

DEPENDABLE.  
ACTION.  
TOGETHER.

SUSTAINABILITY REPORT  
2020/21

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**In our daily activities, we take care to integrate sustainability into our processes. Our Sustainability Report, entitled “Dependable. Action. Together.” highlights what we have achieved in the last year.**

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## STATEMENTS BY THE EXECUTIVE BOARD



**SVEN SEIDEL**  
Chief Executive Officer

» We advocate responsible business practices and plan to launch a new strategic sustainability agenda in 2021. In this approach, economic efficiency and the conservation of environmental resources go hand in hand.



**STEVE ANDERSON**  
Member of the Executive Board  
Operations & Logistics

» Preventing waste is very important to us – particularly in the case of pharmaceutical waste. Reducing waste in all areas allows us to cut costs and reduce environmental risks. We are a key healthcare provider across Europe and sustainability is core to our business model.



**HELMUT FISCHER**  
Member of the Executive Board  
Chief Financial Officer

» The issue of sustainability is growing in importance – for our customers, for banks and investors, and for our employees, too. More and more young professionals expect their employers to run their businesses responsibly.



**MARCUS FREITAG**  
Member of the Executive Board  
Customers & Channels

» As a healthcare provider that is active in 27 countries, we have much to gain from dialogue with our European subsidiaries when it comes to sustainability – we learn from and inspire each other.



**STEFAN HERFELD**  
Member of the Executive Board  
Commercial & Marketing

» The clear focus on sustainability along the entire value chain is an integral part of negotiations with our industry partners up to the energy-efficient design of our pharmacy concepts.



**DR. ROLAND SCHÜTZ**  
Member of the Executive Board  
IT & Digital

» Digitalisation is playing an increasingly important role in the healthcare industry; a trend that has accelerated as a result of the coronavirus pandemic. By using innovative technologies and services, we aim to provide our customers with comprehensive solutions – and remain fit for the future.

## SUSTAINABILITY AT PHOENIX AT A GLANCE

2.8%

REDUCTION IN ELECTRICITY  
CONSUMPTION

QUANTITY OF HAZARDOUS WASTE  
REDUCED BY

9.7%

COMPARED  
WITH  
PREVIOUS  
YEAR

73%

OF NON-HAZARDOUS  
WASTE RECYCLED

100%

GREEN ELECTRICITY  
IN NORWAY,  
SWEDEN, AND  
LITHUANIA

750<sup>t CO<sub>2</sub>e</sup>

SAVED IN  
GERMANY BY  
OPTIMISING  
ROUTE PLANNING

17,861

EMPLOYEES TRAINED IN COMPLIANCE

€  
749,443

INVESTED IN CORPORATE  
CITIZENSHIP ACTIVITIES

# RESPONSIBLE COMPANY MANAGEMENT

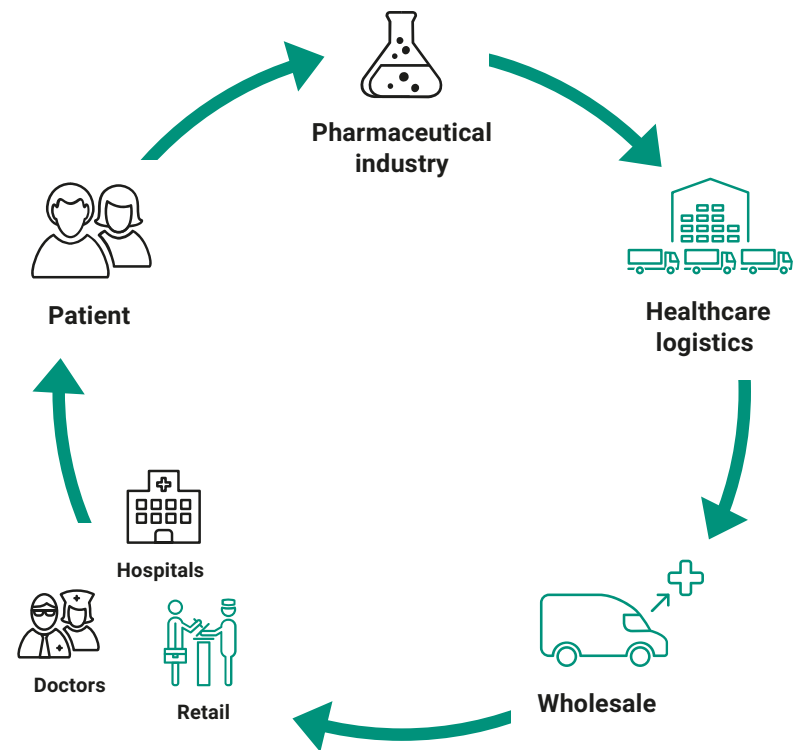
The PHOENIX group is one of Europe's leading healthcare providers and is active in 27 countries. The family business wants to make a contribution towards building a healthy future with a good quality of life – and is working to integrate sustainability more deeply into its processes.

## A PROFILE OF THE PHOENIX GROUP

The PHOENIX group, headquartered in Mannheim, Germany, is a leading healthcare provider and one of the largest family businesses both in Germany and in Europe. Its core interests are pharmaceutical wholesale, pharmacy retail, and healthcare logistics. Subsidiaries also operate in related business areas and are engaged in activities including services for the pharmaceutical industry, logistics solutions, and goods management systems for pharmacies. With over 39,000 employees (previous year: around 39,000), the company makes a vital contribution to comprehensive healthcare in Europe.

The PHOENIX group operates in 27 European countries. In its core business, the company operates 161 distribution centres and more than 2,800 of its own pharmacies (previous year: 2,700). This makes its geographic portfolio highly diversified. As the group's largest market, Germany makes up around one-third of group revenue, amounting to approximately €28.2 billion in fiscal year 2020/21 (previous year: €27.3 billion). This corresponds to a rise of 3.2 per cent. At the same time, total operating performance increased by 4.0 per cent to €35.9 billion (previous year: €34.5 billion), and earnings before interest, taxes, depreciation, and amortisation (EBITDA) rose by around 8.3 per cent to €653.4 million (previous year: €603.6 million).

## PHOENIX GROUP: LINK BETWEEN MANUFACTURER AND PATIENT



In pharmaceutical wholesale, the PHOENIX group is number one in 12 countries (previous year: 13). It operates its pharmacy retail business mainly in the Czech Republic, Hungary, Latvia, Lithuania, Montenegro, the Netherlands, Norway, Romania, Serbia, Slovakia, Switzerland, and the United Kingdom. The group's strong pharmacy brands include BENU, Apotek 1 (Norway), Rowlands Pharmacy (United Kingdom), and Help Net (Romania). The PHOENIX group also offers companies in the pharmaceutical industry its services along the supply chain. More details are available in our » [2020/21 Annual Report](#).

### Corporate mission statement communicates values and vision

The corporate mission statement of the PHOENIX group plays an overarching role in our daily activities. It makes the PHOENIX corporate philosophy as well as our vision, mission, strategy, and values transparent. In the course of the new strategic agenda WINGS we have strengthened our corporate mission statement to accommodate country-specific characteristics to an even greater extent. More information can be found in our » [2020/21 Annual Report](#). As a family business, we make our own decisions, pursue a long-term strategy, and focus on sustainable growth – which we achieve by continuing to develop. Our employees form the basis for our success. By supporting their targeted further training in all areas, we are not only helping individuals to progress, but also guaranteeing the successful ongoing development of the entire group. This allows us to fulfil our responsibilities, both now and in the future.

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

**Mission:** To deliver health – across Europe.

**Values:** To be reliable, proactive, and respectful.

## FUTURE VIABILITY

The markets in which the PHOENIX group operates are in a state of upheaval. The changes, especially those resulting from regulatory interventions, are reflected in increased pressure on margins and costs. At the same time, there is a high level of competition in the market. Companies in the pharmaceutical sector face enormous challenges associated with digitalisation.

### Optimising processes and structures

To ensure a high level of efficiency and provide flexibility, we continuously review and improve our structures and processes – in addition to implementing numerous initiatives and projects. These include the expansion of our pharmacy association Numark (UK) as well as concepts and facilities like MediPAC, which provides a central, time-saving solution for assembling repeat prescriptions. Our established Warehouse Excellence initiative plays an important role when it comes to identifying the causes of breakage and implementing ideas for improvement with regard to avoiding risks. In fiscal year 2020/21, we also rolled out the FLANKE project, which was launched in 2019 with the aim of modernising and digitalising our logistics infrastructure and processes. Another of our priorities is to invest in infrastructure and automation in order to further raise efficiency and productivity. You can find more information about this in our » [2020/21 Annual Report](#).

### Development of digital skills

Strengthening the digital expertise of the PHOENIX group is an important element of the company-wide strategic agenda and a goal pursued via various initiatives. The aims are to optimise existing workflows by taking a data-driven approach and pave the way for innovative business models by analysing customer needs more effectively. The Digital Transformation & Enablement department is responsible for implementing corresponding measures. The new IT & Digital division was also established on the Executive Board at the start of 2021.

A further priority of the PHOENIX group is to strengthen its digital channels to end customers and patients. In Germany, for example, the company is cooperating with partners to develop the health portal "gesund.de". The PHOENIX group's digital platform is being prepared for the introduction of the e-prescription in Germany and will also offer a wide range of healthcare services. You can find more information about the digital expertise of the PHOENIX group and its priorities in our » [2020/21 Annual Report](#).

## SUSTAINABILITY MANAGEMENT

The PHOENIX group has defined a shared understanding of sustainability, which we use to set out what responsible business and sustainable company management mean for us. We implement many sustainability topics at a local level due to varying conditions in the European markets.

### The PHOENIX group's understanding of sustainability

The PHOENIX group is committed to supporting the worldwide Sustainable Development Goals set by the United Nations. This applies to all divisions of the company and to each of the countries in which we operate. As one of Europe's leading healthcare providers and a family business that takes a long-term approach, we want to make a significant contribution towards building a healthy future with a good quality of life.

Our action to support sustainability stems from our corporate mission and our values, through which we are actively committed to being the best integrated healthcare provider. We confront the major challenges and issues of the day, whether the subject is digitalisation or climate change. We aim for growth that creates value – both for our company and for society. In particular, we can – and we want to – contribute to the health and well-being of the people of Europe by developing sustainable logistics concepts, using resources sparingly, providing good, safe working conditions, and supporting our employees.

In our day-to-day business, we take care to integrate sustainability into our processes along the entire supply chain. Our actions are guided by high standards of compliance, quality, safety, and transparency. We shoulder our responsibility across all national borders in Europe.

**» As one of Europe's leading healthcare providers and a family business that takes a long-term approach, we want to make a significant contribution towards building a healthy future with a good quality of life. «**

### Supporting the Sustainable Development Goals

In 2015, the international community adopted a plan for sustainable development in the 2030 Agenda. The 17 Sustainable Development Goals (SDGs) it contains take equal account of all three aspects of sustainability: society, environment, and economy. The PHOENIX group is committed to supporting these worldwide goals. The most significant impacts made by the PHOENIX group primarily relate to goals 3 (Good Health and Well-Being), 8 (Decent Work and Economic Growth), and 12 (Responsible Production and Consumption).

To measure its contribution towards achieving these three prioritised SDGs, the PHOENIX group initiated an impact process in 2019, which had to be postponed due to the coronavirus pandemic. We plan to resume this project in 2021.

### Establishing sustainability at the heart of our organisation and processes

We aim to integrate sustainability considerations into all relevant processes within the PHOENIX group. This also applies to the activities of all our subsidiaries, to newly acquired companies, and to our relationships with our stakeholders. In this way, we make it clear that corporate success and social responsibility go hand in hand.

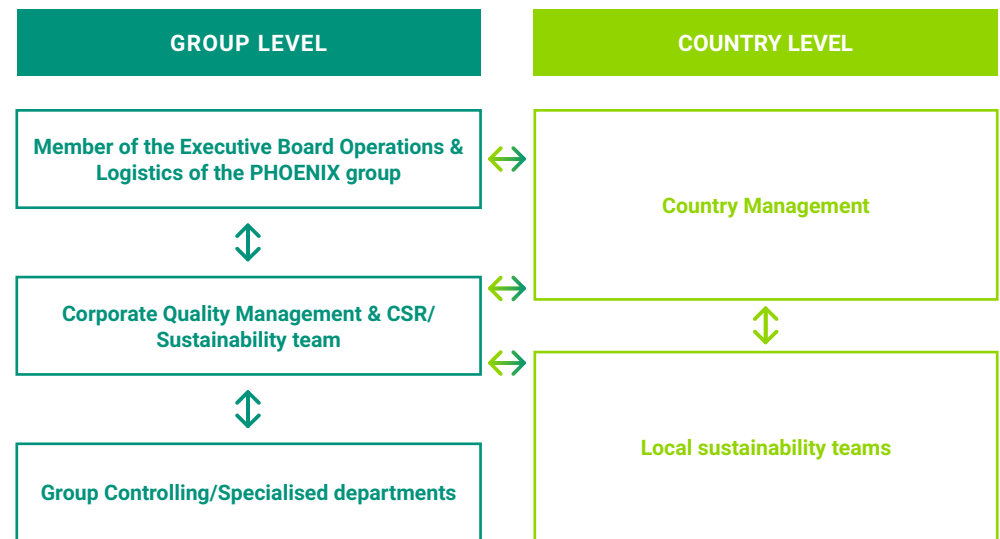
The Member of the PHOENIX group Executive Board for Operations & Logistics assumes the overall responsibility for sustainability. The PHOENIX group's sustainability team is established within the Quality Management department. It coordinates with the Member of the PHOENIX group Executive Board for Operations & Logistics and acts as the central point of contact for all sustainability issues in the PHOENIX group by communicating with specialist departments.

With regard to sustainability, we have a group-wide management structure. Given the varying conditions in the European markets, we remain true to our principle of handling many sustainability topics at a local level. For example, our subsidiary in Finland had already developed its own sustainability strategy in 2019. Our Norwegian subsidiary also wants sustainability to play a greater role within its future strategy. By taking these steps, the companies are responding to regional requirements and contributing towards the PHOENIX group's overall sustainability strategy. Non-financial data is collected by local sustainability representatives in the subsidiaries – an activity that is coordinated by the central sustainability team.

We continue to take a centralised approach to group-wide projects such as the introduction of environmentally responsible carrier bags in PHOENIX group pharmacies and talent management for the whole of Europe. In order to promote knowledge sharing across the company, the formation of networks, and the exchange of best practices, the sustainability representatives meet regularly to discuss all overarching issues.

The sustainability framework put into effect by the PHOENIX group in 2019 supports its subsidiaries as they implement the group's sustainability management system. This framework defines aspects such as the responsibilities, roles, and tasks associated with the implementation of the sustainability management system. It also provides an overview of the activities taking place within the company as part of the sustainability programme in terms of dialogue with stakeholders, guidelines, and reporting.

### SUSTAINABILITY ORGANISATION





## Material topics

GRI 102-42, GRI 102-43, GRI 102-44, GRI 102-46, GRI 102-47, GRI 102-49

We regularly perform a materiality analysis in line with the requirements of the GRI Standards by the Global Reporting Initiative. In February 2021, the topics defined in 2018 were reassessed by the sustainability representatives in the individual countries in dialogue with various specialist departments, and the materiality matrix was adjusted accordingly. The topics were evaluated in terms of their importance to stakeholders and with respect to the economic, environmental, and social impacts of our business activities.

We have assigned the topics identified as material to the corresponding GRI Standards on which the PHOENIX group reports. Our areas of responsibility have again this year provided the basic structure of our report in the form of chapters:

- **Value creation for customers and the company**

Key to our value creation are compliance with laws and standards, responsible production of our category brands, responsible and ethical supply chains, the safety of our products, access to quality medicines and healthcare, and customer satisfaction.

- **Environmental protection**

We are able to make a considerable contribution towards environmental protection by ensuring our buildings are energy efficient and making sure our transport logistics are as clean as possible. We accurately record the greenhouse gas (GHG) emissions that we produce and work to reduce them by optimising route planning and using alternative drive systems. We also regard optimising our use of resources and minimising pharmaceutical waste as part of our responsibility towards the environment.

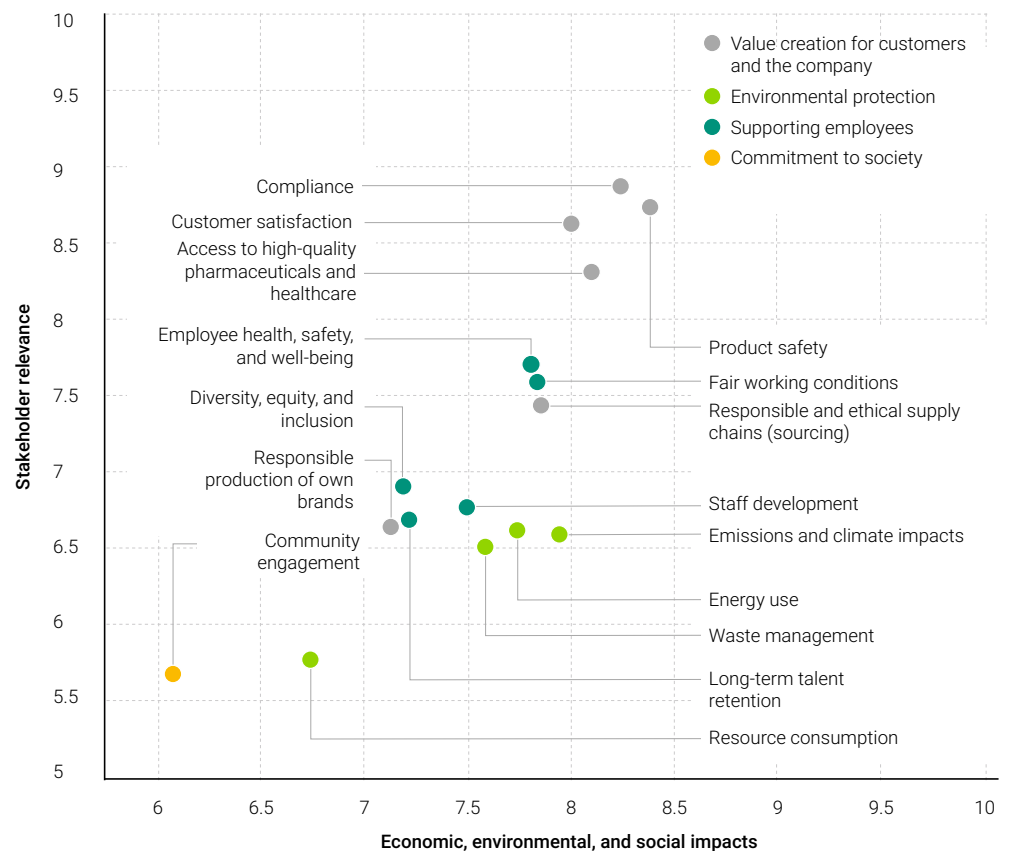
- **Supporting employees**

It is our aim to create an attractive and safe work environment for all our employees. This is the only way we can retain talented people in our company in the long term. To this end, we invest in their further training and development. In addition, our measures focus on promoting diversity, equality, and inclusion; providing fair working conditions in the company; and ensuring the health, safety, and well-being of our employees.

- **Commitment to society**

We have brought together our social commitment measures under the motto “Together for a healthy future for children”. Our action is primarily focused on the health of children and on supporting pharmaceutical research. We strictly adhere to the relevant laws and standards, our anti-corruption guidelines, and the applicable guidance on donation and sponsorship requests.

## MATERIAL TOPICS FOR PHOENIX SUSTAINABILITY MANAGEMENT BY AREAS OF RESPONSIBILITY



### Definition of group-wide strategy

We want to be able to measure the contribution that we as a company make towards sustainable development. Only in this way can we increase the positive impact of our business activities and decrease our negative impact. That is why the PHOENIX group is currently working on a company-wide strategy in its areas of responsibility as well as on practical measures to achieve it. On the subject of value creation, we want to integrate sustainability into our entire supply chain. With respect to our responsibility for employees, the focus is on promoting healthy working conditions and a culture of respectful cooperation, and when it comes to the environment, we want to reduce the negative environmental impact of our business activities. We have brought together our social commitment measures under the motto "Together for a healthy future for children". We want to use our established group-wide sustainability management system not only to document the degree to which the targets are being met, but also to specify the country-specific objectives for which the subsidiaries are responsible.

### Dialogue with stakeholders

GRI 102-40, GRI 102-42, GRI 102-43

We value our cooperative dialogue with our stakeholders, who are a source of vital inspiration for our sustainability strategy. We ascertain their expectations through regular stakeholder surveys. Our most recent Europe-wide survey of our employees, suppliers, customers, subcontractors, and other business partners was conducted in 2018 and gathered responses from more than 3,000 people.

The PHOENIX group's Sustainability team is in constant communication with employees on various sustainability issues via the Speakap employee app. We also run training sessions for our employees to raise awareness about saving energy, preventing and separating waste, and biodiversity.

Moreover, the PHOENIX group works to promote sustainability through its membership of the German Association of Pharmaceutical Full-line Wholesalers (PHAGRO) and of GIRP, the European Healthcare Distribution Association at European level. Together with other member companies, we participate in corresponding working groups to develop responses and measures to address the challenges the industry faces in terms of protecting the climate. This is because Germany's Climate Action Programme and the European Green Deal are expected to give rise to political pressure for the pharmaceutical wholesale trade to take action to reduce emissions. In the reporting year, as a member of PHAGRO, we played a leading role in calculating the overall climate footprint of German pharmaceutical traders.

### STAKEHOLDER MANAGEMENT

#### INVOLVEMENT OF THE PHARMACEUTICAL INDUSTRY

- Regular communication with customer representatives
- Cooperation with associations
- Management meetings about business development
- Customer satisfaction survey

#### TOPICS

- Responsible and ethical supply chains
- Product responsibility
- Emissions and climate impacts

#### INVOLVEMENT OF EMPLOYEES AND MANAGEMENT

- Regular meetings with employee representatives
- Communication and information on key issues via internal social platform/ intranet, employee events, notices
- Exchange via "Speakap"
- Initiatives and projects in distribution centres and pharmacies

#### TOPICS

- Promoting health and safety in the workplace
- Compliance
- Emissions and climate impacts
- Community engagement



#### INVOLVEMENT OF BUSINESS PARTNERS AND SUBCONTRACTORS

- Regular meetings
- Joint initiatives and projects

#### TOPICS

- Product safety
- Secure processing of customer data
- Emissions and climate impacts

#### INVOLVEMENT OF PHARMACIES AND HOSPITALS

- Regular communication with customer representatives
- Cooperation with associations
- Customer satisfaction surveys

#### TOPICS

- Product safety
- Compliance
- Resource consumption, waste management, circular economy



# VALUE CREATION FOR CUSTOMERS AND THE COMPANY

**The success of the PHOENIX group is founded on responsible and lawful conduct. We expect our service providers to act the same way. As a healthcare provider, ensuring the quality of products along the entire supply chain is our highest priority. It is critical that we maintain regular communication and measure customer satisfaction in order to identify new developments and requirements at an early stage.**

## COMPLIANCE

Responsible and compliant conduct forms a vital cornerstone of the PHOENIX group's corporate culture and is crucial to our long-term success. Our internal compliance guidelines provide the framework for this and have been updated in fiscal year 2019/20. Our key measures include empowering our employees to act lawfully and with integrity as well as optimising our business processes in order to permanently reduce compliance risks. To achieve this, the PHOENIX group has established a group-wide compliance organisation, complete with the necessary processes, and has appointed local compliance managers in all countries.

### The compliance system rests on five pillars:

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

The standards for a relationship with our colleagues, customers, suppliers, and competitors that is based on trust are laid out in our compliance guidelines and » [Code of Conduct](#). With the full support of its Executive Board, the PHOENIX group pursues a zero-tolerance policy in the event of violations of these values and rules or guidelines.

Three standard operating procedures (SOPs) in the » [Anti-Corruption](#) field were introduced in fiscal year 2019/20 to provide all employees with guidance on the subjects of gifts, donations, grants, and sponsorship as well as third-party management. By adopting the sanctions compliance guidelines, the PHOENIX group has made a commitment – to the best of its knowledge – not to conduct any transactions with persons or organisations appearing on sanctions lists held by the EU, France, the Netherlands, Switzerland, the United Kingdom, the United Nations (UN), or the United States. An automated solution checks all business partners against a total of 11 sanctions lists.

Group Compliance conducts regular self-assessments and risk assessments to ensure that the compliance management system is implemented and emerging risks can be quickly identified. More details are available on our » [Website](#).

### Training employees

Potential risks or violations can be reported using our external, web-based whistle-blower system. This can be done anonymously, if required. By steadily pressing ahead with the communication of compliance information, we also aim to build greater awareness of the whistle-blower system. For that reason, we adopted a compliance communication concept in 2019, which was implemented in 2020 and is subject to ongoing development. To communicate the contents of the compliance system and to ensure all employees behave lawfully, we run regular training sessions across the group in the form of e-learning. Staff in the so-called focus groups (for example, those who are in particularly close contact with customers or suppliers or have the authority to make business deals as well as all managers) additionally receive in-person training on compliance. At the end of fiscal year 2020/21, a total of 13,575 employees (previous year: 11,737) had been trained via compliance e-learning and 4,286 (previous year: 2,964) via in-person compliance training. Due to restrictions resulting from the coronavirus pandemic, in-person training largely also took place virtually in reporting year 2020/21.

**» The standards for a relationship with our colleagues, customers, suppliers, and competitors that is based on trust are laid out in our Code of Conduct. «**

### Focusing on data protection

It is important to the PHOENIX group that we handle the data belonging to customers, business partners, and employees in accordance with the law and in a trustworthy manner. The PHOENIX group has a group-wide data protection organisation. The company division Corporate Data Protection is the central point of contact for all data protection matters affecting the group. The Corporate Data Protection division was further expanded during fiscal year 2020/21 to strengthen the PHOENIX group's data protection organisation and ensure that the targets relating to data protection law are implemented as effectively as possible across the group. In addition to the Head of Corporate Data Protection, the division now has a National Data Protection Manager (who looks after the German organisation and the group's German subsidiaries) and a Junior Data Protection Manager (who supports the Head of Corporate Data Protection at group level and with regard to cooperation with the subsidiaries outside Germany).

Within the PHOENIX group, all subsidiaries inside and outside Germany also have officially appointed data protection officers and/or data protection contacts who are responsible for advising the organisation and the workforce on data protection issues and for monitoring compliance with data protection legislation.

The new group data protection guidelines entered into force on 1 February 2021. They apply to all employees and are intended to ensure that any processing of personal data is carried out exclusively in accordance with the applicable provisions of data protection law and in compliance with the obligations and principles of the General Data Protection Regulation (GDPR). The reporting and management of data breaches are also laid down and regulated in detail in the guidelines.

Plans to establish a data protection management tool for the whole of the PHOENIX group during fiscal year 2020/21 had to be postponed for organisational reasons, but the project is expected to be completed in the second quarter of the current fiscal year.

At the end of January 2021, Corporate Data Protection organised a group-wide awareness campaign to mark European Data Protection Day for a second consecutive year. The main purpose of the initiative was to make our employees aware that data protection compliance creates added value for all companies and is vital to the success of the PHOENIX group as well. The key points of the PHOENIX group's new data protection guidelines were also presented as part of the campaign.

A web-based tool for reporting data breaches is in operation. A growing number of data protection incidents were recorded in reporting year 2020/21 in comparison with the previous fiscal year. However, none of the reported incidents had an international impact and not all of these data breaches needed to be reported to the supervisory authority. Rather, the increasing number of reported data protection incidents can be attributed to the fact that the awareness campaign by Corporate Data Protection has led to a growing awareness of data protection issues among employees.

## SUPPLY CHAIN

In the PHOENIX group, the procurement of trade goods and non-trade goods is organised at a local level. The Corporate General Procurement department is responsible for many cross-border matters relating to non-trade goods, such as software licences and office materials. The subsidiaries also have their own purchasing departments and staff.

In Germany, the Purchasing department at PHOENIX Pharmahandel GmbH is responsible for the procurement of trade goods. The General Procurement Germany department has control over the purchasing of non-trade goods such as capital goods and services. Its remit also includes risk prevention along the entire supply chain for goods procured for the German sites. We maintain positive and trusting relationships, especially with our direct suppliers.

PHOENIX UK carries out a due diligence check on all new suppliers, which also takes sustainability concerns into consideration. In addition, PHOENIX UK publishes an annual modern slavery and human trafficking statement in compliance with the » [United Kingdom's Modern Slavery Act](#).

The PHOENIX group expects its partners along the supply chain to act responsibly and in accordance with the law. To this end, we have drawn up our own Supplier Code of Conduct for the procurement of indirect goods. We require our suppliers, above all the relevant top suppliers in all countries, to comply with environmental and social standards. Our business partners must commit to ensuring occupational health and safety for their employees, to combatting corruption, to making continuous improvements to their environmental footprint, to guaranteeing data protection, and to observing relevant social, ethical, and environmental standards, as well as encouraging the same from their suppliers. We reserve the right to verify whether or not the » [Supplier Code of Conduct](#) is being observed.

In fiscal year 2020/21, the material groups covering transport, consultancy, buildings, and maintenance and facility management services made up the greatest proportion of indirect procurement volumes.

## Commitment to uphold human rights

The respect of human rights is something the PHOENIX group takes very seriously. We follow the principles of the United Nations' Universal Declaration of Human Rights and expect the same of our partners along the entire supply chain. Our » [Supplier Code of Conduct](#) includes a ban on child and forced or compulsory labour and discrimination in addition to the rights to fair pay and freedom of association. Possible human rights violations can be reported anonymously by internal and external parties via the group-wide compliance whistle-blower system. Any such reports will be systematically investigated. Violations by third parties may result in the termination of contracts, the matter being reported to regulatory authorities and/or the police, and the affected PHOENIX group company taking civil action against the offending party, where appropriate. In the reporting year, there were no reports of violations of this kind.

For fiscal year 2021/22, PHOENIX also plans to publish a policy statement on human rights and to commit to strengthening human rights along the entire supply chain.

## QUALITY MANAGEMENT

A safe and reliable supply of medicines is only possible with impeccable quality in the supply chain. This extends from product storage in accordance with regulations as well as accurate deliveries to pharmacies and hospitals through to the optimal availability of medicines for consumers. All PHOENIX group companies abide by the guidelines for good distribution practice (GDP) as published by the EU. Our quality assurance systems are monitored by means of internal audits and official inspections by external bodies. The PHOENIX group's quality management system is risk-based and process-oriented in accordance with DIN EN ISO 9001. Ninety per cent of the companies belonging to the PHOENIX group are currently certified in line with this standard.

The PHOENIX group duly implements the applicable legal requirements of EU Directive 2011/62/EU, which entered into force in February 2019 and seeks to combat the falsification of medicines. All prescription-only medicines which are placed on the market must now bear a unique identifier in the form of a two-dimensional barcode. Medicine packaging also needs to feature a seal to prevent tampering.

Our solution hinges on the PHOENIX FMD Cloud, which is a flexible, reliable, and cost-effective method for our partners. Our goal is to further improve the efficiency and security of the supply chain in terms of product quality and patient safety. The processes and measures needed to implement the new Medical Devices Regulation 2017/745, which entered into force on 26 May 2021, were integrated into our working practices within the prescribed time.

## LOGISTICS SOLUTIONS

By using transmed Transport GmbH's Track & Trace system, we are able to monitor transported items in real time and at any given moment. The system offers advantages both for the PHOENIX group and for its partners. It is now very rare that transport containers are mixed up, forgotten, or incorrect. In addition, delays can be dealt with, the underlying causes eliminated, and transparency in logistics increased. Track & Trace solutions are already in use in countries such as Austria, Germany, Hungary, the Netherlands, Sweden, Switzerland, and the United Kingdom. Plans are underway to introduce these systems in further PHOENIX subsidiaries.

The transmed GDP Solutions service includes GDP-compliant transport solutions for the direct, on-time distribution of pharmaceutical products from manufacturers to pharmacies, clinics, and doctors' surgeries. By using specially insulated and climate-controlled vehicles, we make sure that transportation does not adversely affect the quality of temperature-sensitive medicines. In Germany, the majority of deliveries arranged by transmed GDP Solutions are already made using such vehicles.

In Switzerland, the fleet has been entirely switched over to vehicles with active temperature-control systems. Transportation is GDP-compliant not only in the Netherlands but also in Serbia, Slovakia, Denmark, and Bulgaria. The number of transport vehicles in the United Kingdom fitted with temperature monitoring systems is gradually being increased. In Estonia, the process of equipping our new vehicles with a GPS-based temperature alarm system is ongoing.

## CUSTOMER SATISFACTION

Our vision is to be the best integrated healthcare provider – wherever we are. For us, this means providing each customer group with the best possible products and services along the entire pharmaceutical supply chain. In doing so, we put the satisfaction of our customers at the heart of our activities. We keep in constant contact with our customers in order to respond promptly to new developments and requirements. This process also involves conducting regular customer satisfaction surveys in all of the countries in which we are represented in the wholesale sector. In doing so, we obtain important insights with regard to potential opportunities for improvement – and gain valuable customer retention ideas.

Each national survey is carried out in a two-year cycle. In the past year, surveys took place in Austria, Switzerland, Croatia, Germany, and – for the first time – Romania. Of course, the results vary considerably from country to country. However, this allows us as a company to learn what customers currently regard as the main topics in their respective countries and where they would like to see corresponding optimisations. Compared across Europe, our subsidiaries in Croatia, Serbia, and Denmark continued to perform the best in terms of customer satisfaction. Generally, our regular surveys reveal that the proportion of extremely or very satisfied PHOENIX group customers is high, as is the loyalty of our customers in the wholesale segment.

After the results have been presented, it is important to work with the insights that have been gained. For this purpose, the staff responsible for these areas from the individual countries draw up an action plan within the framework of a so-called follow-up process. This plan is then implemented until the next study and followed up within the relevant subsidiary.



# ENVIRONMENTAL PROTECTION

**Climate change and the increasing consumption of natural resources are among the greatest global challenges. The PHOENIX group acknowledges its environmental responsibilities and wants to minimise the impact of its corporate processes. At the same time, we are focusing on the areas of activity where we can make the most difference – including reducing pharmaceutical waste and saving energy. In around one-third of our subsidiaries, environmental management is carried out via a management system that complies with ISO 14001.**

## ENERGY CONSUMPTION

The core business of the PHOENIX group consists of storing and transporting medicines – activities that involve the consumption of electricity and fuel, resulting in the emission of greenhouse gases. With 161 distribution centres across Europe, the PHOENIX group regards efficient building technology as one of the best ways of achieving energy savings and a reduction in GHG emissions. When planning and realising projects for new constructions or refurbishments, we follow regional and country-specific efficiency standards as well as internationally applicable norms and guidelines.

Four of our subsidiaries operate an energy management system compliant with ISO 50001. Other subsidiaries perform energy audits. We account for our energy consumption via an energy monitoring system and record our emissions in the PHOENIX group's carbon footprint analysis. For the operation of our buildings, we use a temperature monitoring system

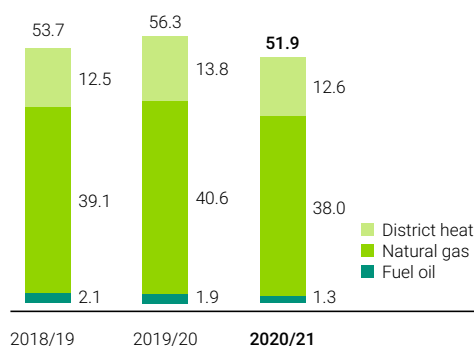
### Saving energy through state-of-the-art technology

The subsidiaries of the PHOENIX group across Europe have introduced various energy-saving measures, including the ongoing LED modernisation project, the optimisation and automated control of heating and air-conditioning systems, and the upgrade of roof surfaces for energy production. For example, by using smart heat (and cold) recovery technology in the ventilation system, the energy consumed by the air conditioning in the modernised canteen in Mannheim, Germany, has been reduced by up to 70 per cent. At the PHOENIX group headquarters in Mannheim, in many distribution centres using LED lighting, and in subsidiaries such as those in Latvia and Poland, automatic lighting control generates savings. In Norway and Lithuania, our pharmacy brands purchase green electricity, while our subsidiaries in the Netherlands, the Czech Republic, and the United Kingdom have installed solar panels on some of their roofs.

The PHOENIX group is tapping into areas of savings potential in its operational processes, too, by investing in technological innovations. In 2020, for example, our German distribution centres in Berlin and Bielefeld were switched over to efficient, energy-saving air compressors, cutting energy consumption by 89,680 kWh per year between the two sites. This modernisation step also allows the waste heat that is generated to be fed into the heating systems of buildings and facilities. In the Munich depot, a cold room using state-of-the-art cooling technology and more environmentally friendly refrigerant is generating energy savings.

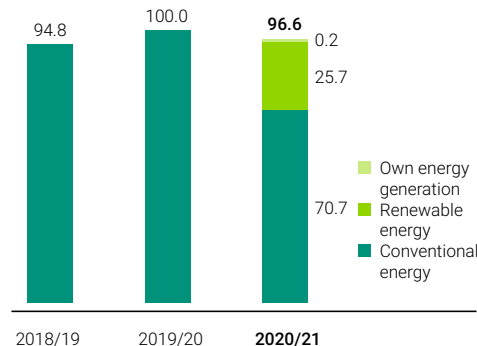
**HEATING ENERGY REQUIREMENT BY INTERNAL AREA AND ENERGY SOURCE**

in kWh/m<sup>2</sup>



**ELECTRICITY CONSUMPTION BY INTERNAL AREA AND GENERATION TYPE<sup>1)</sup>**

in kWh/m<sup>2</sup>



<sup>1)</sup> The percentages of electricity from renewable sources and own generation were collected for the first time in reporting year 2020/21.

The subsidiaries of the PHOENIX group largely use natural gas and district heating to meet their heating requirements. Overall, specific heating energy consumption dropped by around 7.8 per cent in the course of the year (previous year: + 4.8 per cent). Specific consumption of natural gas has declined continuously in 13 countries but increased in 6. Specific natural gas consumption fell by 6.4 per cent overall (previous year: + 3.8 per cent). This is attributable to energy optimisation measures and the switch from natural gas to district heating in the Czech Republic. In some countries, the mild winter contributed to a decline in the absolute and specific consumption figures for all sources of heating energy. The installation of a heat pump has meant that our Austrian subsidiary was able to disconnect from the heating network completely two years ago.

In the reporting year, the effect of energy-efficiency measures was evident in 15 subsidiaries (previous year: 14), where electricity consumption per square metre has dropped. However, despite the increase in nine countries (previous year: ten), electricity consumption per square metre has declined overall by 3.4 per cent (previous year: + 5.5 per cent). One reason for this was the rise in employees working from home due to the coronavirus pandemic.

**TRANSPORT SERVICES**

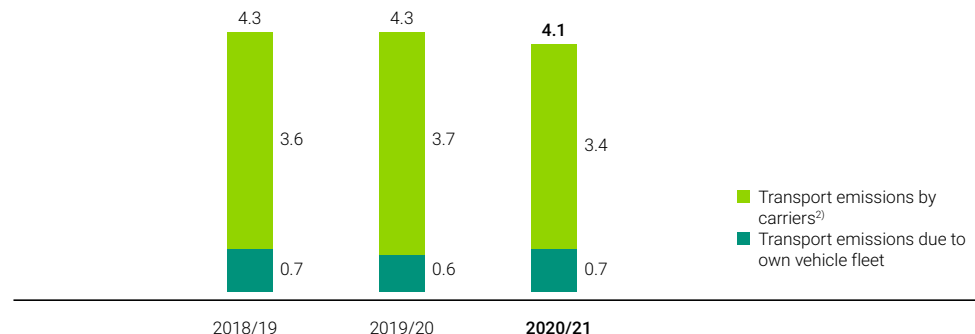
The PHOENIX group aims to continually reduce the GHG emissions caused by transport. An efficient and eco-friendly logistics system is built on the foundations of our modern vehicle fleet, a transparent database, and a resource-efficient driving style.

In the reporting year, our subsidiary transmed, with companies in Austria, Bosnia and Herzegovina, the Czech Republic, Germany, Serbia, Slovakia, and Switzerland, covered a distance of over 180 million kilometres (previous year: 180 million kilometres). The majority of the PHOENIX group's deliveries are performed by carriers engaged by transmed and other organisations. The remaining trips are carried out by the vehicle fleets run by the individual subsidiaries.

Compared with the previous year, transport emissions by carriers declined, whereas emissions by the company's own vehicle fleet experienced a slight rise. This is due to the fact that, in the United Kingdom, deliveries previously made by carriers are now carried out using the company's own vehicles. This fleet has also been expanded, and some of the vans used in the past have been replaced by refrigerated vehicles that produce more emissions.

**TRANSPORT EMISSIONS BY REVENUE, DIVIDED BETWEEN COMPANY AND THIRD-PARTY TRANSPORT<sup>1)</sup>**

in t CO<sub>2</sub>e /€ million



<sup>1)</sup> Individual values for 2018/19 were corrected retrospectively. These values therefore differ from those published in the 2018/19 report.  
<sup>2)</sup> Transport emissions by carriers excluding Norway.



**Saving fuel**

Short vehicle terms of 30 months on average allow transmed to run a modern, fuel-efficient fleet. The company maintains a detailed overview of its vehicles' features. This means it can analyse the annual mileage per branch, information about vehicle categories and models, and the fuel types used. When purchasing new vehicles, transmed ensures that they comply with current pollutant standards.

Many subsidiaries train their drivers to drive in a fuel-efficient manner, e.g. Denmark, Estonia, France and Great Britain. In order to optimise route planning by taking environmental considerations into account, we implemented the KLEEBLATT (Cloverleaf) project in Germany. Optimising existing routes helps to reduce the number of kilometres driven and the amount of fuel consumed, resulting in lower emissions and transport costs. In total, taking this action has cut driving distances by around 2.2 million kilometres. By optimising route planning, we have saved around 750 tonnes of CO<sub>2</sub> equivalents. Our subsidiaries are also testing alternative drive systems. For example, an electric delivery van has been in use in Sweden since September 2020, an eSprinter panel van is being tested in Germany, and a delivery trial using cargo bikes is underway in the Netherlands.

» **As part of our KLEEBLATT project, we have optimised route planning by taking environmental considerations into account.** «

**GREENHOUSE GAS FOOTPRINT**

In calculating our greenhouse gas footprint, we are guided by the classification system established by the Greenhouse Gas Protocol (GHG Protocol), which requires companies to take various emissions into account. Of these, we have identified the following as being material for the PHOENIX group:

**Coverage of Scopes 1 to 3**

Scope	Definition	GHG Protocol categories taken into account
Scope 1	Direct emissions from the company's own combustion processes (stationary and mobile equipment)	<ul style="list-style-type: none"> <li>• Heating (fuel oil, natural gas)</li> <li>• Transport (company vehicle fleet)</li> <li>• Company cars</li> <li>• Refrigerant</li> </ul>
Scope 2	Indirect emissions from the purchase of grid-bound energy	<ul style="list-style-type: none"> <li>• Heating (district heating)</li> <li>• Electricity</li> </ul>
Scope 3	Other indirect emissions	<ul style="list-style-type: none"> <li>• Transport by carriers</li> </ul>

**EMISSIONS BY SCOPE**



Scope		t CO <sub>2</sub> e	%
■ Scope 1	Fuel oil	593	0.3
	Natural gas	13,252	6.4
	Company vehicle fleet	20,969	10.2
	Company cars <sup>1)</sup>	7,551	3.7
	Refrigerants	7,854	3.8
	<b>Total</b>	<b>50,219</b>	<b>24.4</b>
■ Scope 2	Electricity	58,755	28.5
	District heat	4,042	2.0
	<b>Total</b>	<b>62,797</b>	<b>30.5</b>
■ Scope 3	Transports by carriers <sup>1)</sup>	<b>92,913</b>	<b>45.1</b>
<b>Total (Scope 1 to 3)</b>		<b>205,929</b>	<b>100</b>

<sup>1)</sup> Excluding emissions from Norway.

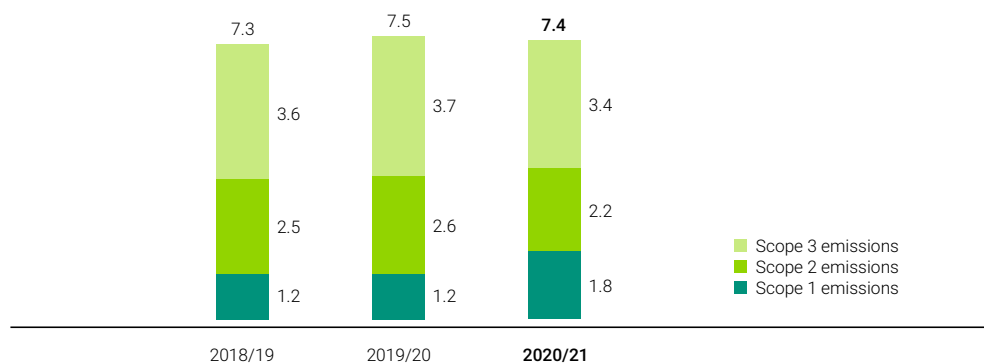
As is generally the case in the wholesale trade, the transport of our goods accounts for a significant proportion of our emissions. In accordance with the GHG Protocol, we assign the CO<sub>2</sub> emitted by the vehicle fleet owned by PHOENIX to our Scope 1 emissions. This figure amounted to 10.2 per cent of our total emissions in the reporting year (previous year: 8.3 per cent), whereas emissions by carriers (Scope 3) were the source of almost half of our total emissions at 45.1 per cent (previous year: 48.5 per cent). Further material sources of emissions are the heating of our business premises in Scope 1 and Scope 2 (fuel oil, natural gas, district heating) and electricity in Scope 2.

**Rise in absolute greenhouse gas emissions**

Measured against revenue, the PHOENIX group's relative GHG emissions decreased slightly by 1.3 per cent in the reporting year (previous year: + 2.7 per cent). The reduced consumption of district heating and electricity and the decline in transport journeys by carriers led to a fall in both Scope 2 and Scope 3 emissions. At the same time, Scope 1 emissions increased. This can be attributed to the fact that data collection to calculate our greenhouse gas footprint was broadened to include company cars and refrigerant in the reporting year.

**EMISSIONS BY REVENUE BY SCOPE<sup>1)</sup>**

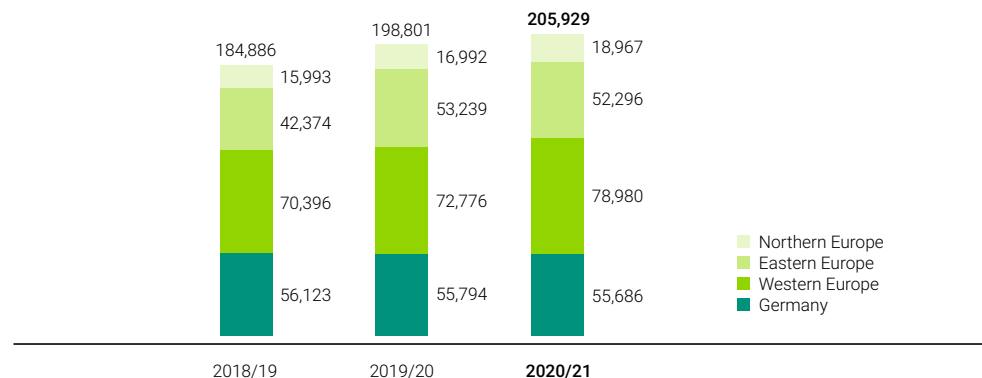
in t CO<sub>2</sub>e/€ million



<sup>1)</sup> Individual values for 2018/19 were corrected retrospectively. These values therefore differ from those published in the 2018/19 report. Emission calculations for company cars (Scope 1) and transport by carriers (Scope 3) excluding Norway.

**EMISSIONS BY REGION<sup>1)</sup>**

in t CO<sub>2</sub>e



<sup>1)</sup> Individual values of the German locations for 2018/2019 were corrected retrospectively. The value for Germany and the total value therefore differ from those published in the 2018/19 report. Emission calculations for company cars (Scope 1) and transport by carriers (Scope 3) excluding Norway.

Our absolute emissions rose by 3.6 per cent (previous year: + 7.5 per cent). Part of this rise can be explained by the widening of data collection in Scope 1 to encompass company cars and refrigerant. Nevertheless, we must intensify our efforts and measures in order to make our contribution towards achieving the objectives of the Paris Agreement.

**Transparency with regard to GHG emissions**

In order to contribute towards greater transparency in terms of the emission of greenhouse gases in the delivery process, particularly in its additional business, transmed identifies emissions along the length of the transport chain – from receipt to collection through to the last mile. When requested by its customers, transmed sends reports by e-mail that show the GHG emissions attributable to the delivery of all packages and a calculation of the average footprint per package. By doing so, the company aims to increase awareness of the harmful emissions from transport and achieve a significant reduction in the medium term.

## MATERIAL INPUTS

The PHOENIX group takes care to conserve natural resources in its administrative processes. That is why we are working steadily to reduce paper consumption by means of digitisation. For example, the German finance department ceased printing out invoices and receipts several years ago. Our Finnish subsidiary has introduced a document management system that allows all documents to be processed electronically. In Sweden and other subsidiaries, a similar system is in place for contracts. We have launched Europe-wide projects involving the electronic transmission of batch information and, in cooperation with manufacturers, we also aim to accelerate the digitalisation of processes.

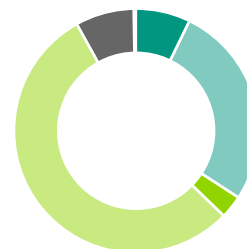
Moreover, the PHOENIX group uses the travel expenses program WinTrip throughout the company, thus facilitating a paperless process. To conserve resources, office printers and copiers in our German sites as well as in many other countries are generally set to print double-sided and in black and white.

### More environmentally responsible packaging and shopping bags

We use FSC-certified packaging for our category brand products in the Retail business area, to the extent that this is possible for particular products. Individual subsidiaries have introduced additional measures aimed at conserving resources too. For example, our pharmacies in the Netherlands use recyclable packaging material.

We are also switching to alternatives to conventional plastic when it comes to carrier bags. Of the approximately 33 million carrier bags used in our pharmacies, 10.5 per cent are made of recycled paper or plastic. Furthermore, 82.4 per cent of the paper carrier bags not made of recycled material (26.9 per cent of all the carrier bags in the range) bear the FSC label. Of the plastic carrier bags not made of recycled material (54.7 per cent of all the carrier bags in the range), 92.8 per cent are made of recyclable plastic. It is our goal to further increase the proportion of carrier bags made from recycled and bio-based materials. As we only began to switch over at the end of 2019, the remaining stocks must first be used up. For the next reporting year, we expect a significant increase in bio-based carrier bags.

## CARRIER BAGS BY MATERIAL



	Quantity	%
Paper	11,407,641	34.2
of which recycled	2,444,743	7.3
of which not recycled	8,962,898	26.9
Plastic	19,309,557	57.9
of which recycled	1,077,356	3.2
of which not recycled	18,232,201	54.7
Bio-based materials	2,607,894	7.8
Other materials	27,452	0.1
<b>Total</b>	<b>33,352,544</b>	<b>100</b>

To mark World Environment Day in June 2019, BENU pharmacies in Serbia and Slovakia offered their customers free carrier bags made from recycled PET bottles. On World Environment Day in the reporting year, the bags were sold for 99 cents in Slovakia. The BENU pharmacies in Latvia organised a campaign in which influencers not only advertised the eco-friendly carrier bags but also promoted an environmentally friendly lifestyle in general as well as the right way to dispose of old medicines.

We also take care to use resources efficiently in our distribution centres, for example by supplying deliveries to pharmacies in reusable plastic containers. Our depot in Cologne, Germany, has exchanged shrink-wrapping for strapping when handling palletised goods. Furthermore, we plan to gradually switch from single-use to reusable plastic bags for deliveries of anaesthetics throughout Germany.

## WASTE

One of our most important environmental protection measures is the reduction of hazardous waste, a problem associated with high costs for the PHOENIX group and with ecological risks. For our business, in addition to oil sludges and various chemicals, this above all relates to pharmaceutical waste, a key area for us. We have a legal obligation to take expired products or items with damaged packaging out of the supply chain and to properly dispose of them as hazardous waste. We record the costs of negative differences resulting from missed expiry dates and damage to packaging as a key indicator and control parameter. We also monitor the volume of waste that is produced. As well as hazardous waste, PHOENIX group processes generate non-hazardous waste. This includes organic waste, paper and cardboard, electronic waste, metal, wood, plastics, glass, and textiles; all of which we send for recycling where possible.

### Avoiding hazardous waste

To ensure that they generate as little hazardous waste as possible, the subsidiaries of the PHOENIX group 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 within the scope of quality management as well as compliance with the guidelines on good distribution practice (GDP) are crucial here. A key role is played by the training given to our employees in the distribution centres. This covers careful handling of packages, visual inspections to ensure that packaging is undamaged and the package seal for prescription medicinal products is intact, checking the expiration date, a cautious approach to cutting open boxes, and ensuring optimal temperatures during transportation and in cold storage.

We were able to reduce specific hazardous waste by 12.7 per cent in comparison with the previous year (previous year: – 10.9 per cent). The absolute amount of hazardous waste also decreased by 9.7 per cent (previous year: – 5.5 per cent). This development is due on the one hand to the measures previously mentioned. Another reason lies in the flooding of a warehouse in Italy in 2018, which meant that large quantities of medicines had to be disposed of in the years 2018 and 2019.

## HAZARDOUS WASTE BY REVENUE

kg/€ million



	2018/19	2019/20	2020/21
Pharmaceutical Waste	63.1	54.1	47.5
Oil sludges	not recorded	0.7	0.7
Other hazardous waste	1.4	2.7	2.0
<b>Total</b>	<b>64.5</b>	<b>57.5</b>	<b>50.2</b>

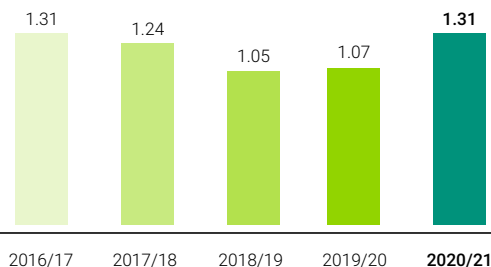
### Projects supporting pharmacy returns

Since December 2020, our Danish subsidiary Nomeco has been participating in a pilot project with the aim of reducing the incineration of pharmaceutical waste and increasing recycling. As part of the project, end consumers can hand in used injection pens at selected pharmacies, and Nomeco returns them to the manufacturer.

BENU in Latvia has run various campaigns to promote the proper disposal of old or expired medicines. At the same time, disposal points for old medicines were set up in each pharmacy. Our pharmacies in various countries take back expired pharmaceuticals.

**MINUS DIFFERENCES**

in € 1,000 revenue



We have pooled all our activities aimed at cutting minus differences in our company-wide SAFE programme. These negative differences include financial burdens that result not only from breakage and expiration but also from delivery errors, missing parts, and stock clearances. In the reporting year, the absolute costs of negative differences amounted to €36.9 million (previous year: €29.3 million), which corresponds to a specific negative difference of around €1.31 (previous year: €1.07) per €1,000 of revenue. At the same time, we negotiate with our partner suppliers in the pharmaceutical industry to obtain optimised returns conditions for items that are no longer fit for sale. The figures from the Retail division in the Netherlands were integrated for the first time. In addition, the increase in the negative differences reflects the coronavirus pandemic, which has resulted in a shift in the demand for different categories of medicines.

**Reclaiming recyclable waste**

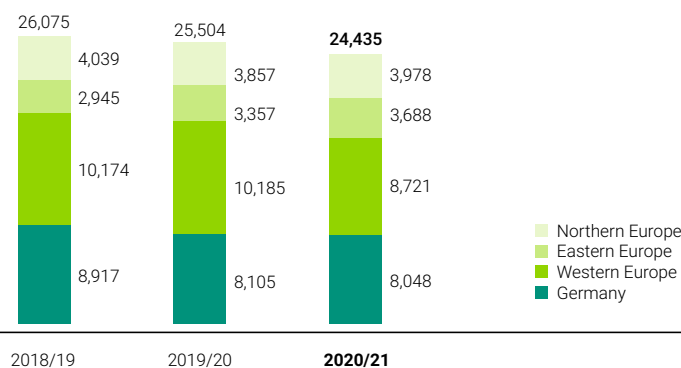
A total of 24,435 tonnes (previous year: 25,504 tonnes) of non-hazardous waste were produced in the reporting period, equating to a reduction of 4.2 per cent (previous year: – 2.1 per cent). Above all, this development can be attributed to a fall in the generation of mixed waste and organic waste. By contrast, the consumption of packaging materials has risen in some companies as a result of the coronavirus pandemic.

Most of our waste is recycled or composted. Thus, 73.1 per cent of non-hazardous waste (previous year: 68.0 per cent) re-entered the materials cycle in the reporting year. An increase in the recycling rate could be achieved. Any remaining unwanted materials, resulting, for example, from power generation and mixed waste, are disposed of in an environmentally friendly manner by specialist companies.

Legislation in Germany, such as the Commercial Waste Ordinance (GewAbfV) and the Packaging Act (VerpackG), has led to PHOENIX Germany achieving an even more impressive recycling rate. These laws require us to fully document our disposal of commercial waste.

**NON-HAZARDOUS WASTE BY REGION**

in tonnes



**NON-HAZARDOUS WASTE BY DISPOSAL METHOD**



	Tonnes	%
<b>Recycling</b>	<b>17,866.9</b>	<b>73.1</b>
Incineration with energy/heat recovery	2,061.0	8.4
Incineration without energy/heat recovery	1,725.0	7.1
Composting	411.3	1.7
Landfill	397.0	1.6
Other disposal methods	1,974.1	8.1
<b>Total (without recycling)</b>	<b>6,568.4</b>	<b>26.9</b>
<b>Total</b>	<b>24,435.3</b>	<b>100</b>



# SUPPORTING EMPLOYEES

**We can only be successful as a company by having motivated employees with the right qualifications. When competing for well-trained, skilled personnel, we want to offer our staff attractive working conditions as well as good opportunities for career growth and further training. Furthermore, open dialogue and good relations between managers and their employees are key elements of our corporate culture. A safe and healthy work environment also has a major impact on the satisfaction of our workforce.**

## EMPLOYMENT<sup>1)</sup>

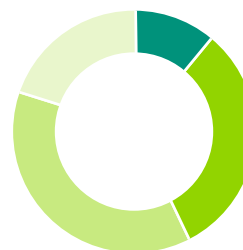
The success of our company relies on committed employees. At the same time, we face challenges, such as the shortage of skilled personnel and demographic change, to which we must find answers through a coherent personnel strategy. This is a responsibility of Corporate HR, which reports directly to the Executive Board.

In the code of conduct that applies to all employees of the PHOENIX group, we pledge to uphold the principles of equal opportunities and mutual respect. As a result, every member of staff receives the same treatment and the same opportunities in every aspect of the employment relationship. We base our employees' remuneration on their respective qualifications, professional and personal aptitude, as well as on their performance.

### PHOENIX group employees

At the end of fiscal year 2020/21, the PHOENIX group employed 39,532 employees (previous year: 39,013) within 27 countries in Europe (previous year: 27). The staffing level thus rose by 1.3 per cent in comparison with the previous year (previous year: 5.0 per cent). At 5,441 (previous year: 5,685), the

### EMPLOYEES BY REGION



	number	%
Germany	4,411	11.2
Western Europe	14,493	36.7
Eastern Europe	12,661	32.0
Northern Europe	7,967	20.1
<b>Total</b>	<b>39,532</b>	<b>100</b>

<sup>1)</sup> The employee figures stated were correct as at the reporting date of 31 January 2021 and therefore deviate slightly in some cases from the figures reported in previous years and in the annual report.

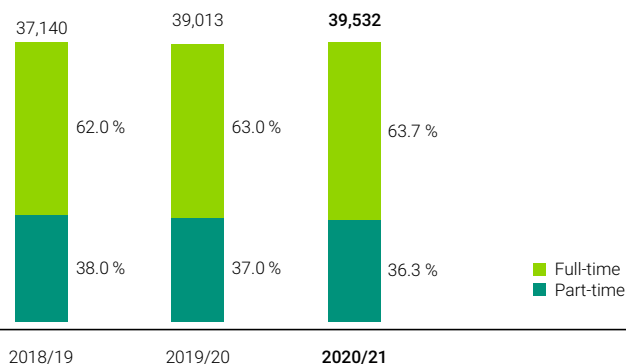
largest number of employees is registered in the United Kingdom, followed by the Netherlands at 5,079 (previous year: 5,084), Norway at 4,420 (previous year: 4,435), and Germany at 4,411 (previous year: 4,404).

The proportion of female staff employed by the PHOENIX group was around 70.4 per cent in the reporting year (previous year: 70.9 per cent). Of these female employees, 16,011 (previous year: 15,445) were in full-time positions, whereas the number of men in full-time employment was 9,182 (previous year: 9,118). The total number of fulltime equivalents has increased by 1.7 per cent (previous year: 6.7 per cent) to 33,206 (previous year: 32,652). Part-time positions were occupied by 2,513 male PHOENIX employees (previous year: 2,219) and 11,826 female staff (previous year: 12,231). The proportion of employees working part-time thus amounted to 36.3 per cent (previous year: 37.0 per cent). A general works agreement on the integration of severely disabled people has been in place for PHOENIX Germany since 2011.

At the end of the 2020/21 reporting year, the top management team representing all PHOENIX companies was composed of a total of 13 women (previous year: 13) and 71 men (previous year: 95), which puts the proportion of women at 15.5 per cent (previous year: 12.0 per cent)<sup>1)</sup>. The Executive Board of the PHOENIX group consists of six people, six of whom were men.

**EMPLOYEES BY EMPLOYMENT LEVEL**

as at 31 January



<sup>1)</sup> The term "top management" refers to the Corporate Directors; the Managing Directors of the subsidiaries ADG, transmed, and PXG Pharma; the Managing Directors in each country; and the Finance, Retail, Logistics, and Sales Directors, who each report to the Managing Director of their respective country.

**TRAINING AND DEVELOPMENT**

With particular regard to the increasing shortage of skilled personnel, we believe it is important to motivate our employees and strengthen their connection to our company. We attach great importance to recognising their potential and systematically developing their abilities. To achieve this, we use an efficient and comprehensive system of further training in all countries, which allows our staff to enhance their professional skills and breathe new life into their personal development. In the 2020/21 reporting year, employees and managers in Germany participated in a total of 23 educational activities (previous year: 95). The reason for the reduced figure lies in the coronavirus restrictions, with the remaining further training generally taking place online.

We run induction programmes and training courses for our staff to suit their particular area of responsibility. For our employees in the distribution centres, training in good distribution practice (GDP) for medicinal products for human use is mandatory. We also give all our staff training on our Code of Conduct, anti-corruption guidelines, and competition compliance guidelines, as well as on data protection. In addition, our employees receive regular further training in occupational health and safety. Furthermore, we offer specific opportunities for professional development depending on an employee's area of activity, ranging from foreign languages to IT and personnel management. Due to restrictions on contact during the coronavirus pandemic in the 2020/21 reporting year, we mainly used e-learning systems, with which our employees were able to undertake efficient, independent training on a variety of topics.

One element of staff development at the PHOENIX group is the annual employee review. These reviews may be organized differently in the various subsidiaries, but structured feedback and support for professional development is common to all.

### Development programmes for managers

The PHOENIX group endeavours to fill management positions primarily from within the company. We offer talented managers at different levels appropriate international development programmes for the various management levels. These programmes focus on the ongoing development of leadership skills, the promotion of a culture of cooperation across national borders and functions, networking among managers, and group-wide knowledge sharing.

As part of the development initiatives organised by PHOENIX Germany, employees are called upon to help shape the PHOENIX corporate culture. Managers and talented individuals work independently and without supervision on future issues that are or will be of relevance to PHOENIX. Networking among employees has a major role to play here.

### Apprenticeships and dual study programmes

The PHOENIX group offers young people a wide range of ways in which to start their careers, including work experience placements, apprenticeships, and dual study programmes. We regularly participate in various different careers and degree information events as well as apprenticeship fairs in order to make interested applicants aware of our company. In fiscal year 2020/21, the PHOENIX group employed 107 apprentices (previous year: 109) and 13 students on dual programmes (previous year: 14) at its German subgroup. Dual study degrees give students the opportunity to complete part of their training at one of our subsidiaries.

## DIALOGUE AND COMMUNICATION

Being seen as an attractive employer – in other words, the internal and external perception of the PHOENIX group as an employer – is an important prerequisite for the long-term success of the company. We cultivate a corporate culture based on dialogue, which is shaped by the values enshrined in our corporate mission and our group-wide leadership guidelines. On the one hand, communication takes place via the annual employee performance review between managers and employees. On the other hand, we want to assess our employees' level of satisfaction in their jobs by means of direct surveys. We also aim to enhance digital employee communication. Our staff can use our Speakap employee app to communicate across divisions and national borders. As a result, internal communication should become more interactive, transparent, and relevant. The app has been introduced in all PHOENIX countries since 2020, and more than 25,000 employees have already signed up.

### Employee survey follow-up process

The PHOENIX group attaches particular importance to its employees' opinions, satisfaction, and motivation. The last group-wide employee survey took place in autumn 2018. We defined our action areas for Germany as "Strategy and leadership by the Management Board", "Interfaces", and "Changes, ideas, and decisions". As part of the follow-up process with the motto "#betteveryday – a little bit better every day", the divisions and distribution centres have so far implemented around 140 measures. The main themes were appreciation, workplace benefits, work environment/organisation, health, information/communication, processes, and cooperation.



The next employee survey is scheduled for autumn 2021. We want to use this opportunity to look again at the current status of the action areas and the employee commitment index (ECI) to find out whether the measures devised have resulted in improvements. The Executive Board of the PHOENIX group has received progress reports from the individual countries on all measures. Our goal is to achieve a continuous improvement in the commitment of our employees to the company.

### Dialogue with employee representatives

In addition to our direct communication with our employees, the PHOENIX group sets great store by its cooperative relationship with the employee representatives. To this end, it follows internationally recognised standards as well as the legal framework of each individual country. One expression of this is the works council for the European company ("SE"), which reflects the international nature of the company structure. This panel of 38 members (previous year: 38) engages in dialogue with company management on cross-border issues and projects, such as the employee survey, work-life balance, and occupational health management. As such, the employee representatives are also actively involved in important company sustainability topics at group level.

## OCCUPATIONAL HEALTH AND SAFETY

We have a special responsibility for the health of our employees and therefore take care to ensure safe working practices. As part of our quality management system, we guarantee strict compliance with the relevant laws and regulations of the individual countries and of the European Union. Systematic risk assessments for each workplace are mandatory, as is the implementation of appropriate preventative measures. During the coronavirus pandemic in particular, rapid and responsible action was and is still required to protect our employees and safeguard healthcare. In Germany, we set up a Crisis Team for this purpose in March 2020. To promote employee health, we intend to expand our occupational health management system in future.

### Preventing accidents

Occupational safety rules and regular employee training make the greatest contributions to accident prevention. The main topics are fire protection, workplace ergonomics, correct lifting techniques, and the safe operation of machinery and equipment in the distribution centres, especially forklift trucks. Very close attention is also paid to protective workwear in all our subsidiaries.

Within the PHOENIX group, we registered 375 injuries (previous year: 409) resulting from accidents at work during the reporting period. Compared with the previous year, this corresponds to a reduction of 8.3 per cent (previous year: -2.4 per cent). The number of accidents in Germany as well as in Eastern and Northern Europe declined. With a total of around 60.3 million actual working hours (previous year: 58.2 million), this equates to a company-wide accident rate of 6.2 accidents (previous year: 7.0) per one million working hours. In comparison with the previous year, this is a reduction of 11.4 per cent (previous year: 12.5 per cent).

### TOTAL RATE OF WORK-RELATED INJURIES

	2018/19	2019/20	2020/21	Δ 2019/20 - 2018/19	Δ 2020/21 - 2019/20
Actual working hours (million h)	52.7	58.2	60.3	+ 10.4 %	+3.6 %
Lost-time injuries <sup>1)</sup>	419	409	375	- 2.4 %	- 8.3 %
Total rate of work-related injuries (per million h) <sup>2)</sup>	8.0	7.0	6.2	- 12.5 %	- 11.4 %

<sup>1)</sup> Reporting was performed in accordance with national legislation and may thus also include commuting accidents. The figures encompass all accidents that result in at least one day's lost time, known as lost-time Injuries (LTI).

<sup>2)</sup> Changes to the previous year's report are based on a retroactive adjustment to the data collection system in Switzerland.

### Safeguarding and promoting health

In the past year, we have implemented various measures to protect our employees from exposure to the coronavirus. In our distribution centres, we installed protective equipment and implemented rules regarding social distancing and hygiene. Mandatory mask wearing was introduced as an additional precaution in areas and working situations where it is not possible to maintain a 1.5-metre distance. We therefore provide our employees with equipment such as masks and work gloves, offer staff the option to work from home, and communicate all safety precautions and hygiene measures via our Speakap employee app.

An occupational health management system in the subsidiaries helps to promote employee health and decrease the illness rate through numerous projects. These include health days at the distribution centres, which focus on measures such as early cancer diagnosis, advice on managing stress, and healthy eating. The coronavirus pandemic meant that our health days could not take place as planned during the reporting year. Instead, PHOENIX provided its employees with temporary, free membership of online fitness programmes and vitamin C supplements.

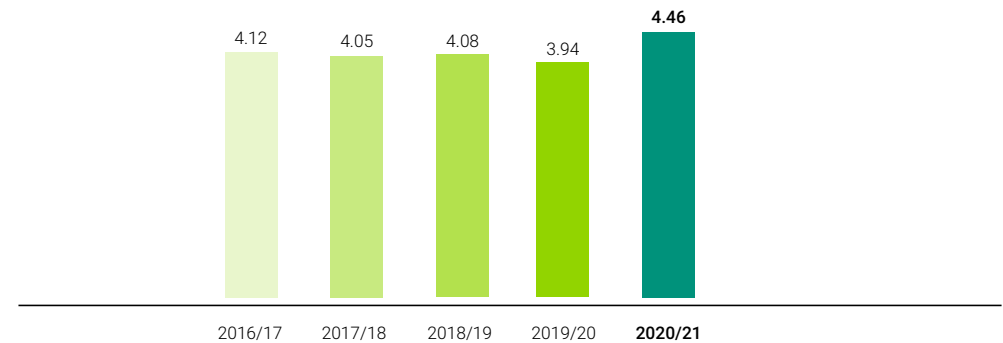
Several subsidiaries also offer their employees free health checks and optional flu vaccinations; many supply their staff with weekly fruit baskets. Additional initiatives are also available in the various countries, such as the cooperation with pme Familienservice in Germany. This organisation supports employees through difficult situations in their private and professional lives by providing advice and services. Employees in Germany and the United Kingdom also have the option to lease company bicycles. The members of staff choose a bicycle, then PHOENIX leases it and entrusts it to its employees.

**» Eighty-five per cent of employees were satisfied with how PHOENIX managed the coronavirus crisis. «**

As well as corporate integration management, effective and respectful conversations between managers and employees about returning to or absences from work make an important contribution too. In spite of delays caused by the coronavirus pandemic, we are continuing to work on the expansion of our occupational health management system at all sites and in all divisions of the company. In the reporting year, the illness rate was 4.46 per cent (previous year: 3.94 per cent) and has thus risen compared with the previous year due to the coronavirus pandemic.

### SICKNESS RATE

in %





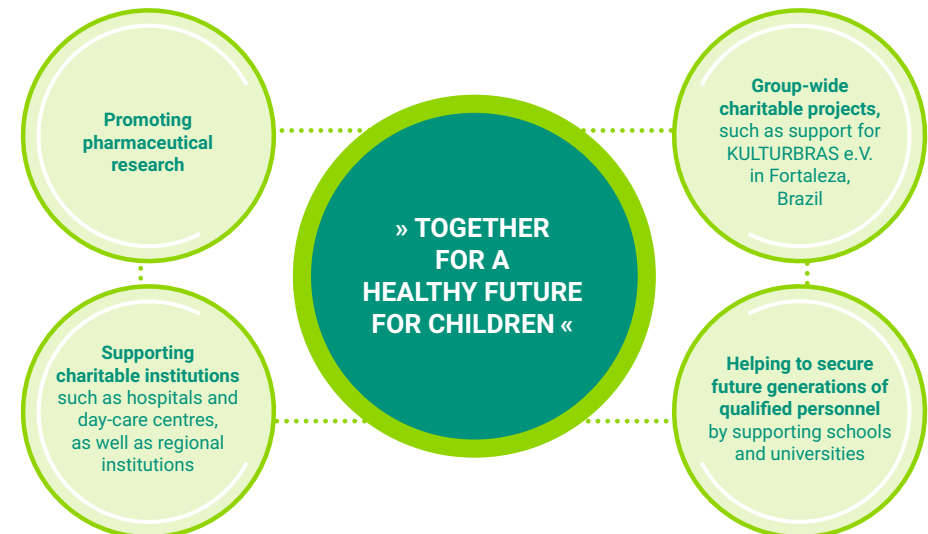
# COMMITMENT TO SOCIETY

The PHOENIX group considers it important to assume responsibility and contribute to the common good, even beyond the scope of our core business – in fact, this is integral to our corporate philosophy. We have summed up our approach to social commitment under the motto “Together for a healthy future for children”. By the end of 2021, we want to sharpen our focus on our social commitment throughout the group.

## PRIORITIES

“We deliver health across Europe” – this is our mission. It guides our choice of areas to support as part of our social commitment. Above all, we support pharmaceutical research, projects benefiting the common good, charitable organisations such as hospitals and children’s day-care centres, as well as schools and universities. Key contributions are made by group-wide and local initiatives in the various countries. We make a long-term commitment to selected flagship projects and simultaneously support smaller social initiatives in the vicinity of our sites. Our employees are also involved in many different activities that benefit the common good. We support them in their efforts, such as by topping up the donations they have collected by a certain amount. Donations made by the whole of the PHOENIX group in fiscal year 2020/21 totalled € 749,443 (previous year: € 881,182).

## FOCUS OF OUR SOCIAL COMMITMENT



### A group-wide focus on social commitment

A company's social commitment is also referred to as its corporate citizenship. To help us make a more targeted and effective contribution to the common good, we intend to give our activities in this area greater strategic direction in future and to sharpen our focus on them throughout the group by the end of 2021. The Sustainable Development Goals (SDGs) and their sub-goals will serve us as a benchmark for evaluating our contribution to society.

» **By the end of 2021, we want to sharpen our focus on our social commitment throughout the group.** «

### Ensuring compliant behaviour

It is important to the PHOENIX group that all donation and sponsorship activities are carried out in accordance with legal requirements. The PHOENIX anti-corruption guidelines – which apply to the whole group – must therefore always be observed when we organise our projects. We also follow our guidelines for » **Donations and Sponsorship**. This document primarily contains criteria and helpful information for the selection of suitable projects for all subsidiaries and our partners. It also defines the activities that will not be supported. Events held by political parties or branches of government and projects that generate commercial advantages for the PHOENIX group or could damage our company's reputation are not permissible. The guidelines are applicable throughout the group – our subsidiaries work within these parameters to make decisions at a local level about the projects they support in their respective areas.

## HEALTH AND EDUCATION

For over 25 years, the PHOENIX group has been making donations to KULTURBRAS e.V., an association based in Germany and Brazil. The association runs a day-care centre in a poor district of the Brazilian city of Fortaleza, in which children aged between three and thirteen attend school and receive regular meals. The administrative functions in Germany are undertaken by volunteers. PHOENIX has made a commitment that one of its employees will always be involved with the association.

Our European subsidiaries are also active in their local areas in a variety of ways. Since the start of 2019, British pharmacy brand Rowlands has been the official sponsor of the British Heart Foundation, which funds research into heart and circulatory diseases. Its campaigns aim to raise awareness of cardiovascular disease within British society. Support for the Queen Silvia Children's Hospital has continued in Sweden. Our subsidiaries in Latvia and Romania organised blood donation campaigns. The Romanian subsidiary also offers financial assistance to employees with a close family member who is seriously ill. In Hungary, funding is provided to support university study programmes in the fields of pharmaceutical science, diversity, and digitalisation.

### Promoting fundamental research

The PHOENIX Pharmaceuticals Science Award has been one of our flagship projects for more than 20 years. Its aim is to maintain and publicise cutting-edge research in Germany – and thereby strengthen the pharmaceutical supply chain. The accolade, with a total value of €40,000, is one of the most prestigious science prizes in the German-speaking world and the only award that recognises the latest work from an entire scientific field. Every year, an independent jury sifts through innovative, original work with pharmaceutical relevance from Germany, Austria, and Switzerland to select prize-winners in four categories. Through our Science Award, we promote fundamental pharmaceutical research.

# FURTHER INFORMATION

## REPORT PROFILE

### Foundation and reporting principles

The PHOENIX group aims to communicate transparently and to seek direct dialogue with its stakeholders. Through our Sustainability Report covering fiscal year 2020/21, entitled "Dependable. Action. Together.", we provide comprehensive information about our company's sustainability activities. This report has been prepared in accordance with the GRI Standards: Core option. The "Dependable. Action. Together." report was submitted to the Global Reporting Initiative (GRI) for review by the GRI Materiality Disclosures Service, which confirmed that the "Materiality Disclosures" (102-40 to 102-49) have been correctly located in the report.

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

This report relates to the fiscal year from 1 February 2020 to 31 January 2021 and, whenever possible, also contains comparable data relating to the previous year or years. In this report, we describe the development and the results of our company's sustainability activities from all of the subsidiaries and their domestic affiliates. The figures have been rounded in the text and, in some cases, in the tables.

### Basis of consolidation

#### GRI 102-45, GRI 102-48

The term PHOENIX group refers to the entire PHOENIX group as depicted in the 2020/21 Annual Report. In the United Kingdom, a total of 30 branches of the Rowlands Pharmacy chain were sold and closed. In the reporting period, the company increased in size through the following significant acquisitions. In fiscal year 2020/21, the PHOENIX group acquired two additional pharmacy chains in Romania – Remedia and Ecofarmacia. We also successfully integrated into our group the pharmacy chains and groups in Romania, the Netherlands, the Czech Republic, and Serbia that had been acquired previously.

The process of collecting data for the 2020/21 Sustainability Report included these companies, although it is possible that not all data was available in the first year. Conversely, data relating to the pharmacies that have closed has been omitted. The environmental data of our subsidiary in Montenegro were not recorded in the reporting year. Figures from the previous year were corrected due to an adjustment to the data collection process. This is explained in the corresponding footnotes.

### Editorial notes

In this report, we use the masculine and feminine forms for gender-specific wording. However, the chosen form is intended to relate to people of all genders (m/f/x). The copy deadline for the 2020/21 Sustainability Report was 28 April 2021. The Sustainability Report is also available in German and can be downloaded from our » [Website](#).

## LIST OF MATERIAL TOPICS

GRI 102-44, GRI 102-47, GRI 102-49

Material topics	GRI Aspects	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, Market Presence	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, Environmental Compliance, Socio-Economic Compliance	Internal and external

## FACTS AND FIGURES

### Value creation for customers and the company

#### Economic parameters

		2018/19	2019/20	2020/21
Total operating performance <sup>1)</sup>	in € m	33,045.1	34,517.9	35,902.0
Revenue	in € m	25,812.2	27,322.8	28,209.1
Total income	in € m	2,781.2	2,941.9	3,052.7
EBITDA	in € m	471.1	603.6	653.4
Earnings before taxes	in € m	- 30.8	109.0	298.7
Equity	in € m	2,806.6	2,832.4	2,959.7
Equity ratio	in %	33.5	29.9	28.6
Net debt	in € m	1,432.6	2,294.9	2,006.9
Company rating (Standard & Poor's) <sup>2)</sup>		BB+	BB+	BB+
Number of employees (total) <sup>3)</sup>		37,140	39,013	39,532
Full-time equivalents <sup>3)</sup>		30,897	32,652	33,206

<sup>1)</sup> Total operating performance = revenue + handled volume (handling for service charge).

<sup>2)</sup> Company rating for PHOENIX Pharmahandel GmbH & Co KG.

<sup>3)</sup> The figures stated for the number of employees were correct as at the reporting date of 31 January 2021 and therefore deviate slightly in some cases from the figures reported in previous years and in the annual report.

### Environmental protection

#### Heating energy requirement by energy source

		2018/19	2019/20	2020/21	Δ 2019/20 - 2018/19	Δ 2020/21 - 2019/20
<b>Total area</b>	<b>in m<sup>2</sup></b>	<b>1,690,096</b>	<b>1,706,780</b>	<b>1,716,113</b>	<b>+ 1.0 %</b>	<b>+ 0.5 %</b>
Fuel oil	in MWh	3,551	3,220	2,148	- 9.3 %	- 33.3 %
Natural gas	in MWh	66,071	69,341	65,139	+ 4.9 %	- 6.1 %
District heat	in MWh	21,140	23,540	21,563	+ 11.4 %	- 8.4 %
<b>Total heating</b>	<b>in MWh</b>	<b>90,762</b>	<b>96,101</b>	<b>88,850</b>	<b>+ 5.9 %</b>	<b>- 7.5 %</b>
Fuel oil by area	in kWh/m <sup>2</sup>	2.1	1.9	1.3	- 9.5 %	- 31.6 %
Natural gas by area	in kWh/m <sup>2</sup>	39.1	40.6	38.0	+ 3.8 %	- 6.4 %
District heat by area	in kWh/m <sup>2</sup>	12.5	13.8	12.6	+ 10.4 %	- 8.7 %
<b>Heating by area</b>	<b>in kWh/m<sup>2</sup></b>	<b>53.7</b>	<b>56.3</b>	<b>51.9</b>	<b>+ 4.8 %</b>	<b>- 7.8 %</b>

#### Heating energy requirement by region

in MWh	Germany	Western Europe	Eastern Europe	Northern Europe	PHOENIX group
Fuel oil	1,847	63	238	0	2,148
Natural gas	10,708	30,213	22,141	2,077	65,139
District heat	4,327	0	5,849	11,387	21,563
<b>Total heating</b>	<b>16,882</b>	<b>30,276</b>	<b>28,228</b>	<b>13,464</b>	<b>88,850</b>

### Electricity consumption<sup>1)</sup>

		2018/19	2019/20	2020/21	Δ 2019/20 – 2018/19	Δ 2020/21 – 2019/20
Total area	in m <sup>2</sup>	1,690,096	1,706,780	1,716,113	+ 1.0 %	+ 0.5 %
Electricity consumption	in MWh	160,208	170,635	165,781	+ 6.5 %	– 2.8 %
Electricity consumption by area	in kWh/m <sup>2</sup>	94.8	100.0	96.6	+ 5.5 %	– 3.4 %

<sup>1)</sup> Individual values for 2018/19 were corrected retrospectively. These values therefore differ from those published in the 2018/19 report.

### Electricity consumption by region (2020/21)

		Germany	Western Europe	Eastern Europe	Northern Europe	PHOENIX group
Total area	in m <sup>2</sup>	294,189	550,570	501,167	370,187	1,716,113
Electricity consumption	in MWh	26,729	58,212	31,096	49,744	165,781
Electricity consumption by area	in kWh/m <sup>2</sup>	90.9	105.7	62.0	134.4	96.6

### Emissions by scope<sup>1)</sup>

in t CO <sub>2</sub> e	Emission source	2018/19	2019/20	2020/21	Δ 2019/20 – 2018/19	Δ 2020/21 – 2019/20
Scope 1	Fuel oil	970	879	593	– 9.4 %	– 32.5 %
	Natural gas	13,343	14,004	13,252	+ 4.9 %	– 5.4 %
	Transport: company vehicle fleet	16,794	16,465	20,969	– 2.0 %	+ 27.4 %
	Company cars <sup>2)</sup>	not recorded	not recorded	7,551	–	–
	Refrigerants	not recorded	not recorded	7,854	–	–
<b>Total</b>		<b>31,107</b>	<b>31,349</b>	<b>50,219</b>	<b>+ 0.8 %</b>	<b>+ 60.2 %</b>
Scope 2	District heat	5,775	7,329	4,042	+ 26.9 %	– 44.8 %
	Electricity consumption	59,109	63,446	58,755	+ 7.3 %	– 7.4 %
<b>Total</b>		<b>64,884</b>	<b>70,775</b>	<b>62,797</b>	<b>+ 9.1 %</b>	<b>– 11.3 %</b>
Scope 3	Transport: carriers <sup>2)</sup>	88,895	96,678	92,913	+ 8.8 %	– 3.9 %
	<b>Total</b>	<b>88,895</b>	<b>96,678</b>	<b>92,913</b>	<b>+ 8.8 %</b>	<b>– 3.9 %</b>
<b>Total (Scope 1 to 3)</b>		<b>184,886</b>	<b>198,801</b>	<b>205,929</b>	<b>+ 7.5 %</b>	<b>+ 3.6 %</b>

<sup>1)</sup> Individual values for 2018/19 were corrected retrospectively. These values therefore differ from those published in the 2018/19 report.

<sup>2)</sup> Excluding emissions from Norway.



Emissions by scope and region (2020/21)<sup>1)</sup>

in t CO <sub>2</sub> e	Germany	Western Europe	Eastern Europe	Northern Europe	PHOENIX group
Scope 1	6,886	21,360	17,581	4,392	50,219
Scope 2	15,289	21,322	16,921	9,264	62,796
Scope 3	33,511	36,298	17,794	5,311	92,914
<b>Total</b>	<b>55,686</b>	<b>78,980</b>	<b>52,296</b>	<b>18,967</b>	<b>205,929</b>

<sup>1)</sup> Emission calculations for company cars (Scope 1) and transport by carriers (Scope 3) excluding Norway.

Hazardous waste<sup>1)</sup>

in t	2018/19	2019/20	2020/21	Δ 2019/20 – 2018/19	Δ 2020/21 – 2019/20
Pharmaceutical waste	1,628	1,481	1,342	– 9.0 %	– 9.4 %
Oil sludges	not registered	18	21	–	+ 16.7 %
Other hazardous waste	37	74	57	+ 100.0 %	– 23.0 %
<b>Total</b>	<b>1,665</b>	<b>1,573</b>	<b>1,420</b>	<b>– 5.5 %</b>	<b>– 9.7 %</b>

<sup>1)</sup> Individual values for 2018/19 were corrected retrospectively. These values therefore differ from those published in the 2018/19 report.

## Hazardous waste by region (2020/21)

in t	Germany	Western Europe	Eastern Europe	Northern Europe	PHOENIX group
Pharmaceutical waste	137	160	191	854	1,342
Oil sludges	3	0	11	7	21
Other hazardous waste	1	7	8	41	57
<b>Total</b>	<b>141</b>	<b>167</b>	<b>210</b>	<b>902</b>	<b>1,420</b>

## Absolute minus differences

in € m	2016/17	2017/18	2018/19	2019/20	2020/21	Δ 2020/21 – 2019/20
Minus differences	31.9	30.9	27.3	29.3	<b>36.9</b>	+ 25.9 %

## Supporting employees

### Employees<sup>1)</sup>

	2018/19	2019/20	2020/21	Δ 2019/20 – 2018/19	Δ 2020/21 – 2019/20
Full-time equivalents	30,897	32,652	33,206	+ 5.7 %	+ 1.7 %
<b>Total</b>	<b>37,140</b>	<b>39,013</b>	<b>39,532</b>	<b>+ 5.0 %</b>	<b>+ 1.3 %</b>

<sup>1)</sup> As at reporting date 31 January.

### Employees by gender, type of employment, and region (2020/21)<sup>1)</sup>

	Germany	Western Europe	Eastern Europe	Northern Europe	PHOENIX group
Female full-time employees	955	3,078	8,510	3,468	16,011
Male full-time employees	1,545	3,210	2,815	1,612	9,182
Female part-time employees	1,508	6,803	1,199	2,316	11,826
Male part-time employees	403	1,402	137	571	2,513
<b>Total</b>	<b>4,411</b>	<b>14,493</b>	<b>12,661</b>	<b>7,967</b>	<b>39,532</b>

<sup>1)</sup> As at reporting date 31 January.

### Absence due to sickness by region<sup>1)</sup>

in sick hours (in million h)	2018/19	2019/20	2020/21
Germany	0.53	0.54	0.53
Western Europe	0.99	1.03	1.20
Eastern Europe	0.44	0.59	0.83
Northern Europe	0.58	0.53	0.61
<b>Total</b>	<b>2.54</b>	<b>2.69</b>	<b>3.17</b>

<sup>1)</sup> Total paid and unpaid hours (million hours).

### Employees covered by collective agreement by region (2020/21)

	Germany	Western Europe	Eastern Europe	Northern Europe	PHOENIX group
Total	4,235	9,617	320	5,952	20,124
Share in %	96.0	66.4	2.5	74.7	50.9

## GRI CONTENT INDEX

The Sustainability Report, entitled “Dependable. Action. Together.”, was submitted to the Global Reporting Initiative (GRI) for review by the GRI Materiality Disclosures Service. The GRI Services team confirmed that the “Materiality Disclosures” (102-40 to 102-49) have been correctly located in the report.



GRI Standard	Page	Omissions/Comments
<b>GRI 101: Foundation 2016</b>		
<b>GRI 102: General Disclosures 2016</b>		
<b>ORGANISATIONAL PROFILE</b>		
GRI 102-1 Name of the organisation	5	
GRI 102-2 Activities, brands, products, and services		Annual Report, p. 16/17
GRI 102-3 Location of headquarters	5	
GRI 102-4 Location of operations		Annual Report, p. 16/17
GRI 102-5 Ownership and legal form		Annual Report, p. 12/13, 16/17, 41
GRI 102-6 Markets served	6	
GRI 102-7 Scale of the organisation	5/6, 31, 34	
GRI 102-8 Information on employees and other workers	5, 22/23, 34	
GRI 102-9 Supply chain	13	
GRI 102-10 Significant changes to the organisation and its supply chain	29	
GRI 102-11 Precautionary principle or approach	6/7	
GRI 102-12 External initiatives	7, 9/10, 13/14, 17, 28/29	
GRI 102-13 Membership of associations	10	
<b>STRATEGY</b>		
GRI 102-14 Statement from senior decision-maker	3	
GRI 102-15 Key impacts, risks, and opportunities	9	Annual Report, p. 28/29

GRI Standard	Page	Omissions/Comments
<b>ETHICS AND INTEGRITY</b>		
GRI 102-16 Values, principles, standards, and norms of behaviour	6/7	
GRI 102-17 Mechanisms for advice and concerns about ethics	11/12	
<b>GOVERNANCE</b>		
GRI 102-18 Governance structure		Annual Report, p. 8–10
GRI 102-19 Delegating authority	8	
GRI 102-20 Executive-level responsibility for economic, environmental, and social topics	8	
GRI 102-21 Consulting stakeholders on economic, environmental, and social topics	10	
GRI 102-22 Composition of the highest governance body and its committees		Annual Report, p. 8–11
GRI 102-23 Chair of the highest governance body		Annual Report, p.11
GRI 102-25 Conflicts of interests		Annual Report, p.8–10
GRI 102-26 Role of highest governance body in setting purpose, values, and strategy		Annual Report, p.9/10
GRI 102-27 Collective knowledge of highest governance body		Annual Report, p.11
GRI 102-29 Identifying and managing economic, ecological and social impacts	9	
GRI 102-30 Effectiveness of risk management processes		Annual Report, p. 28/29
GRI 102-31 Review of economic, ecological and social topics	9	
GRI 102-32 Highest governance body's role in sustainability reporting		This report was reviewed and approved by the Executive Board.

GRI Standard	Page	Omissions/Comments
<b>STAKEHOLDER ENGAGEMENT</b>		
GRI 102-40 List of stakeholder groups	10	
GRI 102-41 Collective bargaining agreements	34	
GRI 102-42 Identifying and selecting stakeholders	9/10	
GRI 102-43 Approach to stakeholder engagement	9/10	
GRI 102-44 Key topics and concerns raised	9, 30	
<b>REPORTING PRACTICE</b>		
GRI 102-45 Entities included in the consolidated financial statements		Annual Report, p.41/42
GRI 102-46 Defining report content and topic Boundaries	9	
GRI 102-47 List of material topics	9, 30	
GRI 102-48 Restatements of information	29	
GRI 102-49 Changes in reporting	9, 30	
GRI 102-50 Reporting period	29	
GRI 102-51 Date of most recent report		01/08/2019
GRI 102-52 Reporting cycle		Yearly
GRI 102-53 Contact point for questions regarding the report		Imprint
GRI 102-54 Claims of reporting in accordance with the GRI Standards	29	
GRI 102-55 GRI Content Index	35	
GRI 102-56 External assurance		A third-party audit was not performed in 2020/21.
<b>KEY TOPICS</b>		
<b>GRI 201: Economic Performance 2016</b>		
GRI 103 Management Approach 2016 (incl. 103-1, 103-2, 103-3)	11	
GRI 201-1 Direct economic value generated and distributed	31	

GRI Standard	Page	Omissions/Comments
<b>GRI 203: Indirect economic impacts 2016</b>		
GRI 103 Management Approach 2016 (incl. 103-1, 103-2, 103-3)	27	
GRI 203-2 Significant indirect economic impacts	27/28	
<b>GRI 204: Procurement practices 2016</b>		
GRI 103 Management Approach 2016 (incl. 103-1, 103-2, 103-3)	13	
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.
<b>GRI 205: Anti-corruption 2016</b>		
GRI 103 Management Approach 2016 (incl. 103-1, 103-2, 103-3)	11/12	
GRI 205-2 Communication and training about anti-corruption policies and procedures	12	
GRI 205-3 Confirmed incidents of corruption and actions taken		No incidents became known in the reporting year.
<b>GRI 206: Anti-competitive behaviour 2016</b>		
GRI 103 Management Approach 2016 (incl. 103-1, 103-2, 103-3)	11/12	
GRI 206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices		In the reporting year, there were no legal proceedings due to anti-competitive behaviour or anti-trust and monopoly practices.
<b>GRI 301: Materials 2016</b>		
GRI 103 Management Approach 2016 (incl. 103-1, 103-2, 103-3)	19	
GRI 301-1 Materials used by weight or volume		We are unable to report on the weight and volume of input materials at present because this data is not recorded to this level of detail.

GRI Standard	Page	Omissions/Comments
<b>GRI 302: Energy 2016</b>		
GRI 103 Management Approach 2016 (incl. 103-1, 103-2, 103-3)	15	
GRI 302-1 Energy consumption within the organisation	16, 31/32	
GRI 302-3 Energy intensity	16, 31/32	
<b>GRI 305: Emissions 2016</b>		
GRI 103 Management Approach 2016 (incl. 103-1, 103-2, 103-3)	16–18	
GRI 305-1 Direct (Scope 1) GHG emissions	17/18, 32/33	
GRI 305-2 Energy indirect (Scope 2) GHG emissions	17/18, 32/33	
GRI 305-3 Other indirect (Scope 3) GHG emissions	17/18, 32/33	
GRI 305-4 GHG emissions intensity	18	
<b>GRI 306: Effluents and Waste 2020</b>		
GRI 103 Management Approach 2016 (incl. 103-1, 103-2, 103-3)	20	
306-1 Waste generation and significant waste-related impacts	20/21, 33	
306-2 Management of significant waste-related impacts	20/21	
306-3 Waste generated	20/21, 33	
306-4 Waste diverted from disposal	21	
306-5 Waste directed to disposal	21, 34	
<b>GRI 307: Environmental Compliance 2016</b>		
GRI 103 Management Approach 2016 (incl. 103-1, 103-2, 103-3)	11/12, 15, 20	
GRI 307-1 Non-compliance with environmental laws and regulations		No incidents of non-compliance with environmental laws were notified through the group-wide reporting system.

GRI Standard	Page	Omissions/Comments
<b>GRI 401: Employment 2016</b>		
GRI 103 Management Approach 2016 (incl. 103-1, 103-2, 103-3)	22	
GRI 401-1 New employee hires and employee turnover	22, 34	PHOENIX cannot currently report on fluctuation because the data is not available. Data collection in the reporting year focused on key figures judged to be of greater significance from a management perspective.
GRI 401-3 Parental leave		PHOENIX cannot currently report on parental leave because the data is not available. Data collection in the reporting year focused on key figures judged to be of greater significance from a management perspective.
<b>GRI 403: Occupational Health and Safety 2018</b>		
GRI 103 Management Approach 2016 (incl. 103-1, 103-2, 103-3)	25	
GRI 403-1 Management system for occupational health and safety	25	
GRI 403-2 Identification of hazards, risk assessment and investigation of incidents	25	
GRI 403-3 Occupational health services	26	
GRI 403-4 Employee participation, consultation and communication on occupational health and safety	25/26	
GRI 403-5 Employee training on occupational health and safety	25	
GRI 403-6 Promotion of employee health	26	
GRI 403-7 Preventing and minimising effects directly related to business relationships on employee health and safety	25/26	

GRI Standard	Page	Omissions/Comments
GRI 403-8 Employees covered by a management system for occupational health and safety	25	
<b>GRI 404: Training and Education 2016</b>		
GRI 103 Management Approach 2016 (incl. 103-1, 103-2, 103-3)	23	
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. Data collection in the reporting year focused on key figures judged to be of greater significance from a management perspective.
GRI 404-3 Percentage of employees receiving regular performance and career development reviews		At present, we are unable to report any percentage figures, because the data is invalid due to adjustments to data collection in the reporting year.
<b>GRI 405: Diversity and Equal Opportunity 2016</b>		
GRI 103 Management Approach 2016 (incl. 103-1, 103-2, 103-3)	23	
GRI 405-1 Diversity of governance bodies and employees	23	
<b>GRI 406: Non-discrimination 2016</b>		
GRI 103 Management Approach 2016 (incl. 103-1, 103-2, 103-3)	11/12	
GRI 406-1 Incidents of discrimination and corrective actions taken		PHOENIX employees can contact the group Compliance Manager by telephone or e-mail where there is reason for suspicion. The contact details are communicated in the code of conduct and in the compliance principles. Cases of discrimination can be reported anonymously around the clock via the online whistle-blower system. No cases were identified in the reporting year.

GRI Standard	Page	Omissions/Comments
<b>GRI 416: Customer Health and Safety 2016</b>		
GRI 103 Management Approach 2016 (incl. 103-1, 103-2, 103-3)	14	
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		In the year under review, no violations relating to the effects of products and services on health were reported.
<b>GRI 417: Marketing and Labelling 2016</b>		
GRI 103 Management Approach 2016 (incl. 103-1, 103-2, 103-3)	14	
GRI 417-1 Requirements for product and service information and labeling	14	
GRI 417-2 Incidents of non-compliance concerning product and service information and labelling		No violations in connection with product and service information and labeling were reported in the reporting year.
<b>GRI 418: Customer Privacy 2016</b>		
GRI 103 Management Approach 2016 (incl. 103-1, 103-2, 103-3)	12/13	
GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	13	
<b>GRI 419: Socioeconomic Compliance 2016</b>		
GRI 103 Management Approach 2016 (incl. 103-1, 103-2, 103-3)	11/12	
GRI 419-1 Non-compliance with laws and regulations in the social and economic area		No complaints were received in the reporting year.

## IMPRINT

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