

SUSTAINABILITY REPORT

2024/25



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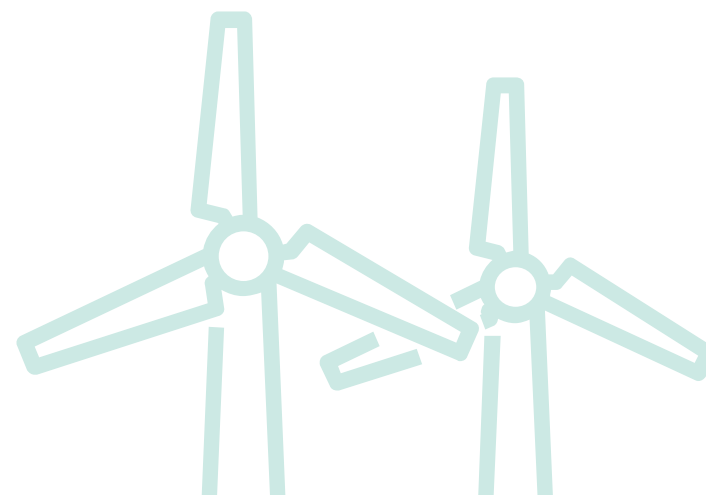
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STATEMENT FROM THE EXECUTIVE BOARD

Sustainability is here to stay and we are continuing to develop our structures in this area in a targeted manner. At PHOENIX group, we are committed to advancing our sustainability initiatives with precision and purpose.

In fiscal year 2024/25, we established an ESG Committee to systematically embed relevant sustainability issues across our organization. This committee meets quarterly to advise the Executive Board, enhance transparency, and foster cross-divisional collaboration. It serves as a crucial platform for discussing next steps and coordinating with specialist departments, ensuring that sustainability remains at the forefront of our agenda.

Recognizing the environmental challenges posed by global warming and resource consumption, PHOENIX group is dedicated to minimizing the impact of our business activities. One area of focus is climate change. By 2030, we aim to reduce carbon emissions from our own operations by 42 per cent compared with 2021/22 and to become carbon neutral. This ambitious target is supported by our Climate Guideline, which was fully implemented for the first time in the reporting year. The policy outlines responsibilities at both group and country levels and includes a comprehensive catalogue of measures to guide emission-reducing actions. We have established a climate fund to support our subsidiaries in their decarbonization efforts, integrating it into the regular Capex process. In fiscal year 2024/25, dividends from the climate fund were paid out for the first time, facilitating climate projects across various countries. Our operations, which include 210 distribution centers across Europe, focus on efficient building technology and transport optimization as key levers for energy savings. We have been able to increase our own

electricity generation from photovoltaics by 129% compared to FY 23/24. In addition, our Scope 1 emissions slightly decreased due to first successes in transitioning our fleet to E-mobility and switching to heat pumps in many premises.

Human rights are a cornerstone of our value chain management. We are constantly investing in our risk management system to identify and address human rights and environmental risks both in our operations and supply chain. This system is guided by internationally recognized standards and involves regular risk assessments to ensure compliance and proactive measures. Our Policy Statement on Human Rights underscores our commitment to respecting human rights and provides a framework for addressing potential risks.

Our success is linked to our employees' dedication. We offer attractive working conditions and promote diversity and equal opportunity. Our HR strategy focuses on making PHOENIX group an employer of choice, with talent development programs fostering leadership skills.

Preparing for the EU's Corporate Sustainability Reporting Directive (CSRD) remains a high priority for us, despite its postponement as part of the EU's Omnibus Directive. In the reporting year, we implemented a new technical solution for data collection. Our aim is to lay the foundations for transparent and structured reporting at an early stage.

PHOENIX group remains dedicated to achieving its sustainability goals, ensuring a positive impact on the environment and society.



LEON JANKELEVITSH

Member of the Executive Board

Healthcare Logistics & Sustainable Supply Chain

COMPANY PROFILE

The PHOENIX group, headquartered in Mannheim, Germany, is the European leader in pharmaceutical wholesale, pharmacy retail, and services for the pharmaceutical industry. With a presence in 29 healthcare markets, the company offers unique geographical coverage throughout Europe, making a vital contribution to comprehensive healthcare with its about 49,000 employees.

In 2022, we strengthened the PHOENIX group's market position significantly by completing the acquisition of parts of McKesson Europe, the largest acquisition in our company's history.

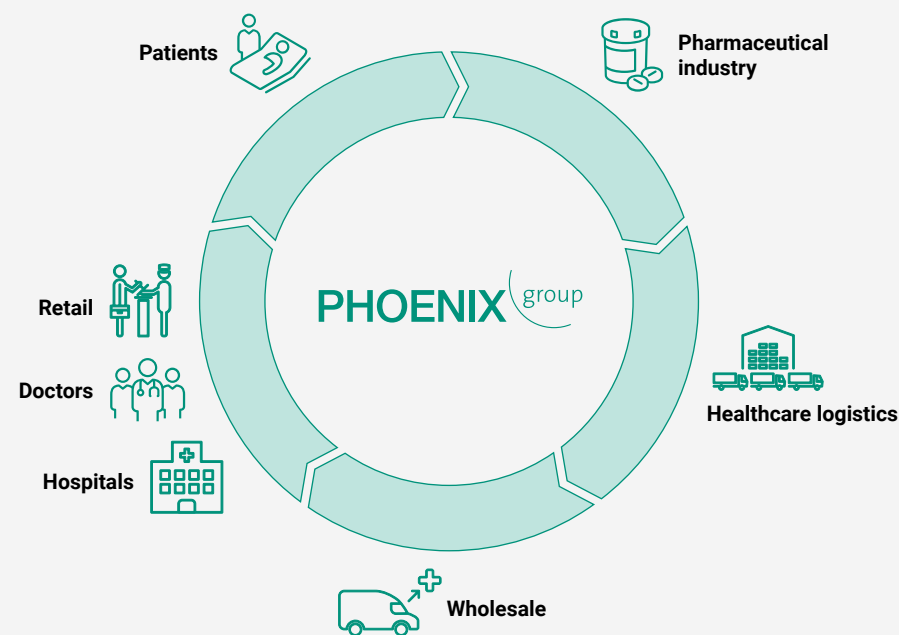
The PHOENIX group is active in 29 European countries. As part of our core business, we operate 210 distribution centres and almost 3,300 of our own pharmacies. The group therefore has a highly diversified country portfolio. More than a quarter of group revenue is generated in Germany. Group revenue in fiscal year 2024/25 amounted to around €49.7 billion (previous year: €47.1 billion), an increase of 5.7 per cent. At the same time, the total operating performance increased by 7.2 per cent to approximately €61.3 billion (previous year: €57.2 billion).

In the pharmaceutical wholesale area, the PHOENIX group ranks number one in 16 countries (previous year: 16). Our pharmacy retail business is mainly active in Belgium, Bosnia, the Czech Republic, Hungary, Ireland, Italy, Latvia, Lithuania, Montenegro, the Netherlands, Norway, Romania, Serbia, Slovakia, Switzerland, and the United Kingdom. The PHOENIX group also offers its services along the value chain to companies in the pharmaceutical industry. Further information can be found in our » [Annual Report 2024/25](#).

As at the end of the reporting year, the PHOENIX group's Supervisory Board consisted of seven male members; there are no employee representatives on the Supervisory Board.

INTEGRATED HEALTHCARE PROVIDER

The link between the pharmaceutical industry and patients



GROUP-WIDE **CORPORATE MISSION STATEMENT**

In fiscal year 2024/25, we continued to implement our new mission statement introduced in 2023. It was developed with the help of colleagues from various areas of the PHOENIX group. It reflects who we are today and where we want to go in the future. Our new vision provides direction and expresses our purpose and the value proposition we offer our customers. It is complemented by our mission and our wePHOENIX commitments, which guide us in the way we do business.

OUR **MISSION**



OUR **VISION**

We are the partner of choice for simple and direct access to healthcare products and services across Europe.

wePHOENIX COMMITMENTS

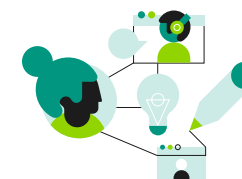
We focus on the **customer**

We operate in markets with diverse customers and serve all their current and future needs with our tailored portfolio of products and services.



We embrace **collaboration**

We support each other by sharing knowledge, competences, and best practices across the entire the company.



We operate **efficiently**

We strive for excellence in everything we do, continuously optimise our operations to get better every day, and use resources efficiently to become more sustainable.



We create **value**

We are a family-owned company and pursue a long-term strategy, ensuring that our growth continues to create value for generations to come.



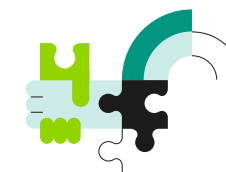
We think **forward**

We drive innovation and play an active role in the digital transformation of the healthcare sector in Europe to improve our customers' lives.



We are **one team**

We are bound together by our shared vision for the company, welcome anyone who is willing to make this vision a reality, and foster their personal and professional development in an inclusive environment.



GENERAL INFORMATION

REPORT PROFILE

Fundamentals and principles of reporting

The PHOENIX group is committed to transparent communication and direct dialogue with its stakeholders. With this Sustainability Report for fiscal year 2024/25, we seek to provide comprehensive information about our company's sustainability activities.

This report covers the fiscal year from 1 February 2024 to 31 January 2025 and, wherever possible, also includes comparative data for the previous year or years. In the report, we describe the development and results of the sustainability activities of our group and all its subsidiaries. Figures in the text and in some of the charts have been rounded, which means that totals do not always add up exactly. The Sustainability Report has been reviewed and approved by the Executive Board of the PHOENIX group and acknowledged by the Supervisory Board.

Consolidation scope

The consolidation scope is the same as in the financial statements. The name PHOENIX group refers to the entire PHOENIX group as presented in the Annual Report 2024/25.

In the Sustainability Report 2023/24, the Irish subsidiaries were not included in the key figures for the "Climate & Energy" and "Circular Economy" sections.

Any deviations from the reporting scope are explained in the footnotes.

SUSTAINABILITY MANAGEMENT

Sustainability Agenda

Since 2021, the PHOENIX group has had a group-wide Sustainability Agenda. We have developed a group-wide climate target and begun to establish a human rights due diligence process in our supply chain. In the future, we intend to use a group-wide process to develop targets for each pillar of the agenda, as well as performance indicators and a monitoring process.

Our Sustainability Agenda focuses on the following topics:

— CLIMATE PROTECTION

Developing and implementing a climate strategy

— RECYCLING OF RESOURCES

Reusing, reducing, and recycling wherever possible

— RESPONSIBLE SUPPLY CHAIN

Continuously developing processes to integrate human rights and environmental due diligence along our value chain

— DIVERSITY, EQUAL OPPORTUNITY, AND INCLUSION

Promoting social diversity among employees

— SOCIAL ENGAGEMENT

Linking donation activities more closely with our core business

Sustainability organisation

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

In the reporting year, the PHOENIX group established an ESG Committee. Its aim is to advise the Executive Board on sustainability issues, create greater transparency on key topics, coordinate with the specialist departments, and discuss next steps. The ESG Committee meets quarterly and is chaired by the Executive Board member for Healthcare Logistics & Sustainable Supply Chain of the PHOENIX group together with the Head of Corporate Sustainability. Participants are key contact persons from the relevant departments. They facilitate cross-departmental collaboration and support the implementation of sustainability initiatives.

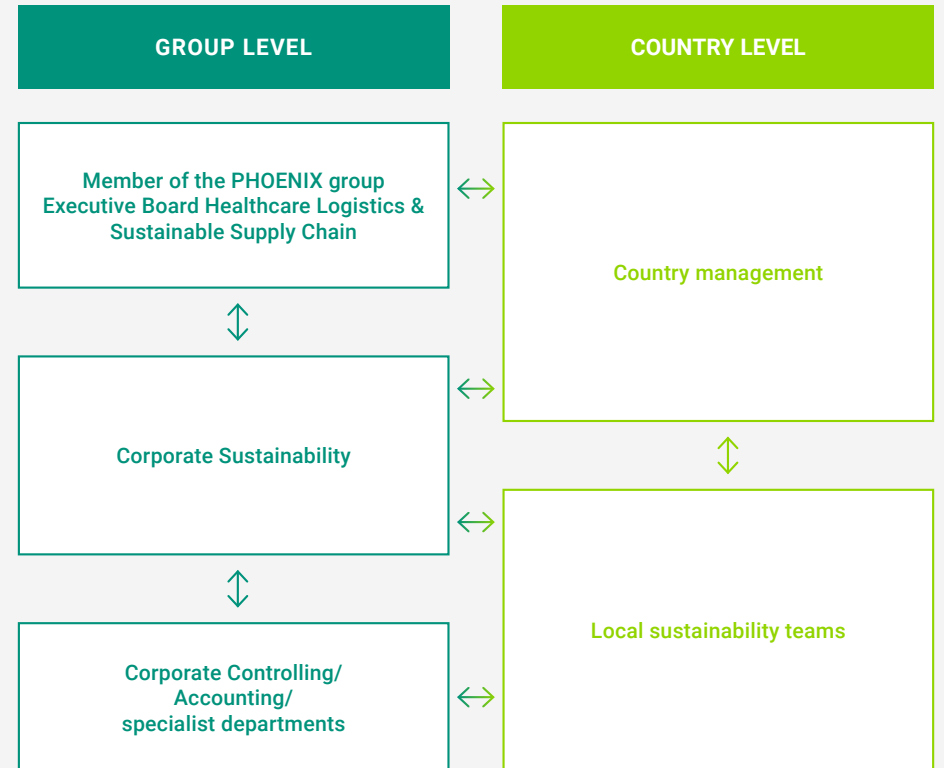
Within the area of sustainability, we have an established group-wide network. Due to the varying framework conditions in the European markets, we continue to take a decentralised approach to many sustainability issues. Each subsidiary has at least one sustainability manager, supported in some cases by interdisciplinary committees. Non-financial data is collected by local sustainability officers in the subsidiaries. This process is coordinated by the central controlling/accounting department.

The PHOENIX group's sustainability framework supports the subsidiaries as they implement the group's sustainability management. Among other things, this framework describes responsibilities, roles, and operational tasks. It also provides an overview of the activities taking place in the company as part of the Sustainability Agenda, stakeholder dialogue, policies, as well as reporting.

Materiality analysis

The EU Corporate Sustainability Reporting Directive (CSRD) requires companies to carry out a double materiality analysis. In future, companies will have to report not only on their impact on people and the environment but also on risks and opportunities relating to sustainability matters in the company.

SUSTAINABILITY ORGANISATION



We carried out a double materiality analysis in fiscal year 2023/24 and intend to update it in the current fiscal year 2025/26. This will form the basis for defining the material topics and content for future sustainability reporting. In the long term, this will be done together with our financial reporting.

Stakeholder dialogue

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

The sustainability team uses the Speakap employee app to continuously exchange information on various topics with PHOENIX group employees. In addition, we offer training sessions to raise employee awareness concerning such topics as saving energy or waste prevention and separation. Sustainability topics often play a role in our town hall meetings, too. Workshops or presentations on these topics are held at the top management's annual meetings.

Individual subsidiaries have launched various initiatives to involve employees more closely in sustainability.

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

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

OUR STAKEHOLDERS' REQUIREMENTS – SUSTAINABILITY DRIVERS AT PHOENIX

KEY ISSUES:

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

Growing importance in **attracting and retaining** employees
Increasing relevance in **job interviews**

EMPLOYEES AND TALENT

INDUSTRY AND BUSINESS PARTNERS

KEY ISSUES:

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

Sustainability standards required by industry partners in tenders
Increasing requests for **collaborative projects**

CUSTOMERS

BANKS AND INVESTORS

KEY ISSUES:

- Emissions and climate impact
- Governance issues
- Diversity

Growing investor demand for the **transparent disclosure** of ESG performance
Loans increasingly linked to the achievement of ESG targets or a good sustainability rating

KEY ISSUES:

- Product safety and compliance
- Recyclability of resources
- Emissions and climate impact

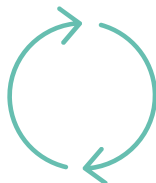
Growing environmental **awareness** among pharmacy customers
Increasing **expectations** from local authorities, e.g. zero-emission zones in urban areas



ENVIRONMENT

Global warming and the increasing consumption of natural resources are among the greatest global challenges of our time. The PHOENIX group recognises its environmental responsibility and strives to minimise the impact of its business activities on the environment. This includes reducing emissions, preventing waste generation, and expanding the circular management of materials. In our subsidiaries in Finland, the UK, Croatia, North Macedonia, Sweden, Serbia, Slovakia, the Czech Republic, and Hungary, environmental management is carried out through a management system in accordance with ISO 14001.

› **CLIMATE AND ENERGY** › **CIRCULAR ECONOMY**



CLIMATE AND ENERGY

The PHOENIX group's operations require the use of energy, which results in greenhouse gas emissions. The main sources of emissions in our own operations are electricity consumption, diesel vehicles, and natural gas. With 210 distribution centres across Europe, we see efficient building technology as one of the biggest levers for saving energy in our own operations. Transport is another key area. We also plan to expand our own energy generation.

As one of Europe's leading healthcare companies, it is our duty to contribute to climate protection. We also want to meet the increasing demands of our business partners as well as the regulatory requirements related to climate management. Furthermore, we intend to utilise the cost-cutting potential that often goes hand in hand with climate protection measures. In the reporting year, we began conducting a climate risk analysis. The assessment of climate-related physical and transitional risks has been carried out as part of a multi-stage process, and are now evaluating the results.

Climate target and policy

Climate protection is a focal point of our Sustainability Agenda. Our climate target from 2023 remains in place. We aim to become carbon neutral in our own business operations by 2030. To achieve this, we plan to reduce our Scope 1 and 2 emissions by 42 per cent compared with fiscal year 2021/22.

In addition to reducing emissions, we will offset our remaining carbon emissions by purchasing credits that support high-quality emission reduction projects starting in 2030. We are also working to optimise the data collection for our emissions along the supply chain (Scope 3).

In 2023, we developed a Climate Policy for the PHOENIX group, which was applied in full for the first time in the past fiscal year. It defines responsibilities at the group and country levels, our climate target, and a catalogue of measures that can be used to guide the implementation of emission-reducing actions at country level.

Our Climate Policy has three focus topics:

- **ENERGY EFFICIENCY**
Including measures such as building and roof insulation
- **SELF-GENERATION OF ENERGY**
In particular, the installation of solar energy systems
- **CONVERSION OF TRANSPORT FLEETS**

We have broken down our climate target by country, setting milestones for each. We have also established a climate fund at group level to support the various countries in their decarbonisation process.

In the reporting year, we integrated the climate fund into the regular Capex process. For the first time, dividends from the climate fund were paid out to countries that had proposed reduction measures – with particular attention given to projects with the lowest carbon abatement costs. For example, the installation of PV systems was financially supported in many countries.

Part of the variable remuneration of the PHOENIX group's Executive Board member responsible for Healthcare Logistics & Sustainable Supply Chain is linked to the progress made in decarbonising the company's own operations.

Energy-saving measures

Our subsidiaries in Estonia, Croatia, Latvia, and Lithuania have an ISO 50001 energy management system in place, while others carry out energy audits. We analyse our energy consumption with an energy monitoring system and our emissions with a software solution for the PHOENIX group's carbon footprint. We use a temperature monitoring system for the operation of our buildings.

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

In the reporting year, we continued to focus on increasing energy efficiency in the operational use of buildings. We achieved this through various initiatives at sites in different countries, for example by upgrading or replacing heating systems and installing efficient heat pumps. Advanced heating, ventilation, and air conditioning systems and optimised cooling systems have also been introduced at some locations. Other measures included the installation and use of energy-efficient LED lighting systems and the replacement of windows and doors to improve building insulation.

The PHOENIX group has been investing in the expansion of renewable energies at its sites for several years now. This year again, targeted investments were made in the expansion of our own solar power production in five countries so as to further increase the production of self-generated renewable electricity. In the current reporting year, self-generated renewable electricity is being produced at a total of 11 countries and 25 sites. As a result, we have been able to further increase the proportion of our own renewable energy while reducing energy-related greenhouse gas emissions.

We also aim to continuously reduce the greenhouse gas emissions from transport. Important levers for this include our modern vehicle fleet with an increasing number of alternative drive systems, a transparent database, continuous route optimisation, and a fuel-efficient driving style. Depending on the subsidiary, the PHOENIX group uses freight forwarders and/or its own vehicle fleets for transport. In Germany and Switzerland, the carriers are contracted through our subsidiary transmed Transport GmbH, from which they can also lease commercial vehicles. The vehicles leased from transmed are replaced after a maximum term of 36 months, which means that vehicles with the latest technical standards and current emission classes are regularly used. In addition, transmed's route planning is subject to continuous optimisation in collaboration with the PHOENIX group, without jeopardising our customers' security of supply.

Even in countries with their own fleets, vehicles are regularly replaced to meet the latest emissions standards. The use of all-electric delivery vehicles is also increasing.

The PHOENIX group relies on continuous route optimisation with the help of various modern software solutions. This minimises the number of miles driven while maintaining the same level of service to customers. Several subsidiaries regularly train their drivers in fuel-efficient driving and use modern telematics systems to support them.

We have also taken action in the area of company cars. For cars used by sales representatives and managers, the company car policies of various subsidiaries set ever lower carbon emission limits for combustion engines and strong incentives for the use of electric vehicles, with the result that a growing number of users are now opting for electric vehicles.

To improve transparency, transmed calculates the greenhouse gas emissions along the transport process as well as the average footprint per parcel in additional business (e.g. for customers in the optics sector). transmed makes the reports available to customers on request.

Energy consumption

The PHOENIX group's electricity consumption in the fiscal year was 238,165 MWh, an increase of 3 per cent. This rise was driven by several operational factors, including the expansion of the electric vehicle fleet, and increased use of electric heating and cooling systems.

We were able to expand our own electricity generation from photovoltaics from 1,872 to 4,287 MWh, which corresponds to an increase of 129 per cent compared to the previous year's figure. Most electricity from photovoltaics within the PHOENIX group is generated in Lithuania and Italy.

In addition to electricity consumption, PHOENIX group's largest area of energy consumption comprises fuels and natural gas, resulting in a total energy consumption of 520,945 MWh in fiscal year 2024/25. While natural gas consumption increased to 78,799 MWh, consumption of crude oil and petroleum products, which mainly comprises the fuels for the vehicle fleet, decreased by 6%.

69.0 per cent of the energy mix comes from fossil sources, almost 10 per cent from nuclear energy and 21.4 per cent from renewable energies. The data on the fossil, nuclear and renewable shares of electricity and district heating were collected using a new methodology in this reporting period, meaning that the figures are only comparable with the previous year to a limited extent. The PHOENIX group's energy intensity for climate-intensive sectors was reduced by 4.8 per cent to 10.48 MWh per million euros in revenue (previous year: 11.0) thanks to a significant increase in revenue and only a slight increase in energy consumption.¹⁾

¹⁾ This value is based on the assumption that all of the PHOENIX group's economic activities fall within the climate-intensive sectors as defined by the EU Low Carbon Benchmarks Regulation. It is calculated by dividing the PHOENIX group's total energy consumption by group revenue.

ENERGY CONSUMPTION AND ENERGY MIX IN OUR OWN OPERATIONS ¹⁾

In MWh	2023/24	2024/25
Fossil energy		
Fuel consumption from coal and coal products	—	—
Fuel consumption from crude oil and petroleum products	187,956 ²⁾	176,790
Fuel consumption from natural gas ³⁾	72,808 ²⁾	78,799
Fuel consumption from other fossil sources	—	339
Consumption of purchased or sourced electricity, heat, steam, and cooling from fossil sources	98,349 ²⁾	103,719 ⁴⁾
Total consumption of fossil energy	359,114	359,647
Share of fossil fuels in total energy consumption	69.3%	69.0% ⁴⁾
Consumption from nuclear power sources		
Consumption of nuclear energy	38,600	49,966 ⁴⁾
Share of total energy consumption from nuclear sources	7.5%	9.6% ⁴⁾
Renewable energy		
Fuel consumption from renewable sources, including biomass and biological waste	1,247	2,320
Consumption of purchased or sourced electricity, heat, steam, and cooling from renewable sources ⁵⁾	117,208	104,725 ⁴⁾
Consumption of self-generated renewable energy without fuel	1,873	4,287 ⁶⁾
Total consumption of renewable energies	120,328	111,332 ⁴⁾
Share of renewable sources in total energy consumption	23.2%	21.4% ⁴⁾
Total		
Total energy consumption	518,042	520,945

¹⁾ Unless otherwise stated, energy consumption is expressed in net calorific value.

²⁾ No consumption figures are available for the 2023/24 financial year for Ireland and some locations in Italy and Norway, which is why the energy consumption figures from the current financial year were applied retrospectively in order to be able to show a comparable and representative value.

³⁾ Due to the current data collection process, it is not possible to distinguish between net and gross calorific value data.

⁴⁾ Compared to the previous year, the survey methodology for classifying electricity consumption into fossil, nuclear and renewable shares was adjusted, which is why these values are only comparable with the previous year to a limited extent.

⁵⁾ Purchased or acquired renewable electricity includes certified green electricity plus the share of renewable electricity from purchased conventional electricity.

⁶⁾ Due to the unavailability of current-year data for the sites in Belgium, data from the previous year has been used.

Carbon footprint

In calculating our carbon footprint, we follow the Greenhouse Gas Protocol (GHG Protocol). This requires companies to include specific emissions in their calculations. During the reporting year, our focus was on improving data quality when recording electricity and heat consumption. By working with an external partner, we were able to obtain the consumption values and contractual conditions directly from the local energy and heat suppliers. This allowed for both greater data security through country-specific data queries and improved data quality of market-based Scope 2 emissions.

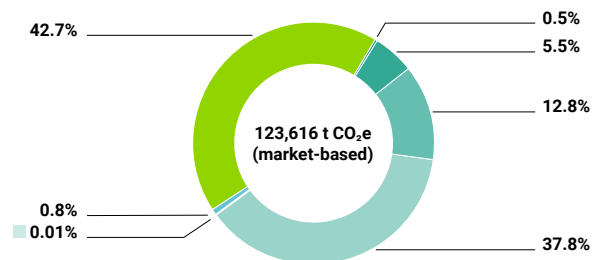
In wholesale trade, purchased goods and services typically account for the largest share of emissions (Scope 3). Other significant sources of emissions include the transport of goods by our own vehicle fleet (Scope 1) and by freight carriers (Scope 3), electricity (Scope 2), and capital goods (Scope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

Compared with the previous year, Scope 1 emissions decreased slightly by 1 per cent to 69,843 t CO₂e, which is primarily attributable due to the successful electrification of the fleet and a reduction in 4% in emission from fuel consumption. Emissions from heating oil decreased by 38 per cent, as several sites have successfully transitioned to alternative heating systems such as heat pumps and district heating. Whereas emissions from natural gas increased due to and increased heating demand in the winter period. Emissions from fugitive gases increased by 11 per cent. Although fewer refrigerants were replaced, those used had a higher global warming potential, leading to increased emissions. District heating consumption, decreased by 1 per cent. However, reported emissions from district heating reduced significantly by 78 per cent, mainly due to the application of updated emission factors in this reporting year.

While location-based Scope 2 emissions remained at the same level, market-based Scope 2 emissions fell by around 3 per cent from 55,157 t CO₂e in the previous year to 53,773 t CO₂e.

Scope 3 emissions from the upstream supply chain fell by 2,7 per cent compared with the previous year - from 25,024,115 t CO₂e to 24,355,539 t CO₂e. Overall, the PHOENIX group's total Scope 1-3 greenhouse gas emissions were thus reduced by over -2,7 per cent and amount to 24,504,572 t CO₂e in the location-based approach and -3 per cent to 24,479,155 t CO₂e in the market-based approach.

The greenhouse gas intensity of the PHOENIX group was significantly reduced by 7,9 per cent in the current fiscal year. This reduction is a notable achievement, as it was accomplished in a year of business growth, reflecting improved emissions efficiency relative to revenue.

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

In t CO ₂ e		2022/23	2023/24	2024/25
Scope 1	Heating oil	467	946 ²⁾	587
	Volatile gases	3,828	6,110	6,762
	Natural gas	12,810	14,737 ²⁾	15,797
	Fuels	35,674	49,022 ³⁾	46,678
	Biogenic fuels ⁴⁾	16	13	18
	Total	52,796	70,828	69,843
Scope 2	District heating	3,867	4,323	961 ⁵⁾
	Electricity (location-based)	68,181	74,929 ²⁾	78,229
	Electricity (market-based)	48,512	50,834 ²⁾	52,812
	Total (location-based)	72,053	79,252	79,190
	Total (market-based)	52,384	55,157	53,773

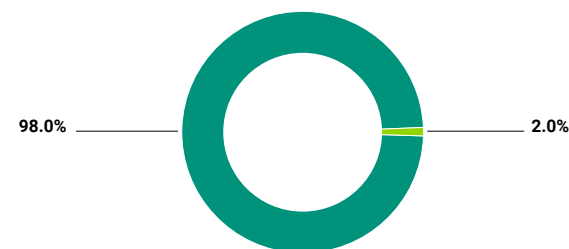
¹⁾ Sources of emission factors: DBEIS (2023), VDA (2021), Federal Environment Agency (2019), BAFA (2023) & EPA (2024). Greenhouse gases taken into account when preparing the GHG balance: CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃. The graphical representation in the pie chart includes Scope 2 emissions according to the 'market-based' calculation method.

²⁾ No consumption figures are available for the 2023/24 financial year for Ireland and some locations in Italy and Norway, which is why the energy consumption figures from the current financial year were applied retrospectively in order to be able to show a comparable and representative value.

³⁾ Limited fuel consumption figures are available for the 2023/24 financial year for some locations, which is why in those cases the energy consumption figures from the current financial year were applied retrospectively in order to be able to show a comparable and representative value.

⁴⁾ 'Outside of scopes' emissions from biogenic fuels: 812 tonnes of CO₂.

⁵⁾ Compared to the previous year, a different emission factor was used, to which the reduction in greenhouse gas emissions in the district heating sector is largely attributable.

SCOPE 3 EMISSIONS ^{1, 2)}

In t CO ₂ e			2022/23	2023/24	2024/25
Scope 3	3.1	Purchased goods and services	9,882,690	24,712,913	24,019,962
	3.2	Capital goods	96,846	96,588	90,086
	3.3	Activities related to fuels and energy ³⁾	47,394	56,419	56,754
	3.4	Upstream transport and distribution	85,527	110,933	106,000
	3.5	Waste generated in operations	—	—	23,441
	3.6	Business trips	2,081	3,043	8,408
	3.7	Commuting of employees	30,245	40,269	45,315
	3.14	Franchises	3,924	3,949	5,573
	Total		10,148,707	25,024,115	24,355,539

¹⁾ Sources of the emission factors: DBEIS (2021, 2023), UBA (2020).

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

³⁾ Not included in Scope 1 or 2.

GREENHOUSE GAS INTENSITY BY NET REVENUE

In t CO ₂ e/Mio. €	2023/24	2024/25	Δ 2024/25 – 2023/24
Total (location-based)	543.9	492.8	–7.9%
Total (market-based)	534.3	492.3	–7.9%

CIRCULAR ECONOMY

The circular economy principle is central to the EU's Green Deal, which is aimed at resource conservation, waste reduction and cutting greenhouse gas emissions.

We have defined “reusing resources” as one of the focus areas of our Sustainability Agenda: we want to reuse, reduce, and recycle wherever possible. As part of this focus topic, waste reduction has been identified as a key priority. Targets and relevant measures will be developed in the future.

The PHOENIX group and its national subsidiaries are also subject to the European Packaging and Packaging Waste Regulation (PPWR). The aim of the regulation is to prevent and reduce packaging waste, make all packaging recyclable by 2030, increase the use of recycled plastics, reduce the use of primary materials, and move the sector towards climate neutrality by 2050. For PHOENIX, this results in a wide range of regulatory requirements for packaging and waste management. In order to meet these requirements, an analysis of the status quo, the development of a group-wide policy, and the evaluation of possible targets are planned.

Material inputs

The PHOENIX group uses various materials that require the use of raw materials. We focus on resource efficiency and aim to minimise usage in all our processes.

The European subsidiaries are implementing individual measures – in the distribution centres, pharmacies, and administration. Digitalisation plays an important role in administrative processes: 25 subsidiaries have digital signature solutions. Several other subsidiaries have implemented a digital document management system or are in the process of doing so. Further progress has also been made in digital interfaces with manufacturers and/or customers, such as preparations for the introduction of electronic invoicing.

In retail, we use FSC-certified packaging for our own-brand products wherever possible. For the carrier bags used in our pharmacies, we are switching from conventional plastic to alternatives.

We also take care to conserve resources in our distribution centres. We use a reusable system of returnable plastic tubs for deliveries to pharmacies. Several subsidiaries have also switched to thinner material for pallet wrap, while others have projects to save material in packaging cartons. One subsidiary switched to reusable temperature loggers during the reporting as part of a take-back programme.

Waste

The PHOENIX group's operations generate various types of waste. Hazardous waste poses environmental risks and also results in high costs. We are therefore constantly striving to reduce hazardous waste to a minimum. In addition to oil sludge and chemicals, hazardous waste includes, above all, pharmaceutical waste. We are required by law to remove expired products and products with damaged packaging from the goods cycle and to have them professionally disposed of as hazardous waste.

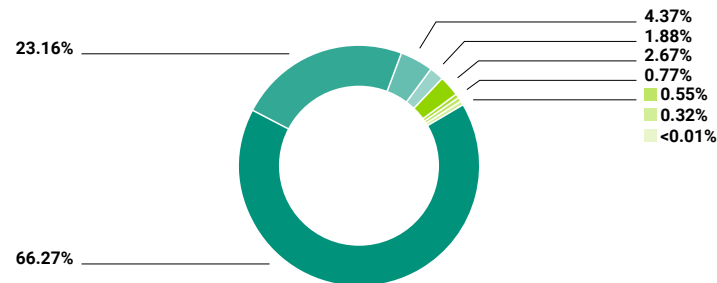
In addition to hazardous waste, the PHOENIX group's processes also generate non-hazardous waste. This includes organic waste, paper and cardboard, electronic scrap, metal, wood, plastics, glass, and textiles. All of these are recycled wherever possible.

Non-hazardous waste

The amount of non-hazardous waste generated during the reporting period was 32,866 tonnes (previous year: 31,960 tonnes), an increase of 2.8 per cent compared with the previous year. There were no major changes in the proportionally largest waste types. Mixed waste showed a moderate increase of 9.7 per cent in all countries. On the other hand, there were significant increases in electronic waste and glass. The disproportionate increase in electronic waste was due to the special disposal of waste refrigeration equipment in Germany. The first collection of glass waste in Lithuania led to a significant increase.

Non-hazardous waste was mainly recycled at a rate of 78.2 per cent (previous year: 75.9 per cent). The remaining waste, such as waste from energy generation or in the form of mixed waste, was disposed of in an environmentally friendly manner by specialised companies.

NON-HAZARDOUS WASTE BY TYPE



In tonnes	2022/23	2023/24	2024/25
Paper and cardboard	17,677.57	21,872.23	21,784.46 ¹⁾
Mixed waste	6,166.00	6,938.72	7,611.42 ¹⁾
Plastics	875.49	1,393.42	1,436.01 ¹⁾
Organic waste	524.84	533.59	616.34 ¹⁾
Wood	335.03	866.37 ²⁾	876.35 ¹⁾
Metals and scrap	202.90	231.25	254.46 ¹⁾
Electronic waste	42.18	54.67	181.133 ¹⁾
Glass	68.48	69.27	105.52 ¹⁾
Textiles	0.00	0.07	0.02 ¹⁾
Total	25,892.48	31,959.61	32,865.71

¹⁾ For the sites in Belgium, no recent waste generation figures were available and therefore the previous year's figures have been used. Data for individual sites in Norway are not available and are therefore not included in the figures.

²⁾ Figures for Finland have been restated due to improvements in data collection.

NON-HAZARDOUS WASTE BY TYPE OF DISPOSAL



In tonnes	2022/23	2023/24	2024/25
Recycling	18,982.24	24,252.49	25,717.24 ²⁾
Preparation for reuse	0	0	508.92 ^{1, 2)}
Incineration without energy/heat recovery	2,063.36	1,711.90	981.88 ^{2, 3)}
Incineration with energy/heat recovery	2,242.99	4,344.43	3,139.52 ^{2, 3)}
Composting	443.37	477.40	502.57 ²⁾
Landfill	681.82	988.00	1,026.56 ²⁾
Other disposal methods	1,478.83	185.38	989.02 ^{2, 3)}
Total (without recycling)	6,910.36	7,707.11	7,148.46 ²⁾
Total	25,892.60	31,959.61	32,865.71

¹⁾ This type of disposal was reported for the first time for the reporting year 2024/25, therefore no previous year's figures can be given.

²⁾ For the sites in Belgium, no recent waste generation figures were available and therefore the previous year's figures have been used. Data for individual sites in Norway are not available and are therefore not included in the figures.

³⁾ Due to changes in waste management companies in some countries during the year, there are shifts in the allocation of waste types.

Hazardous waste

To minimise the generation of hazardous waste in the form of damaged or expired medicines, the PHOENIX group's subsidiaries make use of their individual scope for action and implement a wide range of measures. Decisive factors here include the application of standard procedures and work instructions as part of quality management and compliance with the good distribution practice (GDP) guidelines. Employee training in our distribution centres plays an important role in this, covering, for example, the careful handling of packages and ensuring optimum temperatures in cold storage.

In the reporting year, a total of 833 tonnes of hazardous waste was generated, which is a decrease of 29 per cent (previous year: 13 per cent). This decrease is due to both a general downward trend and the re-evaluation of waste classification in Germany.

HAZARDOUS WASTE

In tonnes	2022/23	2023/24	2024/25	Δ 2023/24 – 2022/23	Δ 2024/25 – 2023/24
Pharmaceutical waste ¹⁾	1,195	1,034 ²⁾	732 ³⁾	–13%	–29%
Oil sludge	16	22	17 ³⁾	+37%	–22%
Other hazardous waste	93	149	83 ³⁾	+59%	–44%
Total PHOENIX group	1,305	1,205 ²⁾	833 ³⁾	–8%	–31%

¹⁾ Without disposal for customers.

²⁾ Figures for Italy, Slovenia, and the Czech Republic have been restated due to improved data.

³⁾ For the sites in Belgium, no recent waste generation figures were available and therefore the previous year's figures have been used. Data for individual sites in Norway are not available and are therefore not included in the figures.



SOCIAL



The PHOENIX group can only be successful as a company if our employees are motivated and have the right qualifications. We want to offer our employees attractive working conditions and career opportunities as well as a healthy working environment. With regard to our supply chain, we implement due-diligence obligations in accordance with legal requirements..

› **EMPLOYEES** › **SUPPLY CHAIN MANAGEMENT**



EMPLOYEES

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

Human resources and policies

One of the focus areas of our WINGS strategic agenda relates to people, with an emphasis on “employer of choice” and “talent pool.” We aim to be the employer of choice in our industry and attach great importance to developing our internal talent. The goal of these two strategy modules is to make the PHOENIX group an even better known and more attractive employer and to counteract brain drain.

Our Corporate HR strategy focuses on implementing all required measures to support a highly efficient organisation. Group-wide HR measures, such as the standardised implementation of employee surveys and the introduction of a uniform leadership principles, are defined, prioritised, and implemented by the Executive Board together with Corporate HR. We are in the process of developing specific objectives with relevant measures as well as an HR reporting system with defined KPIs.

The PHOENIX group’s » [Code of Conduct](#) sets out the principles of trusting and appropriate interactions with colleagues, customers, suppliers, and competitors. We are committed to complying with labour laws and regulations in all countries. We respect the principles of freedom of expression, the right to information, the independence of the media, and the protection of privacy. Our Code of Conduct, which applies to all employees working for a PHOENIX group company, is currently under revision. In addition to the Code of Conduct, our compliance system includes further policies on various topics (see [Compliance](#)).

Our » [Policy Statement on Human Rights](#) complements the Code of Conduct and applies to all employees and subsidiaries throughout Europe. We actively oppose modern slavery and human trafficking, including forced and child labour, as well as all forms of discrimination. For more details on this statement and information on our risk management, see the [Supply chain management](#) section.

Risks, specific incidents, or suspected violations of PHOENIX group policies or laws can be reported confidentially through various complaint channels, which can be found in the [Compliance](#) section. New and existing employees are regularly reminded of the reporting structures through various communication campaigns and e-learning sessions. Information is also provided in the Code of Conduct.

Dialogue and collaboration

The PHOENIX group cultivates a corporate culture based on dialogue and shaped by our values and management policies. We also use direct surveys to measure employee job satisfaction levels. Maintaining a partnership-based relationship with employee representatives is of primary importance to us.

Employee surveys

The opinions, satisfaction, and motivation of our employees are very important to us. Our KPI in this area is the Commitment Index, which combines satisfaction and commitment. Corporate HR collects this in an annual, centralised survey. In 2024, we launched a new survey platform that uses data analytics and artificial intelligence to improve user experience. The first round of surveys on the new platform confirmed this assumption, with a five-per cent increase in participation.

The survey tool can also be used by the subsidiaries for additional, region-specific topics to further improve employee satisfaction.

Communication

The Speakap employee app contributes to interactive and transparent internal communication. It enables our employees to share information across departments and countries. More than 26,700 employees have registered. The sustainability team also uses the app to communicate with employees on a variety of topics.

Collaboration within the PHOENIX group is also to be simplified and improved through the Digital Workplace programme, which was driven forward in the reporting year. The aim is to create standardised digital workplaces in all subsidiaries. Around 70 per cent of the planned devices are currently in use, with the rollout set to be completed by mid-2025.

Dialogue with employee representatives

We work constructively with employee representatives and trade unions in each country and at the European level, seeking a fair balance of interests. This is also set out in our Code of Conduct. In doing so, we are guided by internationally recognised standards and the legal framework of each country. We respect the right of employees to freedom of association, assembly, and collective bargaining. The SE Works Council reflects the international structure of the company and engages in dialogue with the management on transnational issues. This includes sustainability issues such as waste reduction and energy saving, as well as social issues such as promoting diversity and family-friendly working conditions.

Employee structure

At the end of fiscal year 2024/25, the PHOENIX group employed 48,939 people (previous year: 48,478) in 29 European countries (previous year: 29). This represents an increase of one per cent compared with the previous year (previous year: 21.5 per cent) and is now back to normal levels following the largest acquisition in the company's history.

With 5,401 employees (previous year: 5,201), the UK had the largest number of employees in the PHOENIX group, followed by Norway with 4,997 (previous year: 4,913) and the Netherlands with 4,845 (previous year: 4,866) employees. With 4,671 (previous year: 4,984) employees, Germany only ranks fourth within the PHOENIX group this fiscal year.

The proportion of female employees in the PHOENIX group was around 68.4 per cent in the reporting year (previous year: 67.7 per cent). Of these, 19,835 female employees (previous year: 19,705) were in full-time positions, while the number of men in full-time positions was 12,218 (previous year: 12,211). Of the male PHOENIX employees, 3,271 (previous year: 3,433) and 13,615 (previous year: 13,129) were employed part-time. The proportion of part-time employees was therefore 34.5 per cent (previous year: 34.1 per cent).

During the reporting year, 9,355 employees left the group and 8,842 were recruited, resulting in a fluctuation rate of 19.3 per cent.

EMPLOYEES BY GENDER AND EMPLOYMENT GRADE ¹⁾

	Women	Men	Other ²⁾	Not specified	Total	Share
Number of employees	33,450	15,489	0	0	48,939	100.0%
of which full time	19,835	12,218	0	0	32,053	65.5%
of which part time	13,615	3,271	0	0	16,886	34.5%

¹⁾ Headcount survey as of 31 January 2025.

²⁾ According to employees' self-reporting of their gender identity.

EMPLOYEES PER COUNTRY WITH >10% OF THE GROUP-WIDE WORKFORCE ¹⁾

	United Kingdom	Norway	The Netherlands	Germany
Number of employees	5,401	4,997	4,845	4,671

¹⁾ Headcount survey as of 31 January 2025.

Diversity and equal opportunity

Diversity, equal opportunity, and inclusion are part of our Sustainability Agenda. We want to promote social diversity among employees and managers and believe that diverse teams achieve better results. We support intercultural exchange and international collaboration, for example by focusing on global teams, especially in our centres of excellence.

Our » **Code of Conduct** commits us to the principles of equal opportunity and mutual respect. All employees are to receive the same treatment and the same opportunities in all employment situations, regardless of gender, age, religion, race, skin colour, sexual orientation, ethnic origin, national origin, or disability.

Gender diversity is also high on our agenda. In particular, we are committed to increasing the number of female managers in our talent programmes. In fiscal year 2024/25, six female managers (previous year: two) took part in our LIFT Top Talent Development Initiative, bringing the total number of participants to 18 (previous year: 25). In RUNWAY, our middle management talent initiative, 24 out of 53 participants were women.

Some subsidiaries are pursuing their own approaches to promoting equal opportunity and are implementing measures to improve the work-life balance of their employees.

In most cases, employees with a PC workstation can also work from home on a pro rata basis. The subsidiaries offer various flexible working time models in accordance with country-specific regulations.

At the end of the 2024/25 reporting year, the top management of all PHOENIX companies consisted of a total of 20 women (previous year: 18) and 98 men (previous year: 101). The proportion of women is thus 17.0 per cent (previous year: 15.1 per cent). The reporting year saw some changes in top management, although the total number of managers remained relatively stable at this level. Optimisations in the IT area led to a leaner structure, while additional management positions were created in the subsidiaries to strengthen the local presence.

Education and development

Good development opportunities and training programmes are important factors in attracting and retaining talent. It is important for us to recognise employees' potential and systematically develop their skills.

Training courses and skills development

In 2024, we set the course for the switch to a new, group-wide learning management system (LMS). This strategic initiative is a key step towards achieving our group-wide learning and sustainability goals. The rollout of the new LMS is planned for 2025 and will be implemented in all countries where we operate. This single system will enable us to harmonise our learning processes, increase the efficiency of our programmes, and be more agile in responding to market conditions.

Management development programmes

The PHOENIX group aims to fill management positions primarily from within the company. To develop high-potential individuals who will strengthen our talent pipeline, we launched the LIFT Top Talent Development Initiative in 2021. This flagship programme promotes leadership and interdisciplinary skills. Since its inception, 53 participants have been supported as ambassadors and 18 new participants have been accepted into the programme.

In 2023, our additional RUNWAY talent initiative for middle management was introduced, with 53 participants and 39 ambassadors in the reporting year. It aims to promote business acumen, leadership skills, and interdisciplinary collaboration.

Traineeship and dual study programmes

The PHOENIX group trains junior staff and offers young people a wide range of career entry opportunities: internships, traineeships, and dual-study programmes. We regularly take part in career and study information days and career fairs to draw the attention of interested applicants to our company.

In fiscal year 2023/24, the PHOENIX group employed 72 trainees (previous year: 64) and 15 students (previous year: 19) on dual-study programmes in its German subgroup. The dual-study programme offers students the opportunity to complete part of their training at one of our European subsidiaries. Typically, a high proportion of the trainees are hired by the end of their training.

Occupational health and safety

We have a special responsibility for the health of our employees. This includes preventing work-related injuries through safe working practices and a healthy working environment. As part of our quality management system, we ensure strict compliance with relevant national and EU legislation and regulations. This includes preventative measures and systematic risk assessments for every workplace. Responsibility for this lies with the various subsidiaries, since the regulations and their implementation vary greatly from country to country.

Preventing accidents

Occupational safety instructions and regular employee training play a key role in accident prevention. The main topics covered are fire safety, workplace ergonomics, handling of hazardous substances, correct lifting techniques, and the safe operation of machinery and equipment in our distribution centres, especially forklift trucks. The subsidiaries also implement individual occupational safety measures.

The number of lost-time injuries rose to 792 in the reporting year (previous year: 637) (see table below), which represents an increase of 24.3 per cent. Data collection and classification as injuries with lost time differ between individual countries, which is why the informative value of the key figures is limited.

In the event of work-related hazards, employees can contact the local safety officer or line manager. Local contacts are required to keep such reports anonymous. Reports on all topics can be made anonymously via the group-wide » [whistle-blower system](#).

TOTAL RATE OF WORK-RELATED INJURIES

	2022/23	2023/24	2024/25	Δ 2023/24 – 2022/23	Δ 2024/25 – 2023/24
Actual working time in hours (per million hours)	61.0	75.6 ¹⁾	73.9	+24%	–2.3%
Lost-time injuries ²⁾	353	637	792	+80.5%	+24.3%
Total rate of work-related injuries	5.8	8.4 ¹⁾	10.7	+44.8%	+27.4%

¹⁾ The previous year's figure was adjusted retrospectively. While no data was available for Portugal and Ireland in the 2023/24 Sustainability Report, it has been included in this year's report.

²⁾ Reported in accordance with national legislation and may therefore include commuting accidents. Classification as an injury may differ between countries. All accidents resulting in at least one day's absence, known as lost-time injuries (LTIs), are counted.

Promoting health

A company health management system helps to promote employee health and reduce sickness rates in the subsidiaries. It includes numerous projects such as health days in the distribution centres. Several subsidiaries also offer employees free health checks, optional flu vaccinations, and other additional services.

In the reporting year, the sickness rate was 4.6 per cent (previous year: 3.8 per cent).

SUPPLY CHAIN MANAGEMENT

Companies must take responsibility for integrating sustainability into their sourcing processes. For example, if suppliers violate human rights or environmental standards, this can cause harm at the point of origin and affect the risk assessment of the supply chain. At the same time, companies are increasingly required by national and international legislation to exercise due diligence in their supply chains. In Germany, the Supply Chain Due Diligence Act (LkSG) legally regulates compliance with human rights due diligence obligations, while companies operating in the EU are also preparing for the planned European regulation.

In the PHOENIX group, procurement is largely organised on a decentralised basis: the subsidiaries have their own purchasing departments or purchasing managers for the procurement of goods. Our goods consist mainly of pharmaceuticals and medical products, as well as other standard pharmacy products such as cosmetics and dietary supplements.

Corporate General Procurement develops guidelines and best practices for the purchase of non-trade goods, some of which are supplemented locally. The PHOENIX group's » [General Procurement Supplier Code of Conduct](#) for non-trade goods, which has been in place for some time, is currently being revised.

During the fiscal year, General Procurement focused on centralising supplier management. To this end, the AEGIS software was customised specifically for PHOENIX in order to simplify procurement processes with a standardised solution from the source to the contract. This supports sustainable supply chain management, which increases transparency, identifies and manages risks, and improves collaboration with suppliers.

Human rights due diligence

The PHOENIX group has implemented a risk management system for both suppliers and in its own business operations in accordance with the LkSG. The aim is to identify human rights risks and

environmental risks as well as potential violations both in our own operations and in the supply chain and to implement appropriate preventive and remedial measures. The » [Policy Statement on Human Rights](#) is updated regularly, most recently in November 2024. This Policy Statement provides an overview of our efforts to respect human rights and provides information on the prioritised risks.

Responsibilities

The PHOENIX group's Executive Board has overall responsibility for the group's due diligence obligations. The Head of Corporate Sustainability, who also holds the position of Human Rights Officer, is responsible for monitoring human rights risk management and reports monthly to the Executive Board member responsible for Healthcare Logistics & Sustainable Supply Chain. The Executive Board is informed as required and at least annually. The operational implementation of risk management is coordinated by a project management office in the Corporate Sustainability department, in close collaboration with relevant departments such as Human Resources and different purchasing departments. In addition, a local human rights officer has been appointed in each country to support local processes and to forward relevant information to the Project Management Office.

Respect for human rights

Our human rights management approach is based on internationally recognised standards such as the United Nations Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social, and Cultural Rights, the United Nations Guiding Principles on Business and Human Rights, and the International Labour Organization's Fundamental Principles of Responsible Business Conduct.

Furthermore, we expect all our business partners to comply with applicable laws and human rights conventions as well as with environmental protection standards in accordance with national and international requirements and are committed to achieving this in our supply chain.

In addition to this report and the Policy Statement, there are some separate publications at country level. Our UK subsidiary publishes an » [annual statement on modern slavery and human trafficking](#) in accordance with the UK Modern Slavery Act. Our Norwegian subsidiary has published a » [report](#) on compliance with its due diligence obligations under the Transparency Act since 2024.

We want to raise awareness of human rights issues among our employees and encourage them to promote respect for human rights. We implement this in various information formats.

Risk assessment

Since 2023, we have conducted a comprehensive annual risk assessment to identify and prioritise human rights and environmental risks in our own operations and those of our direct suppliers. This includes all subsidiaries, over which we have a significant influence. The analysis consists of two key components: an abstract and a concrete risk assessment.

As part of the abstract analysis, we identify potential human rights and environmental risks based on the country and sector risk. We use various risk indices and relevant studies to make an informed assessment. Where potential risks are identified, a more detailed, concrete analysis is carried out. This may focus on the targeted investigation of specific suppliers, sectors, locations, or our own operations. We use interviews, a specialised software tool; and questionnaires or reports from research institutes and non-governmental organisations. The risks identified in this process are weighted and prioritised.

Abstract and concrete risk analyses are also carried out on an ad hoc basis when events occur that affect the risk situation. These may include changes in our own operations, changes in the supply chain, or new information about potential human rights or environmental violations. This mechanism also applies to indirect suppliers in order to ensure comprehensive risk monitoring.

At the same time, all new business partners are analysed as part of our software-assisted screening process. This process integrates the results of web searches and risk databases. Various preventive measures are derived from the risk analysis and from the business partner screening

process. These range from control measures, such as sending self-assessment questionnaires to medium- and high-risk business partners, to incorporating identified risk issues in supplier discussions to raise awareness in the relevant departments or obtaining contractual assurances.

Whistle-blower system

Violations of human rights and environmental law can be reported anonymously via the group-wide » [whistle-blower system](#) (detailed information on this can be found in the [Compliance](#) section and in the » [Rules of Procedure](#). Internal and external stakeholders as well as employees in the value chain can contact the PHOENIX group at any time, anonymously and in various languages.

The whistle-blower mechanism is reviewed annually for effectiveness and appropriateness.

Safe processes

As a healthcare provider, quality and reliability are top priorities for the PHOENIX group. A safe supply of pharmaceuticals is only possible if the quality of the supply chain is impeccable: from product storage in compliance with regulations and targeted delivery to pharmacies and hospitals to optimal availability of medicines for patients.

Quality management

All companies in the PHOENIX group follow the EU guidelines on good distribution practice (GDP) and – where necessary – good manufacturing practice (GMP). Our quality assurance systems are monitored through internal audits and confirmed by official GDP/GMP certificates. The PHOENIX group's quality management is risk-based and process-orientated in accordance with ISO 9001. Approximately 80 per cent of the companies in the PHOENIX group are certified to this standard. This ensures that the products are not exposed to any negative influences and that their quality remains the same as long as they are within PHOENIX's area of responsibility.

The PHOENIX group initiates many projects and policies centrally and the subsidiaries are responsible for implementing them. Quality management targets are set at country level and key figures are recorded, such as the number of training sessions, management reviews, complaints, recalls, and audits.

In addition, various European project groups work on current GxP (good working practice) issues, which are incorporated into the development of group-wide best practices. The goal is to create a common understanding within the group and to consolidate and harmonise the quality management systems in the various countries. For example, a group-wide introduction of a standardised electronic document management system has been initiated and is currently being successively rolled out to other subsidiaries.

The PHOENIX group duly implements all EU legal requirements on medical devices and on combating the counterfeiting of medicines and has established respective processes.

Recalls and product information

In the event of side effects, malfunctions, or counterfeits, the end consumer will typically first contact a doctor or pharmacist, who may then contact the PHOENIX group, the manufacturer, or the authorities. In the event of a market recall, we support manufacturers by ensuring the full traceability of the products supplied and can therefore provide pharmacies with precise information on the batch concerned. However, the decision to recall a product is the responsibility of the manufacturer. Product-related information, such as package leaflets or instructions for use, is developed and provided exclusively by the manufacturers.

GOVERNANCE

Responsible and compliant behaviour is the cornerstone of the PHOENIX group's success. Naturally, this includes compliance with the law and the group's internal policies. The PHOENIX group continuously promotes the communication of compliance content and organises regular training sessions on the subject.

> COMPLIANCE



COMPLIANCE

Compliance breaches are associated with negative consequences and risks for both society and companies. Responsible and compliant behaviour is the basis for good corporate governance – and an integral part of the PHOENIX group's corporate culture. Corruption, unfair competition, and misconduct have no place either within the PHOENIX group or in our collaboration with customers and business partners. The objective is to permanently reduce compliance risks and avoid breaches. One of our most important measures that aims to enable our employees to behave lawfully and with integrity while also optimising our business processes is the group-wide » **compliance system**. This system is continuously improved and was certified at the end of fiscal year 2023/24 (IDW Assurance Standard 980).

The overall responsibility for compliance lies with the Executive Board, while the Group Compliance Manager is responsible for the ongoing enforcement and further development of compliance requirements. There are also local compliance managers in each country.

Policies and procedures

Our compliance system is based on the following policies:

- » **Code of Conduct**
- » **Compliance Policy and Reporting and Investigations Policy**
- » **Anti-Corruption Policy**
- » **Competition Compliance Policy**
- » **Sanctions and Embargoes Compliance Policy**
- » **Anti-Money Laundering Policy**

These policies lay out the principles of trustworthy and appropriate interactions with colleagues, customers, suppliers, and competitors. Corporate Compliance conducts regular self-assessments as well as risk assessments to review the implementation of compliance management and to identify emerging risks.

Code of Conduct

Our » **Code of Conduct** sets out the standards of behaviour for all employees working for a PHOENIX group company. It also provides a framework for positive and ethically responsible collaboration.

Complaints handling

PHOENIX group employees can contact their local compliance manager or the Group Compliance Manager if they suspect a compliance risk or violation. The contact details are published on the intranet and, in the case of our Group Compliance Manager, on our website.

In addition, employees, business partners, or other third parties can report compliance risks or violations through our web-based » **whistle-blower system**, anonymously if they wish. The system is hosted by an external service provider. The identity of the whistle-blower cannot be traced if the report is made anonymously.

The PHOENIX group will treat any report of a violation confidentially. We will protect whistleblowers who make a report in good faith in accordance with the EU Whistle-blower Directive (2019/1937). Any form of retaliation is prohibited and will be prosecuted. We ensure that employees who report a violation suffer no adverse consequences. Negative comments about employees who have reported a violation are treated as a violation of our Code of Conduct. This protection applies to all individuals, both to PHOENIX group employees during or after their employment with PHOENIX and to external parties.

We consistently follow up on information received. Each case is recorded according to standardised criteria across the group and is categorised and followed up on in accordance with the PHOENIX group's » **Rules of Procedure**. If an internal compliance incident is confirmed by an investigation, various measures may be taken depending on the severity of the employee's misconduct: these can range from a warning to, in exceptional cases, the termination of the employment contract and the assertion of claims for damages. Serious cases are subject to a follow-up process. This ensures that any corrective action is implemented appropriately.

Violations by third parties, such as business partners, can also result in contract termination, reports to regulatory authorities or the police and, where appropriate, civil action.

All persons who have access to the whistle-blower system are trained carefully and regularly in its use and the relevant internal processes. Employees are reminded of the reporting structures and systems through various communication campaigns and e-learning sessions on a regular basis. Information is also provided in our Code of Conduct, which is available on both the intranet and the internet. Information on the complaints procedure is described in our » **Rules of Procedure**.

Corruption prevention

The PHOENIX group's compliance system defines measures to prevent, detect, and combat corruption and bribery. Our group's main rules and principles on this topic are set out in our » **Anti-Corruption Policy**. In addition to our policies, procedures, and monitoring activities, we have established the possibility to report compliance incidents through the whistle-blower system or to the Compliance department directly. Cases are then investigated according to defined processes. Compliance incidents are reported to the Group Compliance Committee (GCC) and the Executive Board on a regular basis.

All reported compliance cases, including allegations of corruption and bribery in particular, are investigated systematically, followed up on, and sanctioned. Where appropriate, we take the necessary steps to minimise risk. During the reporting year there were no convictions or regulatory fines related to corruption and bribery.

Training

We help our employees to act with integrity and avoid potential violations from the outset. The aim is to create and promote a culture of compliance and a safe environment for employees.

The PHOENIX group continuously promotes the communication of compliance content to raise awareness of the whistle-blower system. We conduct regular group-wide training sessions in the form of mandatory e-learning courses, with the explicit goal of communicating the content of the compliance system and ensuring that all employees act in accordance with the law.

We also provide face-to-face compliance training in focus groups, especially for employees who have significant contact with customers or suppliers, or who are authorised to conclude transactions, as well as for all managers. Approximately 20-30 per cent of employees in the e-learning focus group receive this type of compliance classroom training. This ensures that all areas identified as "high-risk functions" are adequately trained in compliance content.

During the reporting year and the previous year combined, a total of 10,757 employees were trained via compliance e-learning (of which 7,963 in the reporting year) and 3,695 via compliance classroom training (of which 1,151 in the reporting year). New employees receive training as part of their onboarding and employees who have been with the PHOENIX group for some time receive training every two years. This includes members of the Executive Board.

Data protection

The PHOENIX group takes very seriously the handling of the data of our customers, business partners, and employees in a legally compliant and trustworthy manner. The group therefore has a group-wide data protection organisation: all PHOENIX group companies and subsidiaries have officially appointed data protection officers or data protection contact persons. These individuals are responsible for advising the organisation and employees on data protection issues and for monitoring compliance with data protection legislation.

The Corporate Data Protection department is the central point of contact for all data protection matters affecting the group. It monitors compliance with the GDPR within the PHOENIX group on the basis of the majority/control principle. As part of the so-called "country reporting" process, Corporate Data Protection requests a self-assessment of the relevant data protection topics and data protection compliance from the data protection officers of the countries and subsidiaries. This then serves as the basis for the annual Corporate Data Protection Report to the PHOENIX group's Executive Board.

The PHOENIX group's Privacy Policy applies to all employees and is designed to ensure that personal data is processed exclusively in accordance with the applicable data protection regulations and in compliance with the principles of the GDPR. Among other things, it also defines and regulates the reporting and management of data protection breaches. The Privacy Policy is reviewed every other year. The next review will take place in the next fiscal year.

To optimise the documentation and communication processes with colleagues from the operational business, Corporate Data Protection successfully introduced a tool for the recording of processing activities in the past fiscal year. Initial improvements have been made. This is an important step

towards an integrated data protection management system. A further module of the system is currently being developed in the form of an assessment sheet. This will be used as a basis for assessing the relevance of data protection and information security for new projects and initiatives in the operational business.

The PHOENIX group attaches particular importance to raising employee awareness around data protection issues. In addition to general online training on the GDPR, Corporate Data Protection also offers customised training for experts or specialist departments. For everyday questions, employees can access simple instructions or detailed guidance and explanatory videos on the CONET intranet platform. In 2024, a group-wide awareness-raising campaign was carried out in which employees were made aware of the importance of data protection issues through tips and instructions.

In the past fiscal year, we also introduced a lock screen – which allows relevant information to be displayed directly on employees' computer screens – to coordinate awareness across the group, particularly in the areas of information security and data protection. The PHOENIX group uses its external, web-based whistle-blower system to report data protection violations.

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Editorial note

The editorial deadline for this Sustainability Report 2024/25 was 28 May 2025. The report is also available in German and can be downloaded from our » [website](#).