

Sustainability Report

RESPONSIBLE BEHAVIOUR



PHOENIX GROUP IN FIGURES

Key figures of the PHOENIX group		2016/17	2017/18
Total operating performance ¹⁾	in € m	30,232.8	31,526.2
Revenue	in € m	24,436.7	24,909.8
Total income	in € m	2,567.6	2,667.9
EBITDA	in € m	429.3	468.0
Profit before tax	in € m	247.4	264.2
Equity	in € m	2,639.9	2,646.6
Equity ratio	in %	30.5	31.7
Net debt	in € m	1,643.0	1,783.0
Company rating (Standard & Poor's) ²⁾		BB +	BB +
Employees (total)		34,145	33,944
Employees (full-time)		26,611	27,638

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

²⁾ Company rating for PHOENIX Pharmahandel GmbH & Co KG.

GRI 102-48, GRI 201-1

Economic value retained of the PHOENIX group ¹⁾ in € m		2016/17	2017/18
Net turnover		24,436.7	24,909.8
Community investments		0.913	0.914
Personnel expenses		1,289.2	1,342.4
Operating costs		22,833.3	23,246.4
Taxes and fees		118.2	80.2
Dividends and interest payments to investors		74.7	66.4
Economic value retained		120.4	173.5

¹⁾ The annual financial statements for 2017/18 were prepared for the first time on the basis of PHOENIX SE. The previous year 2016/17 was adjusted accordingly in order to have a comparable period.

WE DELIVER HEALTH.
EACH AND EVERY DAY. ACROSS EUROPE.

The PHOENIX group is a leading European health service provider. It was formed in 1994 from the merger of five regional pharmaceutical wholesalers in Germany. Today, the company employs around 36,000 employees and offers a unique coverage in Europe.

In pharmaceutical wholesale, the PHOENIX group has 164 distribution centres in 27 European countries from which it supplies drugs and other health products to pharmacies and medical institutions.

In pharmacy retail, the PHOENIX group operates more than 2,500 of its own pharmacies in 14 countries – of which around 1,300 operate under the corporate brand BENU. In addition to Norway, the United Kingdom, the Netherlands and Switzerland, the company is represented in the Eastern European and Baltic markets.

Pharma Services provides services along the entire pharmaceutical supply chain. The All-in-One concept stands for a comprehensive range of services that benefits drug manufacturers, pharmacies and patients.

Sustainability is an ongoing responsibility. We give it the status it deserves by placing sustainable thinking and acting firmly at the heart of all the company's processes.

OUR FOCUS IS ON RESPONSIBLE VALUE CREATION, RESPECT AND MINDFUL BEHAVIOUR TOWARDS PEOPLE AND THE ENVIRONMENT AND EFFECTIVE COMMITMENT TO SOCIETY.

CONTENTS

4	Leadership and responsibility
4	Letter from the Managing Board
6	Executive Board of the PHOENIX group
7	About this report
8	Sustainable leadership of the company
14	Our areas of responsibility
14	Value creation for customers and companies
19	Protection of the environment
24	Promotion of employees
28	Commitment to society
30	Further information
30	Facts and figures
34	GRI Content Index
40	Glossary
41	Imprint

LETTER FROM THE MANAGING BOARD GRI 102-14

»We are mindful of the impact of our business activities on people and the environment.«

Dear readers,

As a leading healthcare provider in Europe, we reliably supply hundreds of thousands of people with drugs and medical products each and every day. Our business model is invaluable for ensuring health and quality of life, and it offers us opportunities for profitable growth. At the same time, we are conscious of the impact of our business activities on people and the environment. We are responsible for around 36,000 employees, the production of pharmaceutical waste, the CO₂ emissions that we cause on a daily basis by transporting drugs and for the communities in which we operate. In our sixth sustainability report, we would like to show you how we are meeting our responsibilities.

This year, we are delighted to present our sustainability activities in a new format. This sustainability report has been based on the GRI Sustainability Reporting Standards for the first time. It uses specific key performance indicators to concisely illustrate our commitment to our four areas of responsibility. To satisfy our stakeholders' various requirements for information, we are also publishing a sustainability brochure this year, which presents our understanding of responsibility in a brief and accessible manner.

What have we achieved in the past year? We have exceeded our strategic target for 2018/19 of a 10 per cent reduction in the cost of pharmaceutical waste ahead of time. By doing so, we have cut our pharmaceutical waste by 89 tonnes in comparison with the previous year, saving valuable natural resources. We have also made progress towards our goal of lowering the sickness rate. In the reporting year, the group-wide sickness rate fell from 4.47 per cent in the reference year 2014/15 to 4.05 per cent. To reach our target of a 1 per cent reduction, we are continuously implementing best practices across Europe. At the same time, however, we need to increase our efforts if we are to achieve our objective by the end of the current fiscal year year 2018/19.

In this report, we will also inform you about our recently introduced group data protection guidelines, our guidelines for sanctions compliance and our decision to pool our social commitment activities under the shared goal: Together for a healthy future (for children). We are especially proud of our subsidiary in Sweden, which has significantly reduced its transport emissions by using biofuel. Alongside their use of paper bags, our BENU pharmacies switched to using only fully biodegradable carrier bags manufactured from sugar cane, a renewable raw material, at the start of 2018.

»We constantly review our current position and where we need to improve.«

Our international surveys of employees and major stakeholders will be key features of 2018. We want to review where our efforts have taken us, where we need to improve and how we can incorporate new topics into our strategy.

We are always working towards our goal of successful and sustainable growth.

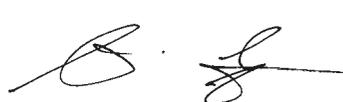
Thank you for supporting us on our path towards greater sustainability. We look forward to your feedback.



Oliver Windholz
Chief Executive Officer



Helmut Fischer
Member of the Executive Board
Finance



Frank Große-Natrop
Member of the Executive Board
Operations and Logistics



Stefan Herfeld
Member of the Executive Board
Retail

EXECUTIVE BOARD OF THE PHOENIX GROUP



F.l.t.r.:

Stefan Herfeld
Member of the Executive Board
Retail

Helmut Fischer
Member of the Executive Board
Finance

Oliver Windholz
Chief Executive Officer

Frank Große-Natrop
Member of the Executive Board
Operations and Logistics

ABOUT THIS REPORT

The PHOENIX group aims to communicate transparently and to seek direct dialogue with its stakeholders. This report on the fiscal year 2017/18 provides comprehensive information about our company's sustainability activities.

This report has been prepared in accordance with the GRI Standards:

Core option. [GRI 102-54](#)

Reporting principles

The PHOENIX group has published one sustainability report annually since the fiscal year 2014/15. This report relates to the fiscal year from 1 February 2017 to 31 January 2018 and, whenever possible, also contains comparable data from the two previous years. In it, we describe the development and the results of our company's sustainability activities, including the key performance indicators (KPIs) from all of the subsidiaries and their domestic affiliates. [GRI 102-45](#), [GRI 102-50](#), [GRI 102-51](#), [GRI 102-52](#)

For the first time, the report is based on the GRI Sustainability Reporting Standards that were published on 19 October 2016. Previously, our Corporate Social Responsibility Report (CSR Report) followed the requirements of GRI G4. The PHOENIX group's materiality analysis, carried out in accordance with this standard, was used to select the most important topics that are of greatest relevance to the stakeholders and that are associated with significant environmental, social and economic impacts both inside and outside the PHOENIX group. The sustainability report thus covers both areas, whereby only the CO₂ emissions contained in Scope 3 arise outside the PHOENIX group as a result of transport activities by subcontractors.

Structure of the report

The CSR Report 2017/18 is divided into four core sections that are used to describe the PHOENIX group's areas of responsibility:

- Value creation for customers and the company
- Environmental protection
- Supporting employees
- Commitment to society

The chapter entitled "Sustainable leadership of the company" [p. 8](#) explains how we manage processes and incorporate the concept of responsible conduct into our business. The "Facts and figures" chapter [p. 30](#) presents the consolidated performance indicators in comparison with the two previous years and highlights the progress in the company's performance. The GRI index at the end of the report summarises the essential aspects and contains additional explanatory information.

Key definitions

The term PHOENIX group refers to the entire PHOENIX group as depicted in the [2017/18 annual report](#). In the reporting period, the company increased in size through the following significant acquisitions: Medaffcon Oy in Finland, a company operating in research and development on behalf of the pharmaceutical industry and in the health system; the Serbian pharmacy chain Goodwill Apoteka; and DeclaCare, a Dutch company specialised in the delivery of complex wound care products. In relation to the environment, the key figures only include some of the data on the retail business, which is indicated in each case. Any deviations from the report boundaries for other key figures are shown in the corresponding footnotes and the GRI index. Countries are categorised by region.

[GRI 102-10](#), [GRI 102-49](#)

The figures used in the tables have been rounded. The totals do not always add up exactly.

SUSTAINABLE LEADERSHIP OF THE COMPANY

STRATEGY WITH CLEAR VALUES AND AMBITIOUS TARGETS

- Responsible market leadership at European level
- Key sustainability issues identified
- CSR management guides processes throughout the company

Profile of the PHOENIX group

The PHOENIX group, headquartered in Mannheim, Germany, is a leading company in European pharmaceutical distribution and one of the largest family businesses in both Germany and Europe. Its core business is pharmaceutical wholesale and pharmacy retail. Subsidiaries also operate in related business areas, and their activities complement this offering with services for the pharmaceutical industry, IT systems for pharmacies and logistics solutions. With around 36,000 employees, the company makes a vital contribution to comprehensive healthcare. [GRI 102-1](#), [GRI 102-2](#), [GRI 102-3](#), [GRI 102-4](#), [GRI 102-6](#), [GRI 102-7](#)

The PHOENIX group is active in 27 countries in Europe. In its core business, the company operates 164 distribution centres and a total of 2,500 pharmacies, giving it a highly diversified geographic portfolio. As the group's largest market, Germany makes up around one-third of group revenue, amounting to approximately €24.9 billion in the fiscal year 2017/18. [GRI 102-45](#)

In pharmaceutical wholesale, the PHOENIX group is number one in 13 countries. It operates its pharmacy retail business mainly in the United Kingdom, Norway, the Netherlands, Switzerland, Hungary, the Czech Republic, Slovakia, Serbia, Montenegro and the Baltic states. The group's strong pharmacy brands include BENU, Apotek 1 (Norway) and Rowlands Pharmacy (UK). It also offers companies in the pharmaceutical industry its services along the pharmaceutical supply chain.

New parent company PHOENIX Pharma SE

The PHOENIX group has had a new parent company since 18 October 2017 in the form of PHOENIX Pharma SE. By setting up a European company (Societas Europaea, "SE"), the Merckle family of shareholders has secured the long-term future of PHOENIX as a family business. The shareholding structure has been simplified, but its ownership remains unchanged. The legal structure of an SE reflects PHOENIX's image of itself as a European group.

PHOENIX Pharmahandel GmbH & Co KG, the former parent company of the PHOENIX group, continues to operate as before. It still comprises the group's business operations in Germany and holds all of its German and non-German subsidiaries both directly and indirectly.

Corporate mission statement communicates core values

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 its vision, mission, strategy and values transparent. As a family business, we make our own decisions and pursue a long-term strategy. This includes, on the one hand, striving for the highest possible quality in our daily work and, on the other hand, being guided by a high level of cost awareness. This goes to show that we take our responsibilities very seriously. Our vision of being the best integrated healthcare provider – wherever we are – can only be achieved with motivated and loyal employees. Their day-to-day activities contribute to the overall success of the PHOENIX group. This allows us to fulfil our responsibilities both now and in the future. [GRI 102-16](#)

Sustainability at the heart of all our processes

Our goal is to integrate the principle of sustainability in all PHOENIX group processes. This also applies to the activities of all our subsidiaries, to newly acquired companies and to our relationships with our stakeholders. As a result, we make it clear that corporate success and social responsibility go hand in hand.

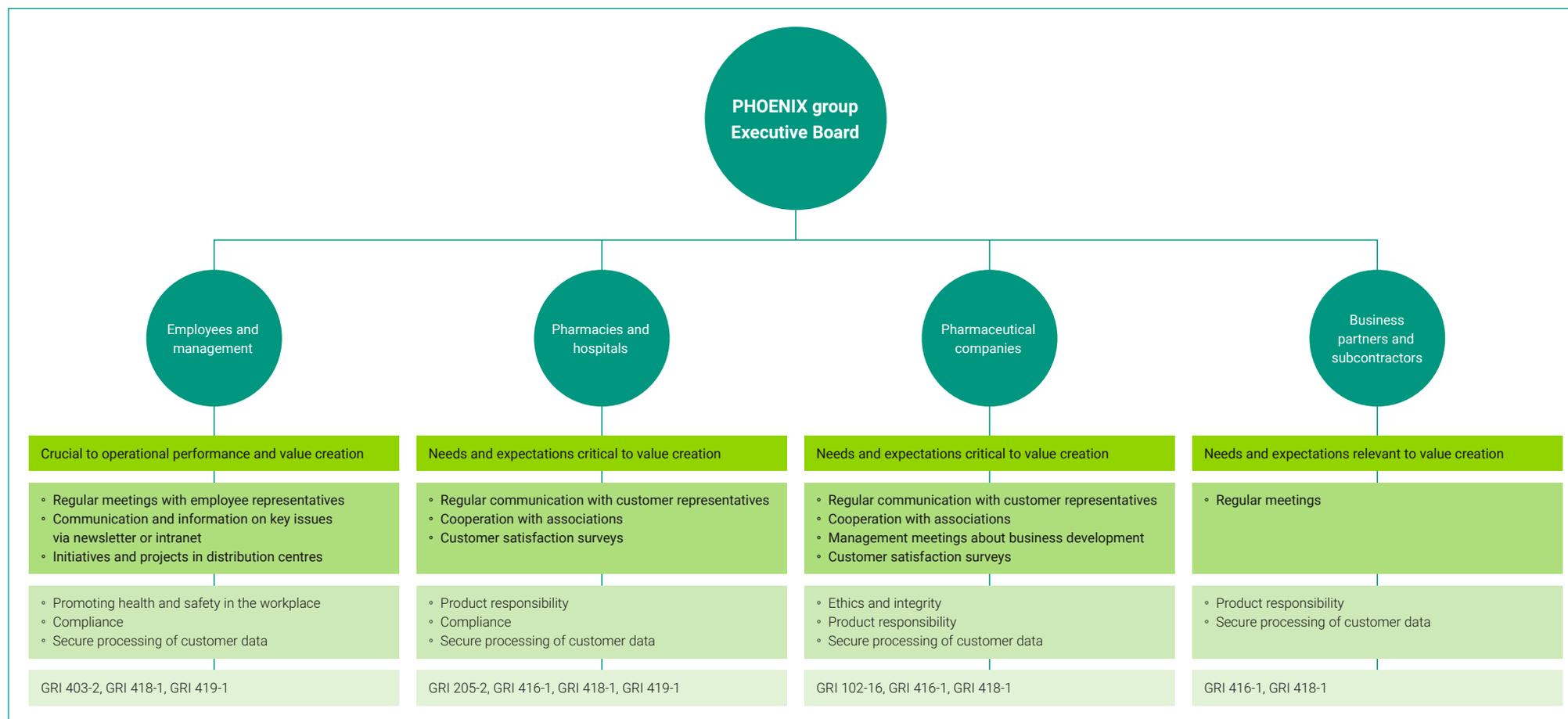
Given the varying conditions in the European markets, we remain true to our principle of handling many CSR issues at a local level. At the same time, we are helping subsidiaries to cooperate and share experiences to a much greater extent so that we all learn from each other. We continue to take a centralised approach to group-wide projects such as the employee survey, reducing the cost of pharmaceutical waste and talent management for the whole of Europe.

Partnership and dialogue with our stakeholders

The interests and expectations of our stakeholders are especially important when it comes to establishing the direction of our sustainability strategy. We ascertain our stakeholders' opinions by means of regular surveys as well as cooperative dialogue. We are currently still referring to a poll carried out across Europe in 2015, which was supported by more than 4,500 participants from among our employees, suppliers, customers, subcontractors, and other business partners. The results were then discussed separately with internal managers from the PHOENIX group before they were evaluated in conjunction with the Executive Board. In 2018, we are conducting a new international stakeholder survey on the sustainability performance of the PHOENIX group, which will also identify other important sustainability issues. We aim to make further improvements with regard to sustainability and to ensure that we are implementing effective measures in the key areas in which action is required. [GRI 102-42](#), [GRI 102-43](#), [GRI 102-46](#)

In the light of various plans for investment and construction at a number of our sites, we are giving greater attention to dialogue with people, authorities, and decision-makers in their local areas. In connection with the construction of our new distribution warehouse in Køge, Denmark, for example, we organised meetings with the local residents' association, thus helping to build trust. We also showed interested people around the construction site and informed them about our business activities. At the same time, we periodically publish brief reports about the progress of construction work on the community's website. The PHOENIX group also attached great importance to its close collaboration with local authorities and interest groups when making its largest single investment in Germany to date – the construction of a new distribution and logistics centre in Gotha, completed in October 2017.  See chapter „Protection of the environment“, p. 19

STAKEHOLDER MANAGEMENT GRI 102-40, GRI 102-44



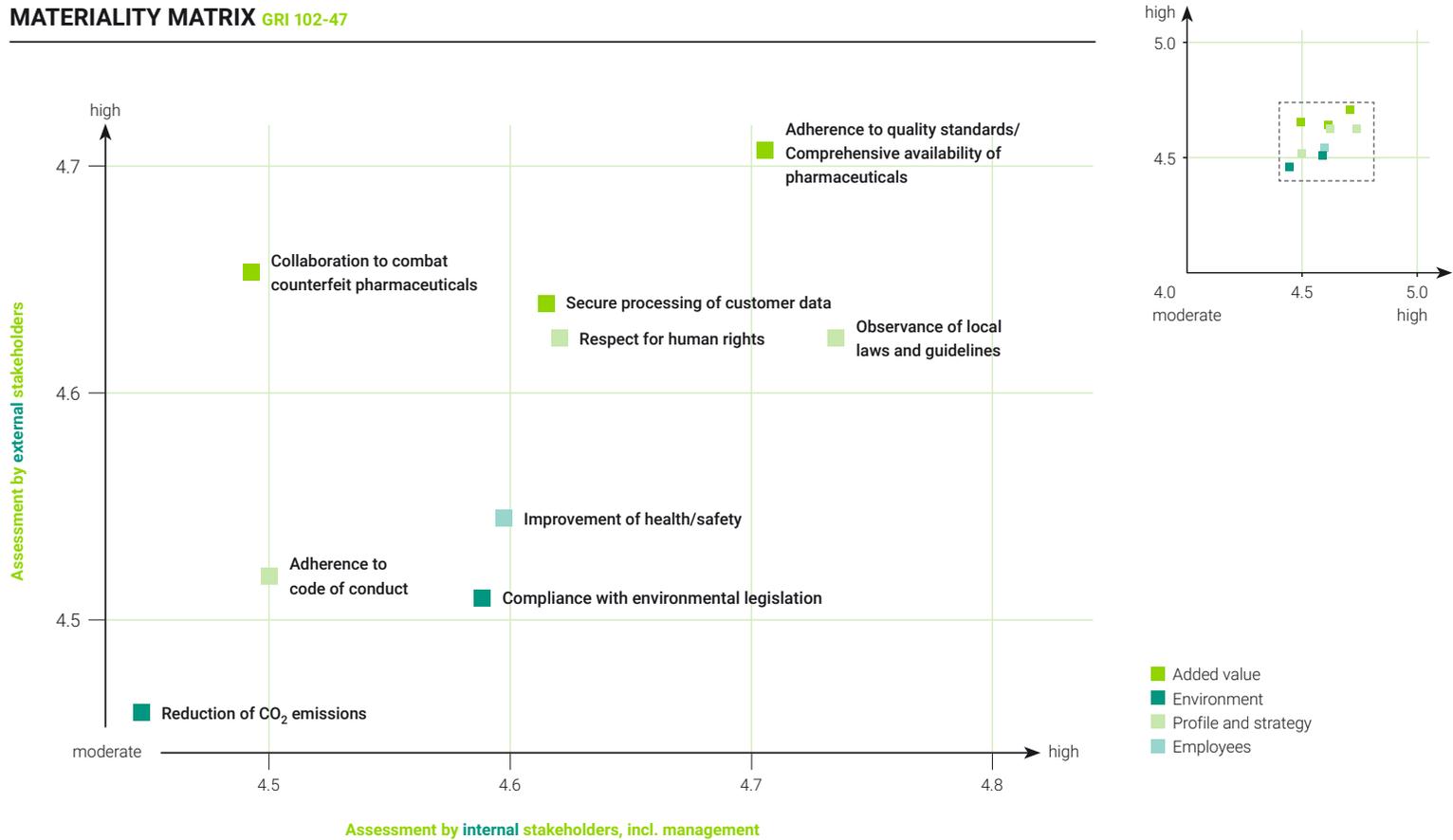
■ Basis for stakeholder selection
 ■ PHOENIX group's approach to stakeholder engagement

■ Key topics for stakeholder groups
 ■ GRI indicators. This is relevant to indicators that are already reported this year and should be reported in the future.

Materiality analysis provides a framework for action

We regularly perform a materiality analysis on the basis of the stakeholder surveys and in line with the GRI guidelines. This helps us to identify important issues and areas requiring action. For the current reporting period, we used the materiality analysis carried out in 2015. Further information about this analysis and the stakeholder survey is available in the  Corporate Social Responsibility Report 2015/16.

MATERIALITY MATRIX GRI 102-47



We have assigned the corresponding elements of the GRI Standards on which the PHOENIX group reports to the ten key areas of interest in the matrix. To allow for a better overview and to link related topics, we have established four areas of responsibility, which – as its sections – also form the basic structure of this report.

Value creation for customers and the company

The essential issues for our own value creation are adherence to quality standards, comprehensive availability of drugs, secure processing of customer data, combating counterfeit pharmaceuticals, and compliance. We have also recently set up an innovation management system and are integrating sustainability criteria into our procurement processes using a supplier code.

Environmental protection

We continue to reduce pharmaceutical waste and are thereby lowering risks posed to the environment as well as costs for our company. We are careful to ensure energy efficiency in our buildings and the cleanest possible transport logistics. We accurately record the greenhouse gas (GHG) emissions  Glossary p. 40 that we produce and use this information to develop strategies to reduce them.

Supporting employees

We are creating an attractive and secure work environment for all our employees. To this end, we are investing in programmes for further training across Europe, talent development and occupational health management. We regularly assess our employees' level of satisfaction with their jobs through company-wide surveys.

Commitment to society

The measures we implement in accordance with the slogan “Together for a healthy future (for children)” are primarily focused on the health of children and people in need and on supporting pharmaceutical research. All group-wide activities are always carried out in compliance with the PHOENIX anti-corruption guidelines and the applicable guidance on donation and sponsorship requests.

The PHOENIX group has defined company-wide targets within the four areas of responsibility and implements them by means of concrete measures. This is explained in the relevant sections of this report. The group-wide CSR system not only documents the degree to which the targets are being met, but also specifies the country-specific goals the subsidiaries are responsible for achieving.

Company-wide CSR goals

Target	Due	Status	Comments
Reduce costs of pharmaceutical waste by 10% compared to 2014/15 ¹⁾	2018/19		Page 20 ff.
Reduce group-wide sickness rate by 1 percentage point compared to 2014/15 ²⁾	2018/19		Page 26 f.
Training of employees on data protection guidelines in Germany	2017/18		Page 18 f.
Introduction of group-wide data protection guidelines	05/2018		Page 18 f.
Group-wide training of employees on data protection, in particular on the new European General Data Protection Regulation	2018/19		Page 18 f.

¹⁾ The target definition refers exclusively to the PHOENIX group Wholesale business.

²⁾ Employee-related targets include the entire PHOENIX group.

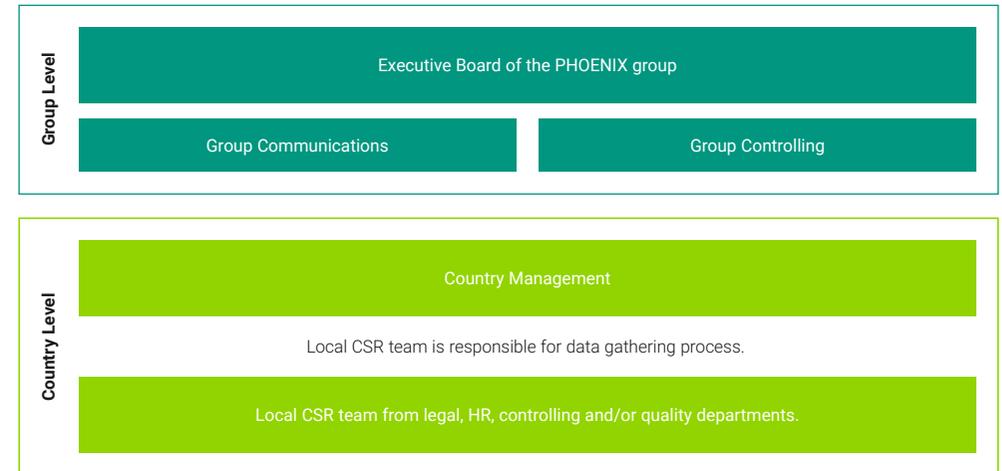
 Target launched  Ongoing  Target fulfilled  Target not fulfilled

CSR management guides activities at all levels

The Chief Executive Officer of the PHOENIX group assumes the overall responsibility for CSR and the management of sustainability-oriented processes in the company. The group's CSR team, which is established within the Group Communications department, reports to him. The team acts as the central point of contact for all issues relating to corporate responsibility and the integration of these issues into the operational workflows of the PHOENIX group.

In terms of CSR, we have a group-wide management structure. Data relevant to CSR is therefore compiled by local employees responsible for CSR in the subsidiaries. The PHOENIX group's CSR team checks the data for completeness, reliability, accuracy and clarity before it is published. Thanks to the coordination provided by the group CSR team, those employees responsible for CSR discuss all overarching issues and hold regular meetings. These activities promote knowledge sharing across the company, the formation of networks and the exchange of best practices.

CSR ORGANISATION



If you have any questions, please contact:

Stefanie Göndöcs, CSR and Communications Manager

s.goendoecs@phoenixgroup.eu

Phone: +49 621 8505 8503

GRI 102-53

01



VALUE CREATION FOR CUSTOMERS AND COMPANIES

SUSTAINABLE CORPORATE STRATEGY FOR PROFITABLE GROWTH

- Quality management as the basis for successful value creation
- Taking advantage of the opportunities of digitisation with innovation management
- Data protection is increasingly in the spotlight

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 are facing enormous challenges associated with digitisation. It is therefore essential that the PHOENIX group constantly develops and makes improvements wherever they are needed. Maintaining the right blend of continuity and progress is always important.

We are committed to the ongoing implementation of best practices across Europe in all business units. In addition to group-wide initiatives, we primarily use locally successful process optimisation measures as starting points for improvements in other countries. This allows us to take account of the national and regional differences prevailing in the European pharmaceutical markets. Our most important management tools for growth and business success include our quality management system, strong customer focus, risk prevention through compliance, data protection and supplier management. In the past year, we also implemented an innovation management system.

Another successful fiscal year in 2017/18

In this challenging environment, the PHOENIX group was able to develop well once again and grow more strongly than the market as a whole. Revenue increased by 1.9 per cent to €24.9 billion, total operating performance rose by 4.3 per cent to €31.5 billion, and earnings before interest, taxes, depreciation, and amortisation (EBITDA) grew from €429.3 million to €468.0 million. **GRI 201-1**

With the “JUMP” initiative, launched during the reporting year, we are pursuing the aim of further optimising our operational processes and thereby making a significant contribution to ensuring the future viability of our logistics network. The “SAFE” focus topic is aimed at reducing negative differences throughout the group, that is to say, losses due to breakage and exceeded expiry dates. Our established Warehouse Excellence Initiative [Glossary p. 40](#) supplies important data with regard to identifying the causes of damage and implementing ideas for improvement that are aimed at avoiding risks. We have also incorporated the topic into our procurement strategy.

In addition, we launched “Fit for the future” and “Fit4Two” in Germany and the United Kingdom, two programmes that aim to position our organisation effectively for the future and thereby generate effects that will increase our result. A further milestone is marked by the development of our pharmacy portfolio, particularly in relation to our successful retail brand BENU. We also launched our first Europe-wide category brand, LIVSANE, which is now available in 11 countries. Around 13,000 independent pharmacies in our cooperation and partner programmes also benefit from best practice sharing. Last year, we discussed the challenges currently facing the industry at the first European Conference in Berlin. You can find more detailed information in our  2017/18 annual report.

Growth through acquisitions and investments

The activities of the PHOENIX group are geared toward achieving sustainable values through a customer-focused corporate culture, strict cost management, and profit-oriented growth. An important element of our strategy is to grow organically as well as through targeted acquisitions and to continually expand our market position. In the fiscal year 2017/18, we acquired three companies: Finnish research and consultancy firm Medaffcon via Tamro in Finland, the Goodwill Apoteka pharmacy chain in Serbia, and the supplier of specialised wound care products DeclaCare in the Netherlands. This takes us another step towards becoming the best integrated healthcare provider across Europe. In April 2018, we also signed a purchase agreement for the takeover of the Romanian pharmaceutical wholesaler Farmexim and the national pharmacy chain Help Net Farma. **GRI 103-1, GRI 103-2, GRI 103-3**

Aside from acquisitions, investments also play an important role in allowing us to respond to the competition with greater cost efficiency and remain on course for growth. The PHOENIX group therefore invests a substantial and steadily increasing proportion of its earnings in new distribution centres, automation and logistics services for the pharmaceutical industry as well as in the modernisation of its pharmacies. We continued the ONE project in Denmark and plan to open the ultra-modern warehouse and distribution centre in autumn 2018. The Skårer project in Norway for the automation of logistics processes was successfully implemented during the reporting year. With the construction of the new Gotha distribution centre, we have also completed our largest individual investment in Germany in record time. You can find more detailed information in our  2017/18 annual report. **GRI 103-1, GRI 103-2, GRI 103-3**

Innovation management system established

Digitisation is both a challenge and an opportunity for our company and for other market participants. We are convinced that digital transformation will be a growth driver for the European healthcare industry in general – and thus for our company too. In the last year, this conviction led us to create the Business Innovation division. The Business Innovation team focuses on digital change and the development of new business activities, thus helping to secure the future viability of our company. We also plan to advance trends and innovations in the healthcare sector. Finnish company Medaffcon, which we acquired in spring 2017, operates in areas of our business that support this objective.

The new specialist department reports directly to the Chief Executive Officer and is in continuous dialogue with international decision-makers who form an innovation network together with internal experts. The PHOENIX group's first-ever Innovation Days were held in September 2017. In particular, successful business models from other industries were analysed and discussed to see how the underlying principles could be applied to the healthcare industry. The event resulted in the identification of areas of innovation and the development of a detailed roadmap for the PHOENIX group. As well as generating innovative concepts, areas of special attention for 2018 also include the establishment of a culture of innovation and the systematic use of market intelligence. At present, we are working to define and pilot new business models in selected subsidiaries.

Our strategic goal is to develop an even more comprehensive range of pioneering products and services for our customers. At the same time, our innovation projects are also helping us to reinforce the company's sustainability principle. An initial starting point is, for example, digital working methods and a move away from paper-based documents. By adopting elements of an open innovation approach, we also hope to boost the future involvement of employees in the innovation process and further enhance the potential for innovation.

Risk-based quality management

A safe and reliable supply of pharmaceuticals 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 optimal availability for end consumers. All PHOENIX group companies follow the guidelines for good distribution practice (GDP) [Glossary p.40](#) as published by the EU. To do so, they must operate effective quality assurance systems to ensure that medicinal products are stored, handled and distributed in accordance with country-specific legislation. This process is monitored through internal audits and official inspections by external bodies. Quality management at the PHOENIX group is based on risk, as per GDP requirements. [GRI 102-11](#), [GRI 416-1](#)

EU Directive 2011/62/EU (EU Falsified Medicine Directive, [FMD](#)) [Glossary p.40](#), aimed at combating the falsification of pharmaceuticals, enters into force on 9 February 2019. In future, all prescription-only drugs must bear a unique identifier in the form of a two-dimensional barcode. Drug packaging will also need to include features aimed at preventing tampering. The [securPharm](#) [Glossary p.40](#) falsification prevention system enables the verification of each and every individual package of prescription-only pharmaceuticals. We are heavily involved in this project, which is run by drug manufacturers, wholesalers, and pharmacies. Our solution hinges on the PHOENIX FMD Cloud, which is a flexible, reliable, and cost-effective method for our partners. In addition, the PHOENIX group is also active via the European wholesalers' association [GIRP](#) [Glossary p.40](#). Our shared goal is to protect the supply chain even more effectively against counterfeit drugs. [GRI 102-12](#), [GRI 102-13](#)

In accordance with the DIN EN ISO 9001:2015 standard introduced in autumn 2015, our quality management system is now closely integrated into the organisation's strategic orientation. Across the group as a whole, our degree of coverage of the 9001 standard is currently above 90 per cent. PHOENIX in Germany has also been awarded organic certification (EU Organic Products Regulation). We are therefore permitted to trade in organic products and can guarantee that they are handled correctly.

Regular customer satisfaction surveys

In all of the countries in which we are present in the wholesale sector, we carry out regular surveys to assess our customer satisfaction levels. These polls give us important insights regarding our strengths and weaknesses. In the past year, we have stepped up our collection of data on the issue of digitisation, which is currently an important topic for the PHOENIX group. We also gain valuable ideas for improving customer retention through the PHOENIX group's Europe-wide pharmacy cooperation programmes. [GRI 102-11](#), [GRI 103-1](#)

Each national survey is carried out in a two-year cycle. In the past year, we ran polls in Estonia, Latvia and Lithuania as well as in Sweden, Slovakia, Austria, Italy, Germany and the United Kingdom. The results were highly country-specific and revealed positive trends in satisfaction and customer retention, as well as certain opportunities for optimisation specific to each country. We plan to use these trends and opportunities to make further improvements. [GRI 102-2](#)

With an exceptionally high customer satisfaction rating of 92 per cent – well above the market average – our Danish subsidiary continues to maintain a comfortable lead over the rest of Europe. Croatia and Macedonia are currently ranked second and third. However, there are commonly also cultural differences in the ratings, which are normally more positive in Eastern Europe than in Western Europe, for example. Generally, our regular surveys reveal that the number of extremely or very satisfied PHOENIX group customers is on the rise, and the loyalty of our customers in the wholesale segment is also very high. [GRI 103-3](#)

Innovative logistics solutions

By using PHOENIX Pharmahandel GmbH & Co KG's state-of-the-art Track & Trace system, we are able to track transported items in real time and at any given moment. This innovative method for delivery tracking has been rolled out over the last year in seven out of eight regions in Germany. The system offers enormous advantages for both PHOENIX and its partners. It is now very rare that delivery containers are mixed up, forgotten, or incorrect. In addition, delays can be dealt with and the underlying causes eliminated. Moreover, the system increases transparency in logistics because, for example, arrival times can be determined relatively accurately in advance. Track & Trace is also already in use in countries such as Switzerland, the Netherlands and Sweden. In principle, it could be extended to all PHOENIX subsidiaries.

Our subsidiary responsible for transport, transmed, is continually expanding its fleet of pharmacy vehicles. By using these vehicles, it makes sure that transportation within Germany does not adversely affect the quality of temperature-sensitive drugs. These specially insulated vehicles are equipped with air conditioning in the cargo area and calibrated online temperature monitoring. transmed GDP Solutions offers customers GDP-compliant transport solutions. The service centres on the direct, on-time distribution of pharmaceutical products from manufacturers to pharmacies, hospitals and wholesalers.

Numerous efforts have also been made in other countries to fulfil the demands of the GDP guidelines that were updated in 2013. For example, the number of transport vehicles in the United Kingdom and Switzerland fitted with temperature monitoring systems is gradually being increased. In the Netherlands, GDP-compliant temperature-controlled transports have been carried out since 2016. In Hungary, temperature monitoring was introduced in all warehouse areas, especially in the new incoming goods area, in 2017. Innovative active cool boxes have also been in use in Hungary since 2013. These are used to ensure that the desired temperature is maintained throughout the transport process. In Estonia, new vehicles are equipped with a GPS-based temperature alarm system.

Focus on sustainable supply chains

As part of our risk prevention activities, we look at the supply chain as a whole. This especially involves relationships with our direct suppliers with whom we maintain positive and trusting relationships. We expect suppliers to meet high environmental and social standards. For this reason, our supplier contracts increasingly include business ethics clauses. In addition to the annual reviews that we regularly carry out with those suppliers who are partners under our framework agreement, we also perform audits of our suppliers, where necessary or required by law. **GRI 102-9**

In a further step taken in 2017, the PHOENIX group incorporated a series of sustainability criteria into its strategic procurement processes and adopted its own Supplier Code of Conduct for the procurement of indirect goods and trading goods. In this document, we call for the recognition of the United Nations' Universal Declaration of Human Rights. Our business partners must also commit to ensuring occupational health and safety for their employees; combating corruption; making continuous improvements to their environmental footprint; guaranteeing data protection; observing relevant social, ethical, and environmental standards; as well as to encouraging the same from their suppliers. We reserve the right to verify whether or not the Supplier Code of Conduct is being observed.

Our subsidiary in the United Kingdom has established best practices to achieve greater sustainability in the supply chain. All new suppliers and their contractual partners are investigated in standardised due diligence processes. These include examining CSR strategies and insurance policies as well as information relating to employees and risk assessments. Existing suppliers are also regularly reviewed by means of a questionnaire on performance and service.

In Germany, PHOENIX Pharma-Einkauf GmbH (PPE) is responsible for the procurement of trading goods. In terms of general procurement, PPE also manages the group-wide purchasing of non-trading goods such as capital goods and services. In the fiscal year 2017/18, the material groups covering transport, consultancy, buildings and maintenance and facility management services, and temporary personnel made up the greatest proportion of indirect procurement volumes.

Effective reductions in compliance risks

Responsible and legal conduct forms an important cornerstone of the PHOENIX group's corporate culture. Our key measures include empowering our employees to act lawfully and with integrity as well as optimising our business processes to reduce compliance risks for the long term.

GRI 103-1

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. In the reporting year, we added a further pillar – sanctions compliance – to our existing pillars, which comprise anti-corruption compliance, competition compliance and our code of conduct. The corresponding guidelines were successfully implemented on 1 February 2018. The PHOENIX group has committed to not conducting any transactions with persons or organisations appearing on sanctions lists held by the EU, Switzerland or the United States to the best of its knowledge. An automated solution has been introduced to guarantee this, which screens all business partners against sanctions lists twice a day. Detailed information can be found at [website](#). **GRI 103-2**

To communicate the contents of the above-mentioned pillars of our compliance system and ensure all employees behave in compliance with the law, we run regular training sessions across the group, mostly in the form of e-learning. Employees in so-called focus groups (e.g. those who are in 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. Our objective to train all those employees in the fiscal year 2017/18 has been achieved. The new advanced training courses will also cover the guidelines for sanctions compliance. Moreover, a workshop focusing on competition compliance took place in May 2017 as part of the general sales meeting in Germany. Potential risks and violations can be reported via our external, web-based whistle-blower system. This can be done anonymously, if required. **GRI 102-17, GRI 103-3, GRI 205-2**

Commitment to uphold human rights

Compliance with human rights is something the PHOENIX group takes very seriously. We rigorously abide by the United Nations' Universal Declaration of Human Rights and also require that our partners along the entire supply chain follow our lead. Possible human rights violations can be reported by internal and external parties via the group-wide compliance whistle-blower system. Any such reports will be systematically investigated. In the reporting year, there were no reports of violations of this kind.

Focus on data protection

It is important to the PHOENIX group that we handle the data belonging to our customers, business partners and employees in accordance with the law and in a trustworthy manner. In recent years, the issue of data protection has become increasingly established in our organisation through guidelines and processes. Alongside the PHOENIX group's involvement in other organisations, its membership of the German Association for Data Protection and Data Security (GDD) facilitates an ongoing exchange of ideas and the representation of its interests. **GRI 103-1**

In December 2017, the PHOENIX group introduced group data protection guidelines based on the European Union's new General Data Protection Regulation (GDPR), which entered into effect on 25 May 2018 and apply to all employees. With the establishment of these guidelines, the group also implemented the corresponding CSR goal according to schedule. At the same time, we introduced a new group-wide reporting tool for data breaches, which can be accessed internally as well as externally. To prepare for the GDPR, we have prepared new contract templates, data protection notices, and processes for data protection impact assessments. **GRI 418-1**

The PHOENIX group has established a group-wide structure for data protection. The data protection officer is based in Germany and reports directly to the Managing Board. Many of the PHOENIX group's subsidiaries also have their own data protection officers. In all of those countries that were previously without a data protection officer, contact persons for data protection were assigned in 2016. We hope to expand the group-wide cooperation that has already been established even further in future so that we can benefit from good practices in individual companies and transfer them to others. **GRI 103-2**

Through the provision of training to all employees, we ensure compliance with all guidelines and laws governing data protection. We achieved our objective to give all employees in Germany training on the data protection guidelines in the fiscal year 2017/18. All employees with a computer workstation received training via e-learning; all other employees at face-to-face events. In March 2018, we launched a new group-wide e-learning course on the new General Data Protection Regulation. We aim to complete this online training across the group within the fiscal year 2018/19. **GRI 103-3**

02



PROTECTION OF THE ENVIRONMENT

ADVANCING RESOURCE EFFICIENCY AND CLIMATE PROTECTION

- Reduction target for pharmaceutical waste achieved ahead of time
- Energy-efficient buildings management
- Further drop in CO₂ emissions

Climate change, the anticipated scarcity of natural resources and pollution of the environment by poorly degradable waste materials are among the greatest challenges of our times. We acknowledge our environmental responsibilities and want to keep the impact of our corporate processes as low as possible. At the same time, we are focusing on the areas of activity in which we can achieve the most. One of our most important starting points is to reduce pharmaceutical waste, a problem associated not only with ecological risks but also with high costs for the PHOENIX group. At the same time, we are putting our expertise in resource management to good use by also minimising the production of non-hazardous waste, reducing paper consumption, and maintaining our high rate of recycling. [GRI 103-1](#)

Our core business – the storage and transport of drugs – involves the consumption of energy and fuel, which results in the emission of greenhouse gases. We account for both in our energy monitoring system and in the PHOENIX group's carbon footprint analysis. By doing so, we obtain a valuable insight into opportunities for optimisation. We consistently exploit this potential by implementing energy-efficient building technology and environmentally friendly logistics concepts. [GRI 103-1](#)

Many of our subsidiaries have already established standardised management systems for systematic action on issues relating to the environment and energy and are putting a process of continuous improvement into action. Around one-third of the subsidiaries are certified in accordance with the international standard ISO 14001 (environmental management), and more are in the implementation phase. Approximately one in five subsidiaries is energy management certified in accordance with ISO 50001. [GRI 103-3](#)

Drop in waste production and costs

We have a legal obligation to take expired products and items with damaged packaging out of the supply chain and to properly dispose of them as hazardous waste. This resulted in costs for the PHOENIX group amounting to around €32 million in 2016/17. With this in mind, we record the cost of the [pharmaceutical waste](#) [Glossary p. 40](#) that is generated due to missed expiry dates and damage to packaging as a key indicator and control parameter. It goes without saying that we also monitor the volume of waste that is produced. [GRI 103-2](#), [GRI 306-2](#)

We have taken a wide range of measures in recent years to achieve our reduction target, and our subsidiaries have taken advantage of their particular opportunities for action. A common objective of all of the projects involved was to prevent the generation of pharmaceutical waste at the earliest

possible stage. The application of standard practices and operating procedures within the scope of quality management and in compliance with the GDP guidelines are crucial here. A central role is played by the training given to our employees in the distribution centres. This covers careful handling of packages, visual inspections to check that packaging is undamaged, checking the best before date on delivery, a cautious approach to cutting open boxes as well as ensuring optimal temperatures during transportation and in cold storage.

Training is not the only way in which we heighten awareness of error prevention. We also use various channels of communication and visual labelling. This includes clear and comprehensible signage as well as colour-coding of different product groups, such as fragile goods and high-value pharmaceuticals. We also hold regular meetings to inform employees about the cost of products that were damaged or had expired and give direct comparisons with other distribution centres.

We link the issue of waste prevention as closely as possible to our Warehouse Excellence programme, which is designed to implement employee ideas for improvements to logistics processes and efficient warehouse management. 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.

We have exceeded our strategic target of a 10 per cent reduction in the cost of pharmaceutical waste by 2018/19. In the reporting year, the costs incurred amounted to €30.87 million, compared with €34.69 million in the reference year 2014/15. This already equates to a cost reduction of around 11.0 per cent. As a proportion of the total operating performance*, costs fell during this period from 0.13 per cent to 0.10 per cent in the reporting year. **GRI 103-3**

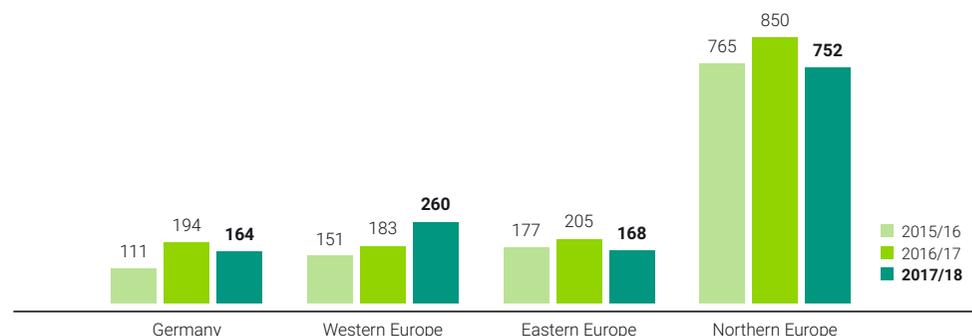
New reduction target for 2020

Since 2017, we have pooled all our activities aimed at cutting so-called negative differences in our company-wide "SAFE" programme. Negative differences comprise financial burdens that not only result from breakage and expiration, but also from delivery errors, missing parts and stock clearances. By 2020, we aim to reduce the costs incurred by 30 per cent compared with the figures for 2016/17 by means of the Warehouse Excellence programme, cooperation with pharmacies and optimised purchasing conditions.

* Due to the standardisation carried out, the total operating performance is used as the reference value.

PHARMACEUTICAL WASTE BY REGION

in tonnes



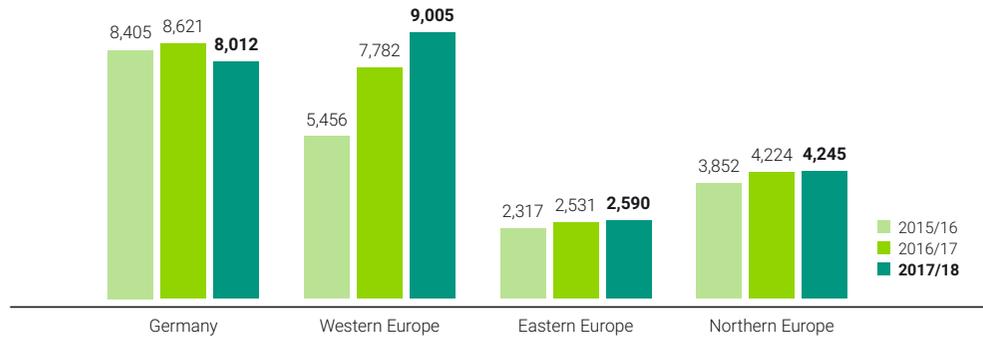
Our efforts have not only brought down the costs associated with pharmaceutical waste, but also the amount of waste generated. In the reporting period, we registered approximately 1,344 tonnes of waste, which equates to a reduction of 6.2 per cent compared with the previous year.

Non-hazardous waste largely recycled

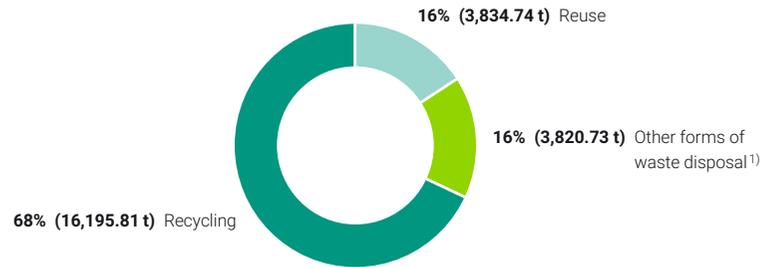
As well as hazardous waste, PHOENIX group processes generate non-hazardous waste. This includes plastics, glass, paper and cardboard, materials that are carefully separated in the processes carried out at the subsidiaries. Overall, around 23,851 tonnes of non-hazardous waste were produced in the reporting period. This is a slight rise of 3 per cent in comparison with the previous year, considering that the group's operating performance increased by 4 per cent last year. The increase results from the inclusion of the retail business in the Netherlands. The waste is mostly recycled or reused, with rates of both increasing by one percentage point each. As result, 84 per cent of non-hazardous waste re-enters the materials cycle. Any remaining unwanted materials resulting, for example, from power generation and mixed waste, are disposed of in an environmentally friendly manner by specialist companies. **GRI 306-2**

NON-HAZARDOUS WASTE BY REGION

in tonnes



DISPOSAL METHODS FOR THE PHOENIX GROUP'S NON-HAZARDOUS WASTE



¹⁾ Including treatment plants and composting.

Changes to waste legislation

In Germany, a legislative amendment to the provisions of the Commercial Waste Ordinance (GewAbfV) aims to recover at least 90 per cent of recyclable materials. Higher costs are incurred in the event of a failure to reach this recycling quota because unrecoverable waste requires pre-treatment prior to thermal disposal. This means that we need to fully document our disposal of commercial waste and have it certified by a specialist.

As a distributor who places trading goods on the market, the PHOENIX group is also subject to the EU packaging directive, which has been transposed into national law by the member states. In this connection, a revision of Germany's Packaging Ordinance will enter into force in 2019. The PHOENIX group is currently making preparations in view of the associated extended requirements. For example, transport packaging delivered to pharmacies must conform to new stipulations, and upstream suppliers will have to prove that they have a contractual relationship with waste disposal companies.

Retail leads the way with eco-friendly shopping bags

We are also increasingly acting in accordance with ecological criteria in our pharmacy retail business. For example, alongside paper bags, more than 1,300 of our BENU brand pharmacies switched to using only fully biodegradable plastic bags manufactured from sugar cane, a renewable raw material, at the start of 2018. Meanwhile, Apotek 1 in Norway has been taking care to ensure that the paper bags it uses are FSC certified. This indicator of sustainable forestry also applies to all the product packaging for our category brand in the Retail business area, to the extent that this is possible for individual products.

Lower resource consumption in administrative processes

The PHOENIX group also takes care to conserve natural resources in its administrative processes. For example, the overall proportion of sustainably produced FSC/PEFC paper in Germany used in 2017 was 45 per cent. The figure reached over 80 per cent in Italy and around 66 per cent in the United Kingdom.

Another area of focus is on reducing paper consumption through digitisation. In Germany, our credit control department now mainly works with purely electronic files. In some countries, including the Netherlands, paper delivery notes have already been replaced by an electronic process. transmed is increasingly using an electronic document management system as well, such as for carrier records, customer files and vehicle documents. PHOENIX Pharma-Einkauf GmbH introduced an electronic supplier record in 2017 in line with requirements for data protection and tamper-proof audit trails. The PHOENIX group uses the digital travel expense programme WinTrip SaaS throughout the company, thus facilitating a paperless process.

The increase in resource efficiency also incorporates the use of printers and copiers in our offices. As a general principle, the equipment in Germany is therefore set to print double-sided and in black and white. More than 80 per cent of all printouts are ordinarily in black and white. A poster has also been put up above almost all the printers in Germany to raise awareness among employees of eco-friendly user behaviour.

Energy-efficient building management takes priority

As operators and users of more than 160 distribution centres across Europe, we regard efficient building technology as one of the best ways of achieving energy savings and a reduction in greenhouse gas emissions. We already adhere to this principle in the planning and implementation of new building projects, as proven by the rigorous observance of efficiency standards during the construction of our new distribution centre in Gotha, Germany. [GRI 103-1](#)

The operation of our buildings is regulated by an energy monitoring system, which is both the prerequisite for fulfilment of the European Union's Energy Efficiency Directive and for the establishment of energy management systems. Our energy auditor, who is certified according to DIN EN 16247-1, initiates improvement processes within the company and supports their implementation. We use the findings of the regular energy audit to press ahead with suitable energy-saving measures, such as our ongoing LED modernisation project and the optimisation of heating and air conditioning systems.

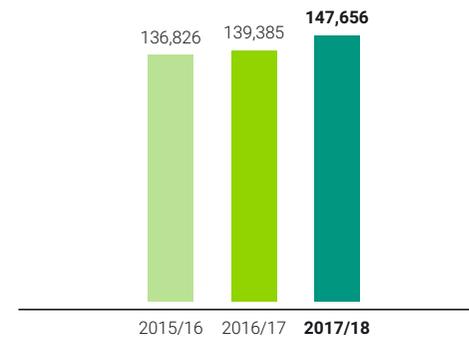
[GRI 103-2](#)

Saving energy through state-of-the-art technology

In another area of action, the PHOENIX group is tapping into the efficiency potential of operational processes and thus investing in technological innovations. One example of this is the conversion to energy-efficient air compressors in the German warehouses in Freiburg, Hamburg, Bad Kreuznach, and Mannheim, with predicted energy savings of between 23 and 51 per cent. This modernisation step also allows the waste heat that is generated to be fed into the heating systems of buildings and facilities. [GRI 103-3](#), [GRI 302-4](#)

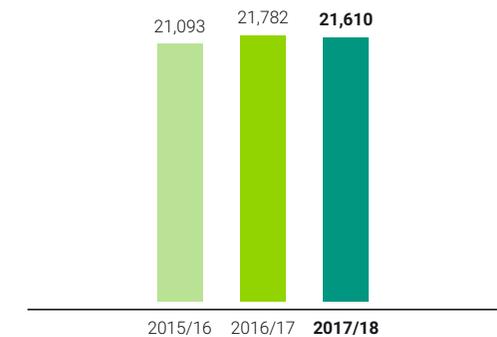
CONSUMPTION OF ELECTRICITY OF THE PHOENIX GROUP

in MWh



CONSUMPTION OF DISTRICT HEATING OF THE PHOENIX GROUP

in MWh



In Western European countries, heating gas and electricity are predominantly used instead of district heating.

In terms of energy, we recorded an increase in electricity consumption during the reporting period. On the one hand, this has a statistical background, as the retail sector was included in the key performance indicator for the first time in the Netherlands and Latvia. Another factor in the increase was the use of new air cooling systems in France in conjunction with very warm summer months. In addition, a new distribution centre was opened in Serbia. Meanwhile, the consumption of district heating has fallen compared to the previous year. This includes the use of a new heating plant in the distribution centre in Zagreb, Croatia, the move into an energy-efficient office building in Latvia as well as the sale of a building in Poland. [GRI 302-1](#)

Further reduction in CO₂ emissions

The greenhouse gas (GHG) emissions produced by the PHOENIX group have fallen for the second consecutive year. The reduction of approximately 3 per cent is particularly attributable to decreasing emissions from transport within Scope 3. In regional terms, the greatest level of harmful emissions was registered in Western Europe (including Germany), followed by Northern Europe and Eastern Europe. [GRI 102-48](#), [GRI 103-3](#), [GRI 305-1](#), [GRI 305-2](#), [GRI 305-3](#), [GRI 305-5](#)

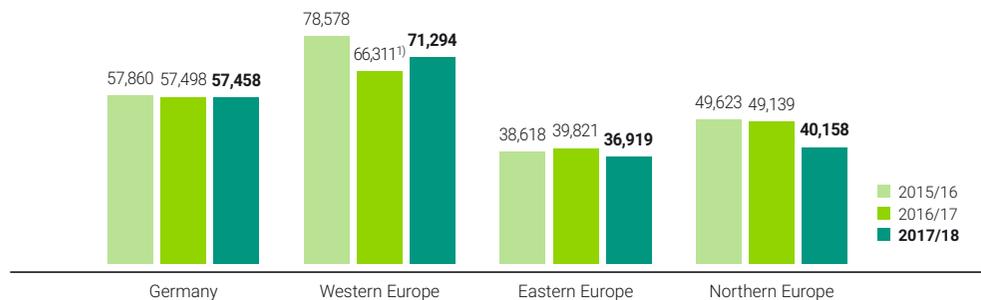
Total GHG emissions (Scope 1 – 3)  Glossary p. 40

CO ₂ in tonnes	2015/16	2016/17	2017/18
Scope 1 total	22,908	25,929 ¹⁾	26,995
Scope 2 total	49,168	49,830	52,823
Scope 3 total	152,603	137,009	126,011
Total GHG emissions of the PHOENIX group	224,679	212,768¹⁾	205,829

¹⁾ Explanation of a different reported value in the previous year: France reported a different value in the previous year 2016/17. The increase in Scope 1 is due to the integration of the retail business in the Netherlands (natural gas). The slight increase in Scope 2 results from the integration of the retail business in the Netherlands and Latvia (electricity) and from a new distribution centre in Serbia. The reduction in Scope 3 is partly due to the increased use of biodiesel in Sweden and route optimisation measures in Serbia and Poland

TOTAL GHG EMISSIONS BY REGION (SCOPE 1 – 3)

CO₂ in tonnes



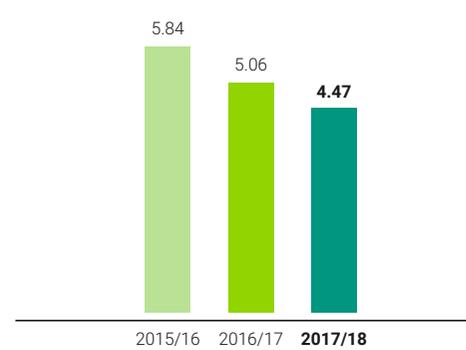
¹⁾ Explanation of a different reported value in the previous year: France reported a different value in the previous year 2016/17.

Transport logistics harness potential for environmental protection

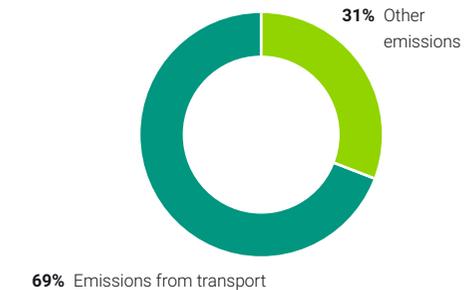
Efficient and eco-friendly logistics at the PHOENIX group are built on the foundations of our modern vehicle fleet, transparent database, and resource-efficient driving style. On this basis, we aim to make further reductions in the CO₂ emissions caused by transport.

TRANSPORT EMISSIONS

in t CO₂ per € m total operating performance



COMPARISON OF OTHER EMISSIONS TO TRANSPORT EMISSIONS¹⁾ 



¹⁾ Own transports and transports by subcontractors.

In 2017, our subsidiary transmed made around 1.85 million four-kilometres with more than 2,900 vehicles. Short lease terms of 36 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 the categories and models of vehicles and their fuel types.

transmed regularly provides its employees with information about fuel-efficient driving. The wide range of measures for more eco-friendly operation includes switching off the engine when making a delivery, carrying out regular checks on tyre pressures and on the ignition system, using fuel-efficient engine oils and low-resistance tyres, ensuring optimal loading, and using air conditioning and heated seats sparingly. Our Croatian subsidiary rewards fuel-efficient driving with monetary bonuses, for example. [GRI 103-2](#)

Tamro, the Swedish subsidiary of the PHOENIX group, is using eco-friendly fuels based on biodiesel ([HVO100](#))  Glossary p.40 in conjunction with its logistics partners. Consumption of biodiesel has more than doubled in the reporting period, from 10.7 million litres to 23.6 million litres, while that of conventional diesel has fallen. In 2016, 18 per cent of all trips to pharmacies on behalf of the company were made with vehicles using HVO100 fuel.

Promotion of employees

03



PROMOTION OF EMPLOYEES

A RESPONSIBLE EMPLOYER

- Future-proofing with education and further training
- Talent management programme secures next generation of managers
- Occupational health management focuses on prevention

The success of our company relies on motivated and committed employees. At the same time, we face growing challenges, such as the shortage of skilled personnel and demographic change, to which we must find answers through a coherent HR strategy. It is particularly important to us that we offer our employees attractive working conditions and interesting career opportunities. Our approach includes not only targeted education and further training, but also an international talent management programme, through which we are able to fill international leadership positions from within the PHOENIX group. [GRI 103-1](#)

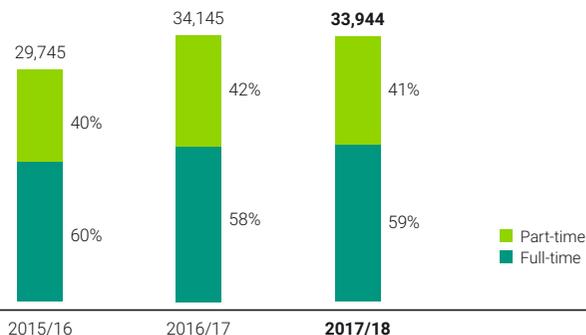
One of the most important pillars of our corporate culture is open dialogue between management and employees. In addition, we aim to establish a direct line of communication with our staff via a company-wide employee survey. The creation of a safe and healthy work environment has a major impact on the satisfaction and productivity of our workforce. In this context, we are working to further expand our occupational health management system and reduce the sickness rate in the company.

Headcount at a glance

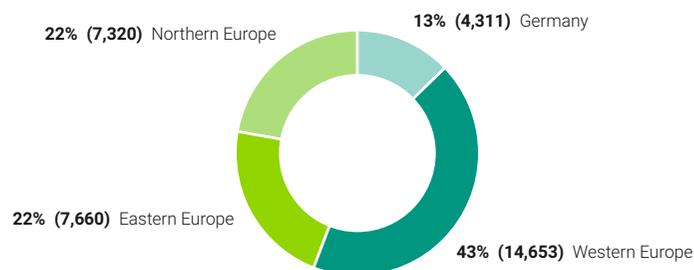
At the end of the fiscal year 2017/18, the PHOENIX group employed 33,944 employees within 26 countries in Europe. The level of employment has therefore remained more or less stable as compared with the previous reporting period. The number of full-time equivalents rose to 27,749, which is an increase of 0.3 per cent relative to the previous year. At more than 6,000, the largest number of employees are registered in the United Kingdom, followed by the Netherlands (4,547) and Germany (4,311). On average, the proportion of female employees is around 70 per cent, and 41 per cent of staff work part-time. [GRI 102-8](#), [GRI 103-1](#), [GRI 103-2](#), [GRI 103-3](#), [GRI 405-1](#)

EMPLOYEES BROKEN DOWN INTO FULL-TIME/PART-TIME

as of 31 January



REGIONAL DISTRIBUTION OF EMPLOYEES (2017/18)



Growth in expertise through education and further training

It is important to us to recognise our employees’ potential and systematically develop their abilities. To achieve this, we use an efficient and comprehensive system for further training in all countries, which allows staff to enhance their professional skills and can breathe new life into their personal development. We run targeted induction programmes and training courses for all employees to suit their area of responsibility. Mandatory elements include training in good distribution practice (GDP), the code of conduct, the anti-corruption guidelines, and the competition compliance guidelines. In addition, occupational health and safety, employee management, legal, data protection, IT and languages play an important role in the qualification of our employees. At the same time, we are steadily intensifying the cross-European exchange of best practices for the implementation of training concepts. **GRI 103-2**

Talent management for international leaders

The PHOENIX group resolutely pursues its goal to fill management positions primarily from within the company. To this end, cross-border succession planning for top positions has been established, opening up international career opportunities for our managers while reinforcing their connection with the company. Our talent management scheme underpins this approach. It determines key positions, identifies the top performers and provides optimal opportunities for promotion. In the fiscal year 2017/18, there were about 300 PHOENIX group managers in this scheme. Adequate development programmes are offered for managers at various levels: **GRI 103-3**

- o European Management Development Programme (EMDP), a group-wide personnel development initiative for junior managers in all PHOENIX group countries
- o Top Management Education Programme (TMP) for the PHOENIX group’s senior management

The talent management system was used at a national level for the first time to additionally identify senior managers with potential from the second highest management level and nominate them for a group-wide development programme (Senior Management Education Programme). The existing EMDP is also being completely overhauled to become the Middle Management Education Programme starting in the fiscal year 2018/19. The latter two programmes focus on the development of leadership skills and the promotion of a culture of cooperation across national borders and functions.

Shoulder to shoulder with our employees

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 performance review between managers and employees. These meetings have different forms in the subsidiaries, but structured feedback and the support of employees in their professional development is common to all. On the other hand, we want to assess our employees' level of satisfaction in their jobs by means of direct surveys. Following the group-wide employee survey conducted at the end of 2015, managers defined action points and developed over 140 measures for improvement in conjunction with their employees throughout the group. These ideas centred on issues related to communication, information sharing, as well as a healthy and motivating working atmosphere. [GRI 404-3](#)

The ongoing implementation of the measures and the achievement of objectives is consistently monitored by subsidiary management and the Managing Board of the PHOENIX group. In the second half of 2018, the company will repeat the international employee survey using the same methodology. This will allow us to precisely monitor changes in employee satisfaction and motivation and identify additional potential for improvement.

In dialogue with employee representatives

The PHOENIX group sets great store by its cooperative relationship with the employee representatives, following internationally recognised standards as well as the legal framework of each individual country. One expression of this is the conclusion of an agreement to establish a works council for the European company ("SE") that reflects the international nature of the company structure and replaces the existing European Works Council. This new panel of 38 members correspondingly 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 panel of employee representatives is also actively involved in the company's key CSR topics at group level.

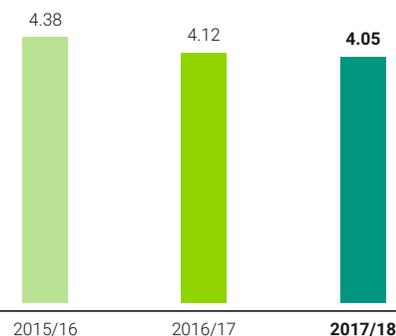
Health and safety take top priority

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 the European Union. Systematic risk assessments for each workplace are mandatory, as is the implementation of appropriate preventative measures. An additional layer of safety is provided by employees at all of our sites who have been trained as first aiders and as health and safety officers. [GRI 103-1](#), [GRI 103-2](#)

It is a strategic goal of the PHOENIX group to cut the sickness rate. We aim to reduce this figure from 4.47 per cent (in the reference year 2014/15) to 3.47 per cent by the fiscal year 2018/19. The PHOENIX group has already made good progress towards this goal, although further efforts are required. In the reporting year, the sickness rate fell to 4.05 per cent from 4.12 per cent in the previous year. [GRI 103-3](#)

SICKNESS RATE

in %



An occupational health management system in the subsidiaries supports the decrease in the sickness rate through numerous projects including health days at the distribution centres. These focus on measures to support early cancer diagnosis, advice on managing stress, and healthy eating. As well as corporate integration management, effective and respectful conversations between managers and employees about returning to or absences from work also make an important contribution. A cooperative initiative with pme Familienservice will begin in Germany in autumn 2018. This organisation supports employees through difficult situations in their private and professional lives by providing advice and a range of services. PHOENIX employees in the United Kingdom have already been benefitting from a similar, around-the-clock service for several years.

Since 2016, employees in Germany have also had the opportunity to lease a bicycle in collaboration with the company JobRad and boost their health by taking more exercise. Alongside this scheme, many employees took part in a cycle-to-work campaign run by the AOK health insurance scheme and German cycling association ADFC. Together, they covered almost 28,000 kilometres.

Our subsidiary in Italy has developed a particular specialism in the analysis of electromagnetic fields in work processes and has established corresponding protective mechanisms for its employees. PHOENIX staff in Austria can take advantage of medical massages and health checks. Our subsidiaries in the Czech Republic and Slovakia provide their employees with free flu vaccinations, while health insurance is available at a discount in Denmark. The focus of the health programme in Estonia is on promoting sports.

Preventing accidents from the outset

Regular employee training makes the greatest contribution 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. [GRI 103-2](#)

We report all accidents at work to the appropriate local authorities and document them in the same way as work-related illnesses. Within the PHOENIX group, we registered 487 lost-time injuries during the reporting period. That is a fall of 22.8 per cent in comparison with the previous year (584 accidents*). With a total of around 50.51 million actual working hours, this equates to a company-wide accident rate of 9.6 accidents per one million working hours. This is the equivalent of an 21.7 per cent drop compared with the previous year. [GRI 103-3](#)

Total recordable injury frequency (TRIF) ¹⁾ [GRI 102-48](#), [GRI 403-2](#)

per one million working hours	2015/16	2016/17	2017/18
Injuries with lost time	358	584 ¹⁾	451
Actual working hours	43,786,889	49,244,669	50,505,980
Total recordable injury frequency (TRIF)	8.18	11.41	8.93

¹⁾ Reporting based on local regulations and includes work-related and travel accidents.

Explanation of different reported value in the previous year: Czech Republic could not report the value 2016/17 due to a system conversion.

* The 562 accidents stated in the CSR Report 2016/17 had to be revised upward due to an adjustment in the statistics after publication.

Commitment to society

04



COMMITMENT TO SOCIETY

FULFILLING INTERNATIONAL RESPONSIBILITIES

- The PHOENIX group assumes social responsibility
- New motto: “Together for a healthy future (for children)”
- Group-wide and local initiatives make a big impact

We aim to use our skills and resources to make a positive contribution to the common good, beyond the scope of our core business. The assumption of social responsibility is part of our corporate philosophy and firmly rooted in our values.

In the past year, we have brought together our social commitment activities under the motto: “Together for a healthy future (for children)”. The main areas in which we provide assistance are those where we have particular expertise. Above all, we support pharmaceutical research, charitable organisations such as hospitals, day-care centres, and regional institutions, group-wide projects in support of the common good, as well as schools and universities. In doing so, we are building on selected flagship projects and smaller social initiatives in the vicinity of our sites. It is important to us that we produce a long-term, sustainable benefit for society in all our activities. Our employees are also involved in various ways on behalf of a range of charitable projects. The PHOENIX group supports them in their efforts, topping up the donations they have collected by a certain amount, for example.

Donations made by the whole of the PHOENIX group in the fiscal year 2017/18 totalled €0.9 million. In the past year, the largest investments in the common good were raised in Germany and the Netherlands.

Guidelines ensure compliant behaviour

It is essential 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. Furthermore, we adopted a  guidance document for donation and sponsorship requests in March 2017, which is also applicable group-wide. It primarily contains criteria and helpful information for the selection of suitable projects for all subsidiaries and our partners. The document also defines the activities that will not be supported. These include events held by political parties or branches of government. It also excludes projects that may be related to the corporate activities of PHOENIX as well as the promotion of organisations that are opposed to our interests or could damage our company's reputation. Our subsidiaries will, however, continue to make decisions locally about the projects they support in their respective areas.

Focus on the PHOENIX Pharmaceuticals Science Award

The PHOENIX Pharmaceuticals Science Award has now been one of our flagship projects for more than 20 years. Over the years, the original intention of maintaining and publicising cutting-edge research in Germany has been reinforced by the objective of using this approach to strengthen the pharmaceutical supply chain in the long term. Every year, an independent jury sifts through innovative, original work with pharmaceutical relevance from Germany, Austria, and Switzerland. From these entries, prize winners are selected in four categories. The accolade, with a total value of €40,000, is one of the most prestigious science prizes in the German-speaking world. It is also the only award that recognises the latest work from a whole scientific field.

Furthermore, the PHOENIX group has been supporting the KULTURBRAS e.V. association, which is based in Germany and Brazil, for over 25 years. The association's core activity is the operation of a day-care centre in Fortaleza, Brazil, in which 96 schoolchildren aged between three and thirteen currently attend school and receive regular meals. Since it was opened, the school has supported and cared for around 1,000 disadvantaged children. The association's administrative functions in Germany are undertaken by volunteers. It is the intention of PHOENIX that one of its employees is always involved with KULTURBRAS e.V.

Our subsidiaries' other important projects include support for the Queen Silvia Hospital in Sweden, the NSPCC (National Society for the Prevention of Cruelty to Children) and cancer research in the United Kingdom, and various charitable foundations for the well-being of children and local social institutes through the BENU pharmacies in Hungary. Detailed information about the individual projects can be found at [website](#).

FACTS AND FIGURES

KEY FIGURES OF THE PHOENIX GROUP

The Sustainability Report 2017/18 includes the key performance indicators (KPIs) from all of the subsidiaries and their domestic affiliates. All data relating to economy and environment, as well as lost-time injuries, were recorded by the subsidiaries in a centralised CSR management software. The other employee indicators not mentioned are excluded. This information was provided via the PHOENIX group's central HR system.

Added value [GRI 102-48](#), [GRI 201-1](#)

Economic value retained of the PHOENIX group ¹⁾ in EUR m	2015/16	2016/17	2017/18
Net turnover	23,247.4	24,436.7	24,909.8
Community investments	1.729	0.913	0.914
Personnel expenses	1,158.7	1,289.2	1,342.4
Operating costs	21,725.8	22,833.3	23,246.4
Taxes and fees	95.0	118.2	80.2
Dividends and interest payments to investors	78.0	74.7	66.4
Economic value retained	188.1	120.4	173.5

¹⁾ The annual financial statements for 2017/18 were prepared for the first time on the basis of PHOENIX SE. The previous year 2016/17 was adjusted accordingly in order to have a comparable period.

Environment [GRI 102-48](#)

Total GHG emissions* (Scope 1–3*) [Glossary p. 40](#)

CO ₂ in tonnes	2015/16	2016/17	2017/18
Scope 1 total	22,908	25,929 ¹⁾	26,995
Scope 2 total	49,168	49,830	52,823
Scope 3 total	152,603	137,009	126,011
Total GHG emissions of the PHOENIX group	224,679	212,768¹⁾	205,829

¹⁾ Explanation of a different reported value in the previous year: France reported a different value in the previous year 2016/17.

The increase in Scope 1 is due to the integration of the retail business in the Netherlands (natural gas).

The slight increase in Scope 2 results from the integration of the retail business in the Netherlands and Latvia (electricity) and a new distribution centre in Serbia.

The reduction in Scope 3 is partly due to the increased use of biodiesel in Sweden and route optimisation measures in Serbia and Poland.

Total GHG emissions by region (Scope 1–3) [GRI 102-48](#)

CO ₂ in tonnes	2015/16	2016/17	2017/18
PHOENIX group	224,679	212,768	205,829
Germany	57,860	57,498	57,458
Western Europe	78,578	66,310 ¹⁾	71,294
Eastern Europe	38,618	39,821	36,919
Northern Europe	49,623	49,139	40,158

¹⁾ Explanation of a different reported value in the previous year: France reported a different value in the previous year 2016/17.

Emissions from direct energy consumption including own transport by region (Scope 1)

CO ₂ in tonnes	2015/16	2016/17	2017/18
PHOENIX group	22,908	25,929	26,995
Germany	2,765	2,804	2,881
Western Europe	11,990	15,462	17,014
Eastern Europe	6,321	5,737	5,103
Northern Europe	1,831	1,925	1,997

Emissions from indirect energy consumption by region (Scope 2)

CO ₂ in tonnes	2015/16	2016/17	2017/18
PHOENIX group	49,168	49,830	52,824
Germany	17,677	17,364	16,877
Western Europe	12,762	13,370	16,812
Eastern Europe	11,773	12,030	11,983
Northern Europe	6,955	7,066	7,152

Emissions from subcontracted transport by region (Scope 3)

CO ₂ in tonnes	2015/16	2016/17	2017/18
PHOENIX group	152,603	137,009	126,011
Germany	37,417	37,329	37,700
Western Europe	53,825	37,479	37,468
Eastern Europe	20,524	22,054	19,833
Northern Europe	40,837	40,147	31,010

Consumption of district heating by region [GRI 102-48](#)

in MWh	2015/16	2016/17	2017/18
PHOENIX group	21,093	21,782	21,610
Germany	4,174	4,507	4,594
Western Europe	0	0	0
Eastern Europe	3,859	3,870	3,298
Northern Europe	13,060	13,404	13,718

Consumption of electricity by region

in MWh	2015/16	2016/17	2017/18
PHOENIX group	136,826	139,385	147,656
Germany	33,042	32,050	30,936
Western Europe	38,461	40,238	49,399
Eastern Europe	20,438	20,698	20,915
Northern Europe	44,884	46,400	46,406

Pharmaceutical waste by region

in tonnes	2015/16	2016/17	2017/18
PHOENIX group	1,204	1,432	1,344
Germany	111	194	164
Western Europe	151	183	260
Eastern Europe	177	205	168
Northern Europe	765	850	752

Non-hazardous waste by region

in tonnes	2015/16	2016/17	2017/18
PHOENIX group	20,031	23,158	23,851
Germany	8,405	8,621	8,012
Western Europe	5,456	7,782	9,005
Eastern Europe	2,317	2,531	2,590
Northern Europe	3,852	4,224	4,245

Employees

Total employees and full-time equivalents (FTEs) by region ¹⁾

	2015/16 FTE	2016/17 FTE	2017/18 FTE	2015/16 Employees	2016/17 Employees	2017/18 Employees
PHOENIX group	25,235	27,664	27,749	29,745	34,145	33,944
Germany	3,506	3,508	3,434	4,398	4,434	4,311
Western Europe	9,938	11,664	11,398	12,709	15,294	14,653
Eastern Europe	6,194	6,861	7,168	6,598	7,315	7,660
Northern Europe	5,596	5,631	5,749	6,040	7,102	7,320

¹⁾ Per due date 31 January.

Employees by gender, type of employment and region

in figures	2017/18			
	Full-time male	Part-time male	Full-time female	Part-time female
PHOENIX group	7,902	2,236	12,004	11,802
Germany	1,437	352	913	1,609
Western Europe	3,137	1,280	2,972	7,264
Eastern Europe	1,981	131	4,722	826
Northern Europe	1,347	473	3,397	2,103

Sickness-related absenteeism ¹⁾

in hours	2015/16	2016/17	2017/18
PHOENIX group	2,285,216	2,395,356	2,406,548
Germany	541,205	540,683	513,278
Western Europe	838,678	846,403	937,939
Eastern Europe	358,564	411,840	390,603
Northern Europe	546,769	596,429	564,728

¹⁾ Figures shown are the total of paid and unpaid sick hours.

Total recordable injury frequency (TRIF) ¹⁾ **GRI 102-48**

per one million working hours	2015/16	2016/17	2017/18
Injuries with lost time	358	584 ¹⁾	451
Actual working hours	43,786,889	49,244,669	50,505,980
Total recordable injury frequency (TRIF)	8.18	11.41	8.93

¹⁾ Reporting based on local regulations and includes work-related and travel accidents.

Explanation of different reported value in the previous year: Czech Republic could not report the value 2016/17 due to a system conversion.

GRI CONTENT INDEX



A GRI Materiality Disclosures Service was performed by the Global Reporting Initiative for this report. This service confirms that the General Disclosures GRI 102-40 to 102-49 are correctly set out in the table of contents (GRI Content Index) and in the text of this PHOENIX group Sustainability Report 2017/18.

The GRI Content Index below contains information in accordance with the GRI standards in the “Core” option. It indicates the degree to which we are addressing the principal aspects and indicators and where they can be found in this report.

GRI Standard	Number	Note	Page	Notes on omissions and further information
GRI 101: Foundation 2016				
GRI 102: General Disclosures 2016				
1. ORGANISATIONAL PROFILE				
	102-1	Name of the organisation	Introductory pages, page 8	
	102-2	Activities, brands, products, and services	Introductory pages, pages 8, 16	
	102-3	Location of headquarters	Page 8, Imprint	
	102-4	Location of operations	Page 8	
	102-5	Ownership and legal form	Imprint, 2017/18 Annual Report	
	102-6	Markets served	Page 8	
	102-7	Scale of the organisation	Page 8	
	102-8	Information on employees and other workers	Page 24	
	102-9	Supply chain	Page 17	
	102-10	Significant changes to the organisation and its supply chain	Page 7	
	102-11	Precautionary principle or approach	Page 16	
	102-12	External initiatives	Page 16	
	102-13	Membership of associations	Page 16	

GRI Standard	Number	Note	Page	Notes on omissions and further information
2. STRATEGY				
	102-14	Statement from senior decision-maker	Page 4 f.	
3. ETHICS AND INTEGRITY				
	102-16	Values, principles, standards, and norms of behaviour	Page 8	
	102-17	Mechanisms for advice and concerns about ethics	Page 18	
4. GOVERNANCE				
	102-18	Governance structure	2017/18 Annual Report	
5. STAKEHOLDER ENGAGEMENT				
	102-40	List of stakeholder groups	Page 10	
	102-41	Collective bargaining agreements		In 2017/18, around 54 per cent of employees in Europe were covered by collective agreements. The group-wide figure has increased compared to previous years, as the number of employees per country has been taken into account for the first time.
	102-42	Identifying and selecting stakeholders	Page 9	
	102-43	Approach to stakeholder engagement	Page 9	
	102-44	Key topics and concerns raised	Page 10	
6. REPORTING PRACTICE				
	102-45	Entities included in the consolidated financial statements	Page 7 f., 2017/18 Annual Report	
	102-46	Defining report content and topic Boundaries	Page 9	
	102-47	List of material topics	Page 11	
	102-48	Restatements of information	Pages 2, 22, 27, 30,33	
	102-49	Changes in reporting	Page 7	
	102-50	Reporting period	Page 7	
	102-51	Date of most recent report	1/8/2017	
	102-52	Reporting cycle	Page 7	
	102-53	Contact point for questions regarding the report	Page 13, Imprint	

GRI Standard	Number	Note	Page	Notes on omissions and further information
	102-54	Claims of reporting in accordance with the GRI Standards	Page 7	
	102-55	GRI Content Index	Page 34 ff.	
	102-56	External assurance		A third-party audit was not performed in 2017/18.
GRI 200: Economic Performance 2016				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 15 f.	
	103-2	The management approach and its components	Page 14 f.	
	103-3	Evaluation of the management approach	Page 14 f.	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Pages 2, 14 , 30	
Anti-corruption				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 17	
	103-2	The management approach and its components	Page 18	
	103-3	Evaluation of the management approach	Page 18	
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	Page 18	
GRI 300: Environmental Disclosures 2016				
Energy				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 22	
	103-2	The management approach and its components	Page 22	
	103-3	Evaluation of the management approach	Page 22	
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Page 22	
	302-4	Reduction of energy consumption	Page 22	

GRI Standard	Number	Note	Page	Notes on omissions and further information
Emissions				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Pages 19, 23	
	103-2	The management approach and its components	Page 23	
	103-3	Evaluation of the management approach	Page 22	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Page 22 f.	
	305-2	Energy indirect (Scope 2) GHG emissions	Page 22 f.	
	305-3	Other indirect (Scope 3) GHG emissions	Page 22 f.	
	305-5	Reduction of GHG emissions	Page 22 f.	
Effluents and Waste				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 19	
	103-2	The management approach and its components	Page 19	
	103-3	Evaluation of the management approach	Page 20	
GRI 306: Effluents and Waste 2016	306-2	Waste by type and disposal method	Page 19 ff.	
Environmental Compliance				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 19	
	103-2	The management approach and its components	Page 19	
	103-3	Evaluation of the management approach	Page 19	
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations		We are not aware of any incidents. The introduction of group-wide reporting is currently under review.

GRI Standard	Number	Note	Page	Notes on omissions and further information
GRI 400: Social Topics 2016				
Occupational Health and Safety				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 26	
	103-2	The management approach and its components	Page 26 f.	
	103-3	Evaluation of the management approach	Page 26 f.	
GRI 403: Occupational Health and Safety 2016	403-2	Hazard identification, risk assessment, and incident investigation	Page 27	
Training and Education				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 24	
	103-2	The management approach and its components	Page 25	
	103-3	Evaluation of the management approach	Page 25	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee		The data basis of the training hours is currently under review. Therefore, the average hours of training per year per employee is currently not available.
	404-3	Percentage of employees receiving regular performance and career development reviews	Page 26	
Diversity and Equal Opportunity				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 24	
	103-2	The management approach and its components	Page 24	
	103-3	Evaluation of the management approach	Page 24	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Page 24 f.	A breakdown of employees according to age is currently not available. Standardised reporting of this key figure will be approved. No minorities are known to the PHOENIX group.

GRI Standard	Number	Note	Page	Notes on omissions and further information
Customer Health and Safety				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 16	
	103-2	The management approach and its components	Page 16	
	103-3	Evaluation of the management approach	Page 16	
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Page 16	
Customer Privacy				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 18	
	103-2	The management approach and its components	Page 18	
	103-3	Evaluation of the management approach	Page 18	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 18	A new group-wide reporting tool for data breaches was introduced in 2018 and is available both internally and externally. The total number of well-founded complaints cannot therefore be given. The existing processes, however, are explained in the respective chapter.
Socioeconomic Compliance				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 17	
	103-2	The management approach and its components	Page 18	
	103-3	Evaluation of the management approach	Page 18	
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area		We are not aware of any incidents. The introduction of group-wide reporting is currently under review.

GLOSSARY

Abbreviations

FMD	Falsified Medicines Directive 2011/62/EU
FTE	full-time equivalent
GDD	German Association for Data Protection and Data Security
GDP	Good Distribution Practice
ISO	International Organisation for Standardisation
NSPCC	National Society of the Prevention of Cruelty to Children
TRIF	total recordable injury frequency

European Healthcare Distribution Association (GIRP)

GIRP is the umbrella organisation for pharmaceutical wholesalers in Europe. It is a non-profit body that represents the national associations of more than 750 pharmaceutical wholesalers serving 33 European countries, including major pharmaceutical distribution companies.

Falsified Medicines Directive (FMD) 2011/62/EU

This directive from the European Parliament and European Council comprises, among other things, the regulations for manufacturing and importing pharmaceuticals, placing them on the market and their wholesale distribution in the European Union. It also lays down provisions concerning active substances.

Good Distribution Practice (GDP)

Standard for the proper distribution and handling of pharmaceuticals.

Greenhouse gas (GHG) emissions

The main natural greenhouse gases are water vapour (H₂O), carbon dioxide (CO₂), methane (CH₄), ozone (O₃) and nitrous oxide (N₂O). In addition, human activities have released other substances classed as greenhouse gases, such as halocarbons (CFC, HCFC, HFC, and PCF) and sulphur hexafluoride. The use of the above-mentioned substances is either partly or wholly prohibited or restricted. They are classified as GHG emissions. Emissions are categorised as Scope 1, Scope 2, or Scope 3, depending on their impact. Scope 1 includes all direct emissions. Indirect emissions from the consumption of electricity or district heat are covered by Scope 2. Scope 3 relates to all other indirect emissions, such as the transport of a company's goods by subcontractors.

HVO100

Biodiesel that is extracted from waste materials such as used grease or cooking oils as well as vegetable oils from oil-bearing crops.

Initiative securPharm

securPharm is an initiative set up by various stakeholders from the pharmaceutical industry whose aim is to protect the sale of German pharmaceuticals against counterfeit drugs.

Pharmaceutical waste

Pharmaceutical products that expired or were damaged during packing or distribution. Pharmaceutical waste must be handled with care and disposed of at hazardous waste treatment facilities.

Warehouse Excellence Initiative

An initiative that was launched in 2013 and centres on making continuous improvements to quality and performance in our distribution centres. In initial workshops, local warehouse employees learn the basics of lean management.

IMPRINT

Publisher

Ingo Schnaitmann
Head of Corporate Communications
Stefanie Göndöcs
CSR and Communications Manager
PHOENIX group

PHOENIX Pharma SE
Corporate Communications
Pfungstweidstrasse 10–12
68199 Mannheim
Germany
Phone +49 (0)621 8505 8503
Fax +49 (0)621 8505 8501
media@phoenixgroup.eu
www.phoenixgroup.eu

Concept, text, design, and realisation

Corporate Communications PHOENIX group
HGB Hamburger Geschäftsberichte GmbH & Co. KG,
Hamburg, Germany

Photographs

Thomas Gasparini (Motive of the Executive Board)

© PHOENIX Pharma SE, Mannheim, Germany.
All rights reserved.

Translation of the German version.

The German version is binding.

Translation: Target Languages GmbH,
Dossenheim, Germany

Data for this report have been gathered
Europe-wide, consolidated and prepared by
means of CSR management software by

