

# SUSTAINABILITY REPORT





2025/26



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# STATEMENT FROM THE EXECUTIVE BOARD

Sustainability at the PHOENIX group is increasingly shaped by regulatory requirements and transparency obligations. The range of relevant regulations continues to grow steadily, covering everything from reporting obligations (CSRD) and compliance with due diligence requirements in supply chains to product-related packaging requirements under the new EU Packaging Regulation and other regulatory demands. For the PHOENIX group, this means, on the one hand, maintaining a clear focus on internal preparation to ensure compliance with these regulatory requirements. On the other hand, we continue to consistently advance our own sustainability ambitions.

During the fiscal year, we achieved important progress particularly in the areas of climate and social responsibility.

In the climate area, a key focus was the further development of our climate strategy. With our commitment to the Science Based Targets initiative in May 2025, we committed ourselves to science-based climate targets. To advance their development and validation, we have developed a green electricity strategy and conducted feasibility studies on the use of photovoltaics and the electrification of our own delivery fleet.

In the social area, the success of our group of companies is closely linked to the commitment and development of our employees. Therefore, during the fiscal year, we strategically expanded our training and development offerings. In addition to enhancing the content itself, a key focus was the transition to our new Learning Management System. By the end of the fiscal year, 80 per cent of our national subsidiaries already used the new platform.

We also made progress in the area of responsible supply chains. Our Supplier Code of Conduct was updated and its scope expanded. For the first time, it now covers traded goods, non-traded goods, and private-label products. The group-wide implementation is ensured through a guideline for our national subsidiaries.

To better manage these multiple developments, we introduced a cross-functional ESG Committee as a central governing body back in 2024. It is now firmly embedded in our structures and ensures cross-departmental coordination and the continued development of our sustainability activities.

The increasing regulatory requirements reinforce our commitment to consistently advancing sustainability within PHOENIX group and thereby contributing positively to the environment and society.



**LEON JANKELEVITSH**  
Member of the Executive Board  
Supply Chain Services



**DR CARSTEN SAUERLAND**  
Member of the Executive Board  
Chief Financial Officer

# PORTRAIT

The PHOENIX group, headquartered in Mannheim, Germany, is the European leader in pharmaceutical wholesale, pharmacy retail, and services for the pharmaceutical industry. With a presence in 29 healthcare markets, the group offers very broad geographical coverage throughout Europe, making a vital contribution to comprehensive healthcare with its 48,392 employees.

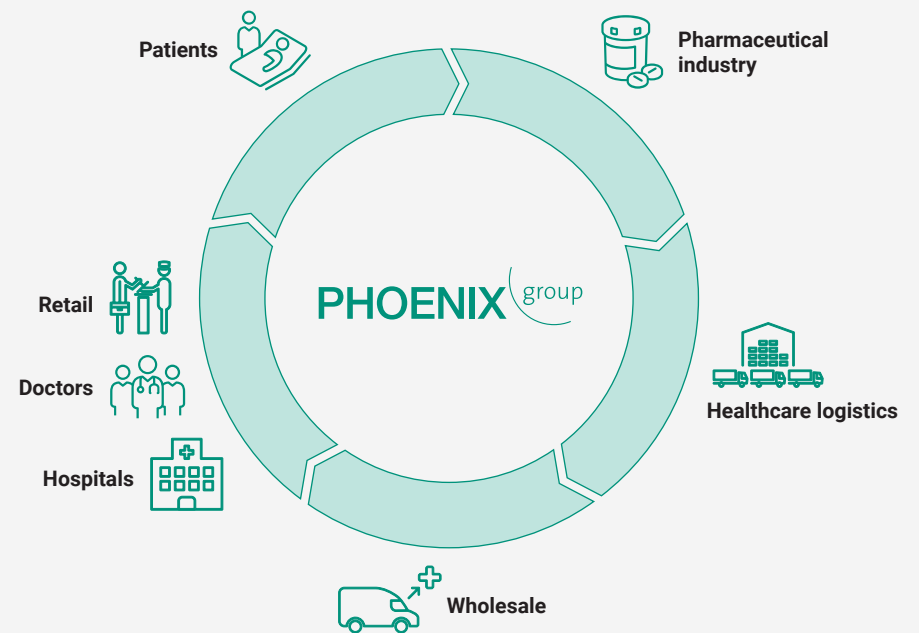
The PHOENIX group is active in 29 European countries. As part of our core business, we operate 204 distribution centres and around 3,200 of our own pharmacies. The group therefore has a highly diversified country portfolio. Germany accounts for more than a quarter of the group's turnover. Group revenue in the 2025/26 fiscal year amounted to around €53.1 billion (previous year: €49.7 billion), an increase of 6.8 per cent. At the same time, the total operating performance increased by 9.1 per cent to approximately €66.9 billion (previous year: €61.3 billion).

In the pharmaceutical wholesale area, the PHOENIX group ranks number one out of 14 countries (previous year: 16). Our pharmacy retail business is mainly active in Belgium, Bulgaria, Ireland, Italy, Latvia, Lithuania, the Netherlands, Norway, Romania, Switzerland, Serbia, the Czech Republic, Hungary, and the United Kingdom. In addition, the PHOENIX group offers its services to companies in the pharmaceutical industry across the value chain.

At the end of the reporting year, the PHOENIX group Supervisory Board consisted of eight male members; there are no employee representatives on the Supervisory Board.

## INTEGRATED HEALTHCARE PROVIDER

The link between the pharmaceutical industry and patients





**wePHOENIX** COMMITMENTS

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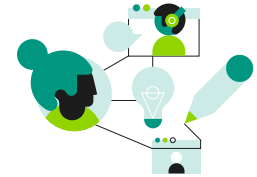
We focus on the **customer**

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



We embrace **collaboration**

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



We operate **efficiently**

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



We create **value**

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



We think **forward**

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



We are **one team**

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



# GENERAL INFORMATION

## REPORT PROFILE

### Fundamentals and principles of reporting

The PHOENIX group is committed to transparent communication and direct dialogue with its stakeholders. With this sustainability report for the fiscal year 2025/26, we seek to provide comprehensive information about our PHOENIX group's sustainability activities.

This report covers the fiscal year from 1 February 2025 to 31 January 2026 and, wherever possible, also includes comparative data for the previous year or years. In the report, we describe the development and results of the sustainability activities of the PHOENIX group and all its subsidiaries. Figures in the text and in some of the charts have been rounded. As a result, totals may not always add up exactly. This sustainability report has been reviewed and approved by the Executive Board of the PHOENIX group and acknowledged by the Supervisory Board of the PHOENIX group.

The report covers the following key topics: climate protection and energy, the circular economy, our employees, supply chain management, and compliance.

### Consolidation scope of the PHOENIX group

The consolidation scope is the same as in the financial statements. The name PHOENIX group refers to the entire PHOENIX group as presented in the Annual Report 2025/26.

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

## SUSTAINABILITY MANAGEMENT

### Sustainability Agenda

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

Our Sustainability Agenda focuses on the following topics:

#### — CLIMATE PROTECTION

Developing and implementing a climate strategy

#### — RECYCLING OF RESOURCES

Reusing, reducing, and recycling wherever possible

#### — RESPONSIBLE SUPPLY CHAIN

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

#### — DIVERSITY, EQUAL OPPORTUNITY, AND INCLUSION

Promoting social diversity among employees

#### — SOCIAL ENGAGEMENT

Linking donation activities more closely with our core business



### Sustainability organisation

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

The PHOENIX group established its ESG Committee in 2024. It advises the Executive Board on sustainability issues and ensures greater transparency on key topics. The ESG Committee meets quarterly and is chaired by the Executive Board Member responsible for Supply Chain Services of the PHOENIX group together with the Head of Corporate Sustainability. Participants are key contact persons from the relevant departments. They facilitate cross-departmental collaboration and support the implementation of sustainability initiatives.

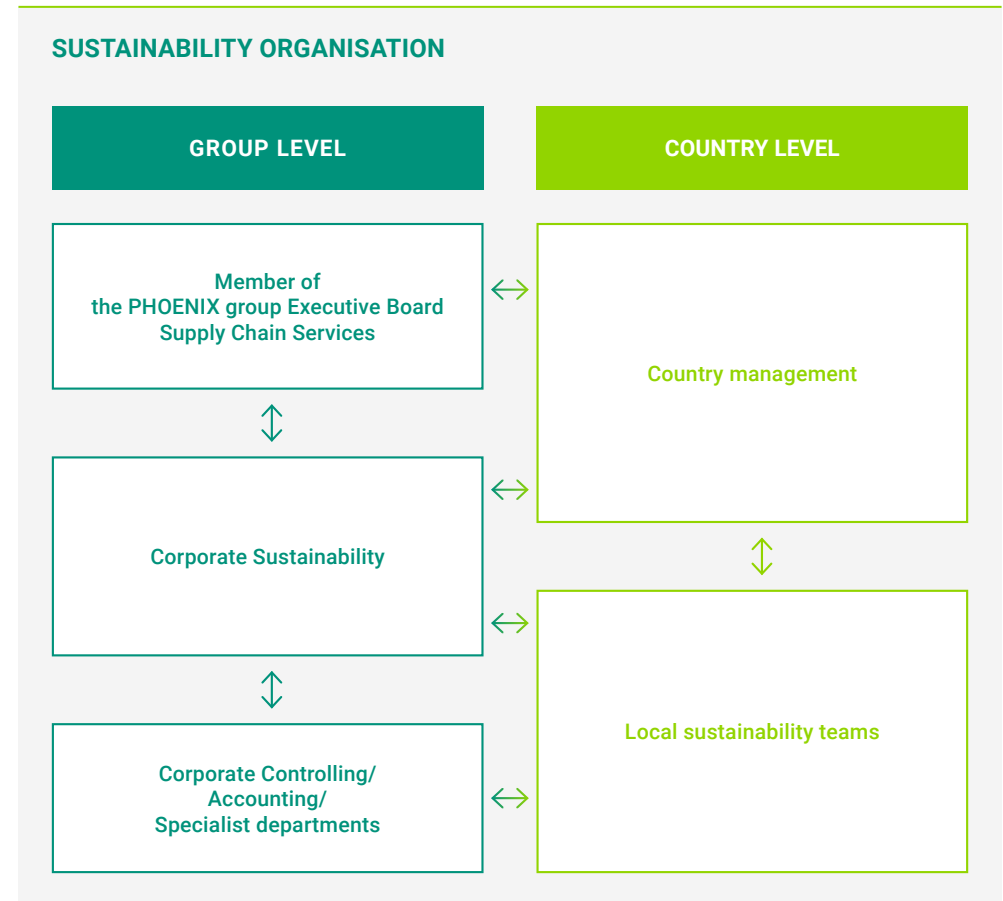
Within the area of sustainability, we have an established group-wide network. Due to the varying framework conditions in the European markets, we continue to take a decentralised approach to many sustainability issues. Each subsidiary has at least one sustainability manager, supported in some cases by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

The PHOENIX group’s sustainability framework supports the subsidiaries in implementing the group’s sustainability management. A “Sustainability Playbook” is currently being developed to describe responsibilities, roles, operational tasks and processes, among other things.

### Stakeholder dialogue

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

The sustainability team uses the Speakap employee app to continuously exchange information on various topics with PHOENIX group employees. In addition, we offer training sessions to raise employee awareness concerning such topics as energy saving or waste prevention and separation.



Sustainability topics often play a role in our town hall meetings as well. Workshops or presentations on these topics are held at the annual meetings of top management.

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

The PHOENIX group also works actively to promote sustainability as a member of the Association of Pharmaceutical Wholesalers in Germany (PHAGRO) and, at the European level, as a member of GIRP, the European Healthcare Distribution Association.

The PHOENIX group regularly exchanges views with industry and business partners on ESG issues, for example during annual or additional meetings. This exchange has increased significantly in intensity and now includes dialogue formats, in some cases on a quarterly basis, particularly in pre-wholesale. Last year, we started developing a methodology to calculate the carbon footprint of our products during storage and transport. This is based on the GLEC framework. We are currently working on an automated reporting system for manufacturers who request it.

## OUR STAKEHOLDERS' REQUIREMENTS – SUSTAINABILITY DRIVERS AT PHOENIX

### KEY ISSUES:

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

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

EMPLOYEES AND TALENT

INDUSTRY AND BUSINESS PARTNERS

### KEY ISSUES:

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

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

CUSTOMERS

PHOENIX group

BANKS AND INVESTORS

### KEY ISSUES:

- Emissions and climate impact
- Governance issues
- Diversity

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

### KEY ISSUES:

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

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



# ENVIRONMENT

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

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

# CLIMATE AND ENERGY

The PHOENIX group's operations require the use of energy, which results in greenhouse gas emissions. The main sources of emissions from our own operations are electricity consumption, diesel vehicles and natural gas. With 204 distribution centres across Europe, we see efficient building technology as one of the largest levers for saving energy in our own operations. Transport is another key area. We also plan to further expand our own renewable energy generation.

As one of Europe's leading healthcare companies, we consider it our duty to contribute to climate protection. We also want to meet the increasing demands of our business partners as well as the regulatory requirements related to climate management. Furthermore, we intend to utilise the cost-cutting potential that often goes hand in hand with climate protection measures. In the fiscal year 2024/25, we began conducting a climate risk analysis. The assessment of climate-related physical and transitional risks has been carried out as part of a multi-stage process, which is currently in the evaluation phase.

## Climate target and policy

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

In addition to reducing emissions, starting in 2030, we will offset our remaining carbon emissions by purchasing credits that support high-quality emission reduction projects.

As part of our commitment to science-based climate targets, we have thoroughly reviewed and refined our Scope 1, 2 and 3 emissions data since the 2021/22 base year (see [carbon footprint](#)).

The PHOENIX group's climate policy defines responsibilities at the group and country levels, establishes climate targets and provides a catalogue of measures to guide the implementation of emission-reducing measures at the country level.

The climate policy has three focus topics:

- **ENERGY EFFICIENCY**  
including measures such as building and roof insulation
- **SELF-GENERATION OF ENERGY**  
in particular, the installation of solar panels
- **SWITCHING TO CLIMATE-FRIENDLY TECHNOLOGIES**  
in transport and heating

During the fiscal year 2025/26, we further developed our decarbonisation measures. Our focus was on conducting feasibility studies into the use of photovoltaics (PV) and the electrification of our delivery fleet as well as developing a green electricity strategy.

The green electricity strategy comprised the following steps:

- **ANALYSIS OF OUR CURRENT GREEN ELECTRICITY PROCUREMENT**
- **ASSESSMENT OF VARIOUS OPTIONS FOR PROCURING GREEN ENERGY**  
(e.g. EACs, PPAs and self-generation)
- **REVIEW OF THE RELEVANT REGULATORY FRAMEWORK**
- **ROADMAP FOR A GREEN ELECTRICITY STRATEGY**  
for the PHOENIX group, based on an evaluation matrix

We have broken down the climate target across the various countries and thereby defined milestones for each one. These targets are currently being re-evaluated, incorporating the results of the green electricity study.

To support the countries in their decarbonisation efforts, we have set up a climate fund at group level, which has been incorporated into the regular capital expenditure (CapEx) process since last year.

In the reporting year, the climate fund was paid out for the second time to countries that had proposed reduction measures. Particular attention was given to projects with the lowest carbon abatement costs. For example, the installation of PV systems was financially supported in many countries.

Part of the variable remuneration of the PHOENIX group's Executive Board member responsible for Supply Chain Services is linked to the progress made in decarbonising the group of companies' own operations.

### Energy-saving measures

Our subsidiaries in Estonia, Croatia, Latvia, Lithuania, and Slovakia have an ISO 50001 energy management system in place. We track our energy consumption via energy monitoring and our emissions via the PHOENIX group's Corporate Carbon Footprint (CCF) using a software solution.

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

In building operations, the focus in the fiscal year 2025/26 remained on increasing energy efficiency. We achieved this through numerous initiatives at sites in various countries. These included, amongst other things, the modernisation and optimisation of heating, ventilation, air conditioning and cooling systems, the use of heat pumps and the further development of building automation and energy monitoring systems. This allows energy consumption to be managed more in line with demand and enables additional efficiency potential to be tapped. Further measures included the installation and use of energy-efficient LED lighting systems.

The PHOENIX group has been investing in the expansion of renewable energies at its sites for several years now. This year again, targeted investments were made in the expansion of our own solar power generation to further increase the production of self-generated renewable electricity. In the current reporting year, self-generated renewable electricity is being produced in a total of 12 countries and at 36 different sites. As a result, we have been able to further increase the proportion of our own renewable energy while reducing energy-related greenhouse gas emissions.

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

Even in countries with their own fleets, vehicles are regularly replaced to meet the latest emissions standards. Fully electric delivery vehicles are also increasingly being used.

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

Various measures have been taken to further reduce transport emissions. For cars used by sales representatives and managers, the company car policies of various subsidiaries set ever lower carbon emission limits for combustion engines and provide strong incentives for the use of electric vehicles. As a result a growing number of users are now opting for electric vehicles.

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

### Energy consumption

The PHOENIX group's total energy consumption amounted to 515,086 MWh in the fiscal year 2025/26, representing a 1 per cent increase compared with the previous year. In contrast, electricity consumption fell to 237,797 MWh in the fiscal year 2025/26. Consumption trends vary from country to country and are influenced by factors such as business performance, the level of electrification and energy efficiency measures.

Apart from electricity consumption, the largest share of energy consumption is accounted for by fuels and natural gas. Overall, there was a slight increase in fossil primary energy sources: natural gas consumption fell by 2 per cent to 70,898 MWh. Consumption of crude oil and petroleum products, which mainly comprises fuels for the vehicle fleet, increased by 4 per cent. At the same time, we were able to increase our own electricity generation from photovoltaics from 4,387 to 6,769 MWh, a rise of 54 per cent compared with the previous year. Most of the electricity generated from photovoltaics within the PHOENIX group is produced in Italy and the United Kingdom.

These developments are also reflected in a shift in the energy mix: the share of renewable energy in total energy consumption rose by 2.4 per cent compared with the previous year. Overall, in the fiscal year, 77.1 per cent of total energy consumption came from fossil fuels, 13.5 per cent from renewable sources and just under 9.4 per cent from nuclear energy. The consumption of purchased or procured electricity from renewable sources comprises exclusively certified green electricity. For procured district heating, the share is derived from the energy mix. The PHOENIX group's energy intensity for climate-intensive areas was reduced by 5.3 per cent to 9.7 MWh per million euros of turnover (previous year: 10.24) thanks to a further increase in turnover and a slight reduction in energy consumption.<sup>1)</sup>

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

### ENERGY CONSUMPTION AND ENERGY MIX IN OUR OWN OPERATIONS<sup>1)</sup>

in MWh	2024/25 <sup>2)</sup>	2025/26 <sup>5)</sup>	Δ 2025/26 – 2024/25
<b>Fossil energy</b>			
Fuel consumption from coal and coal products	–	–	–
Fuel consumption from crude oil and petroleum products	168,643	174,635	4%
<b>Fuel consumption from natural gas<sup>3)</sup></b>	72,540	70,898	–2%
Fuel consumption from other fossil sources	–	–	–
Consumption of purchased or procured electricity, heat, steam and cooling from fossil sources	153,140	151,618	–1%
<b>Total consumption of fossil energy</b>	<b>394,324</b>	<b>397,151</b>	<b>0.7%</b>
<b>Share of fossil fuels in total energy consumption</b>	<b>77.4%</b>	<b>77.1%</b>	<b>–0.4%</b>
<b>Consumption from nuclear power sources</b>			
<b>Consumption of nuclear energy</b>	<b>47,855</b>	<b>48,470</b>	<b>1%</b>
<b>Share of total energy consumption from nuclear sources</b>	<b>9.4%</b>	<b>9.4%</b>	<b>0.1%</b>
<b>Renewable energies</b>			
Fuel consumption for renewable sources, including biomass and waste of biological origin <sup>3)</sup>	1,944	1,659	–15%
Consumption of purchased or procured electricity, heat, steam and cooling from renewable sources <sup>4)</sup>	60,770	61,038	0.5%
Consumption of self-generated renewable energies excluding fuel	4,387	6,769	54%
<b>Total consumption of renewable energies</b>	<b>67,101</b>	<b>69,465</b>	<b>4%</b>
<b>Share of renewable sources in total energy consumption</b>	<b>13.2%</b>	<b>13.5%</b>	<b>2.4%</b>
<b>Total</b>			
<b>Total energy consumption</b>	<b>509,280</b>	<b>515,086</b>	<b>1%</b>

<sup>1)</sup> Energy consumption is stated as calorific value. Conversion factors according to BAFA (2024).

<sup>2)</sup> As part of a comprehensive data validation process, the figures for the fiscal year 2024/25 have been adjusted retrospectively.

<sup>3)</sup> Due to the current data collection procedure, it is not possible to distinguish between lower heating value and higher heating value.

<sup>4)</sup> Purchased or procured electricity from renewable energy sources comprises certified green electricity only. The renewable share in the conventional energy mix is not taken into account. The historical data has been adjusted retrospectively.

<sup>5)</sup> ABM Pharma has not yet been included in the data collection for France.

### Carbon footprint

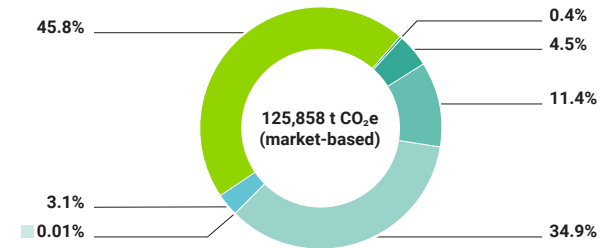
In calculating our carbon footprint, we follow the Greenhouse Gas Protocol (GHG Protocol). This requires companies to include specific emissions in their calculations. During the reporting year, we focused on improving the quality of the data used to record electricity and heat consumption. By working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

Compared with the previous year, Scope 1 emissions increased slightly by 1 per cent to 64,600 t CO<sub>2</sub>e, primarily due to an increase in emissions from fuel consumption. Emissions from heating oil, on the other hand, fell by 28 per cent, as several sites successfully switched to alternative heating systems such as heat pumps and district heating. In addition, emissions from natural gas consumption fell by 2 per cent. Emissions of volatile gases fell by 20 per cent. The decisive factor was the decline in the consumption of particularly climate-damaging refrigerants, but also the lower overall use of refrigerants.

The trends in Scope 2 emissions differ depending on the calculation methodology (location-based and market-based). Location-based Scope 2 emissions fell by 3 per cent compared with the previous year, whilst electricity consumption remained unchanged. The decrease is due to an improvement in the data available for location-specific emission factors for some countries. Market-based Scope 2 emissions rose by around 5 per cent from 58,764 t CO<sub>2</sub>e in the previous year to 61,778 t CO<sub>2</sub>e. This is due to the first-time application of residual mix emission factors from the European Association of Issuing Bodies (AIB) in the absence of supplier-specific factors. Market-based emissions from district heating fell significantly by 26 per cent, which is attributable to the first-time application of supplier-specific emission factors in this reporting year. For the location-based calculation, the same country-specific emission factors were applied as in the previous year. The 3 per cent increase in emissions is therefore solely attributable to a slightly higher district heating consumption.

Combined Scope 1 and 2 emissions varied depending on the calculation method used in the reporting year. Applying the location-based methodology, combined emissions decreased by 1 per cent. Under the market-based methodology, combined emissions increased by 3 per cent.

### SCOPE 1 AND SCOPE 2 EMISSIONS <sup>1)</sup>



In tonnes of CO <sub>2</sub> e		2023/24 <sup>4)</sup>	2024/25 <sup>4), 5)</sup>	2025/26 <sup>5)</sup>
Scope 1 <sup>2)</sup>	Heating oil	1,011	625	447
	Volatile gases	6,349	7,140	5,689
	Natural gas	14,830	14,700	14,371
	Fuels	43,292	41,412 <sup>8)</sup>	44,075
	Biogenic fuels <sup>4)</sup>	13	21	18 <sup>6)</sup>
<b>Total</b>		<b>65,496</b>	<b>63,898</b>	<b>64,600</b>
Scope 2 <sup>3)</sup>	District heating (location-based) <sup>7)</sup>	8,759	5,358	5,520
	District heating (market-based) <sup>7)</sup>	8,759	5,358	3,942
	Electricity (location-based) <sup>7)</sup>	76,261	64,065	61,820
	Electricity (market-based) <sup>7)</sup>	53,154	53,406	57,837
	<b>Total (location-based)</b>	<b>85,020</b>	<b>69,423</b>	<b>67,341</b>
<b>Total (market-based)</b>		<b>61,913</b>	<b>58,764</b>	<b>61,778</b>

<sup>1)</sup> The greenhouse gases taken into account when compiling the GHG inventory are CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub> and NF<sub>3</sub>. The pie chart includes Scope 2 emissions in accordance with the market-based calculation method.

<sup>2)</sup> Sources of emission factors for stationary and mobile combustion: BEIS (2025); for volatile gases: UBA (2026), IPCC AR6 and BEIS (2025)

<sup>3)</sup> Sources of emission factors for fiscal year 2025/26 for district heating and electricity (location-specific): VDA (2024) and, in addition, EC-JRC GHG Emission Factors (2026); for electricity (market-based), the AIB residual mix was applied for the first time in absence of supplier-specific factors, resulting in a significant increase; for district heating (market-based): supplier-specific factors and, for location-based data, VDA (2024).

<sup>4)</sup> A comprehensive data validation was carried out for the fiscal years 2023/24 and 2024/25. Emissions were adjusted retrospectively accordingly.

<sup>5)</sup> For individual sites, estimates or previous year's figures were used due to limited data availability.

<sup>6)</sup> 'Outside of Scopes' emissions from biogenic fuels: 557 t CO<sub>2</sub>e

<sup>7)</sup> Significant variations in Scope 2 emissions between fiscal year 2023/24 and 2024/25 are largely attributable to the re-publication of the VDA emission factors from fiscal year 2024/25 onwards.

<sup>8)</sup> Reported emission reduction due to data inconsistencies for a limited number of countries.

In the reporting year, the Scope 3 inventory was fundamentally revised and expanded to include previously uncaptured categories. Existing methodologies and calculations were improved, while five new categories were also added.

Total Scope 3 emissions increased by 9 percent compared to the prior year, from 26,601,908 t CO<sub>2</sub>e to 28,954,979 t CO<sub>2</sub>e. As is typical in wholesale, purchased goods and services account by far for the largest share of total Scope 3 emissions in the current fiscal year at 95 percent. Accordingly, 80 percent of the increase in Scope 3 emissions is attributable solely to the rise in emissions from purchased goods and services driven by growth in business volume.

Other significant emission sources include upstream and downstream transport of goods (Scope 3.4 and 3.9), capital goods (Scope 3.2), and the use of sold products (Scope 3.11). The newly captured categories 3.9, 3.11, 3.12, 3.13 and 3.15 amount to a total of 374,130 t CO<sub>2</sub>e in the reporting year, representing a small share of 1.3 percent of total Scope 3 emissions. Due to their first-time calculation, the new categories contribute 16 percent to the year-on-year increase in Scope 3 emissions. The Scope 3 emissions are only partially comparable with prior year figures due to the expansion of the categories covered.

The PHOENIX group's greenhouse gas intensity increased by around 1.9 per cent in the current fiscal year for both methods. This is due to the first-time inclusion of additional Scope 3 categories. This significantly limits comparability with prior-year figures, which will only be restored in the coming fiscal year.

### GREENHOUSE GAS INTENSITY BY NET REVENUE

In tonnes of CO <sub>2</sub> e/€ million	2024/25	2025/26	Δ 2025/26 – 2024/25
<b>Total</b> (location-based)	537.7	547.8	1.88%
<b>Total</b> (market-based)	537.4	647.7	1.90%

### SCOPE 3 EMISSIONS

In tonnes of CO <sub>2</sub> e		2023/24	2024/25	2025/26 <sup>6)</sup>
Scope 3 <sup>1), 2), 3)</sup>	3.1 Purchased goods and services <sup>4)</sup>	24,095,393	25,688,097	27,561,111
	3.2 Capital goods	96,588	90,086	102,901
	3.3 Activities related to fuels and energy <sup>5)</sup>	56,419	20,731	18,876
	3.4 Upstream transport and distribution <sup>6)</sup>	733,194	747,397	851,684
	3.5 Waste from operations <sup>7)</sup>		536	1,128
	3.6 Business travel <sup>7)</sup>	3,043	4,173	2,878
	3.7 Commuting of employees	40,269	45,315	38,846
	3.9 Downstream transportation and distribution			180,669
	3.11 Use of sold products <sup>8)</sup>			48,928
	3.12 End-of-life treatment of sold products			8,645
	3.13 Downstream leased assets			495
	3.14 Franchises	3,949	5,573	3,425
	3.15 Investments			135,393
	<b>Total</b>	<b>25,028,855</b>	<b>26,601,908</b>	<b>28,954,979</b>

<sup>1)</sup> Sources of emission factors: DBEIS (2021, 2022, 2025), VDA (2024)

<sup>2)</sup> The calculation of categories 3.1, 3.2, 3.6, 3.9, 3.13, 3.15 is carried out partly or entirely using the spend-based approach.

<sup>3)</sup> Categories 3.9, 3.11, 3.12, 3.13 and 3.15 were calculated for the first time in the current fiscal year.

<sup>4)</sup> For category 3.1, an improvement in data quality is planned for the future in order to enable a more granular emissions calculation. The calculation methodology for category 3.1 was adjusted and will apply from fiscal year 2025/26. Data for previous fiscal years were corrected retrospectively.

<sup>5)</sup> The calculation methodology was adjusted in the current reporting year, and the data was corrected retrospectively for the fiscal year 2024/25.

<sup>6)</sup> The calculation methodology for category 3.4 was adjusted and will apply from fiscal year 2025/26. Data for previous fiscal years were corrected retrospectively.

<sup>7)</sup> The calculation methodology was revised in the current fiscal year and the data retroactively corrected for fiscal year 2024/25.

<sup>8)</sup> For fiscal year 2025/26, emissions were extrapolated on the basis of the prior year's emissions calculation and revenue development.

# CIRCULAR ECONOMY

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

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

The PHOENIX group is subject to numerous legal requirements relating to waste management. In response to these obligations, and in line with the CSRD reporting requirements for the ESRS E5 standard (resource use and circular economy), the company conducted a group-wide review during the fiscal year 2025/26. This initiative aimed to assess current waste management practices across various European sites, identify gaps in relation to regulatory requirements and best practice standards, as well as establish a baseline for further action. The assessment revealed opportunities for harmonisation and areas in need of improvement in waste management practices. Based on these findings, a standardised waste management framework is currently being developed for the PHOENIX group.

## Material inputs

The PHOENIX group uses a variety of materials in its business activities. Their production requires raw materials. We focus on maximising resource efficiency and minimising consumption throughout all processes.

The European subsidiaries are implementing individual measures – in the distribution centres, pharmacies and administration. Digitalisation plays an important role in administrative processes; almost all subsidiaries have digital signature solutions in place. A significant proportion of subsidiaries have

introduced digital document management systems, with five doing so in the past year. Furthermore, progress has been made in the area of digital interfaces with manufacturers and/or customers, such as the introduction of, or preparation for, electronic invoicing.

In the retail business area, we use FSC-certified packaging for our own-brand products wherever possible.

Resource conservation is also a key priority across our distribution centres. For example, we use a reusable system with plastic tubs for deliveries to pharmacies. Many of these tubs are made from recycled plastic. Any defective or heavily soiled tubs are replaced with new ones that are made entirely from recycled plastic. Efforts are being made across countries to minimise material usage. This involves using more efficient packaging materials, such as thinner films, and initiating projects to save costs, including those relating to packaging cartons.

## Waste

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

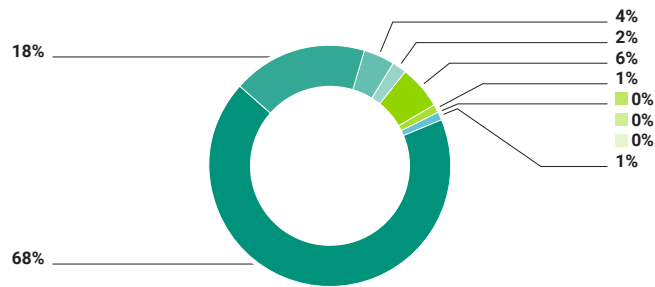
In addition to hazardous waste, the PHOENIX group's processes also generate non-hazardous waste. This includes organic waste, paper and cardboard, electronic scrap, metal, wood, plastics, glass and textiles. All of these are recycled whenever possible.

**Non-hazardous waste**

During the reporting period, around 40,140.65 tonnes of non-hazardous waste were generated, representing an increase of 22 per cent compared with the previous year (32,856 tonnes). There was significant growth in the paper and cardboard and wood categories. One reason for this was the inclusion of waste data from Ireland for the first time. The renewal of racking systems in Ger-

many led to a one-time disposal of large quantities of metal. The volume of unused medicines was also recorded for the first time. 82 per cent of non-hazardous waste (78.2 per cent in the previous year) was sent for recycling. The remaining waste volumes, such as those from energy generation or mixed waste, were disposed of in an environmentally sound manner by specialist companies.

**NON-HAZARDOUS WASTE BY WASTE TYPE**



in tonnes	2023/24	2024/25 <sup>1)</sup>	2025/26
■ Paper and cardboard	21,872.23	21,792.98	27,305.91 <sup>2)</sup>
■ Mixed waste	6,938.72	7,591.89	7,181.67
■ Plastics	1,393.42	1,435.92	1,746.87
■ Organic waste	533.59	616.51	716.57
■ Wood	866.37	876.35	2,246.07
■ Metals and scrap	231.25	255.25	471.77
■ Electrical waste	54.67	181.13	109.05
■ Glass	69.27	105.48	102.99
■ Textiles	0.07	0.02	0.05
■ Unused medicines	0	0	259.70 <sup>3)</sup>
<b>Total</b>	<b>31,959.61</b>	<b>32,855.52</b>	<b>40,140.65</b>

<sup>1)</sup> The data for fiscal year 2024/25 has been adjusted retrospectively.  
<sup>2)</sup> The figures for fiscal year 2025/26 include the Irish sites in full for the first time.  
<sup>3)</sup> Waste from unused medications was tracked for the first time in the current reporting year.

**NON-HAZARDOUS WASTE BY DISPOSAL METHOD**



in tonnes	2023/24	2024/25	2025/26
■ <b>Recycling</b>	<b>24,252.49</b>	<b>25,726.32</b>	<b>32,884.28</b>
Preparation for reuse <sup>1)</sup>	0 <sup>1)</sup>	508.92	159.17
Combustion with energy/heat recovery	4,344.43	3,139.52	3,851.47
Composting	477.40	502.83	759.45
Other recovery operations <sup>1)</sup>	0 <sup>1)</sup>	0.13	26.34
Incineration without energy/heat recovery	1,711.90	962.27	67.08
Landfilling	988.00	1,026.64	2,168.25
Other disposal methods	185.38	988.90	61.63
Unknown	0	0	162.98 <sup>2)</sup>
■ <b>Total (excluding recycling)</b>	<b>7,707.11</b>	<b>7,129.20</b>	<b>7,256.37</b>
<b>Total</b>	<b>31,959.61</b>	<b>32,855.52</b>	<b>40,140.65</b>

<sup>1)</sup> These disposal methods were reported for the first time in the fiscal year 2024/25, which is why no prior-year figures are available.  
<sup>2)</sup> The "Unknown" category was added for the first time in this reporting year.

### Hazardous waste

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

In the reporting year, a total of 1,101 tonnes of hazardous waste was generated, which is a decrease of 3 per cent (previous year: 1,141 tonnes). The change is primarily due to fluctuations in the volume of pharmaceutical waste at pharmacies.

### HAZARDOUS WASTE

in tonnes	2023/24	2024/25	2025/26	Δ 2025/26 – 2024/25
Pharmaceutical waste <sup>1)</sup>	1,034	1,059 <sup>2)</sup>	998	–6%
Oil sludge	22	13 <sup>2)</sup>	34	159%
Other hazardous waste	149	68 <sup>2)</sup>	69	1%
<b>Total PHOENIX group</b>	<b>1,205</b>	<b>1,141</b>	<b>1,101</b>	<b>–3%</b>

<sup>1)</sup> Excluding waste disposal for customers.

<sup>2)</sup> Due to improved data and related corrections, the waste volumes for fiscal year 2024/25 have been retroactively adjusted.

# SOCIAL



Qualified and committed employees are essential for the success of the PHOENIX group. We attach great importance to offering our employees attractive working conditions, diverse development opportunities and a healthy environment. With regard to our supply chain, we implement due-diligence obligations in accordance with legal requirements.

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

# EMPLOYEES

The PHOENIX group relies on well-trained employees to operate successfully. At the same time, we are currently facing challenges such as a shortage of skilled workers and social and demographic changes, and are addressing these challenges through our HR strategy. This responsibility lies with the Corporate HR department, which reports directly to the Executive Board.

## Human resources and policies

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

Our Corporate HR strategy focuses on bundling all required measures to support a highly efficient organisation. Group-wide HR measures, such as the standardised implementation of employee surveys and the introduction of uniform leadership principles, are defined, prioritised and implemented by the Executive Board together with Corporate HR.

The » [PHOENIX group's Code of Conduct](#) sets out the principles of trusting and appropriate interactions with colleagues, customers, suppliers and competitors. We are committed to complying with labour laws and regulations in all countries. We respect the principles of freedom of expression, the right to information, the independence of the media and the protection of privacy. Our Code of Conduct applies to all employees working for a company within the PHOENIX group. We revised the Code of Conduct during the past fiscal year. It was approved by the Executive Board at the end of 2025. It will be implemented across the company in the first half of 2026.

In addition to the Code of Conduct, our compliance system includes further policies on various topics (see the [Compliance section](#)).

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

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

## Dialogue and collaboration

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

## Employee surveys

The opinions, satisfaction and motivation of our employees are very important to us. In 2024, we worked with experts to professionalise and modernise our process and questionnaire. Our key performance indicator is the “Employee Engagement Score”, which is based on a scientifically proven methodology, is externally comparable and allows us to measure overall employee satisfaction.

Our survey platform, which was introduced in 2024, was also used for the first time in 2025 for short pulse surveys in the countries. This initiative complements the central LISTEN survey, enabling the implementing local companies to measure satisfaction with the steps put in place.

**Communication**

The Speakap employee app contributes to interactive and transparent internal communication. It enables our employees to share information across departments and countries. More than 28,000 employees have registered to use the app. The sustainability team also uses the app to communicate with employees on a variety of topics.

Through our Digital Workplace Programme, we have created a modern, unified working environment that greatly simplifies day-to-day collaboration for our employees. To date, we have converted more than 12,000 workstations in 24 countries to an efficient, future-oriented operating model. Through a hardware-as-a-service (HaaS) rental model, devices are reused in the secondary market after use at the PHOENIX group, thereby promoting sustainability. This model will gradually expand to include three more countries and mobile devices such as smartphones and operational workstations. It will also extend to selected retail areas to provide even better connectivity and uniform working standards across the entire PHOENIX group.

**Dialogue with employee representatives**

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

**Employee structure**

At the end of the fiscal year 2025/26, the PHOENIX group employed 48,392 people (previous year: 48,939) across a total of 29 European countries (previous year: 29). This represents a reduction of 1.1 per cent compared with the previous year (previous year: +1 per cent).

The PHOENIX group has the largest workforce in the United Kingdom, with 5,522 employees (previous year: 5,401), followed by Norway with 5,111 (previous year: 4,997) and the Netherlands with 4,920 (previous year: 4,845) employees. This fiscal year, Germany ranks fourth within the PHOENIX group, with 4,664 employees (previous year: 4,671).

The proportion of female employees in the PHOENIX group was at around 68.0 per cent in the reporting year (previous year: 68.4 per cent). Of these, 18,920 female employees (previous year: 19,835) were employed full-time, whilst the number of male full-time employees lay at 12,489 (previous year: 12,218). Of the male PHOENIX employees, 3,001 (previous year: 3,271) and of the female PHOENIX employees, 13,982 (previous year: 13,615) were employed part-time. This brought the part-time rate among employees to 35.1 per cent (previous year: 34.5 per cent).

During the reporting year, 7,565 employees left the group and 7,725 were recruited, resulting in a lower fluctuation rate of 15.6 per cent (previous year: 19.3 per cent).

**EMPLOYEES BY GENDER AND EMPLOYMENT STATUS <sup>1)</sup>**

	Women	Men	Other <sup>2)</sup>	No data	Total	Proportion
<b>Number of employees</b>	<b>32,902</b>	<b>15,490</b>	–	–	<b>48,392</b>	<b>100%</b>
of which full-time	18,920	12,489	–	–	31,409	65%
of which part-time	13,982	3,001	–	–	16,983	35%

<sup>1)</sup> Headcount survey as of 31 January 2026.

<sup>2)</sup> According to employees' self-reporting of their gender identity.

**EMPLOYEES PER COUNTRY WITH >10% OF THE GROUP-WIDE WORKFORCE <sup>1)</sup>**

	United Kingdom	Norway	The Netherlands
<b>Number of employees</b>	<b>5,522</b>	<b>5,111</b>	<b>4,920</b>

<sup>1)</sup> Headcount survey as of 31 January 2026

## Diversity and equal opportunities

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

Our » **Code of Conduct** commits us to the principles of equal opportunity and mutual respect. All employees are to receive the same treatment and the same opportunities in all employment situations, regardless of gender, age, religion, race, skin colour, sexual orientation, ethnic origin, national origin, or disability. Gender diversity is also high on our agenda. In particular, we are committed to increasing the number of female managers in our talent programmes. In the fiscal year 2025/26, 10 (previous year: 6) female managers took part in our LIFT Top Talent Development Initiative, bringing the total number of participants to 26 (previous year: 18). In RUNWAY, our middle management talent initiative, 14 (previous year: 22) of 38 (previous year: 50) participants were women. Some subsidiaries pursue their own approaches to promoting equal opportunities and implement measures to improve the work-life balance of their employees. In most cases, employees with a PC workstation can also work from home on a pro rata basis. The local companies offer various flexible working time models in accordance with country-specific regulations.

At the end of the 2025/26 reporting year, the senior management of all PHOENIX group companies consisted of a total of 118 senior managers – unchanged from the previous year – of whom 20 were women and 98 were men. The proportion of women in top management thus remained at 17 per cent. Overall, the number of senior managers has remained stable.

## Education and development

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

### Training and skills development

By the end of 2025, 80 per cent of the PHOENIX group's companies had successfully migrated to our new Learning Management System (LMS). Within this platform, we introduced three group-wide, multilingual courses on Lean Fundamentals in the reporting year, whilst also further expanding our offering for managers as part of the iPHOENIX leadership principles. In 2026, we aim to further optimise our learning processes and specifically develop our PHOENIX group Academies to support long-term skills development.

### Senior manager development programmes

The PHOENIX group aims to fill management positions primarily from within the company. To develop high-potential individuals who will strengthen our talent pipeline, we launched the LIFT Talent Initiative in 2021. This programme promotes leadership and interdisciplinary skills. In the reporting year, 17 participants successfully completed the programme and joined the LIFT Ambassador Community, which has now grown to 70 senior managers.

In November, we hosted the LIFT Summit, a two-day event marking LIFT's fifth anniversary. With strong participation from our Executive Board, the Summit brought together more than 80 senior managers from over 20 countries. The aim was to sharpen strategic priorities, further develop leadership skills and strengthen our shared PHOENIX group leadership culture.

Since 2023, we have run our talent initiative RUNWAY for middle management. In the reporting year, 38 participants began the programme and 50 participants completed RUNWAY and joined the RUNWAY Alumni Network, which now comprises 89 executives. The programme promotes business acumen, leadership skills and interdisciplinary collaboration.

### Traineeships and dual-study programmes

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

In fiscal year 2025/26, the PHOENIX group employed 69 trainees (previous year: 72) and 16 students (previous year: 15) on dual-study programmes in its German subgroup. The dual-study programme offers students the opportunity to complete part of their training at one of our European country organisations. Typically, a high proportion of the trainees are hired by the end of their training.

### Occupational health and safety

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

### Preventing accidents

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

In fiscal year 2025/26, actual working time totalled 73.8 million hours, remaining virtually unchanged compared to the previous year (73.9 million hours; –0.1 per cent). The number of reportable injuries<sup>1)</sup> rose to 953 in the reporting year (previous year: 893), which represents an increase of around 6.7 per cent. This trend is also reflected in the total rate of work-related incidents, which stood at 12.9 in the reporting period – 6.9 per cent above the previous year (12.1).

Data collection and classification as injuries differ between individual countries, which is why the significance of the key figures is limited. Reporting was carried out in accordance with national legislation and may therefore also include commuting accidents.

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

### Promoting health

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

In the reporting year, the sickness rate was 4.5 per cent (previous year: 4.6 per cent).

<sup>1)</sup> The way in which work-related injuries are reported has changed from using the Lost Time Injury (LTI) indicator to using the Total Recordable Incident Rate (TRIR) indicator. The TRIR also includes workplace accidents that do not result in lost time. The figures have been adjusted retroactively for the previous fiscal year.

# SUPPLY CHAIN MANAGEMENT

Companies must take responsibility for integrating sustainability into their sourcing processes. For example, if suppliers violate human rights or environmental standards, this can cause harm at the point of origin and affect the risk assessment of the supply chain. At the same time, companies are increasingly required by national and international legislation to exercise due diligence in their supply chains. In Germany, the Supply Chain Due Diligence Act (LkSG) legally regulates compliance with human rights due diligence obligations. In addition, there are future regulatory requirements at the European level. In the reporting year, we focused particularly on the EU Deforestation Regulation (EUDR).

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

Corporate General Procurement develops guidelines and best practices for the purchase of non-trade goods, some of which are supplemented locally.

In 2025, the PHOENIX group updated and expanded the scope of its » [Supplier Code of Conduct](#). The updated code applies to trade, non-trade and own-brand products. It is applied on a risk-based basis.

## Human rights due diligence

The PHOENIX group has implemented a risk management system for both suppliers and in its own business operations in accordance with the LkSG. The aim is to identify human rights risks and environmental risks as well as potential violations both in our own operations and in the supply chain and to implement appropriate preventive and remedial measures. The Policy Statement on Human Rights (» [DE](#) / » [EN](#)) is updated regularly, most recently in November 2024. This Policy Statement provides an overview of our efforts to respect human rights and provides information on the prioritised risks.

## Responsibilities

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

## Respect for human rights

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

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

In addition to this report and the Policy Statement, there are separate publications at country level. Our United Kingdom business publishes an annual » [Statement on Modern Slavery and Human Trafficking](#) in accordance with the UK Modern Slavery Act. Since 2024 our Norwegian business has published a » [report](#) on compliance with its due diligence obligations under the Transparency Act.

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

### Risk assessment

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

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

institutes and non-governmental organisations. The risks identified in this process are weighted and prioritised.

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

At the same time, all new business partners are analysed as part of our software-assisted screening process. This process integrates the results of web searches and risk databases. Various preventive measures are derived from the risk analysis and from the business partner screening process. These range from control measures, such as sending self-assessment questionnaires to medium- or high-risk business partners, to incorporating identified risk issues into discussions with suppliers following awareness-raising within the relevant departments. They even extend to a contractual obligation to comply with our Supplier Code of Conduct (SCoC).

### Whistleblowing system

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

The whistleblowing mechanism undergoes an annual review for effectiveness and appropriateness.

### Safe processes

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

### Quality management

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

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

In addition, various European project groups work on current GxP (good working practice) issues, which are incorporated into the development of group-wide best practices. The goal is to create a common understanding within the group and to consolidate and harmonise the quality management systems in the various countries. The standardised document management system was gradually rolled out to additional countries during the reporting period. Since the beginning of 2025, Corporate Quality Management has been conducting "GDP Corporate Assessments" of the local companies. During a two-day visit, these are independently reviewed and assessed for their GDP compliance using a standardised questionnaire to ensure compliance and inspection readiness and to identify potential areas for improvement.

### Recalls and product information

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

# GOVERNANCE

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

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› **COMPLIANCE**



# COMPLIANCE

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

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

## Policies and procedures

Our » [Compliance system](#) is based on the following policies:

- » [Code of Conduct](#)
- Compliance Policy and Reporting and Investigations Policy
- » [Anti-Corruption Policy](#)
- » [Competition Compliance Policy](#)
- Sanctions and Embargoes Compliance Policy
- Anti-Money Laundering Policy

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

### Code of Conduct

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

### Complaints handling

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

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

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

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

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

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

### Corruption prevention

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

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

### Training

We support our employees in acting with integrity and avoiding potential violations from the outset. The aim is to create and promote a culture of compliance and a safe environment for employees.

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

Employees in the focus groups also receive in-person compliance training. This includes employees who have frequent customer or supplier contact, those authorised to conclude business transactions and all managers. Between 20 and 30 per cent of employees in the e-learning focus group receive in-person compliance training. This ensures that all areas identified as "high-risk functions" receive adequate training on compliance matters.

During the reporting year and the previous year combined, a total of 16,407 employees were trained via compliance e-learning (of which 6,653 in the reporting year) and 3,665 via compliance classroom training (of which 1,101 in the reporting year). New employees receive training as part of their onboarding and employees who have been with the PHOENIX group for some time receive training every two years. This includes the members of the Executive Board.

# IMPRINT

**Publisher**

Corporate Sustainability &  
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**Concept, editing and design in collaboration with**

Accenture Dienstleistungen GmbH, Kronberg im Taunus  
www.accenture.com/de-de

**Photo credits**

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This Sustainability Report is also available in German.  
The German version is binding.  
Translation: Wortschleife, Augsburg, Germany

**Editorial note**

The editorial deadline for the Sustainability Report 2025/26  
was 30 April 2026.