

POLICY STATEMENT ON HUMAN RIGHTS

The PHOENIX group¹, headquartered in Mannheim, Germany, is the European leader in pharmaceutical wholesale, pharmacy retail, and services for the pharmaceutical industry. With a presence in 29 healthcare markets, the company offers unique geographical coverage throughout Europe, making a vital contribution to comprehensive healthcare with more than 48,000 employees.

OUR COMMITMENT TO HUMAN RIGHTS AND ENVIRONMENTAL PROTECTION

As an internationally operating company, we accept our responsibility to protect and promote human rights through due diligence processes in our own business area and our supply chain, including protecting the environment as a crucial basis for living and seeking dialogue with relevant stakeholders.

Our human rights management approach is guided by internationally agreed standards such as the United Nations Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights, the United Nations Guiding Principles on Business and Human Rights, the Fundamental Principles of the International Labor Organization, and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

EXPECTATIONS TOWARDS EMPLOYEES AND BUSINESS PARTNERS

This policy statement applies to the PHOENIX group. It forms the basis for our expectations towards our employees and business partners.

The expectations towards our employees are set out in detail in the PHOENIX group [Code of Conduct](#). Furthermore, we expect every employee to act in accordance with ethical business practices and compliance with law as well as to adhere to defined due diligence processes in support of human rights.

Similarly, the expectations towards our business partners are set out in the PHOENIX group [General Procurement Supplier Code of Conduct](#). We expect our business partners to comply with applicable laws and conventions regarding labour, human rights, and environmental protection and to cooperate with us and along the value chain. This includes incorporating due diligence processes in their own organisation and promoting business conduct in alignment with human rights and environmental protection towards their business partners.

¹ In this document PHOENIX group refers to PHOENIX Pharma SE and its direct and indirect subsidiaries under determining influence according to section 2 para. 6 sentence 3 of the German Supply Chain Due Diligence Act, including PHOENIX Pharmahandel GmbH & Co KG.

DUE DILIGENCE PROCESSES FOR HUMAN RIGHTS AND ENVIRONMENTAL PROTECTION

The PHOENIX group has established a risk management system to identify, prevent, and mitigate human rights-related and environment-related risks and to prevent, minimise, or end violations. We concentrate our efforts primarily on our own business area and direct suppliers. We assess indirect suppliers if we have objective indications that violations of human rights or environmental obligations have potentially occurred. We follow a risk-based approach guided by our prioritised risks and identifying adequate and effective measures. The effectiveness of all elements of the risk management is regularly reviewed, at least once a year, and learnings are incorporated to optimise our risk management. We are aware that, as an intermediary in the supply chain, we only have limited influence in some cases and therefore see our risk management as a continuous improvement process that we shape together with our partners along the value chain and within the regulatory frame of the healthcare sector.

Responsibilities

Overall responsibility for human rights due diligence lies with the PHOENIX Pharma SE's Executive Board and the Management Board of the general partner PHOENIX Verwaltungs GmbH, representing PHOENIX Pharmahandel GmbH & Co KG. The Head of Corporate Sustainability, who also holds the position of Human Rights Officer, monitors the implementation of the human rights risk management and reports monthly to the Executive Board member for Healthcare Logistics & Sustainable Supply Chain. The Executive Board, respectively the Management Board, is updated as events occur and at least on an annual basis.

The operational implementation of the risk management is coordinated by a project management office in the Corporate Sustainability department in close collaboration with relevant departments such as HR and procurement departments. Furthermore, every country has nominated a Local Human Rights Officer to support processes and share local information with the project management office.

Risk analysis

Since 2023, we have conducted an annual risk analysis, identifying and prioritising human rights-related and environment-related risks for our own business area and direct suppliers, considering all subsidiaries within our determining influence.

The analysis consists of both an abstract and concrete analysis. In the abstract analysis, human rights risks and environmental risks are evaluated based on country risk and sector risk, using various risk indices and studies. If risks are identified, related suppliers, sectors, and our own locations or activities are analysed in the concrete risk analysis via interviews, a software tool and questionnaire, or reports from research institutes and non-profit organisations. The identified risks are weighted and prioritised.

In addition, all new business partners are analysed in the software-based business-partner screening process which integrates web-search results and options for questionnaires. The process may be supplemented, requiring more information and collaborating with the supplier.

The abstract and concrete analysis are also carried out on an ad hoc basis following events that change the risk situation, for example, within our own business activities or supply chain, or if there is substantiated knowledge of possible human rights or environment-related violations. The latter also applies to indirect suppliers.

Risks are prioritised across three categories:

Our own business area:

- Disregard of occupational health and safety

Non-trade good suppliers:

- Disregard of occupational health and safety
- Prohibition of unequal treatment in employment
- Prohibition of withholding an appropriate wage

Trade good suppliers:

- Disregard of occupational health and safety
- Prohibition of the import and export of hazardous waste according to the Basel Convention
- Destruction of the natural basis of life through environmental pollution, especially through pollution of air and water and excessive water consumption

Preventive measures

Based on the risk analyses carried out, preventive measures are implemented. We invest in raising awareness among our employees, for example, by our Code of Conduct, and sensitise relevant departments to also communicate our expectations towards suppliers. In addition, we seek contractual assurances and conduct control measures in the onboarding of suppliers. Regarding occupational health and safety, for example, we ensure strict compliance with relevant national and EU legislation and regulations as part of our quality management system and enforced by local management. Different measures are taken, such as systematic risk assessments for each workplace, including audits of warehouses, occupational safety instructions, and regular employee trainings. We continuously examine and further develop the preventive measures taken.

Complaints procedure and remedial measures

Employees, business partners, or any other third parties can report risks, suspected violations of guidelines or applicable laws, and specific incidents within our own business area or along the value chain to the PHOENIX group. In our Rules of Procedure (accessible on our Compliance website: [Compliance - PHOENIX group](#)) we inform about various reporting channels and the process of the complaints procedure. Besides directly contacting Corporate Compliance or informing the line manager, reports can be sent via our externally hosted web-based case reporting system (<https://phoenixgroup.integrityplatform.org/>), anonymously and in various languages, if desired.

The complaints procedure is consistently applied across the group and the online case reporting system is available to all subsidiaries. Every report is treated confidentially, and measures are taken to protect the reporting person. The responsible person for conducting the complaints procedure

acts impartially and is independent and not bound by instructions in this function. Findings from the complaints procedure will be fed back into the risk analysis and improvement of preventive measures.

Despite our due diligence processes, we are aware that violations can occur. Should we become aware of violations, for example, through control mechanisms, web search results, or our case reporting system, the situation will be analysed and appropriate remedial measures taken. Violations within our own business area must be prevented and ended immediately. We endeavour to prevent, end, or minimise the extent of violations by direct suppliers and indirect suppliers, and this includes developing concepts for remediation.

REPORTING

In 2023, we started to report on our human rights due diligence, for example, in our annual sustainability report, and we will continue to do so in accordance with legal requirements and by considering interests of stakeholders. Reports and relevant documents can be downloaded from the PHOENIX group website: [Sustainability report & downloads](#).

Despite the reports on group level, our UK subsidiary publishes an [annual statement on modern slavery and human trafficking](#) in accordance with the UK Modern Slavery Act. Additionally, our Norwegian subsidiary published its [first report](#) on compliance with its due diligence obligations under the Transparency Act.

This document has been updated in November 2024.

Mannheim, 19 November 2024

PHOENIX Pharma SE, represented by the Executive Board

Sven Seidel
(Chairman)

Dr Carsten Sauerland Dr Roland Schütz

Stephen Anderson

Marcus Freitag

Stefan Herfeld

Leon Jankelevitsh

PHOENIX Pharmahandel GmbH & Co KG, represented by its general partner, PHOENIX Verwaltungs GmbH, represented by the Managing Directors

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