX group been dealing with the LkSG?

The German team started preparations at the end of 2021. We set up a central working group to implement the requirements. The sustainability team regularly exchanges information with the working group and our subsidiary managers, for example on best practices in existing processes. We also set up a working group for the European roll-out which took place in the autumn of 2022.

What does the LkSG mean for the PHOENIX group?

First of all, it definitely means additional work for us. But the law also brings with it great opportunities: we have established human rights due diligence structures, defined responsibilities and improved existing processes – and we will continue to do so. In general, the law is creating greater awareness in this area, for example of whether or not a business partner has a human rights or environmental policy in place.

What are the challenges for the PHOENIX group?

As a wholesaler, we are legally obliged to supply pharmacy-only medicines and medical devices, so we often have little leeway in choosing suppliers. We have more leverage when it comes to our own brands. The bureaucratic effort to meet the legal requirements is high, but the law is also triggering many steps in the right direction throughout the industry. We are also working on industry solutions, for example in the PHAGRO association.

What does it mean for you personally to act as Human Rights Officer in your company?

I have great respect for this big and important issue, and I'm also looking forward to the task. As Human Rights Officer, I'm also an ambassador for bringing the issue into the company and broadening our commitment. In other words, I can make a big difference, which I'm happy about – because human rights affect each and every one of us.

Who does the Supply Chain Act apply to?

The German Supply Chain Due Diligence Act (LkSG) aims to improve respect for fundamental human rights and the environment in companies and their global supply chains. Companies must take responsibility for their supply chain and meet a number of due diligence obligations.

Companies based in Germany with more than 3,000 employees have been subject to the law since the beginning of 2023. From 2024, the law will also apply to companies with more than 1,000 employees.

Stefanie Sevimli

Head of Corporate Sustainability

02 CLIMATE AND THE ENVIRONMENT

Global warming and the increasing consumption of natural resources are among the greatest global challenges of our time. The PHOENIX group recognises its environmental responsibility and seeks to minimise the impact of its business activities on the environment. Important fields of action in this regard include reducing emissions arising from the operation of our buildings and from transport, preventing waste generation as well as increasing the recycling of materials. In around one-third of our subsidiaries, environmental management is conducted via a management system compliant with ISO 14001.

ENERGY AND EMISSIONS

The PHOENIX group's operations require the use of energy, which results in greenhouse gas emissions. Electricity consumption is the largest contributor to the PHOENIX group's emissions, followed by diesel vehicles and the use of natural gas. With 224 distribution centres across Europe, the group sees efficient building technology as one of its biggest levers for saving energy and reducing greenhouse gas emissions. Transport is another key area.

Climate protection is a focus area of our 2021 Sustainability Agenda. As one of Europe's leading healthcare companies, it is our duty to contribute to climate protection and, in particular, to help minimise the health risks associated with rising temperatures. We also want to meet the increasing demands of our business partners and regulatory requirements in the area of climate management. In addition, we want to take advantage of the cost-saving potential that is often associated with climate protection measures.

We set a climate target for the PHOENIX group at the beginning of 2023. Our goal is to become carbon neutral in our own operations by 2030. To achieve this, we plan to reduce our Scope 1 and 2 emissions by 42 percent compared to our emissions in the financial year 2021/2022. We intend to achieve this primarily through efficiency measures, switching energy sources, purchasing green electricity, generating our own energy through solar installations, gradually converting our transport fleets (increasing the use of electric and biogas-fuelled vehicles and solar-powered bicycles, for example) and optimising routes. In addition to reducing emissions, from 2030 we will offset our remaining carbon emissions by purchasing credits that support high-quality emission-reduction projects. We are also working to improve data collection for our supply-chain emissions (Scope 3).

Our subsidiaries will start implementing the climate target in the autumn/winter of this financial year.

Some of our subsidiaries have implemented an ISO 50001 energy management system, while others carry out energy audits. We monitor our energy consumption and use a software solution to measure our emissions through the PHOENIX group's carbon footprint. We use temperature monitoring in the operation of our buildings.

Energy consumption and measures at the sites

The subsidiaries of the PHOENIX group are implementing a range of energy-saving measures and are investing in modernisation, throughout their distribution centres, offices and pharmacies.

Several subsidiaries saved energy by reducing the temperature in some buildings in the reporting year, including Estonia, Lithuania, Slovenia, Italy, Poland, the Czech Republic, Germany, the Netherlands and Hungary. Other measures included an energy-saving action plan in Hungary, which resulted in electricity and gas savings of 20 percent, and the introduction of building thermography in Estonia and at a German site (see [best practice examples](#)).

In the reporting year, a number of national subsidiaries also installed or planned new solar plants. In Austria and the UK, PV systems were commissioned at several sites. The subsidiaries in Italy and the Netherlands will install solar plants in the current reporting year and Croatia, Lithuania and Macedonia are planning to do so. Furthermore, we are currently examining implementation options to purchase more electricity from renewable energy sources.

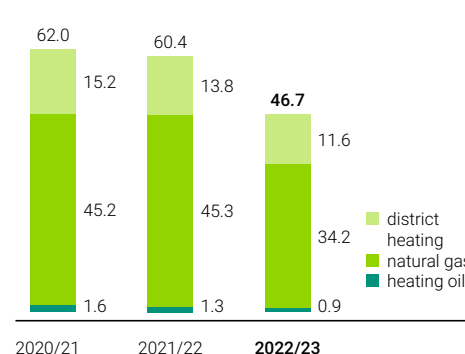
Many national subsidiaries continued to switch to efficient and automated LED lighting during the reporting year, and some are raising awareness among their employees about the topic of energy saving, for example through e-mails and posters.

The subsidiaries of the PHOENIX group largely heat with natural gas and district heating. Specific energy consumption for heating decreased by about 22.7 percent over the course of the year (previous year: -2.7 percent). This is mainly due to numerous savings measures that were implemented in almost all international subsidiaries. In absolute terms, natural gas consumption decreased by 20.3 percent (previous year: +22 percent). Here, too, measures such as lowering the temperature at many PHOENIX group locations showed their effect.

Electricity consumption decreased by 1.2 percent in absolute terms compared to the previous year (previous year: +14.1 percent). This is also mainly due to energy-saving measures.

HEATING REQUIREMENT BY INTERNAL AREA AND GENERATION TYPE¹⁾

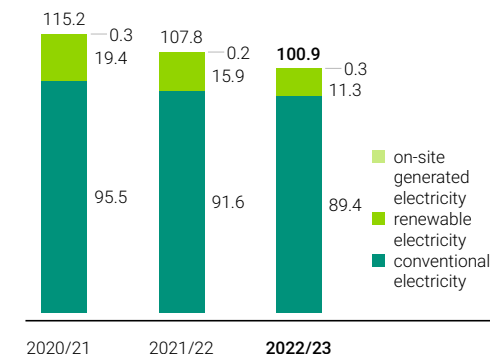
kWh/m²



¹⁾ The previous year's figures were adjusted retroactively to reflect improvements in data collection. Individual locations in Serbia, Bosnia and Macedonia use wood pellets to generate heat. In the reporting year, 393.7 tonnes of wood pellets were consumed for this purpose. Some subsidiaries use electricity as a heating method for their pharmacies. A separate data collection to reflect this is being worked on.

ELECTRICITY CONSUMPTION PER INTERNAL AREA AND GENERATION TYPE¹⁾

kWh/m²



¹⁾ The previous year's figures were adjusted retroactively to reflect improvements in data collection.

Reducing emissions during transport

The PHOENIX group aims to continuously reduce its greenhouse gas emissions from transport. Important levers for efficient and environmentally friendly logistics include our modern vehicle fleet with an increasing number of alternative drives, a transparent database, continuous optimisation of routes and a resource-saving driving style.

The PHOENIX group's transports are carried out by freight carriers and/or with our own fleets, depending on the subsidiary. The carriers are contracted by our subsidiary transmed, among others. transmed also offers carriers the option of leasing commercial vehicles for their deliveries. An average lease term of 30 months enables transmed to operate a modern, fuel-efficient fleet of vehicles that meet the latest emission standards. The company keeps a detailed record of the vehicles' equipment and evaluates the annual mileage per branch, the vehicle categories and types and the kinds of fuel used in order to further reduce fuel consumption.

The PHOENIX group also relies on continuous route optimisation, which not only helps to optimise costs, but also reduces the mileage travelled and thus emissions. Various modern software solutions are used for this purpose.

In order to increase transparency, transmed calculates the greenhouse gas emissions along the transport process as well as the average footprint per parcel in additional business (e.g. for customers in the optics or technology sectors) – including for our Health Logistics subsidiary. transmed makes the reports available to customers on request. The aim is to raise awareness of climate emissions.

Several international subsidiaries regularly train their drivers in fuel-efficient driving, for example through online training. A number of international subsidiaries are running pilot projects with alternative drive systems or have implemented them already, sometimes in collaboration with contracted

transport companies. Electric vans are in use in Bulgaria, the Netherlands, Germany, Norway, Hungary and the UK. In the Netherlands, five SunRider cargo e-bikes are in use, which are charged with solar energy during the journey.

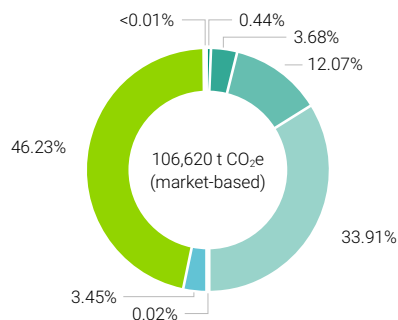
In Finland, our two main logistics partners have climate targets approved by the Science Based Target Initiative (SBTi). Our partner PostNord uses several biogas-powered vehicles. Our subsidiary in Sweden has switched from diesel to biogas for all transport between two distribution centres (see [Best practice examples](#)).

Carbon footprint

In calculating our carbon footprint, we follow the Greenhouse Gas Protocol (GHG Protocol). This requires companies to include specific emissions in their calculations. During the reporting year, we further improved the database and calculation methodology – for example, transport emissions are now recorded in a more differentiated way.

In the wholesale trade, purchased goods and services typically account for the largest share of emissions by far. Other significant sources of emissions include the transport of goods by our own fleet (Scope 1) and by freight forwarders (Scope 3), electricity (Scope 2) and capital goods (Scope 3).

Compared to the previous year, Scope 1 emissions decreased by 3,447 tCO₂e (-6.1 percent), mostly thanks to energy saving measures. The increase in fuel emissions is due to the fact that, following organisational changes, transport emissions in Serbia and Bosnia are now included in the PHOENIX group's own business area and are no longer reported as Scope 3 emissions. Scope 2 emissions (location-based) decreased by 717 tCO₂e (-1 percent) compared to the previous year: despite less electricity purchased from renewable energy sources, many energy-saving measures have ensured this reduction in emissions.

SCOPE 1 AND 2 EMISSIONS^{1) 2) 3)}

t CO ₂ e	2020/21	2021/22	2022/23
Scope 1			
■ Heating oil	625	602 ⁶⁾	472
■ Volatile gases	7,855	5,932 ⁶⁾	3,922
■ Natural gas	13,252 ⁶⁾	16,188 ⁶⁾	12,867
■ Fuels ⁴⁾	31,362 ⁶⁾	34,137 ⁶⁾	36,155
■ Biogenic fuels ⁵⁾	-	26	23
Total	53,093⁶⁾	56,885⁶⁾	53,438
Scope 2			
■ District heating	4,104	4,149 ⁶⁾	3,675
■ Electricity (location-based)	58,757	69,712 ⁶⁾	69,527
■ Electricity (market-based)	-	48,372 ⁶⁾	49,503
■ Company car electricity (location-based)	-	61	3
Total (location-based)	62,861	73,922⁶⁾	73,205
Total (market-based)	-	52,581⁶⁾	53,182

¹⁾ Emission factor sources: DBEIS (2021), VDA (2019), Umweltbundesamt (2019)

²⁾ The graphical representation in the pie chart includes Scope 2 emissions according to the market-based calculation methodology.

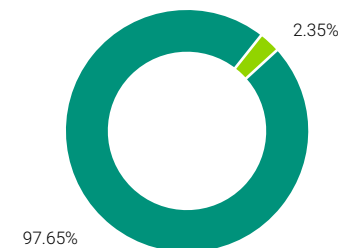
³⁾ Emissions included in the carbon footprint: CO₂, CH₄, N₂O, FKW, PFKW, SF₆, NF₃

⁴⁾ Combustion of diesel, petrol, gas: due to changes in the data collection for transport, values have been revised.

The resulting emissions are thus not fully comparable with the previous year.

⁵⁾ "Outside of scope" emissions: 928.7 t CO₂

⁶⁾ Figures were adjusted retroactively to reflect improved data collection.

SCOPE 3 EMISSIONS^{1) 2)}

t CO ₂ e	2021/22	2022/23
Scope 3		
■ 3.1 Purchased goods and services	9,554,987 ⁴⁾	9,882,690 ⁵⁾ 97.4%
■ 3.2 Capital goods	75,341 ⁴⁾	98,846 ⁵⁾ 1.0%
■ 3.3 Other energy-related activities	49,097 ⁴⁾	47,660 0.5%
■ 3.4 Upstream transport and distribution ³⁾	90,429 ⁴⁾	86,988 0.9%
■ 3.6 Business travel	4,547	2,141 < 0.1%
■ 3.7 Travel routes for employees	33,478	30,245 0.3%
■ 3.14 Franchise	5,365 ⁴⁾	3,923.8 < 0.1%
Total	9,599,487	10,150,494 100.0%

¹⁾ Emission factor sources: DBEIS (2021)

²⁾ Emissions included in the carbon footprint: CO₂, CH₄, N₂O, FKW, PFKW, SF₆, NF₃

³⁾ Thanks to improved data collection for transport indicators, the resulting emissions are not fully comparable with the previous year.

⁴⁾ Figures were adjusted retroactively to reflect improvements in data collection.

⁵⁾ The increase in emissions can be attributed to an increase in revenue, as well as increased investments in capital goods (spend-based calculation of emissions).

MATERIAL INPUTS

The PHOENIX group uses various materials that require the use of raw materials. In our processes, we take care to use resources as sparingly as possible. In our Sustainability Agenda, we have defined "recycling of resources" as one of our focus areas, and targets and measures will be developed in the future.

The European subsidiaries of the PHOENIX group are guided by our Sustainability Agenda and implement individual measures in their distribution centres and pharmacies. We are also constantly working to reduce the use of resources in administrative processes, including through digitalisation. Many of our subsidiaries have implemented digital document management systems.

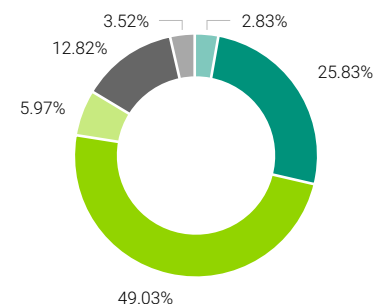
We are running electronic batch transfer projects in several subsidiaries, and our aim is also to increasingly digitise processes in collaboration with manufacturers. For example, a new customer web portal has been launched in Italy, electronic invoicing in pharmacies has been introduced in Hungary, and our Danish subsidiary has completely digitised the receipt of goods at pharmacies.

More environmentally friendly carrier bags and packaging

In the Retail business segment, we use FSC-certified packaging for our in-house-brand products wherever possible.

For the carrier bags used in our pharmacies, we are switching from conventional plastic to alternatives (see table on the right for the materials used). In total, just under 57 million carrier bags were used in the reporting year (previous year: 51 million). The increase is due to higher sales and the fact that in two additional subsidiaries, data collection was carried out for the first time.

CARRIER BAGS BY MATERIALS



Number ¹⁾	2020/21	2021/22	2022/23
Paper	11,407,641	16,826,730	16,306,524
■ of which recycled	1,284,343	1,833,850 ²⁾	1,608,100
■ of which not recycled	10,123,298	14,992,880 ²⁾	14,698,424
Plastic	19,309,557	27,758,948	31,299,041
■ of which recycled	1,077,356	26,061,746	27,904,178
■ of which not recycled	18,232,201	1,697,202 ²⁾	3,394,863
■ Bio-based materials	2,607,894	7,466,802²⁾	7,298,034
■ Other materials	27,452	6,338²⁾	2,005,002
Total	33,352,544	52,058,818	56,908,601

¹⁾ The reported quantities represent the carrier bags purchased and therefore do not correspond to the actual use of carrier bags in the reporting years.

²⁾ The values were adjusted retroactively.

Recycled material in distribution centres

We also pay attention to resource conservation in our distribution centres. We use reusable plastic totes for deliveries to pharmacies. Since the reporting year, we have been switching over to totes made of 100-percent recycled polypropylene. Our Italian subsidiary was the first to test the new totes in spring 2021. Since spring 2022, the totes have been gradually replaced and when making new purchases, only recycled totes are ordered. The changeover saves about 80 percent of CO₂ per tonne of plastic produced.

Some subsidiaries have switched to thinner material for pallet packaging film, and a pilot project on reusable pallet straps has started in the UK. Similarly, our Czech subsidiary is running a pilot project on the use of recycled film for pallets. Other international subsidiaries are shipping using cardboard boxes that they received in goods receipt – thus using them a second time.

WASTE

The PHOENIX group's operations generate various types of waste. Hazardous waste poses environmental risks and also causes high costs to the PHOENIX group. Hazardous waste in particular entails environmental risks and gives rise to high costs. Therefore, we continuously strive to keep hazardous waste to a minimum. In addition to oil sludge and chemicals, above all this includes pharmaceutical waste. We are required by law to remove expired products and products with damaged packaging from the goods cycle and to have them professionally disposed of as hazardous waste.

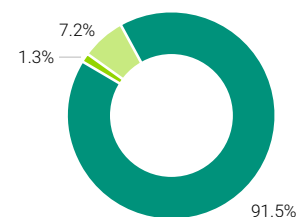
Besides hazardous waste, the PHOENIX group's processes also generate non-hazardous waste. This includes organic waste, paper and cardboard, electronic scrap, metal, wood, plastics, glass and textiles, and all of these are recycled wherever possible. Measures to improve waste separation were introduced in several of our subsidiaries during the reporting year, including in Bulgaria, the Netherlands, Norway and the UK.

Avoiding hazardous waste

To keep hazardous waste generation – in the form of damaged or expired medicines – to a minimum, the PHOENIX group subsidiaries make use of their individual opportunities for action and undertake a wide range of measures. Alongside other steps, the application of standard practices and operating procedures in the context of quality management, as well as compliance with the guidelines on good distribution practice (GDP), are crucial. Employee training in our distribution centres plays an important role in this. It covers, for example, the careful handling of packages and how to ensure optimal temperatures in cold storage.

The amount of hazardous waste in the reporting year decreased by 8.8 percent in absolute terms (previous year: +1.6 percent). The main reason for this was a better separation of data relating to hazardous waste disposed of for customers and that of hazardous waste generated by the PHOENIX group's own operations. Similarly, specific hazardous waste decreased by 16.2 percent compared to the previous year (previous year: -6.8 percent). This is due to a relative increase in revenue growth.

HAZARDOUS WASTE IN PROPORTION TO REVENUE



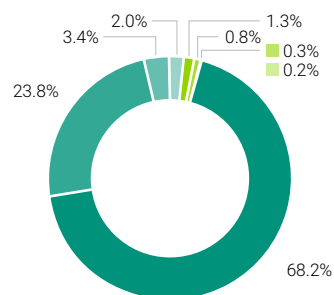
kg/€ million	2020/21	2021/22	2022/23
Pharmaceutical waste	47.1	44.5 ¹⁾	35.6
Oil sludge	0.7	0.8 ¹⁾	0.5
Other hazardous waste	2.0	1.1	2.8
Total	49.8	46.4	38.9

¹⁾ The previous year's figures were adjusted retroactively to reflect improvements in data collection.

Recycling waste

During the reporting period, a total of 25,892 tonnes (previous year: 25,936 tonnes) of non-hazardous waste was generated, a decrease of 0.2 percent (previous year: +6.1 percent). This is partly due to waste reduction measures in our subsidiaries. There were also fewer one-off events such as new buildings, building closures and renovations.

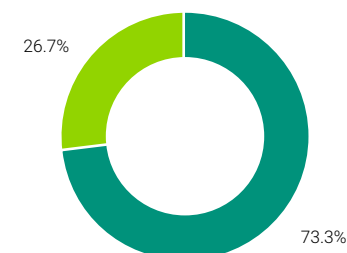
NON-HAZARDOUS WASTE BY TYPE



t	2020/21	2021/22 ¹⁾	2022/23
■ Paper and cardboard	16,216	17,443	17,680
■ Mixed waste	5,685	5,983	6,166
■ Plastics	1,032	944	875
■ Organic waste	453	509	525
■ Wood	761	557	335
■ Metals	211	397	200
■ Glass	28	34	68
■ Electronic scrap	50	68	42
Total	24,435	25,936	25,892

The majority of our waste is recycled or composted. In the reporting year, 73.3 percent (previous year: 73.4 percent) of non-hazardous waste was recycled. We have thus maintained our recycling rate. All other waste, such as waste from energy generation or mixed waste, is disposed of in an environmentally sound manner by specialised companies.

NON-HAZARDOUS WASTE BY DISPOSAL METHOD



t	2020/21	2021/22 ¹⁾	2022/23
■ Recycling	17,867	19,049	18,982
Incineration with energy/heat regeneration	1,725	2,098	2,063
Incineration without energy/heat regeneration	2,061	1,782	2,243
Composting	411	476	443
Landfill	397	575	682
Other disposal methods	1,974	1,956	1,478
■ Total (without Recycling)	6,568	6,887	6,910
Total	24,435	25,936	25,892

¹⁾ Figures were adjusted retroactively to reflect improvements in data collection.

03 EMPLOYEES AND SOCIETY

We can only be successful as a company if our employees are motivated and have the right qualifications. We want to offer our staff attractive working conditions and career opportunities as well as a working environment that promotes health. An important part of our corporate culture is to engage in trustful dialogue. We value diversity and equal opportunity just as much – and want to expand this topic in the future. The PHOENIX group assumes responsibility beyond its core business and wants to contribute to the common good through its social engagement.

EMPLOYMENT AND EQUAL OPPORTUNITY

The success of the PHOENIX group is dependent on the commitment of its employees. At the same time, we face significant challenges in terms of demographic change and skills shortages – to which we must find answers through a coherent personnel strategy. This falls within the responsibility of Corporate HR, which reports directly to the Executive Board.

We attach great importance to providing fair working conditions. The PHOENIX group engages in constructive collaboration with internal employee representatives and trade unions and is always striving to achieve a fair balance of interests. We provide a description of this in our » [Code of Conduct](#). The proportion of employees covered by collective agreements varies from region to region (see [facts and figures](#)). Collective agreements also apply to non-tariff employees.

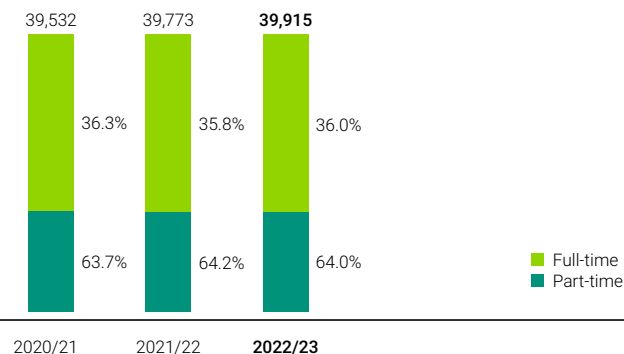
Diversity and equal opportunity, too, are important for job satisfaction. We respect the principles of equal opportunity (see [diversity and equal opportunity](#)) and human rights (see » [Policy statement on human rights](#)). Employees receive equal treatment and opportunities in all employment situations.

PHOENIX group employees

To make the data comparable to the previous year, the data from the acquisition of parts of McKesson Europe are not included in the key figures in this chapter (Employees and society). See [consolidation scope](#).

At the end of the 2022/23 financial year, the PHOENIX group had 39,915 employees (previous year: 39,773) in 26 European countries (previous year: 26). The staffing level thus increased by 0.4 percent compared to the previous year (previous year: +0.6 percent). At 5,045 (previous year: 5,051), the greatest number of our employees were based in the UK, followed by the Netherlands with 4,933 (previous year: 5,042), Norway with 4,719 (previous year: 4,661) and Germany with 4,579 (previous year: 4,574) employees.

EMPLOYEES BY EMPLOYMENT GRADE



The proportion of female employees in the PHOENIX group lay at around 70.0 percent in the reporting year (previous year: 70.2 percent). Of these, 16,223 female employees (previous year: 16,049) were in full-time positions, while the number of male full-time employees was 9,318 (previous year: 9,498). Overall, the number of full-time equivalents increased by 0.7 percent (previous year: +0.1 percent) to 33,401 (previous year: 33,169). Part-time employees accounted for 2,642 (previous year: 2,370) of the male and 11,732 (previous year: 11,856) of the female PHOENIX employees. The part-time rate among employees was thus 36.0 percent (previous year: 35.8 percent).

Diversity and equal opportunity

We believe in equal opportunity and are convinced that diverse teams deliver better results. Diversity, equal opportunity and inclusion are part of our Sustainability Agenda: we want to promote social diversity among employees and managers, and we want to build on this. For example, we support inter-

EMPLOYEES BY REGION



	Number	%
Germany	4,579	11.5
Western Europe	13,720	34.4
Eastern Europe	13,261	33.2
Northern Europe	8,335	20.9
Total	39,915	100

cultural exchange and international collaboration by focusing on global teams, especially in our competence centres. Based on our Global Mobility Policy, this collaboration will be further expanded.

In our » **Code of Conduct**, we commit ourselves to the principles of equal opportunity and mutual respect for all employees. Appointments, promotions and remuneration are based on the individual's qualifications, professional aptitude and performance.

Gender diversity is also high on our agenda. There is already an increasing number of women in our talent programmes, and we want to further increase the number of women in management. When filling management positions, we ensure that a growing number of talented women are included in the selection process.

We currently have 12 female leaders in our new LIFT Top Talent Development Initiative, out of a total of 30 participants in 2022.

Several of our subsidiaries are using additional approaches and measures to promote equal opportunity: our Norwegian subsidiary is developing an Equality and Anti-Discrimination strategy.

Our Italian subsidiary has been working with a social enterprise since 2022 to recruit employees with disabilities for certain activities. PHOENIX Germany has a general works agreement in place on the integration of people with severe disabilities. Inclusion teams have been set up at various sites. In Germany, the proportion of employees with severe disabilities was 6.3 percent at the end of the reporting year (previous year: 6.4 percent).

Several subsidiaries are implementing measures to offer our employees a better work-life balance. For example, our Danish subsidiary has extended paid parental leave, and our Serbian company gives parents with a first-year pupil a day off for the first day of school (see [best practice examples](#)).

At the end of the reporting year, the top management of all PHOENIX companies consisted of a total of 12 women (previous year: 15) and 78 men (previous year: 78). This is a 13.3 percent proportion of women (previous year: 16.1 percent). As of February 1st 2023 a new member joined the Executive board of the PHOENIX group, extending it to 7 men. Although the proportion of women in our top management declined slightly during the reporting year, we intend to increase this again in the future. We are more and more relying on internal talent to fill top management positions, which is also the aim of our talent management programmes. In order to increase the number of women in top management positions in the future, we plan to prepare more female talent for these roles.

TRAINING AND DEVELOPMENT

With particular regard to the increasing shortage of skilled personnel, we believe that motivating our employees and bolstering their company loyalty is essential. Good development and training opportunities are a key factor in retaining and attracting talent. We also believe it is important to recognise their potential and encourage them to systematically develop their skills. To this end, we have an efficient and comprehensive continuing education system across our group. In addition, our international subsidiaries have implemented individual learning management systems to provide tailored training. This enables our employees to enhance their professional skills and drive forward their personal development. In the previous year, due to the pandemic-related restrictions, many such training courses were switched over to virtual formats. In the reporting year, more in-person training courses were held again. Overall, the number of training sessions has increased significantly.

Onboarding programmes and training

We run onboarding programmes and training courses for our employees to suit their particular area of responsibility. Over the course of the reporting year, we also expanded and professionalised our new Europe-wide learning management system. Training on the Good Distribution Practice of medicinal products for human use (GDP) is mandatory for our employees working in our distribution centres. In the area of compliance, we train all our employees on the Code of Conduct, our anti-corruption, competition-compliance and sanctions compliance policies as well as on data protection. Our employees also receive regular training in occupational health and safety.

In addition, local e-learning systems are in place in the subsidiaries to meet individual training needs. Depending on their field of work, employees are also given specific training opportunities, for instance in areas such as leadership, foreign languages and IT. Some subsidiaries also have their own training formats in place on specific topics.

One element of personnel development is the annual appraisal interview. In the reporting year, PHOENIX Germany, together with the works council, decided to discontinue the employee review in 2022. The annual appraisal interview is currently being revised and will be reintroduced in a modified form. A group-wide introduction is being examined in several pilot projects. However, executives have been encouraged to maintain regular contact with employees to discuss their development and concerns. Excluding the German subsidiary, a total of 14,165 employees (previous year: 15,220) received an appraisal interview during the reporting period. This is a rate of 35.4 percent (previous year: 38.3 percent).

Leadership development programmes

The PHOENIX group aims to fill managerial positions primarily from within the company. This is why we launched the LIFT Top Talent Development Initiative in 2021, with the aim of promoting high potentials in our company. This individualised development programme uses innovative formats to strengthen the participants' leadership skills and interdisciplinary competencies. By the end of 2022, the first 21 participants had completed the programme and will continue to be actively supported as alumni. The majority of them have been given additional responsibility, taken on a new or additional role, or been promoted during the two years of their participation.

As part of PHOENIX Germany's development initiatives, executives and talent work independently on future topics. This can include digitalisation and self-organisation.

Apprenticeships and dual-study programmes

The PHOENIX group trains new talent and offers young people a wide range of entry opportunities such as internships, apprenticeships and dual-study programmes. In order to draw the attention of interested applicants to our company, we regularly participate in various career and university information events as well as in apprenticeship fairs. In the reporting year 2022/23, the PHOENIX group employed 76

apprentices (previous year: 78) and 15 dual-study programme students (previous year: 16) in its German subgroup. Students in the dual-study programme have the opportunity to complete part of their training at one of our European subsidiaries. As a rule, a high proportion of the trainees are taken on.

DIALOGUE AND COLLABORATION

Being seen as an attractive employer, i.e. how the PHOENIX group is perceived both internally and externally, is an important prerequisite for the long-term success of the company. We cultivate a corporate culture based on dialogue, which is shaped by our values and group-wide leadership guidelines. In addition to the day-to-day contact between executives and employees, a structured exchange takes place as part of the annual appraisal interview. We also use direct surveys to find out how satisfied our employees are with their jobs.

Facilitating collaboration

The Speakap employee app contributes to interactive and transparent internal communication and allows our employees to exchange information across divisions and subsidiaries. So far, more than 25,000 employees have registered.

The PHOENIX group continued to drive forward our "Digital Workplace Programme" in the reporting year. The objective is to create uniform digital workplaces with a common standard in all PHOENIX subsidiaries to simplify and improve collaboration within the company.

As part of the "Workplace 22" project, measures were also implemented at the Mannheim site to create a modern and collaborative working environment that also promotes hybrid collaboration.

Employee surveys as a measurement tool

The PHOENIX group attaches particular importance to the opinions, satisfaction and motivation of its employees. Our key performance indicator is the Commitment Index, which combines satisfaction and commitment.

In 2021, we piloted a new survey concept in the UK, Serbia, Croatia and Finland, which the respective subsidiaries successfully rolled out in 2022. In 2023, the remaining subsidiaries will fully implement the concept. After that, the international subsidiaries have flexibility in terms of timing, frequency and target groups of the surveys. This helps to better adjust the surveys to the specific situation in each individual country. The Commitment Index is to be surveyed by our subsidiaries once per year. Survey administration occurs in a decentralised fashion based on a tool from our external service provider.

Dialogue with employee representatives

Working in partnership with its employee representatives is also very important to the PHOENIX group. To this end, we follow internationally recognised standards and the legal framework of each country. We respect the rights of employees to freedom of association, assembly and collective bargaining. The SE works council reflects the international structure of the company. It engages in dialogue with management on transnational issues. This includes sustainability issues. For example, the works council is involved in environmental developments in areas such as waste prevention and energy saving. Another area of focus is sustainable human resources management, with issues such as promoting diversity, family-friendly working conditions, company health management, employee branding, employee retention and dealing with new and departing employees.

OCCUPATIONAL HEALTH AND SAFETY PROTECTION

We have a special responsibility for the health of our employees. This includes the prevention of work-related injuries through safe working practices and a healthy working environment. As part of our quality management system, we ensure strict compliance with relevant national and EU legislation and regulations. In this context, systematic risk assessments for each workplace are mandatory, as is the implementation of appropriate preventive measures.

Responsibility for this lies with the various subsidiaries, since the regulations and their implementation – as well as the content of occupational safety and prevention – vary greatly from country to country.

During the Covid-19 pandemic, the regulations in Germany were implemented by an interdisciplinary crisis team. Compliance was monitored, managers and employees were kept informed at all times and risk assessments were adjusted accordingly. In all countries where the PHOENIX group operates, we acted in full compliance with local regulations.

Preventing accidents

Occupational safety instructions and regular employee training play a key role in accident prevention. The main topics covered are fire safety, workplace ergonomics, handling of hazardous substances, correct lifting techniques and the safe operation of machinery and equipment in our distribution centres, especially forklift trucks. Attention is also paid to protective workwear at all our sites.

The most common injuries are minor foot injuries caused by tripping. Theoretically, there are always hazards from conveyors and industrial trucks (crushing), floors (falling, tripping), steps and ladders (falling), electrical hazards, hazardous materials and heavy warehousing work. These hazards must be minimised or ideally avoided.

The subsidiaries of the PHOENIX group implement specific measures in the area of occupational health and safety: for example, our Italian subsidiary and our Health Logistics subsidiary have established an ISO 4500-certified occupational health and safety management system. In Norway, guidelines for the storage of flammable liquids at retail locations were developed during the reporting year. Our UK subsidiary developed a new standard operating procedure for workplace transport, based on legal requirements.

Our health and safety measures are having an impact across the group, even though the number of lost time injuries increased minimally during the reporting year (see table below).

Employees can report work-related hazards to their local safety officer or line manager. In Germany, work-related hazards or incidents can also be reported through the health and safety committee. The local contact persons are required to treat such reports anonymously. Reports on all topics can be submitted anonymously via the group-wide » [whistleblower system](#).

TOTAL RATE OF WORK-RELATED INJURIES

	2020/21	2021/22	2022/23	Δ 2021/22 -2020/21	Δ 2022/23 -2021/22
Actual working hours (million h)	60.3	60.8	61.2	+0.9%	+0.6%
Lost-time injuries ¹⁾	375	349	353	-6.9%	+1.1%
Total rate of work-related injuries	6.2	5.7	5.8	-8.1%	+1.8%

¹⁾ Reporting was done in accordance with national legislation and may therefore include commuting accidents. All accidents resulting in at least one day's absence, known as Lost Time Injuries (LTI), are counted.

Safeguarding and promoting health

In view of the ongoing Covid-19 pandemic in the reporting year, we continued to focus our efforts on protecting our employees from infectious diseases. As a system-relevant company, we introduced measures such as physical distancing and hygiene rules, mask requirements and closed working groups at an early stage of the pandemic. We also continued our testing strategy and offered vaccinations to our employees. Furthermore, we enabled and used mobile working as much as possible and informed our employees about all precautionary and hygiene measures via our employee app Speakap.

In the subsidiaries, a company health management system helps to promote employee health and reduce sickness rates. This includes numerous projects such as health days in the distribution centres, which focus on stress management and healthy eating. Some sites also offer back training or mindfulness sessions. Several subsidiaries offer employees free health checks, optional flu vaccinations and other additional services, too.

Effective and respectful return-to-work and absenteeism discussions between line managers and employees, as well as company integration management, also play an important role. In the reporting year, the sickness rate was 4.57 percent (previous year: 4.69 percent) and thus remains higher than in previous years due to the pandemic.

SOCIAL ENGAGEMENT

The PHOENIX group is committed to assuming responsibility beyond our core business and contributing to the common good. This is integral to our corporate philosophy.

Priorities

"We deliver health across Europe" – this is our mission. From this mission, or, in other words, from our core business, we derive the choice of areas that we want to support as part of our social engagement: above all, we support pharmaceutical research, projects benefiting the common good, not-for-profit institutions including hospitals and children's daycare centres, as well as schools and universities. Key contributions are made both group-wide and at the local level in the various countries. We commit to selected long-term flagship projects as well as to smaller social initiatives. Our employees are also engaged for the common good in multiple ways. We support them in their endeavours such as by topping up the donations they collect. The total donations of the entire PHOENIX group in the financial year 2022/23 amounted to €1,594,934 (previous year: €505,878). This is significantly higher than in 2021/22 due to the significant donations made to Ukraine during the year.

Our European subsidiaries implement individual measures for social engagement. Last year we developed a framework to provide guidance for those subsidiaries. It provides a structure and a method for measuring the impact of the activities. At least 80 percent of our international subsidiaries' engagement is to take into account the following factors:

- Alignment with our core business
- Focus on a specific issue, target group (e.g. children), strong partner and long-term partnership
- Monetary donation
- Implementation of the projects at the local level

Ensuring compliant behaviour

The PHOENIX group takes great care to ensure that all donations and sponsorship activities are carried out in accordance with legal requirements. The PHOENIX » **anti-corruption policy**, which applies to the entire group, must therefore always be complied with whenever we organise projects. We also have a standard operating procedure with provisions on donations, grants and sponsoring. In particular, it sets out criteria that enable our subsidiaries and our partners to choose suitable projects, and also specifies activities which are not supported, such as events held by political parties and government agencies as well as projects which could generate entrepreneurial benefits for the PHOENIX group or damage our reputation. The most relevant points are summarised in our publicly accessible

» **donations and sponsoring guidelines**.

Diverse activities on site

In 2022, the PHOENIX group provided rapid and unbureaucratic help to people in Ukraine and supported aid organisations with urgently needed medicines. Many of our subsidiaries, including those in Bulgaria, Germany, Italy, Romania, Slovakia, the Czech Republic, Hungary and the Baltic countries, supplied medicines, bandages and medical equipment as well as financial donations.

Our subsidiaries are also involved locally in a variety of ways. For example, our Latvian subsidiary makes an annual donation to the Children's Hospital Fund for Children with Cancer and organises events on emotional support in paediatric oncology. In France, support continued to be given to the PharmaVie association, which sets up recreational and educational areas in French hospitals.

Our Finnish subsidiary continued to work with a non-profit organisation that enables children from low-income families to participate in sports activities. In Slovakia, employees volunteered during working hours to help design a centre for the elderly.

Several subsidiaries offer financial support to employees in difficult life situations, such as a support fund in the Czech Republic and Lithuania.

Promoting pharmaceutical research

The PHOENIX Pharmaceuticals Science Award has been one of our flagship projects for 25 years. With this award, PHOENIX promotes outstanding pharmaceutical research in Germany, Austria and Switzerland, thereby strengthening the pharmaceutical value chain for the long term. This year, four research projects were honoured from the categories Pharmacology and Clinical Pharmacy, Pharmaceutical Biology, Pharmaceutical Chemistry and Pharmaceutical Technology. The prize, renowned in the German-speaking world, is endowed with a total of €40,000. On the occasion of its 25th anniversary, PHOENIX provided each prize winner with an additional €2,500 euros to be given to a charitable donation of their choice.

FURTHER INFORMATION

REPORT PROFILE

Fundamentals and principles of reporting

The PHOENIX group is committed to transparent communication and direct dialogue with its stakeholders. With this sustainability report for the business year 2022/23, we seek to provide comprehensive information on our company's sustainability activities. The report has been prepared in accordance with the GRI standards.

The PHOENIX group has published an annual sustainability report since the 2014/15 financial year. Although the data for the 2019/20 financial year was recorded and evaluated internally, no sustainability report was published for that year due to organisational restructuring and new responsibilities.

This report covers the financial year from 1 February 2022 to 31 January 2023 and, where possible, includes comparative data for the previous year or years. In the report, we describe the development and results of the sustainability activities of our group and all its subsidiaries. Figures in the text and some graphs have been rounded, which means that totals do not always add up exactly.

This sustainability report has been reviewed and approved by the Executive Board of the PHOENIX group and acknowledged by the Supervisory Board.

Consolidation scope

On 31 October 2022, the PHOENIX group successfully completed the acquisition of several international subsidiaries from McKesson Europe. The majority of these companies have not yet been included in the non-financial data collection for this 2022/23 sustainability report and are therefore not yet covered in the key figures. As a result, the basic scope of this report does not yet include the newly acquired McKesson companies, except for the financial key figures and the statements in the chapter on Leadership and responsibility, where the McKesson data is already included. These and any other deviations from the consolidation scope for other key figures are explained in the relevant footnotes.

During the reporting year, a new site was opened in Slovenia, which is currently managed by the Croatian subsidiary. Data collection for this site will start next year and figures will be included in future reports.

Editorial note

The editorial deadline for this 2022/2023 sustainability report was 28 September 2023. The report is also available in German and can be downloaded from our [» website](#).

LIST OF MATERIAL TOPICS

Material topics	GRI topics	Location of the impacts
Responsible and ethical supply chain	Procurement Practices	External
Product safety	Customer Health and Safety, Marketing and Labelling	Internal and external
Access to high-quality pharmaceuticals and healthcare	Indirect Economic Impacts	External
Responsible production of own brands	Customer Health and Safety	Internal and external
Customer satisfaction	Customer Health and Safety, Marketing and Labelling, Customer Privacy	Internal and external
Resource consumption	Energy	Internal and external
Emissions and climate impacts	Energy, Emissions	Internal and external
Energy use	Energy	Internal and external
Waste management	Waste	Internal and external
Employee health, safety and well-being	Occupational Health and Safety	Internal
Diversity, equity, and inclusion	Employment, Diversity and Equal Opportunity, Non-Discrimination	Internal
Long-term talent retention	Employment, Diversity and Equal Opportunity, Training and Education	Internal
Staff development	Training and Education	Internal
Fair working conditions	Employment, Non-Discrimination, Diversity and Equal Opportunity	Internal
Community engagement	Indirect Economic Impacts	External
Compliance	Anti-Corruption, Anti-Competitive Behaviour	Internal and external

FACTS AND FIGURES

Responsible corporate governance¹⁾

ECONOMIC PARAMETERS

		2020/21	2021/22	2022/23
Total operating performance	€ m	35,902.0	39,612.8	45,901.2
Revenue	€ m	28,209.1	30,723.4	36,316.4
Total income	€ m	3,052.7	3,270.8	4,083.3
EBITDA	€ m	653.4	669.0	1,023.8
Profit before tax	€ m	298.7	298.0	299.8
Equity	€ m	2,959.7	3,168.2	3,286.3
Equity ratio	%	28.6	29.5	24.1
Net debt	€ m	2,006.9	1,829.8	2,935.2
Company rating (Standard & Poor's)		BB +	BB+; credit watch negative	BB+; stable outlook
Employees (total)		39,532	39,773	48,435
Employees (full-time equivalents)		33,090	33,205	35,178

Environment and climate²⁾

HEATING ENERGY REQUIREMENT BY ENERGY SOURCE

		2020/21	2021/22	2022/23	Δ 2021/22 -2020/21	Δ 2022/23 -2021/22
Total area	m²	1,439,627	1,754,721³⁾	1,851,104	—	—
Fuel oil	MWh	2,267	2,234 ³⁾	1,758	-1.5%	-21.3%
Natural gas	MWh	65,139	79,476 ³⁾	63,303	+22.0%	-20.3%
District heat	MWh	21,894	24,301	21,527	+11.0%	-11.4%
Total heating	MWh	89,299	106,011	86,588	+18.7%	-18.3%
Fuel oil by area	kWh/m²	1.6	1.3	0.9	-18.8%	-30.8%
Natural gas by area	kWh/m²	45.2	45.3	34.2	+0.2%	-24.5%
District heat by area	kWh/m²	15.2	13.8	11.6	-9.2%	-15.9%
Heating by area	kWh/m²	62.0	60.4	46.7	-2.6%	-22.7%

³⁾ Figures were adjusted retroactively to reflect improvements in data collection.

HEATING ENERGY REQUIREMENT BY REGION

MWh	Germany	Western Europe	Eastern Europe	Northern Europe	PHOENIX group
Fuel oil	894	397	355	112	1,758
Natural gas	10,168	23,000	28,173	1,961	63,302
District heat	4,956	0	5,137	11,435	21,528
Total heating	16,018	23,397	33,665	13,508	86,588

¹⁾ Data from the acquisition of parts of McKesson Europe included

²⁾ Data from the acquisition of parts of McKesson Europe not included

ELECTRICITY CONSUMPTION

		2020/21	2021/22	2022/23	Δ 2021/22 -2020/21	Δ 2022/23 -2021/22
Electricity consumption	MWh	165,785	189,114 ¹⁾	186,862	+14.1%	-1.2%
Electricity consumption by area	kWh/m ²	115.2	107.8 ¹⁾	100.9	-6.4%	-6.4%

ELECTRICITY CONSUMPTION BY REGION

		Germany	Western Europe	Eastern Europe	Northern Europe	PHOENIX group
Electricity consumption	MWh	29,542	55,516	51,077	50,727	186,862
Electricity consumption by area	kWh/m ²	102.5	89.1	105.6	111.3	100.9

NON-HAZARDOUS WASTE BY REGION

t	2020/21	2021/22 ¹⁾	2022/23	Δ 2021/22 -2020/21	Δ 2022/23 -2021/22
Germany	8,048	7,805	7,904	-3.0%	1.3%
Western Europe	8,721.15	9,525	9,345	9.2%	-1.9%
Eastern Europe	3,688.28	4,514	4,487	22.4%	-0.6%
Northern Europe	3,977.6	4,092	4,156	2.9%	1.6%
PHOENIX group	24,435	25,936	25,892	6.1%	-0.2%

HAZARDOUS WASTE

t	2020/21	2021/22	2022/23	Δ 2021/22 -2020/21	Δ 2022/23 -2021/22
Pharmaceutical waste	1,330	1,372 ¹⁾	1,195	+3.1%	-12.9%
Oil sludge	21	24 ¹⁾	16	+16.1%	-33.5%
Other hazardous waste	57	34	93	-39.8%	+173.9%
Total	1,408	1,430	1,305	+1.6%	-8.8%

HAZARDOUS WASTE BY REGION

t	Germany	Western Europe	Eastern Europe	Northern Europe	PHOENIX group
Pharmaceutical waste	104	282	288	522	1,195
Oil sludge	3	0	4	9	16
Other hazardous waste	4	7	11	72	93
Total	111	288	302	603	1,305

¹⁾ Figures were adjusted retroactively to reflect improvements in data collection.

Employees and society¹⁾

EMPLOYEES

	2020/21	2021/22	2022/23	Δ 2021/22 –2020/21	Δ 2022/23 –2021/22
Full-time equivalents	33,206	33,169	33,401	-0.1%	+0.7%
Total number of employees	39,532	39,773	39,915	+0.6%	+0.4%

EMPLOYEES BY GENDER, TYPE OF EMPLOYMENT, AND REGION²⁾

	Germany	Western Europe	Eastern Europe	Northern Europe	PHOENIX group
Female full-time employees	984	2,888	8,710	3,641	16,223
Male full-time employees	1,602	2,981	3,029	1,706	9,318
Female part-time employees	1,546	6,423	1,389	2,374	11,732
Male part-time employees	447	1,428	133	634	2,642
Total	4,579	13,720	13,261	8,355	39,915

²⁾ As of the reporting date, January 31.

ABSENCE DUE TO SICKNESS BY REGION³⁾

sick hours (in million h)	2020/21	2021/22	2022/23
Germany	0.53	0.55	0.65
Western Europe	1.2	1.20	1.16
Eastern Europe	0.83	0.96	0.80
Northern Europe	0.61	0.68	0.68
Total	3.17	3.39	3.29

³⁾ Total paid and unpaid hours (million hours).

EMPLOYEES COVERED BY COLLECTIVE AGREEMENT BY REGION

	Germany	Western Europe	Eastern Europe	Northern Europe	PHOENIX group
Total	4,259	8,799	3,170	6,477	22,705
Share in%	93.0%	64.1%	23.9%	77.5%	56.9%

¹⁾ Data from the acquisition of parts of McKesson Europe not included

GRI CONTENT INDEX

For the Content Index - Essentials Service, GRI Services reviewed that the GRI content index is clearly presented, in a manner consistent with the Standards, and that the references for disclosures 2-1 to 2-5, 3-1 and 3-2 are aligned with the appropriate sections in the body of the report. The service was performed on the English version of the report.



CONTENT INDEX ESSENTIALS SERVICE

2023

Statement of use	The PHOENIX group has reported in accordance with the GRI Standards for the period 01.02.2022 – 31.01.2023.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	-

GRI Standards	Page	Omissions/Comments
GRI 2: General Disclosures 2021		
The organization and its reporting practices		
GRI 2-1 Organizational details	6, 7, 42	Annual Report, p. 18/19
GRI 2-2 Entities included in the organization's sustainability reporting	6, 7, 32	Annual Report, p. 19
GRI 2-3 Reporting period, frequency and contact point	32, 42	
GRI 2-4 Restatements of information		Some KPIs have been restated retroactively. This was marked in the corresponding sections of the report.
GRI 2-5 External assurance		A third-party audit was not performed for the reporting period.
Activities and workers		
GRI 2-6 Activities, value chain and other business relationships	6, 7	Annual Report, p. 18
GRI 2-7 Employees	24, 25, 36	
GRI 2-8 Workers who are not employees		In preparation for the CSRD, we will examine in the financial year 2023/24 how and when this disclosure can be reported by the PHOENIX group.
Governance		
GRI 2-9 Governance structure and composition	6-9	Annual Report, pp. 11-13
GRI 2-10 Nomination and selection of the highest governance body		In preparation for the CSRD, we will examine in the financial year 2023/24 how and when this disclosure can be reported by the PHOENIX group.

GRI Standards	Page	Omissions/Comments
GRI 2-11 Chair of the highest governance body		The Chairman of the Supervisory Board is Dr Bernd Scheifele. The Chairman of the Board is Sven Seidel.
GRI 2-12 Role of the highest governance body in overseeing the management of impacts		The Supervisory Board monitors the tasks of the Executive Board and their fulfilment. This also includes sustainability matters and their management (Annual Report, p. 11)
GRI 2-13 Delegation of responsibility for managing impacts	8, 9	
GRI 2-14 Role of the highest governance body in sustainability reporting	32	
GRI 2-15 Conflicts of interest		Annual report, p. 13
GRI 2-16 Communication of critical concerns		Compliance incidents are regularly reported to the Executive Board.
GRI 2-17 Collective knowledge of the highest governance body	8	
GRI 2-18 Evaluation of the performance of the highest governance body		The Supervisory Board monitors the tasks of the Executive Board and their fulfilment. This also includes sustainability matters and their management (Annual Report, p. 11)
GRI 2-19 Remuneration policies		In preparation for the CSRD, we will examine in the financial year 2023/24 how and when this disclosure can be reported by the PHOENIX group.
GRI 2-20 Process to determine remuneration		In preparation for the CSRD, we will examine in the financial year 2023/24 how and when this disclosure can be reported by the PHOENIX group.
GRI 2-21 Annual total compensation ratio		In preparation for the CSRD, we will examine in the financial year 2023/24 how and when this disclosure can be reported by the PHOENIX group.

GRI Standards	Page	Omissions/Comments
Strategy, policies and practices		
GRI 2-22 Statement on sustainable development strategy	3	
GRI 2-23 Policy commitments	11, 12, 14, 15	Policy statement on human rights, Code of Conduct
GRI 2-24 Embedding policy commitments	11, 12, 14, 15	
GRI 2-25 Processes to remediate negative impacts	12, 15	
GRI 2-26 Mechanisms for seeking advice and raising concerns	12, 15	
GRI 2-27 Compliance with laws and regulations		Cases of non-compliance with laws and regulations are subject to confidentiality.
GRI 2-28 Membership associations	10	
Stakeholder engagement		
GRI 2-29 Approach to stakeholder engagement	10	
GRI 2-30 Collective bargaining agreements	24, 36	
Material Topics		
GRI 3: Material Topics 2021		
3-1 Process to determine material topics	9	
3-2 List of material topics	33	
Responsible and ethical supply chain		
GRI 3: Material Topics 2021		
GRI 3-3 Management of material topics	14, 15	
GRI 204: Procurement Practices 2016		
GRI 204-1 Proportion of spending on local suppliers		In General Procurement, products and services are primarily procured from suppliers in the country in which the company in question is located. The exact proportion of spending on local suppliers has so far not been recorded.

GRI Standards	Page	Omissions/Comments
Product safety		
GRI 3: Material Topics 2021		
GRI 3-3 Management of material topics	14	
GRI 416: Customer Health and Safety 2016		
GRI 416-1 Assessment of the health and safety impacts of product and service categories	14	
GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		No incidents were reported in the reporting year.
GRI 417: Marketing and Labeling 2016		
GRI 417-2 Incidents of non-compliance concerning product and service information and labeling		In the reporting year, there were indications of violations in connection with product information in Hungary and Lithuania. However, all cases were resolved and the respective product information was updated. There were no adverse health effects.
Access to high-quality pharmaceuticals and healthcare		
GRI 3: Material Topics 2021		
GRI 3-3 Management of material topics	14, 30, 31	
GRI 203: Indirect Economic Impacts 2016		
GRI 203-2 Significant indirect economic impacts	14, 30, 31	
Responsible production of own brands		
GRI 3: Material Topics 2021		
GRI 3-3 Management of material topics	14	
GRI 416: Customer Health and Safety 2016		
GRI 416-1 Assessment of the health and safety impacts of product and service categories	14	
GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		No incidents were reported in the reporting year.

GRI Standards	Page	Omissions/Comments
Customer satisfaction		
GRI 3: Material Topics 2021		
GRI 3-3 Management of material topics	14	
GRI 416: Customer Health and Safety 2016		
GRI 416-1 Assessment of the health and safety impacts of product and service categories	14	
GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		No incidents were reported in the reporting year.
GRI 417: Marketing and Labeling 2016		
GRI 417-2 Incidents of non-compliance concerning product and service information and labeling		In the reporting year, there were indications of violations in connection with product information in Hungary and Lithuania. However, all cases were resolved and the respective product information was updated. There were no adverse health effects.
GRI 418: Customer Privacy 2016		
GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		As individual countries use their own reporting tools and the incidents are currently not consolidated, it is not possible to report the number of substantiated complaints in relation to the violation of the protection and the loss of customer data.
Resource consumption		
GRI 3: Material Topics 2021		
GRI 3-3 Management of material topics	17, 18, 21	
GRI 301: Materials 2016		
GRI 301-1: Materials used by weight or volume		In preparation for the CSRD, we will examine in the financial year 2023/24 how and when this disclosure can be reported by the PHOENIX group.
GRI 302: Energy 2016		
GRI 302-1 Energy consumption within the organization	18, 34, 35	
GRI 302-3 Energy intensity	18, 34, 35	

GRI Standards	Page	Omissions/Comments
Emissions and climate impacts		
GRI 3: Material Topics 2021		
GRI 3-3 Management of material topics	17-19	
GRI 305: Emissions 2016		
GRI 305-1 Direct (Scope 1) GHG emissions	19, 20	
GRI 305-2 Energy indirect (Scope 2) GHG emissions	19, 20	
GRI 305-3 Other indirect (Scope 3) GHG emissions	19, 20	
Energy use		
GRI 3: Material Topics 2021		
GRI 3-3 Management of material topics	17, 18	
GRI 302: Energy 2016		
GRI 302-1 Energy consumption within the organization	18, 34, 35	
GRI 302-3 Energy intensity	18, 34, 35	
Waste management		
GRI 3: Material Topics 2021		
GRI 3-3 Management of material topics	22, 23	
GRI 306: Waste 2020		
GRI 306-1 Waste generation and significant waste-related impacts	22, 23	
GRI 306-2 Management of significant waste-related impacts	22, 23	
GRI 306-3 Waste generated	22, 23, 35	
GRI 306-4 Waste diverted from disposal	23	
GRI 306-5 Waste directed to disposal	23	

GRI Standards	Page	Omissions/Comments
Employee health, safety and well-being		
GRI 3: Material Topics 2021		
GRI 3-3 Management of material topics	28, 29	
GRI 403: Occupational Health and Safety 2018		
GRI 403-1 Occupational health and safety management system	28, 29	
GRI 403-2 Hazard identification, risk assessment, and incident investigation	28, 29	
GRI 403-3 Occupational health services	28, 29	
GRI 403-4 Worker participation, consultation, and communication on occupational health and safety	28, 29	
GRI 403-5 Worker training on occupational health and safety	28	
GRI 403-6 Promotion of worker health	29	
GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	28, 29	
GRI 403-9 Work-related injuries	28, 29	
Diversity, equity, and inclusion		
GRI 3: Material Topics 2021		
GRI 3-3 Management of material topics	25, 26	
GRI 401: Employment 2016		
GRI 401-1 New employee hires and employee turnover		In preparation for the CSRD, we will examine in the financial year 2023/24 how and when this disclosure can be reported by the PHOENIX group.
GRI 401-3 Parental leave		In preparation for the CSRD, we will examine in the financial year 2023/24 how and when this disclosure can be reported by the PHOENIX group.
GRI 405: Diversity and Equal Opportunity 2016		
GRI 405-1 Diversity of governance bodies and employees	26, 36	
GRI 406: Non-discrimination 2016		
GRI 406-1 Incidents of discrimination and corrective actions taken		Details of compliance incidents are subject to confidentiality.

GRI Standards	Page	Omissions/Comments
Long-term talent retention		
GRI 3: Material Topics 2021		
GRI 3-3 Management of material topics	24-28	
GRI 401: Employment 2016		
GRI 401-1 New employee hires and employee turnover		In preparation for the CSRD, we will examine in the financial year 2023/24 how and when this disclosure can be reported by the PHOENIX group.
GRI 401-3 Parental leave		In preparation for the CSRD, we will examine in the financial year 2023/24 how and when this disclosure can be reported by the PHOENIX group.
GRI 404: Training and Education 2016		
GRI 404-1 Average hours of training per year per employee		Training activities are defined differently in our countries. For this reason, we do not currently have any reliable data on the average annual number of hours of training and education. In preparation for the CSRD, we will examine in the financial year 2023/24 how and when this disclosure can be reported by the PHOENIX group.
GRI 404-3 Percentage of employees receiving regular performance and career development reviews	27	
GRI 405: Diversity and Equal Opportunity 2016		
GRI 405-1 Diversity of governance bodies and employees	26, 36	
Staff development		
GRI 3: Material Topics 2021		
GRI 3-3 Management of material topics	26, 27	
GRI 404: Training and Education 2016		
GRI 404-1 Average hours of training per year per employee		Training activities are defined differently in our countries. For this reason, we do not currently have any reliable data on the average annual number of hours of training and education. In preparation for the CSRD, we will examine in the financial year 2023/24 how and when this disclosure can be reported by the PHOENIX group.
GRI 404-3 Percentage of employees receiving regular performance and career development reviews	27	

GRI Standards	Page	Omissions/Comments
Fair working conditions		
GRI 3: Material Topics 2021		
GRI 3-3 Management of material topics	24-28	
GRI 401: Employment 2016		
GRI 401-1 New employee hires and employee turnover		In preparation for the CSRD, we will examine in the financial year 2023/24 how and when this disclosure can be reported by the PHOENIX group.
GRI 401-3 Parental leave		In preparation for the CSRD, we will examine in the financial year 2023/24 how and when this disclosure can be reported by the PHOENIX group.
GRI 405: Diversity and Equal Opportunity 2016		
GRI 405-1 Diversity of governance bodies and employees	26, 36	
GRI 406: Non-discrimination 2016		
GRI 406-1 Incidents of discrimination and corrective actions taken		Details of compliance incidents are subject to confidentiality.
Community engagement		
GRI 3: Material Topics 2021		
GRI 3-3 Management of material topics	10, 30, 31	
GRI 203: Indirect Economic Impacts 2016		
GRI 203-2 Significant indirect economic impacts	30, 31	

GRI Standards	Page	Omissions/Comments
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GRI 3: Material Topics 2021		
GRI 3-3 Management of material topics	11, 12	
GRI 205: Anti-corruption 2016		
GRI 205-2 Communication and training about anti-corruption policies and procedures	12	
GRI 205-3 Confirmed incidents of corruption and actions taken		Details of compliance incidents are subject to confidentiality.
GRI 206: Anti-competitive Behaviour 2016		
GRI 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		Details of compliance incidents are subject to confidentiality.

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