

## Rules of Procedure

### Complaints procedure for reporting suspected cases

#### Scope and persons authorised to report

The PHOENIX group is committed to the protection and promotion of human rights, the well-being of people in the workplace, and compliance with environmental standards. We also insist on and strive to maintain ethical and fair dealings with our business partners and with each other. We comply with legislation and clarify our responsibilities and values by means of several policies and statements, including:

- [Code of Conduct](#)
- Compliance Principles and Reporting & Investigations Policy (published internally)
- [Anti-Corruption Guideline](#)
- [Competition Compliance Guideline](#)
- Sanctions & Embargoes Compliance Policy (published internally)
- Anti-Money Laundering Policy (published internally)
- [Policy Statement on Human Rights](#)
- [Supplier Code of Conduct](#)

We are aware that violations of these and other requirements may occur despite our due diligence processes. In order to uphold our zero-tolerance policy, we have the responsibility to investigate incidents and take resolute action in the event of violations. This is done with the full support of the PHOENIX group's Executive Board and is coordinated throughout the group by means of a uniform compliance management system.

The complaints procedure is part of the compliance management system. In this context, risks, suspected breaches of PHOENIX group guidelines or applicable laws, and specific incidents (hereinafter referred to as "cases") can be reported confidentially through various channels. Examples of cases include corruption, accepting or offering bribes, theft/misappropriation of capital, violations of quality or safety guidelines, violations of human rights and labour laws, and pollution of the environment, for example due to the improper discharge of wastewater or disposal of waste. Reports may relate to cases within the PHOENIX group, PHOENIX employees in the course of their operational activities, contact with or the business practices of business partners with whom the PHOENIX group has direct or indirect dealings (supply chain), or effects on communities and livelihoods.

The complaints procedure is accessible to everyone, whether private individuals, PHOENIX employees, business partners and their employees, indirect business partners, communities, or even representative organisations such as non-governmental organisations and associations.

These Rules of Procedure make the complaints procedure transparent and apply to the processing of all incoming reports. The processing of reports by the PHOENIX group does not replace criminal or official investigations.

### **Complaints channels and contacts**

Please note that cases must be reported in good faith. The misuse of reporting channels (especially with regard to anonymous reports) is prohibited.

#### **Online case reporting system (Integrity Line)**

Reporting persons always have the option to either report anonymously or disclose their identity. Our online case reporting system is available in all the national languages in which the PHOENIX group operates. The system is free to use and available twenty-four hours a day, seven days a week. It is hosted externally. The reporter's identity cannot be traced if the report is submitted anonymously. The system can be used by PHOENIX employees and external stakeholders.

You can access the case reporting system via the following link:

<https://phoenixgroup.integrityplatform.org/>.

#### **Direct contacts**

The Corporate Compliance department bears overall responsibility for the complaints procedure. You can contact them with confidence. Cases relating to the violation of human rights and environmental risks, for example, are dealt with in consultation with the relevant departments, as required. You can get in touch with Corporate Compliance in the following ways:

Email: [compliance@phoenixgroup.eu](mailto:compliance@phoenixgroup.eu)  
Phone: +49 621 8505 8519  
Postal address: PHOENIX Pharmahandel GmbH & Co KG  
Corporate Compliance  
Pfungstweidstraße 10–12  
68199 Mannheim  
Germany

#### **Line managers and local contacts**

PHOENIX employees can also contact their line managers. In addition, there are Local Human Rights Officers (LHROs) and Local Compliance Managers (LCMs) at each PHOENIX country head office. Contact options can be found on the intranet under Compliance and Sustainability (Governance).

Cases are also reported to Corporate Compliance for case registration.

## **External reporting channels**

Additionally, official government systems for external reporting are available in EU countries.

## **Sequence of the complaints procedure**

### **Report submission and case registration**

- Upon receipt of a report, the case is registered by Compliance. The case is further investigated according to a predefined process. All reports of suspected cases are taken seriously and will be investigated.
- Each case is assessed and categorised by Compliance. If needed, Compliance will contact the reporting person (for more information, for example). Compliance will involve the relevant departments and staff (such as Human Resources, Data Protection, Tax, and Human Rights Officers) as necessary.
- The reporting person will receive a confirmation of receipt no later than seven days after the case report has been received.
- Depending on the severity of the case, the Executive Board may also be informed ad hoc and the next steps will be determined.

### **Second assessment of the case**

- A responsible person<sup>1</sup> from Compliance or a specialist department is appointed for each case. That person will assess whether the case will be investigated further (Considerations: sufficient information or grounds).

### **Investigation of the case**

- Case investigations are conducted on the basis of defined internal processes. The following principles apply to each investigation:
  - No discrimination: regardless of the reporting channel, all incident reports submitted shall be handled in a manner that protects the reporting person from retaliation or discrimination.
  - Confidentiality: all persons to whom incidents are reported are required to treat the cases confidentially.
  - Anonymity: during the investigation, the responsible person may propose a face-to-face conversation or meeting. If the reporting person does not want to reveal their identity, their wishes must be respected.

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<sup>1</sup> Depending on the severity of the case, several persons may be appointed as responsible persons.

- Proper handling of evidence: for example, data protection compliance.
- Throughout this period, the responsible person will remain in contact with the reporting person. Further information may be requested to clarify the case. Depending on the case, consideration may also be given to jointly discussing remedial measures or the optimisation and adjustment of existing measures. Each case is treated individually, taking into account the interests of all parties.

### **Documentation, final report, and measures**

- The investigations are documented by the responsible person and forwarded to the relevant line manager or management team. Direct measures will be taken based on the report.
- No later than three months after receipt of the report, the reporting person will receive feedback on the measures taken or planned, provided that this feedback does not violate the interests of possible investigations or the rights of an affected person and/or a third party.
- Possible measures may include:
  - Disciplinary measures
  - Enforcement of legal claims and prosecution
  - Correction of detected shortcomings
- The reporting person will be notified in writing of the closure of the case.

### **Prevention and evaluation**

- The aim of the PHOENIX group is to avoid and minimise violations in the long term. We therefore consider the prevention of incidents to be an integral part of the complaints procedure. That is why we have a group-wide compliance management system as well as targeted training courses on topics such as the Code of Conduct, corruption/bribery, antitrust, human rights, and environmental risks. The list of training courses is constantly being expanded. Lessons are learned from the case investigations about the effectiveness of existing preventive and remedial measures and used to optimise them. For cases that extend beyond the PHOENIX group's direct control, we endeavour to develop appropriate remedial and preventive measures together with the relevant stakeholders and to participate in industry initiatives.
- The complaints procedure is reviewed once a year and on an ad hoc basis.
- In selected cases, especially with regard to supply chain due diligence obligations, the evaluation of the effectiveness of measures is carried out together with the reporting person.



Figure 1: Sequence of the complaints procedure with feedback deadlines

## Protection of reporting persons

For the PHOENIX group, ethical and lawful conduct within the company and in business relationships is very important. Concerns and misconduct can be reported safely. The PHOENIX group prohibits retaliation, threats, or attempts to retaliate against persons who raise concerns or report misconduct in good faith and who have reasonable grounds to believe that the information reported was true at the time of reporting. Negative remarks made to employees who have reported a violation will be considered a serious breach of the Code of Conduct and Compliance Guidelines. This protection applies to all persons, including external persons, regardless of whether a report was submitted during or after a reporting person's period of employment at PHOENIX.

Requests for anonymity must be complied with as far as possible. Persons responsible for case investigations at PHOENIX must avoid identifying reporting persons (in documents, communications, and interviews, for example). Anonymity is facilitated by our online case reporting system. Furthermore, external reporting channels, which vary from country to country, can be used.

The case reporting and documentation system is subject to a strict access authorisation process. Only Corporate Compliance, the respective Local Compliance Manager, and potentially other involved persons have access to the case. All persons involved who have access to the case reporting system are carefully and regularly trained to use this system as well as the applicable internal processes.

Last updated: September 2023