MEDICE HEALTH FAMILY
2023 SUSTAINABILITY REPORT

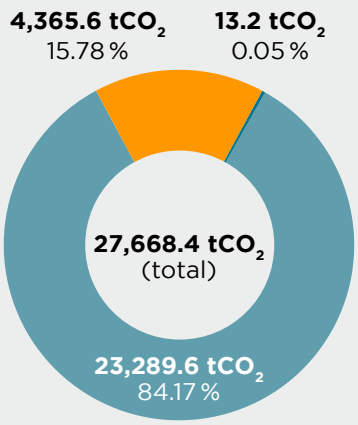
TOGETHER FOR A HEALTHIER WORLD

MEDICE
THE HEALTH FAMILY

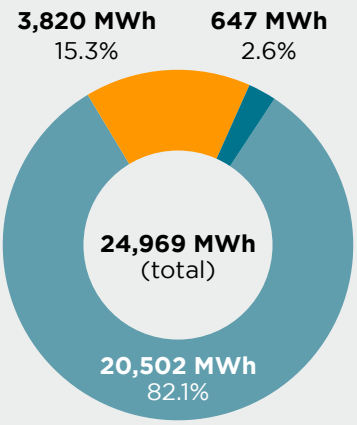
AT A GLANCE

GRI 302-1
GRI 302-2
GRI 305-1
GRI 305-2
GRI 305-3
E1-5
E1-6

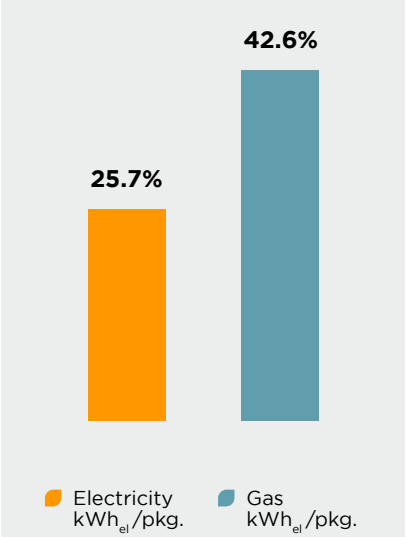
CO_2 EMISSIONS*



ENERGY CONSUMPTION

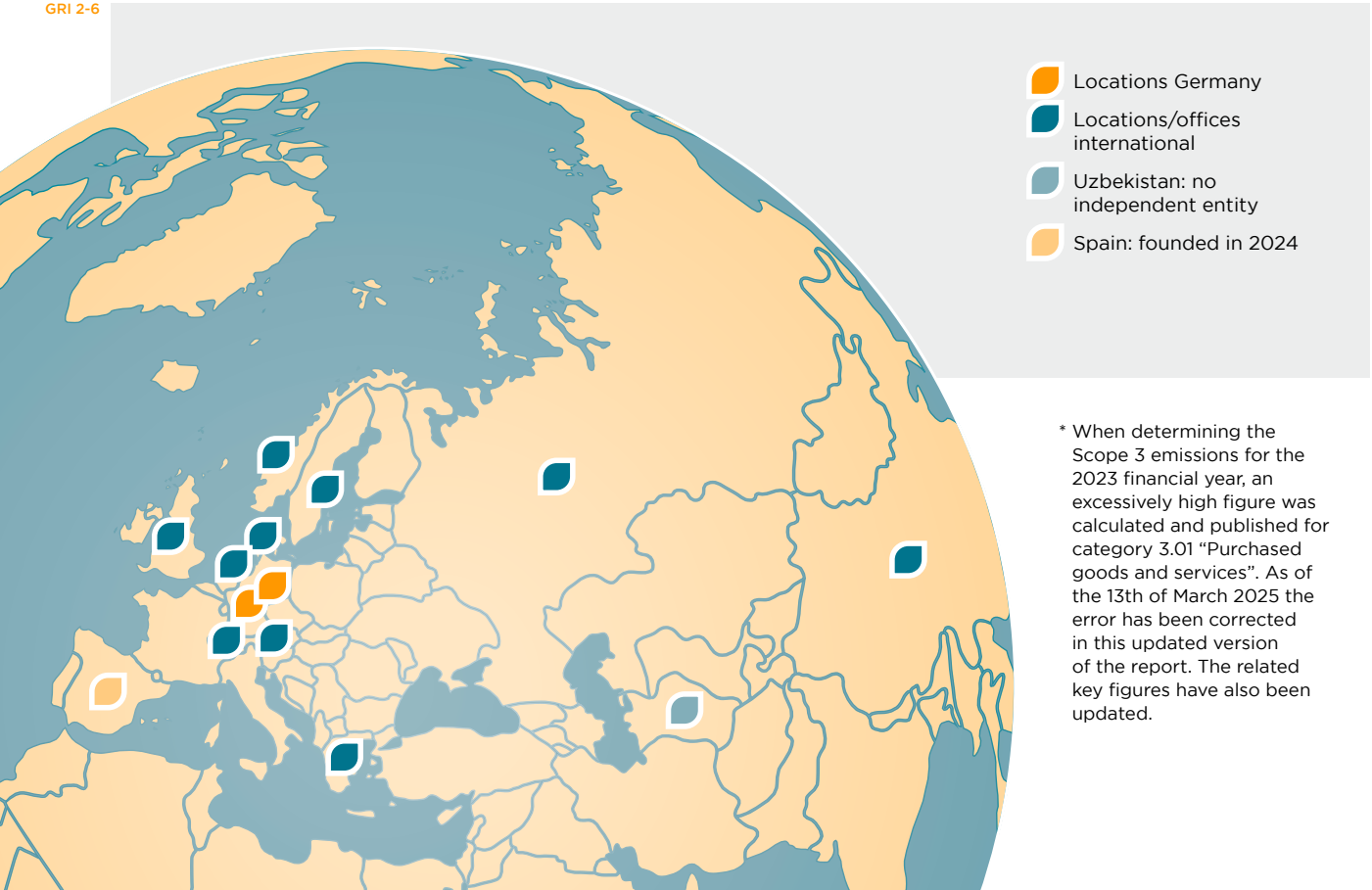


ENERGY EFFICIENCY INCREASE 2022/2023



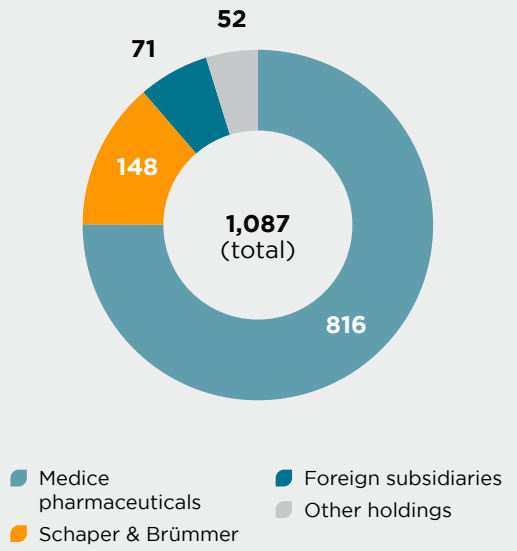
MEDICE LOCATIONS – THE HEALTH FAMILY

GRI 2-6



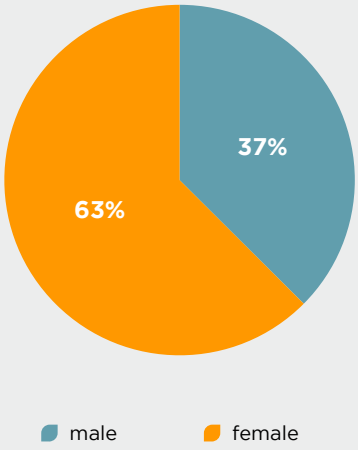
* When determining the Scope 3 emissions for the 2023 financial year, an excessively high figure was calculated and published for category 3.01 “Purchased goods and services”. As of the 13th of March 2025 the error has been corrected in this updated version of the report. The related key figures have also been updated.

MEDICE HEALTH FAMILY EMPLOYEES (HC) (AS AT 31/12/2023)



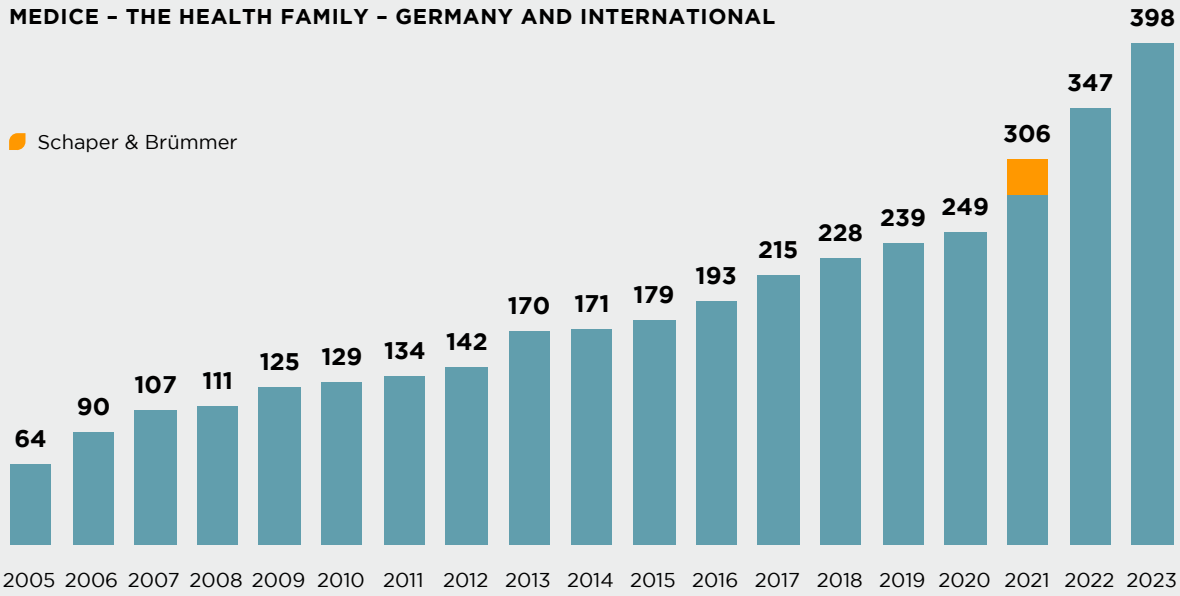
EMPLOYEES BY GENDER (IN %) (AS AT 31/12/2023)

GRI 2-7
S1-9



REVENUE IN EUR MILLION OVER TIME**

GRI 201-1



** before manufacturer's discount in each case

GRI 2-14
GRI 2-22

TOGETHER FOR A HEALTHIER WORLD

Dear readers,

The MEDICE Health Family is proud to present its inaugural sustainability report, which documents our organisation's sustainability journey to date and highlights our commitment to socially, environmentally and economically responsible action.

VALUE-DRIVEN FAMILY BUSINESS

As a family-run business, our actions have always been driven by our values, which at their core are forward-looking, value-creating and family-oriented. These values guide us every step of the way, be it in our efforts to develop innovative healthcare solutions or our commitment to creating a sustainable future.

Our journey began 75 years ago, when Gustav Pütter, inspired by post-war entrepreneurial optimism, laid the foundations for what would one day become the MEDICE Health Family. He developed medicines to treat and prevent diseases and to improve the quality of life. His vision of creating something of lasting value has made our company what it is today: a pharmaceutical mid-cap characterised by its innovative strength and sense of responsibility.

After passing the torch to his son Sigurd Pütter, MEDICE continued to flourish. Under the management of the third generation, Dr Katja Pütter-Ammer and Dr Richard Ammer, the company advanced into the areas of attention deficit hyperactivity disorder (ADHD) and nephrology pharmaceuticals. In the area of over-the-counter (OTC) medications, brands and companies with strong product portfolios were integrated into the Health Family. Additional opportunities for optimising healthcare have now been identified in the areas of internationalisation, digitalisation and the further development of nutritional concepts. Our aim is to leverage this holistic approach to become a cutting-edge leader in the development and provision of integrated healthcare solutions.

TRANSFORMATION INTO AN INTEGRATED HEALTHCARE COMPANY

Our transformation from a pharmaceuticals manufacturer into an integrated healthcare company is guided by a holistic notion of health that encompasses mental, physical, social and environmental health. This holistic view is reflected not only in our product portfolio, but in our commitment to sustainability. It allows us to create genuine added value not only for our patients and customers, but for society as a whole and the environment.

REPORTING IN ACCORDANCE WITH LEADING INTERNATIONAL STANDARDS

We have prepared this report on the basis of the Global Reporting Initiative (GRI) standards. We have also incorporated initial aspects of the European Sustainability Reporting Standards (ESRS) in preparation for future EU legislation. This approach allows us to provide comprehensive and forward-looking reporting that reflects both our own high standards and the expectations of our stakeholders.

In this respect, numerous in-depth discussions with our employees and external stakeholders have helped us identify our material impacts, risks and opportunities in the sustainability context, which we consider to be the basis of structured sustainability management, clustered according to material topics. We were able to identify not only individual strengths but also areas for development early on, and we are now addressing these

MEDICE board of managing directors: Richard Ammer, Dr. med., Dr. oec.; Katja Pütter-Ammer, Dr. med.; Dr Uwe Baumann, Annick Berreur-Igersheim, Eric Neyret

specifically. This report presents the status quo for the 2023 financial year and provides an outlook for what lies ahead.

A SPECIAL THANKS TO OUR EMPLOYEES

We are well aware of the challenges facing us and that this report represents the start of an ongoing process of improvement and further development. Together with our employees, who contribute to our success each and every day with their commitment and innovative strength, we are actively shaping the future. With this in mind, we wish to give special thanks to the more than 1,000 members of our MEDICE Health Family.

We invite you to read our report to learn more about our plans and achievements. Together we can make the world a healthier place.

Katja Pütter-Ammer, Dr. med.
Managing partner of MEDICE

Richard Ammer, Dr. med. Dr. oec.
Managing partner of MEDICE

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ABOUT MEDICE AND THE HEALTH FAMILY

As a pharmaceutical mid-cap specialising in prescription and pharmacy-only medicines, peoples' health is at the heart of our corporate identity. Rooted in the region with ties the world over, more than 1,000 employees and a major international network of physicians, pharmacists and scientists work each and every day on new, pioneering medicines, ideas and care concepts for a healthier world.

GRI 2-6
ESRS 2
SBM-1

About MEDICE Health Family

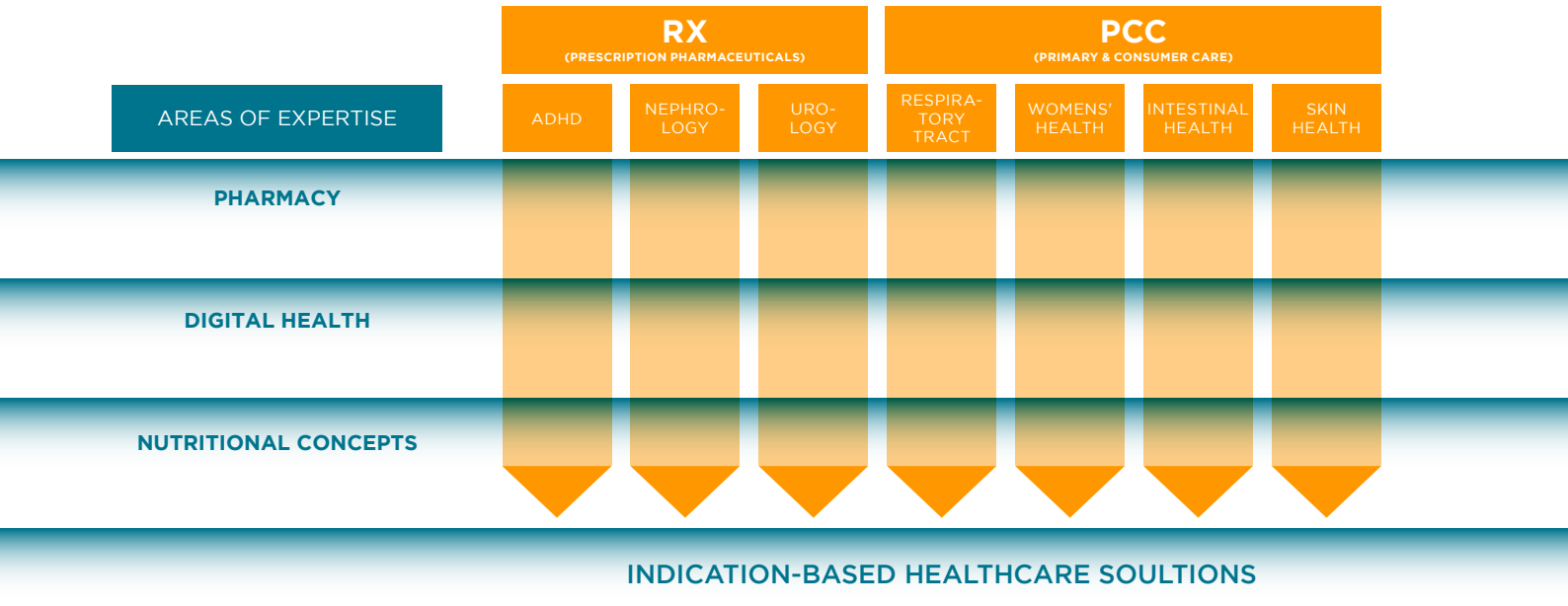
The year was 1949, when Gustav Pütter, inventor of a compression bandage that is still sold on the market today as the "Pütter bandage", founded what is today MEDICE Arzneimittel Pütter GmbH & Co. KG, a third-generation family-run business. Managing partners Dr Katja Pütter-Ammer and Dr Richard Ammer are at the helm of a five-member Board of Managing Directors. From the corporate headquarters in Iserlohn, Germany, they manage an integrated company with over 1,000 employees focused on healthcare solutions and guided by clearly defined values that make MEDICE what it is today – a forward-looking, value-creating and family-oriented enterprise.

It all began with Gustav Pütter who was in the business of manufacturing herbal medicines. His son Sigurd, a dedicated physician, invested in modern technology and logistics to transform MEDICE into a modern pharmaceuticals company. In the 1990s, the company successfully entered the business of prescription medicines when Sigurd Pütter acquired the nephrology division of Dietl Pharma. As the 1990s drew to a close, he took the next decisive step in response to the demand of many paediatricians: MEDICE developed the ADHD medication Medikinet®.

The third generation: Sights set firmly on the future
In 2002, Sigurd Pütter's daughter Katja and shortly thereafter her husband Richard Ammer, both also physicians, joined the company. Together, they systematically expanded the market share, modernised the entire corporate structure, internationalised sales, acquired the OTC division of Rentschler-Pharma and a majority interest in the phyto-pharmaceuticals manufacturer Schaper & Brümmer before Sigurd's passing in 2021.

Further strategic investments in the areas of digital health, intestinal health and sustainability management have been made to round-off the portfolio.

The transformation continues
Our priority now is to complete the integration process, further optimise our existing innovation framework and transform the company into a leading international developer and provider of indication-based, integrated healthcare solutions. Going forward, we plan to develop suitable preventive or treatment concepts for illnesses in each stage, from their inception to the onset of acute symptoms, combining pharmaceutical, digital and nutritional expertise for innovative integrated therapeutic management.



> “The future of medicine lies in multifaceted, integrated treatment concepts.
>
> In addition to substance-based therapy, digital solutions and indication-based nutritional concepts will play an increasingly important role”

Dr Katja Pütter-Ammer
Managing Partner, MEDICE

In keeping with this approach, the company has three interdisciplinary areas of expertise:

1. PHARMACY
2. DIGITAL HEALTH
3. NUTRITIONAL CONCEPTS

Effective preventive and therapeutic strategies
The needs of practitioners and patients are continuously analysed in each indication area. Evidence-based preventive and therapeutic solutions are developed in vertical innovation processes involving the interdisciplinary areas of expertise.

With these integrated healthcare solutions and their continued refinement, MEDICE is adding a new dimension to medical care.

In June 2024, 75 years after it was founded by Gustav Pütter, the third generation is leading the business into the future with a clear strategy. Rapidly advancing digitalisation and the demand from practitioners and patients for interdisciplinary, patient-centric therapeutic strategies are changing the way the pharmaceutical industry operates. The MEDICE Health Family is ready to face the competition.

GRI 2-6
ESRS 2
SBM-1

Full steam ahead

Our vision
Building on our long history as a family business, our aim is to help shape the future of medicine in the coming decade as a leading global developer and provider of innovative, integrated and diverse healthcare solutions. The Health Family is always there for our patients, physicians, pharmacists, employees and partners.

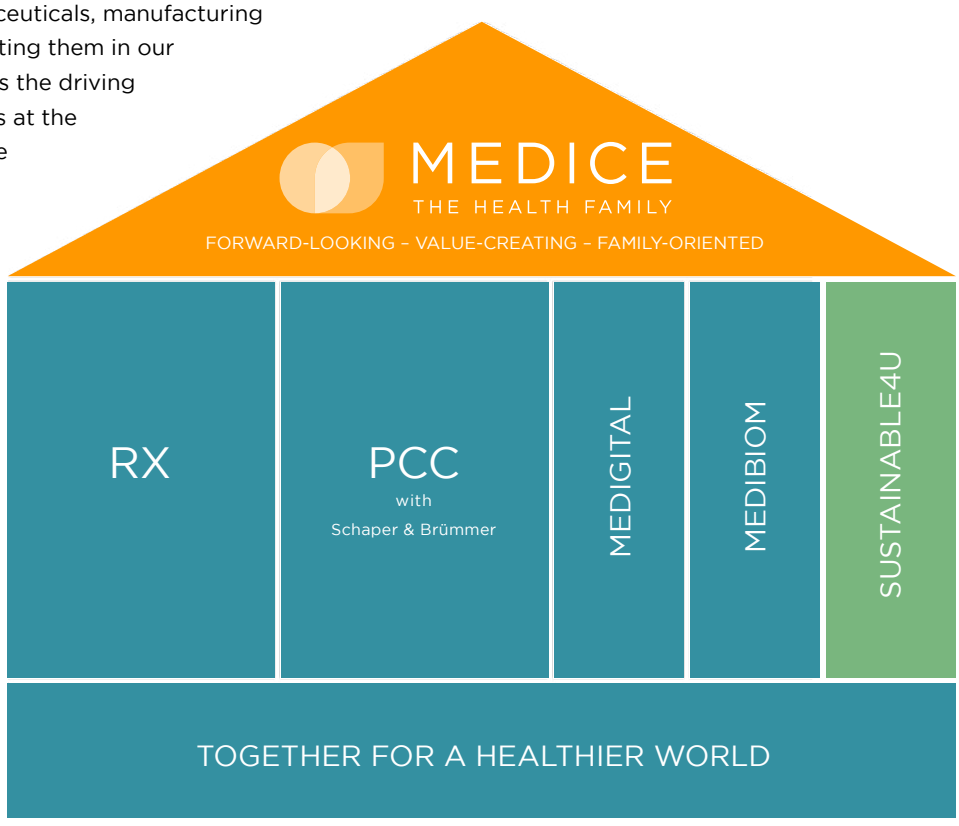
Our mission
Improving peoples' health and lives in as many areas as possible is what drives us every day. Our unfailing focus on the needs of patients, physicians and pharmacists allows us to develop optimal integrated solutions to help people in every phase of their illness. In doing so, we, as the MEDICE Health Family, always act responsibly and sustainably in the interests of humans and the environment.

The house that MEDICE Health Family built
The new structure with five business divisions shown in the diagram is the result of our strategic focus on the defined future fields of integrated healthcare solutions. It focuses on a specific market and customer orientation combined with a dynamic willingness to innovate. Developing high-quality pharmaceuticals, manufacturing them in Germany and distributing them in our home market and worldwide is the driving force behind MEDICE and thus at the heart of the Health Family. The house of MEDICE Health Family is but a snapshot in time – with an ever-evolving architecture built by seizing opportunities and adapting flexibly to changing conditions based on our strategy.

The MEDICE Health Family defines its vision and mission in a way that allows for the individual expression of each of our family members, so that they combine to form a cohesive whole. This cohesive core is what makes us strong and resolute, enabling us to follow our ambitious course with concerted efforts.

Our vision and mission determine the architecture of our family house and by extension the innovative force behind and the economic success of our business segments. Each house rests on a foundation that underpins and reinforces it so that it stands firmly and can continue to grow. Development, administration, manufacture and distribution form the cornerstone of our success and therefore the foundation for our growth. Now and in the future. Together we are the Health Family.

WORKING TOGETHER FOR A HEALTHIER WORLD



Brand and branded house strategy

MEDICE
THE HEALTH FAMILY

The look and feel of our brand is designed as a reflection of the values for which we stand. It was very important for us to emphasise the family component. Warmth and positive energy should be immediately perceptible through colour and form, but also aspects of veracity such as science and evidence.

The new builds on the familiar. Preserving tradition but forward looking. A symbol of positive change and sustainable design.

The decision to establish the umbrella brand “MEDICE – The Health Family” – as a brand of quality and reliability across all products made it necessary to adapt the entire brand image. The aim was to make it clear at first glance where each package comes from and what it stands for: the highest pharmaceutical quality, developed and made in Germany.

GRI 2-6
GRI 2-22
ESRS 2
SBM-1

MEDICE's holistic approach to healthcare

As a family business with a strong sense of community, we have been working together with researchers, physicians, pharmacists, PTAs and partners for three generations to improve peoples' health. As a pharmaceutical mid-cap specialising in prescription and pharmacy-only medicines, it is at the heart of our corporate identity. In our eyes, health must be viewed holistically in its physical/psychological,

> "Entrepreneurial activity always has an impact on society.
>
> For this reason, we place great importance on the targeted interaction between entrepreneurial activity and social commitment."
>
> Dr Richard Ammer,
> Managing Partner, MEDICE

environmental and social dimensions. Our heritage and our entrepreneurial core is our pharmaceutical expertise. With a wide range of well-researched and evidence-based pharmaceuticals, we stand for safety and quality made in Germany. As a 3rd generation family business working in close cooperation with our partners, we have become a leader in the healthcare sector.

And through it all, the patient has always been at the heart of our efforts. To further improve patient care, we develop clinically validated multimodal healthcare solutions based on our pharmacological expertise in combination with pharmaceuticals, digital solutions and nutritional concepts. In this way, we can help reduce gaps in care and support people at every stage of their illness. The companies medigital and medibiom represent important pillars founded to assist us in our efforts. These elements interact quite naturally to give rise to the fields of action for our corporate commitment.

Physical and mental health

For us, the notion of "people helping people" means far more than just providing them with medicine. We seek to tangibly contribute to improving our patients' health and quality of life and medical patient management, not just by providing substance-based pharmaceuticals, but also by offering innovative healthcare services and non-pharmacological intervention options. Patients and healthcare practitioners should be able to select the optimal mix of pharmacological and non-pharmacological treatment options. To ease their burden, we at the Health Family have set ourselves the goal of providing practitioners with the best possible support in this selection process.

Social health

Our aim is to bring to bear our cultural and social commitment to raise social interaction and a sense of community in the region and thus foster the social framework underlying health in a lasting way. Loneliness is known to have deleterious effects on health. Studies have shown that social isolation can contribute to a weakened immune system, depression, high blood pressure, heart disease and a range of other serious illnesses. That is why we strongly support community life in our region in a variety of ways, be it through cultural events, measures to enrich employees' work life at our company headquarters in Iserlohn or involvement in professional and recreational regional sporting events.

Environmental health

We have been committed to pharmaceutical advancement for 75 years. During this time, it has become increasingly evident that the ongoing destruction of the environment is having a serious impact on human health. The increase in allergies, respiratory and heart disease, and certain forms of cancer due to adverse environmental changes is concerning. The reckless exploitation of our natural resources and destruction of natural habitats represent a serious threat to all living creatures on the planet. We actively try to counteract this trend by implementing specific regional projects and initiatives.

Three action levels for our corporate commitment

MEDICE Arzneimittel Pütter GmbH & Co. KG

MEDICE is an independent, family-owned and run business that was founded by medical professionals and is run by medical professionals to this day. The MEDICE Health Family develops and sells innovative and diverse health solutions. It seeks to create suitable preventive or treatment concepts for illnesses in each stage, from their inception to the onset of acute symptoms, combining integrated pharmaceutical, digital and nutritional expertise.

GRI 2-1 GRI 2-2 ESRS 2 GOV-1

Governance structures

MEDICE-Verwaltungsgesellschaft mbH, with its registered office in Iserlohn, is the general partner of MEDICE Arzneimittel Pütter GmbH & Co. KG. The Group parent company, MEDICE Arzneimittel Pütter GmbH & Co. KG, has its registered office in Iserlohn and is recorded in the commercial register of the Local Court (Amtsgericht) of Iserlohn. The Group of consolidated entities includes the companies shown in the diagram on page 17, over which a controlling influence can be exercised.

GRI 2-7

Number of employees

As at 31 December 2023, the parent company had 816 employees. Schaper & Brümmer GmbH & Co. KG, the holding in which was increased by 10% to 70% in 2023, had 148 employees. A total of 71 employees were employed at the international subsidiaries, 52 employees at other affiliates.

GRI 2-9 GRI 2-10 ESRS 2 GOV-1

Management

The company is managed by its General Partner, MEDICE-Verwaltungsgesellschaft mbH, represented by its managing directors, Dr Katja Pütter-Ammer and Dr Richard Ammer, Iserlohn, Mr Eric Neyret, Wiesloch, and Dr Uwe Baumann, Herzogenaurach. All managing directors are released from the restrictions of section 181 of the German Civil Code (Bürgerliches Gesetzbuch, "BGB").

Dr Pütter-Ammer and Dr Ammer are authorised to represent the company acting alone. Mr Neyret and Dr Baumann are authorised to represent the company acting jointly with another managing director. Ms Annick Berreur-Igersheim was appointed as managing director responsible for People, Culture and Transformation in January 2024 and holds the same representative authority as Mr Neyret and Dr Baumann.

GRI 2-19 GRI 2-20 GRI 2-21 ESRS 2 GOV-3

Total remuneration paid to members of the Board of Managing Directors

The disclosure of managing directors' remuneration is hereby waived based on the protective clause of section 286 (4) of the German Commercial Code (Handelsgesetzbuch, "HGB").

Management and responsibilities

GRI 2-9

Our aim is to continue expanding our economic growth and success in the healthcare sector. In an effort to take our family business beyond the borders of Iserlohn and seek success at an international level, we reinforced our management team by adding two managing directors with a wealth of experience and expertise to help us turn our visions into reality for the good of the whole.

GRI 2-11

Dr Katja Pütter-Ammer has been managing partner at MEDICE since 2001. She has been the company's main equity partner since the death of her father, Dr Sigurd Pütter, in 2021 and, together with her husband, Dr Richard Ammer, is co-CEO.

Dr Richard Ammer is a graduate in human medicine and business administration. He has been responsible for the RX division, new business development with the research & development, production and international marketing units at MEDICE since 2003. Since 2008, he has been Assistant Chair of the Board of Bundesverband der Pharmazeutischen Industrie BPI e.V. (German Pharmaceutical Industry Association).

GRI 2-28 G1-5

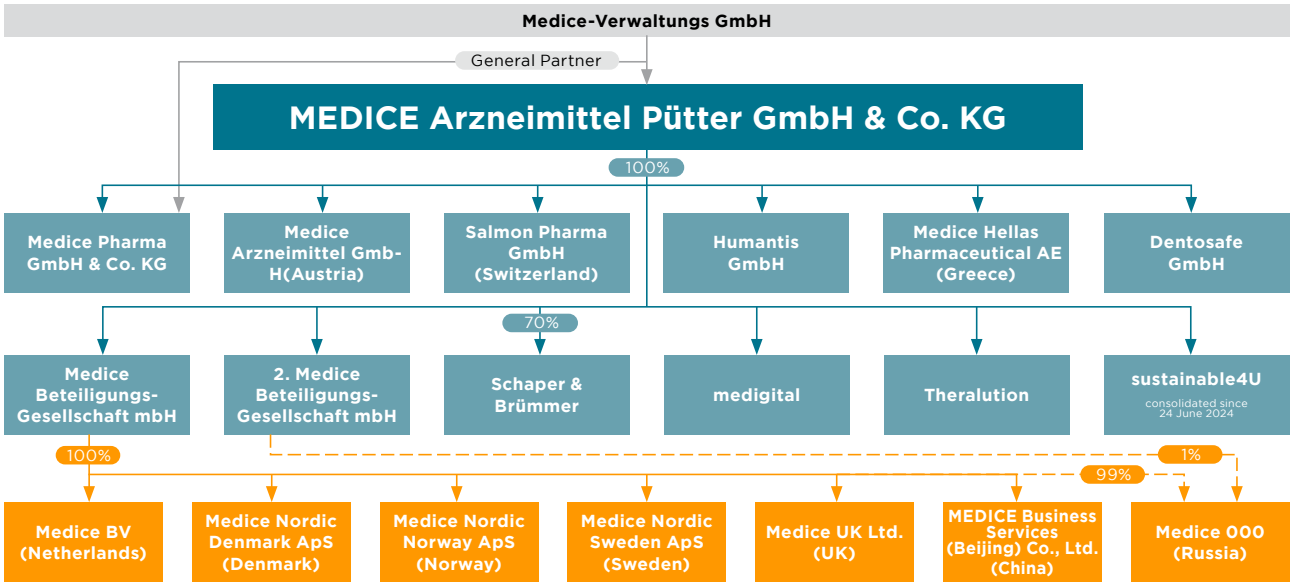
Since 2001, the two have been managing the family business in the third generation. Today, the MEDICE Health Family is present in about 50 markets around the globe and is one of the most successful owner-managed family businesses in the German pharmaceuticals industry.

Eric Neyret has been managing director, responsible for Finance, Controlling and Administration, at MEDICE since 2012. He is also managing director of sustainable4U GmbH. In light of MEDICE's rapid growth and the expansion of its business internationally in recent years, new national and international structures were needed, which Eric Neyret has already been able to implement at MEDICE with great success thanks to his many years of experience.

Dr Uwe Baumann, who holds a doctorate in microbiology, has been managing director at MEDICE since

GROUP STRUCTURE OF MEDICE ARZNEIMITTEL PÜTTER GMBH & CO. KG

GRI 2-1
GRI 2-2



July 2021 and is responsible for the PCC division. Since August 2021, he has also been managing director of Schaper & Brümmer, a MEDICE Group company.

Annick Berreur-Igersheim has been managing director responsible for People, Culture and Transformation since January 2024, where she brings to bear her many years of experience in the area of human resources and transformation management gained at leading companies in the pharmaceuticals sector.

GRI 2-23

Quality assurance and control processes

MEDICE has established a comprehensive quality management system (QMS) that meets all statutory and regulatory requirements as well as international requirements in terms of quality, effectiveness and security. The "qualified person" under section 15 of the German Medicinal Products Act (Arzneimittelgesetz, "AMG") and Directive 2001/83/EC plays a key role at pharmaceutical companies. They are responsible for ensuring that all regulations governing medicinal products are complied with during the manufacturing, testing and batch release process. In the reporting period, MEDICE's QMS is aligned with the ISO 9001 family of standards and ISO 13485 with regard to our medical devices. We comply with the required GxP standards Good Clinical Practices (GCP), Good Pharmacovigilance Practices (GVP), Good Distribution Practices (GDP) and Good Manufacturing Practices (GMP). This serves to ensure the consistently high quality of our products and seamless documentation of all activities, from the receipt of the raw materials to the final inspection of the finished product.

The quality circle meets quarterly to discuss current issues with the relevant department heads and management receives written reports thereon. Opportunity and risk aspects in the ESG context are also regularly taken into account in strategic decision-making processes. The Sustainability Board meets four times a year together with management, division heads and the Head of Corporate Responsibility to discuss current ESG-related developments.

GRI 2-9
GRI 2-12
GRI 2-17
ESRS 2
GOV-2

GRI 2-15
ESRS 2
GOV-4
ESRS 2
GOV-5

ESG-related risk aspects

Due to the extensive strategic and procedural changes associated with the transformation process at the MEDICE Health Family, a risk and compliance management project was launched with an external consulting firm in June 2023. At the end of 2023, a standardised procedure (Global Policy) on risk management was drawn up and a mission defined. These are to be presented to the management of MEDICE for final approval in 2024. The Global Governance, Risk and Compliance (GGRC) department considered the following ESG-related risk categories in connection with the materiality analysis: legal & IP risks, governance & compliance risks, product development risks, production risks (RX/PCC/medigital/nutrition), quality risks, strategic risks, supply chain risks, export & customs risks, procurement risks, financial risks, personnel risks, IT risks, market risks, CR/HSE & sustainability risks (physical/transitory), risks to physical assets, sales risks.

ECONOMIC PERFORMANCE

Made in Germany – Ready for the future

GRI 3-3 In times of fragile international supply chains, security of supply is a hot topic in the healthcare sector. The MEDICE Health Family is aware of its role and the responsibility that comes with it and produces high-quality pharmaceuticals at its main sites in Iserlohn and Ringelheim. In essence, this means promoting the development of high-quality pharmaceuticals in conjunction with needs-based, integrated healthcare solutions with the aim of distributing them in the home market and worldwide. We now have more than 1,000 dedicated employees helping to write the next chapter in the company's success story. Revenue of over EUR 350 million (after manufacturer's discounts) and solid annual growth rates are a testament to the company's growing strength.

ESRS 2 SBM-3 IROs and strategic effects

Financing and liquidity risks
Based on the measures in place to minimise risk (e.g., centralised control of cash management on a daily basis, updating liquidity planning on a weekly basis), we assess the negative impact from financing and liquidity risks to be low. We have a dedicated staff department to address financing risk.

Credit risks
We minimise bad debt risks by means of regular credit checks, adjusted payment terms, advance payment, payment protection insurance or letters of credit.

Industry risks
MEDICE is subject to the industry-specific business risks associated with the pharmaceutical industry and operates in market segments characterised by intense competition, substantial price sensitivity, pricing pressure caused by government reimbursement systems and changing national and international regulatory conditions, among other things. MEDICE relies on a team of specialists to help it anticipate the relevant government regulations and thus take the impact of potential price reductions, reference price adjustments or discount agreements into account as early as possible in its planning. We work closely with industry associations to ensure that we are kept abreast of future developments in the pharmaceutical industry well in advance and are able to help shape them. The investments in new products and therapies described above harbour the risk that some of these products and therapies will not be able to be marketed as expected or will not be granted regulatory approval. On the other hand, expectations may also be significantly exceeded.

Global Governance Risk and Compliance (GGRC)
A key element of our risk management is the GGRC Board, which identifies, plans and coordinates tasks in this area within the Group and also supports the Board of Managing Directors in an advisory capacity in GRC-related matters. The Group Internal Audit department regularly monitors, processes and reviews their effectiveness and compliance. Processes, documentation, systems and the resulting findings are compared with internal and statutory requirements for conformity and target/actual variances are drawn up.

Procurement risks
Risks generally arise from raw material price trends and supply bottlenecks on the procurement markets. Prompted by the development of energy prices, our company has committed to investing in the expansion of renewable energies in an effort to reduce our dependence on fossil fuels. A risk management process has been established in pharmaceuticals purchasing in order to introduce suitable measures to safeguard the security of supply for active pharmaceutical ingredients (APIs) and excipients. To ensure our ability to supply our products, safety stocks have been built up or temporarily increased for strategically important items. Irrespective of this, a second-source strategy will continue to be pursued for the procurement of important product groups.

Concept and objectives

GRI 3-3

RX

The RX division focusses on MEDICE's prescription medicines. The focus here is on quality made in Germany, and by this we truly mean made in and not merely rubber stamped in Germany. Proven efficacy and tolerability of treatment.

In terms of development, we build on innovative galenic formulations and new clinical indications; in terms of production, we leverage our expertise in solid, semi-solid and liquid dosage forms, distinguish ourselves by employing pellet technology and sterile filling, and are able to produce chemical and herbal products. In terms of global distribution, MEDICE has positioned itself as a competent and professional niche provider, a leader in the indication areas of ADHD and mental health, with a major presence in nephrology and urology. The driving force behind and focus of our efforts is always the value to our customers and patients.

Vision

Our aim is to be a global specialist provider and renowned niche player ranking in the top 5 both nationally and internationally in our areas of expertise ADHD/mental health, renal care and urology, with a range of pharmacological and non-pharmacological products and services for healthcare providers and patients.

> "Our driving force? The right attitude: Who is the king? The customer!"
>
> Dr Richard Ammer,
> Managing Partner, MEDICE

Mission

Our mission is to make a significant contribution to improving the health and quality of life of our patients and to medical patient management by providing innovative healthcare services, a portfolio of diagnostics, substance-based medical devices and non-pharmacological intervention options – more efficiently and effectively than before.

Primary and Consumer Care (PCC)

The PCC division comprises all non-prescription products and pharmaceuticals purchased in pharmacies (OTC) and pharmaceuticals which are prescribed by physicians but not reimbursed by health insurers (OTX). Based on decades of pharmaceutical experience, PCC offers a portfolio of high-quality products and services that patients can use to effectively treat everyday illnesses and actively help maintain their health. Plans are to selectively expand the portfolio to include suitable fast-growing services and products for basic medical care and prevention.

Vision
Our aim over the next 10 years is to become a global PCC provider ranking among the top 5 providers of over-the-counter healthcare products in Germany.

Mission
Our mission is to improve the lives of our patients by providing diverse and innovative healthcare solutions.

“We aim to become the most important pillar of the MEDICE Health Family over the next few years. We are specifically expanding our current portfolio to this end and resolutely pushing forward the internationalisation of our market development activities. Quickly integrating the phyto expertise at Schaper & Brümmer into our business is an important strategic component for establishing and expanding our future markets.”

Dr Uwe Baumann, Managing Director, Primary & Consumer Care (PCC), MEDICE

MEDIGITAL

“Creating new products and service offerings together” – our aim is to serve the established markets of the MEDICE Health Family with a combined portfolio of products and services. To this end, we are building a portfolio of complementary pharmacological and digital interventions that open up new treatment options for healthcare practitioners.

Vision
We are shaping the way healthcare is provided through digitalisation – for a healthier world. medigital knows what it means to provide healthcare in the digital age and supports the MEDICE Health Family in creating solutions that make the healthcare system more robust long term.

Mission
Our mission is to support patients holistically, open up new treatment options and create efficiency in the healthcare system by providing digital therapeutics and diagnostic solutions, which will allow more patients to receive better care faster in the future, give physicians and therapists greater satisfaction in practising their profession and enable people to better manage their health. To this end, we combine our know-how from the pharmaceuticals sector with new technologies to create health solutions based on psychology, algorithms and information technology.

MEDIBIOM

A healthy gut is crucial for good health. It is not only the place where essential nutrients are processed for use, but is also where the majority of the immune system is located. Around 80% of all active immune cells are present in the gut, making it the largest immune organ in the body. It plays a central role in the immunological defence system impacting overall health. It is the engine for our well-being. If it is out of sync, many processes in the body can be obstructed.

Vision
At the crossroads of science and medical practice, we research and develop pioneering diagnostic and solution concepts with the aim of becoming the leading expert in the gut microbiome and intestinal health in Germany.

Mission
In a future of personalised medicine, our mission is to provide health solutions specifically tailored to the unique fingerprint of each individual's gut microbiome to address the importance of human gut health in its all its complexity.

SUSTAINABLE4U

sustainable4U develops holistic and forward-looking solutions for the fields of nutrition and the environment. The three action levels CREATE, DEVELOP and CONSERVE provide the framework for this.

At the CREATE action level, we promote natural habitats and biodiversity. Our efforts here centre on bees, flower meadows and orchards. After all, these functioning ecosystems are the basis for the creation of natural, healthy foods. sustainable4U is involved in long-term projects where the focus is nature under threat.

At the DEVELOP action level, we implement products and concepts that contribute to healthy nutrition and protecting the environment. At this action level, healthy and sustainable staff and guest catering is provided in collaboration with Friend-Ship Gastronomie GmbH. In addition, sustainable promotional items are being developed for the food and non-food sector. These are tested on the basis of defined environmental and nutritional guidelines and approved for distribution by sustainable4U.

At the CONSERVE action level, we develop concepts to preserve our resources. With the help of our company Green Guides, processes in commercial kitchens are optimised to prevent food waste and protect resources.

Vision
With its nutritional and environmental solutions, sustainable4U aims to raise the profile of MEDICE – The Health Family as one of the world's most committed and sustainable healthcare companies.

Mission
sustainable4U develops holistic and forward-looking nutritional and environmental solutions. The action levels CREATE, DEVELOP and CONSERVE provide the framework for this.

Measures and results

Overview of business performance
The MEDICE Group's performance was once again positive in the past financial year. Overall, consolidated revenue grew by 14.5% compared to the previous year. This was due in particular to the strong recovery of the markets both in Germany and abroad.

Due to partial price adjustments on the sales side and a solid performance, particularly in the international area, gross profit remained the same in relative terms and was significantly higher in absolute terms than in the previous period. The increasing level of complexity was taken into account, among other things, by expanding the workforce.

The increase in other operating expenses was due in particular to growth-induced investments in our subsidiaries abroad and newly consolidated subsidiaries in the Group.

GRI 201-1 **Economic performance and distributed value**
In the 2023 financial year, revenue, as a key performance indicator for measuring the company's success, was EUR 359.7 million, which was EUR 47.3 million higher than in the previous year. The manufacturer's discounts are already deducted from this amount.

PCC (Primary and Consumer Care incl. OTC) was significantly above the previous year's results. The products of Schaper & Brümmer GmbH & Co. KG also showed improved performance. The strongest growth was recorded in our cold & flu market. Our cold & flu segment was successful internationally, particularly in eastern Europe.

In the RX segment (prescription pharmaceuticals), we were able to significantly exceed the previous year's level both nationally and internationally.

The nephrology segment performed very well both nationally and internationally, showing significant growth compared to the previous year.

In the national ADHD segment, our main products have shown consistently positive performance. In international business, revenue increased significantly once again, thanks in part to the establishment of our new subsidiary in the UK.

In addition, the delayed entry of generics manufacturers helped boost revenue. Gross profit amounted to EUR 281.2 million, up EUR 36.7 million (+15.0%) year on year.

The Group's expansion is also reflected in employee development, with the result that personnel expenses rose as expected (+7.5%). At EUR 111.1 million, other operating expenses were significantly higher than in the previous year (+27.6%). Both expense items are also influenced by the new companies included in the scope of consolidation.

As a result of these developments, our operating result amounted to EUR 64.5 million in 2023, EUR 4.5 million above the prior-year figure.

Our investment portfolio is growing
The MEDICE Health Family continues to invest in the Iserlohn location in order to lay the foundation for sustainable growth with two new building projects on the site. The MEDICE Health Family is investing a high seven-figure sum for this purpose.

MEDICE is investing in the expansion of the existing sterile services department and distribution logistics in order to further expand its state-of-the-art pharmaceutical production at the Iserlohn site. This was a clear nod to Germany as a production location in general and to Iserlohn in particular, explained Dr Richard Ammer: "The pharmaceutical industry is key to the development of Germany as a business venue." It is a vital economic sector which, in addition to high

productivity, also possess the kind of innovative strength needed to survive in global competition.

MEDICE's new state-of-the-art sterile services department was constructed on a 400 m² site. The addition was prompted by the need to modernise and expand the filling facility for the commercial production of Medivitan pre-filled syringes, a revitalising formula combining vitamin B6, B12 and folic acid specially tailored to cell metabolism.

This special delivery form represented a considerable technical challenge, requiring more than three years to develop and produce. Syntegon's new system represents the state of the art in aseptic filling of pre-filled syringes with a capacity of up to 6,000 units/hour. In addition to the filling technology, an entire building complete with airlocks, cleanrooms and process and operating technology for batch production and filling was constructed. The entire area went through the qualifying phase in 2023. An approval inspection by the drug regulatory authority, as a prerequisite for commercial production, was successfully completed in 2024.

The logistics area at the Iserlohn site is also being expanded to scale up the existing infrastructure to handle the increasing sales volume by adding a new state-of-the-art picking centre to the existing logistics hub. After the scheduled completion in autumn 2024, plans are to further optimise distribution logistics, which is critical for ensuring the availability of products and thus ensuring the security of supply both nationally and internationally.

> **"We firmly believe that we must undergo a transformation now if we want to be fit for the future."**

Eric Neyret
Managing Director, Finance, Controlling and Administration, MEDICE

Innovation and product development

GRI 3-3

MEDICE Health Family's innovation and value driver

Equipped with a strategically oriented and steadily growing innovation portfolio, management considers MEDICE to be well positioned for the future. This, coupled with the family values we live by, creates a powerful tailwind towards our ultimate destination.

In its vision, MEDICE aims to build upon its tradition as a family business. The decisions we take today must lay a solid foundation for future generations. Such a dedication to responsibility gives rise to solutions of a sustainable – and hence future-proof – quality and scope. Sustainability is both a family value and the driving force behind innovation.

ESRS 2 SBM-3

IROs and strategic effects

Impact: MEDICE is transforming itself from a conventional pharmaceutical manufacturer into an integrated healthcare company with digital healthcare applications and indication-based nutritional concepts and positively impacts patient healthcare.

GRI 413-1

Opportunity to benefit as a production company based in Germany from the policy to shift pharmaceutical production back to Europe.

Opportunity to transform from a conventional pharmaceutical manufacturer to an integrated healthcare company with corresponding market opportunities; for example, through indication-based digital applications and supporting nutritional concepts.

Opportunity to develop innovative forms of prevention and therapy through coordinated and research-based health concepts. Specific, coordinated modules of pre- and postbiotics, which have a positive effect on the gut microbiome, play a decisive role in this regard.

Opportunity to expand the product portfolio to include postbiotics.

Opportunity to strengthen the overarching brand message of the MEDICE Health Family as a sustainable and valuable business for society as a whole.

Risk of not being able to effectively integrate the portfolio's innovation areas with the core business and therefore not being able to establish a homogeneous corporate group under the brand umbrella.

Risk of the strategic expansion of the business portfolio being limited or impaired by increasing regulatory requirements.

GRI 3-3

Concept and objectives

RX

Mental health

Our broad portfolio allows us to provide customised patient management: non-pharmacological with service offerings and digital solutions (digital health applications) for paperless diagnostics and flanking behavioural therapy (parent coaching with clinical evidence) for ADHD (hiToco® by medigital); pharmacological with medicines (Medikinet®, Medikinet® retard with patented pellet technology for modified release of the active ingredient; Medikinet® adult, Attentin®, Agakalin®). We are leading the way in the EU and Germany with this successful portfolio strategy. We provide treatment for concomitant disorders, such as sleep disorders, with hiPanya® as a digital companion product for sleep hygiene with or without medication from Mellozzan for sleep disorders in children.

Nephrology

In the nephrology segment, MEDICE offers an extensive and unique product portfolio for the treatment of kidney patients. Abseamed® is the first EU-approved biosimilar epoetin to treat anaemia. Together with iron sucrose FerMed® and now also with Vafseo®, an innovative active ingredient in the class of HIF stabilisers, nephrologists can now provide modern and patient-specific anaemia therapy. The portfolio also includes Nephrotrans® to treat acidosis, various phosphate binders (CC-Nefro®, Phosphonorm®, Ca.acetat MEDICE®) and Anti-Kalium® for electrolyte imbalances. Home monitoring and digital products, as well as metabolic nutritional concepts promise to take patient management, ranging from predialysis and dialysis to kidney transplantation, to a new level – made possible through strategic partnerships between medigital and external start-ups from the digital health scene. This has resulted in the creation of nephrology applications such as the MediOrganizer® to optimize therapy when using Vafseo®.

Primary and Consumer Care (PCC)

Our market development strategy centres on healthcare professionals (physicians, pharmacists, PTAs) with an emphasis on providing them lasting support in their day-to-day work in the form of high-quality training and further education and supplementary information for patients.

In the OTC segment, we support pharmacies by providing comprehensive training and advisory services for both owners and teams as well as specific indication-based and seasonal pharmacy campaigns with integrated media support. Beyond the existing avenues to reach patients, we want to optimise access to our products so that going forward our integrated healthcare solutions can be readily identified and made available to every patient at all times.

With a revenue share of approximately 85%, the German market currently dominates the PCC segment. Therefore, the focus lies on establishing our own companies abroad in the coming years. The goal is to achieve a 40% share of international business within the next five years.

Looking to the future with phyto expertise
A key element in the PCC division is the Phytocompetence Centre at Schaper & Brümmer. The expertise acquired in herbal medicine over decades is being further expanded through partnerships with universities and other companies.

> “With diverse digital solutions, the Health Family wants to enable practitioners to personalise and improve patient management with non-pharmacological intervention options on the one hand, while increasing patient sovereignty on the other.”
>
> **Dr Felix Lambrecht, Managing Director, medigital**

MEDIGITAL

“Creating new products and service offerings together” – our aim is to serve the established markets of the MEDICE Health Family with a combined portfolio of products and services. To this end, we are building a portfolio of complementary pharmacological and non-digital interventions that open up new treatment options for healthcare practitioners. We will also make these non-pharmacological offers available to patients and affected themselves via direct-to-consumer channels to provide even broader access to state-of-the-art care. The direct contact with patients also generates highly valuable health data, which can be used in an anonymised form to develop new products and services.

In the womens’ health segment, the acquisition of femfeel led to the first portfolio of its kind with the Schaper & Brümmer product Remifemin®. For families affected by ADHD, we have initiated the launch of Mellozzan®

and the parent app hiPanya® in Germany in order to bring further products for children and adults with ADHD to market. In the nephrology segment, our aim is to alleviate the psychological strain on patients and help them to live better with their illness – in a way that allows them greater physical, psychological and social stability.

Across all our segments, we are also experimenting with new technologies such as wearables, virtual reality (VR) and artificial intelligence in order to make the embedding of interventions into the patient's everyday life even simpler and more entertaining. One example in this regard is the cooperation with the start-up Brainjo, which is working with us to develop virtual reality simulations to treat ADHD.

MEDIBIOM

Theralution has developed a special approach to promote intestinal health, offering those with intestinal complaints, bowel problems and food intolerances a dual nutritional counselling programme to practically implement a targeted, gut-healthy lifestyle – for greater quality of life.

Thanks to a phased approach, all layers of the intestinal barrier are taken into account: intestinal flora, intestinal mucosa and intestinal wall cells. The Theralution model is based on findings from the research of the Luxembourg Institute of Health (LIH). This close collaboration has already made it possible to investigate the effects of diet on the gut microbiome and thus on intestinal function. The interaction between our immune system and the gut as the first protective barrier of our health system plays a central role in this.

Going forward, we plan to conduct further studies in collaboration with LIH designed to provide information about the specific links between the microbiome structure, i.e., the entirety of the microorganisms in our gut, and the development of illnesses. This will enable us to provide diagnostic tools that are relevant for both physician and patient. The Phytocompetence Centre translates these and other scientific findings into product concepts, with a view to developing proprietary postbiotics and prebiotics. Products designed to optimally close the gap between the state of the gut microbiome and adequate supply of nutrients and fibre based on the lock-key model.

Through the medibiom cooperation, we are creating a strong and concrete link between research, development and marketing of healthcare concepts in order to contribute to a better quality of life for people and to embark on the path to personalised medicine.

"In collaboration with Theralution, the Phytocompetence Centre and the Luxembourg Institute of Health (LIH), we are developing our product portfolio for the emerging field of gut microbiome and intestinal health. Our development efforts are driven by our strong ties to the scientific community, the transfer of knowledge from research findings into our product development with a view to sustainability and the value-creating integration into the MEDICE Health Family network.

Together, we are striving to improve peoples' quality of life."

Nadja Neubauer,
Managing Director, Theralution

Sustainable corporate development

GRI 2-6
GRI 2-22

Managing development and transformation

As a family business, transformation is a relevant way for us to grow. Of course, development can happen in many small steps, each in isolation too insignificant to be considered meaningful progress. Or, concerted impulses can come together, creating momentum that gives rise to something new, completely different and improved. From the very beginning, MEDICE has always embraced change by creating and continually fostering a culture of self-motivation to move forward. These processes – the small and the large development steps – have been running in parallel for decades.

> “It is my personal goal to combine the expertise of the companies that make up the MEDICE Health Family so that we can realise our vision of becoming a leading global developer and provider of innovative, integrated and diverse healthcare solutions.”
>
> Dr Katja Pütter-Ammer
> Managing partner, MEDICE

So, business as usual? The answer is not clear cut. We are motivated by an unwavering desire to shape change, to take on a leadership role as we work towards a healthier future. This core of our aspiration, which makes relevant contributions to the UN’s Sustainable Development Goal of “Good Health and Well-being”, sets the guiding principle for structural and sustainable corporate development. At MEDICE, we take a holistic approach to challenges and solutions, from the business and market environment through corporate development down to setting targets in the individual departments’ areas of expertise. With customer well-being in mind and safe in the knowledge that our shared values underpin everything we do, the Health Family’s trust in our shared skills and synergies has also grown over decades of uninterrupted success.

Change in the global context

Nevertheless, further development includes aspects that are new, that are changing. The pace of change, sometimes the potential for disruption, are particular challenges, and we approach them with structural solutions and foresight. Global challenges such as population growth and the related scarcity of resources, man-made climate change, socio-political tensions and a more mindful approach to human rights aspects set the tone for corporate development that is fit for the future. We have taken this into careful consideration when analysing our key sustainability topics. Responsible corporate management leverages technological innovations such as digitalisation and artificial intelligence to enhance its competitive edge, safeguard patient well-being and give a direct boost to customers. Even in familiar market segments with known indications, our specialist target groups rely on comprehensive therapy concepts, a willingness to enter into flexible partnerships and short reaction times.

Change in the context of our business

We have been offering competitive customer solutions for decades, and this solid foundation spurs us on as we innovate for growth and evolve from a pharmaceuticals company into a provider of diverse and integrated healthcare services. Growth-driven changes to corporate structures are just as welcome as the transition from HR administration to People & Culture Management, a key prerequisite for our expanding internationalisation. Despite the technical support from software tools, our ongoing success has and will always revolve around interaction between the people who make up the Health Family. MEDICE will remain a family business with an international presence and a modern touch. As we do so, a key prerequisite is to be perceived as an attractive employer for highly qualified specialists, and we rise to this challenge by offering extensive opportunities for education and development and a wide range of initiatives to promote our employees’ health and well-being.

Putting sustainability management in place

GRI 2-23 The fundamental development presented thus far clearly reflects the central role that sustainable corporate development already plays at MEDICE. Our policy statement on upholding environmental standards and human rights can be accessed on our website at any time. https://medice.com/de-de/service/compliance. The pharmaceuticals sector is highly regulated and features numerous management systems, but here too we are going a step further and implementing a structured sustainability management system with the corresponding reporting based on internationally recognised standards.

ESRS 2 GOV-4

GRI 2-12 GRI 2-13 GRI 2-17 ESRS 2 GOV-2 We laid the organisational foundation to do so by establishing the Corporate Responsibility department at the end of 2022. The Head of Corporate Responsibility reports directly to the managing partner. To achieve structured progress from the outset, extensive use is made of the interaction with both Risk Management as well as with IT, Controlling and Compliance. A dialogue is likewise maintained with the other departments involved in specific aspects of ESG.

For instance, Risk Management makes a crucial contribution to "financial materiality" and the identification of ESG-related material risks and opportunities. Work to implement an ESG-related data management system began in 2023 and was completed in 2024. Our social commitment is part of this structured approach and is clearly defined in the areas of "physical/mental health", "social health" and "environmental health".

Materiality, management approaches, reporting

We began the exhaustive process of materiality analysis in the summer of 2023, initially in accordance with the guidelines of the Global Reporting Initiative (GRI). Following the publication of the binding European Sustainability Reporting Standards (ESRS), we have reviewed the results in accordance with the EFRAG Guidelines. As a result, MEDICE's material impacts, risks and opportunities were identified and assigned to the 22 material topics that had previously been defined for MEDICE. We will GRI 2-24 then develop any suitable management approaches for these that are not yet in place, including targets, performance indicators and appropriate action. Responsibilities are clearly assigned, and the results are published as required by the ESRS.

Contributions to the SDGs

For many years now, we have been making relevant contributions to the UN's Sustainable Development Goals (SDGs) across the three aspects of ESG. To avoid redundancy, these are presented in each case at the beginning of the sections Environmental, Social and Governance. In doing so, we differentiate between central and relevant contributions that are intended to guide us in terms of attention and resource allocation as we work to refine our sustainability management.

It is self-evident that MEDICE as a business in the healthcare sector has a special responsibility and relevance for achieving the targets under "Good Health and Well-being". We consider our business to have similar significance for the SDGs "Decent Work and Economic Growth", "Quality Education", "Responsible Consumption and Production", "Climate Action" and "Life on Land". We also see relevant contributions in SDGs 5, 9, 16 and 17 ("Gender Equality", "Industry, Innovation and Infrastructure", "Peace, Justice and Strong Institutions", and "Partnerships for the Goals").

GRI 2-29
ESRS 2
SBM-2

Stakeholder involvement

150
events focused on **nephrology** (2023)

For us today, sustainability management means to a large extent not just maintaining an early, targeted and open dialogue with our stakeholders, but partnering with them and obtaining specific feedback on our products and services. MEDICE therefore remains in close contact with our core stakeholder groups: on the one hand are our patients and customers at pharmacies, and on the other are specialist target groups such as GPs and other doctors, particularly in our areas of application, pharmacists and their specialist staff, and numerous groups of researchers. Other stakeholders include our employees, suppliers, banks, insurers, public agencies and authorities, industry associations, public health insurers and the general public as neighbours at the sites where we operate.

More than **29,500** participants

at **960** events

We evaluate customer satisfaction studies conducted by recognised market research institutions, and adopt a dedicated approach to increasing customer satisfaction taking into consideration our various business units with specialist partners in the corresponding areas of application.

We also pursue an in-depth dialogue with specialist partners at customer events, of which 960 took place in 2023 with a total of 29,500 people in attendance. This close contact is particularly valuable when it comes to exchanging insights and information on specialist topics.

We routinely consult with our customers, suppliers and technology partners on expectations and assessments in relation to specific trends and developments, new requirements in the supply chain and product-specific solutions. Management and departmental heads are heavily involved in expert networks through their activities in industry committees and associations. We secure indispensable research results by launching and overseeing clinical studies according to a specific procedure.

As a responsible employer and partner, we maintain a structured dialogue with employee representative bodies. Please see page 53 for details of further instruments to promote internal dialogue (such as the company suggestion box) and internal reporting channels for whistleblowers. The managing partners work hard to maintain contact with representatives of civil society in the local and regional context. We assume social responsibility beyond just the business context, which gives us a feel for the opinions of people in the areas where we operate.

S1 SBM-2
S3-2

Through these and other dialogue processes, we can sense an ever greater interest and specific expectations when it comes to sustainable development in the business-relevant context. Healthcare services are no longer judged solely in terms of how they affect patients, but also in terms of their impact on a fair and responsible value chain. The discussion surrounding the impact of our business activities and our products, and of healthcare services, is increasingly influenced by sustainability issues.

The burgeoning statutory reporting requirements provide a framework for transparency. As early as 2023, the Head of Corporate Responsibility launched a materiality analysis process that facilitated a dialogue with internal and external stakeholders, and structured by current and potential sustainability-related impacts, risks and opportunities. We will systematically push forward with this development in order to remain on our toes in a rapidly changing environment and safeguard our entrepreneurial resilience as a family business. The following section details the process used to determine the material topics.

95
events focused on
ADHD
(2023)

Process to determine materiality

GRI 3-1

Context: from GRI to ESRS
In accordance with the EU Corporate Sustainability Reporting Directive (CSRD), MEDICE is required to report on its material sustainability topics in accordance with the requirements of the European Sustainability Reporting Standards (ESRS), with the first report in 2026 for the 2025 financial year.

To prepare for that, MEDICE began its structured process of determining the material topics at the beginning of 2023, before the binding requirements of the ESRS were formulated.

MEDICE has therefore decided to publish this sustainability report in accordance with the standards of the Global Reporting Initiative (GRI) for financial year 2023. In doing so, the requirements of the CSRD and ESRS have already been applied as far as possible. This concerns in particular the mandatory process to determine the materiality of impacts, risks and opportunities (IROs). We have followed the implementation guidance of EFRAG IG 1 Materiality Assessment (EFRAG 5/2024).

At present, the description of financial materiality is an non-finalised initial assessment that will be further refined and continuously updated in 2024.

In accordance with the CSRD, sustainability disclosures must be made that are material from a financial perspective and/or from an environmental and social perspective. The ESRS define the criteria and approaches for identifying and assessing material sustainability topics and information. For example, the materiality analysis is a company-specific task whose outcome determines the application of the reporting standards and consequently also the report content.

In addition, determining the material topics for MEDICE forms the basis for developing and implementing the sustainability strategy.

The following section outlines the process of determining firstly GRI-based "impact materiality" through to ESRS-compliant double materiality.

ESRS 2 GOV-4

1. Business context

Analysis Business context
- Environment analysis
- Desk research
- Relationships in the value chain

Kick-off management workshop sustainability context
- Results of environment analysis
- Project design coordinated
- Affected stakeholders defined (ESRS 1 AR 6.-8.)

Contextualisation interviews
- Inside-out/outside-in analysis/ action points
- Involvement of internal/external experts/stakeholders
- Capture of quantitative and qualitative information on the context (due diligence)

2. Identification of IROs

Formulation of IROs
- Formulation of impacts/risks/ opportunities: **IRO long list**
- Project lead/departmental heads: completeness of impacts
- Project lead/controlling/risk management: completeness of risks and opportunities

ESRS 2
GOV-4

1. Business context

Understanding the context through environment analysis and stakeholder involvement

An environmental analysis was conducted as the starting point for establishing the context. The objective of the environment analysis was to determine the sustainability topics being discussed in the sector and investigate how they are perceived. The intention was to take a wider look at the pharmaceuticals industry and not just competitors with a direct overlap in their product portfolios. To this end, we recorded and evaluated the publicly available information from the mandatory or voluntary sustainability reporting of ten businesses from the wider competitive environment with respect to their assessment of the material topics.

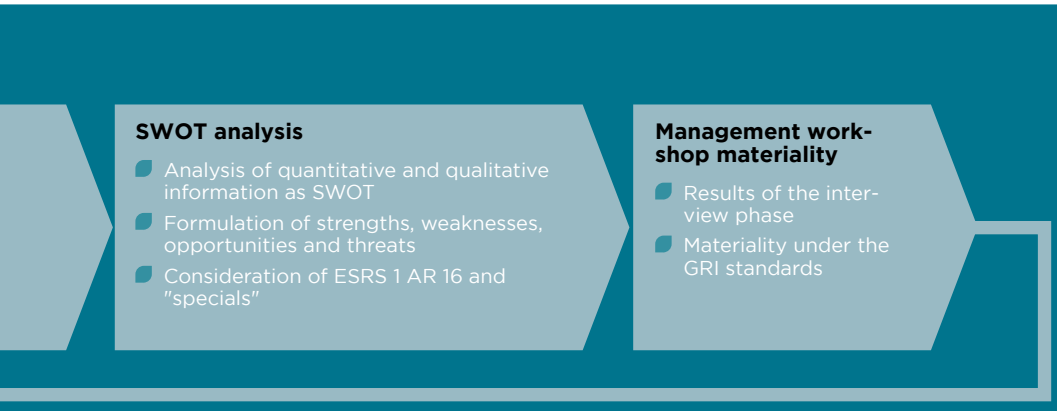
This information was supplemented by potentially relevant topics covered by national and international regulatory frameworks on sustainability reporting as well as insights from the European legislative processes on sustainability reporting, the EU Taxonomy and information from trade associations.

Consequently, environmental and social topics, topics relating to the business model and economic performance, and governance topics were preselected as being potentially material for MEDICE.

At a workshop on 27 March 2023, these preselected topics were discussed with management with regard to their potential relevance to MEDICE and were supplemented to include MEDICE-specific topics. As a result, 82 aspects (24 environmental topics, 25 social topics, 14 governance topics, 14 topics relating to the business model and economic performance and 5 topics relating to the supply chain) were identified as being potentially relevant to MEDICE. These were then assessed in the further course of the process for their actual or potential impacts: both those the business has on its surroundings, society and the environment (inside-out perspective) and those the surroundings, society and the environment have on the business (outside-in perspective).

Furthermore, the environment analysis identified MEDICE's relevant stakeholders: employees, patients and their relatives, doctors, pharmacists, suppliers, logistics and transport firms, sales partners, health insurers, industry associations, banks and insurers, supervisory authorities, the owners and civil society with its representative bodies.

The environment analysis was used to establish the context for MEDICE and the following process steps.



Schematic presentation of the steps in determining MEDICE's material topics

3. Assessment of IROs and double materiality

Assessment of impact materiality
- Severity (1) by scale, scope and irremediable character, as well as by likelihood (2)
- Coordination with project lead/ departmental heads: plausibility of the assessments
- Definition of thresholds

Assessment of financial materiality
- Size of loss (1) and likelihood of occurrence (2) (ESRS 1 AR 13.–15.)
- Coordination with project lead, controlling, risk management: plausibility of the assessments
- Definition of thresholds

IRO short list and topic allocation
- Definition of **IRO short list**
- Allocation to ESG topics
- Coordination with management: plausibility and sign-off of assessments
- Review of disclosure requirements for **ESRS reporting**

GRI 3-1 **Identifying the material topics (GRI standards)**

The pre-selection of existing or potential ESG aspects made on the basis of the environment analysis was used as the foundation for the interviews with the competent MEDICE specialists, representatives from the works councils and external representatives of stakeholder groups. The representatives of stakeholder groups invited for interviews were selected in consultation with management.

The 82 aspects identified as potentially material were subject to quantitative analysis in 35 structured interviews with management, specialist employees, the chairperson of the MEDICE works council and representatives of relevant external stakeholder groups, and commented extensively in some 2,200 documented qualitative statements. The external interviewees were a paediatrician, a pharmacist, the representative of an industry association, the sustainability officers from two suppliers, and representatives of a health insurer and a bank.

The interviews involved discussing and assessing a selection from the 82 potentially material topics tailored to the respondent's respective area of responsibility. The first step was to present the content of each topic and for the interviewee to give a qualitative assessment and comments on a scale of 1 (low) to 6 (high) from the professional or external standpoint of the respective stakeholder representative. The quantitative assessment covered three dimensions:

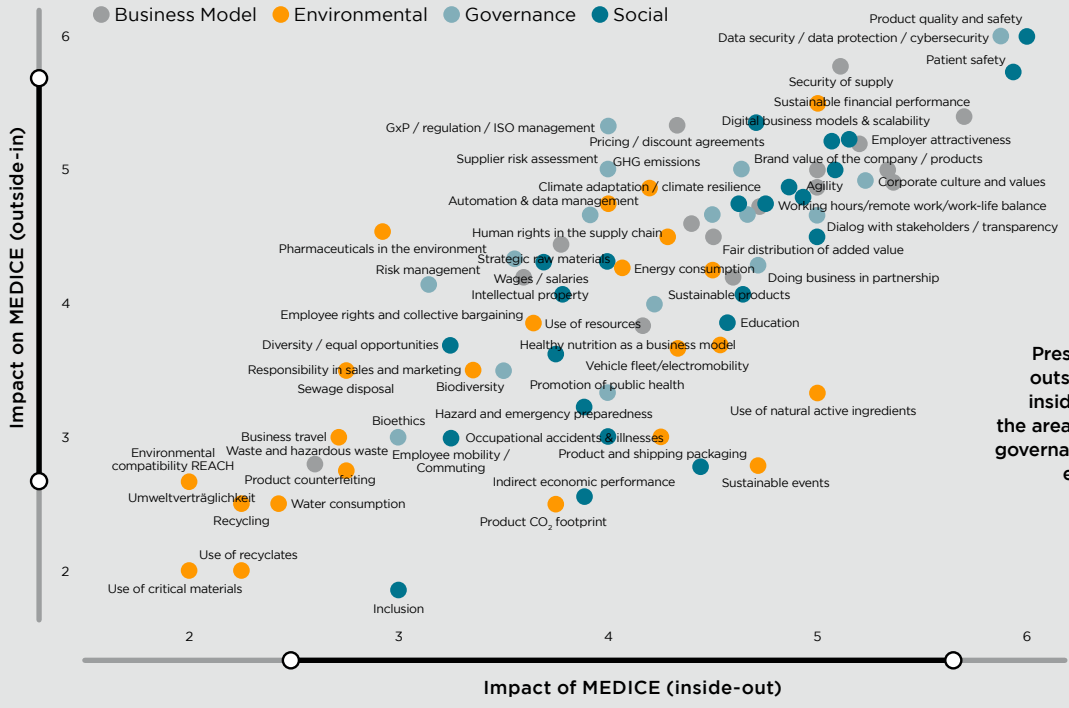
1. **Inside-out:** Assessment of the economic, environmental and social impacts associated with the actions of MEDICE. A short-, medium- and long-term perspective were taken into implicit account when discussing the aspects, as were the scale, scope and irremediable character of the aspect and the likelihood of its occurrence.

2. **Outside-in:** Assessment of the effect that sustainability aspects have on the development and performance of MEDICE's business, and of its position. The likelihood of occurrence and scale were taken into implicit account when discussing the aspects.

3. **Action points:** Internal assessment of the need for additional action going beyond the existing framework, conducted by the respective specialists with the aim of gaining information for prioritising the aspects from a management perspective.

The assessments are based on a medium- to long-term view of five to ten years and a gross view, in other words an assessment before taking further, additional action.

ASSESSED SUSTAINABILITY ASPECTS FROM THE STAKEHOLDER DIALOGUE



Presentation of the assessed outside-in impact (y axis) vs. inside-out impact (x axis) for the areas of environment, social, governance and business model, each on a scale of 1 (low) to 6 (high).

Prioritising the key impacts (GRI standards)

The quantitative assessment of impacts in the three dimensions “Impact of MEDICE (inside-out)”, “Impact on MEDICE (outside-in)” and “Action points for MEDICE to address the specific topic” was performed by calculating the average of the respective assessments without further weighting.

The results were visualised as 2D matrices with the axes “Impact of MEDICE” versus “Impact on MEDICE”. In total, 70 of the topics assessed were classified as material, with impacts given an average score of 3.5 or more.

Determining the material topics (GRI standards)

Conceptual consolidation was then used to aggregate the 70 impacts classified as material into 22 material topics. Some of these combine multiple impacts. If multiple aspects were combined, the result was calculated as the average of the respective individual qualitative assessments, without any further weighting.

The conceptual consolidation of the individual impacts assessed resulted in the following 22 material topics:

LIST OF MATERIAL TOPICS (GRI)

GRI 3-2

BUSINESS MODEL

- Economic performance
- Innovation and product development

ENVIRONMENT

- Climate change
- Energy
- Mobility and logistics
- Environmental protection
- Sustainable events
- Biodiversity
- Circular economy

SOCIAL

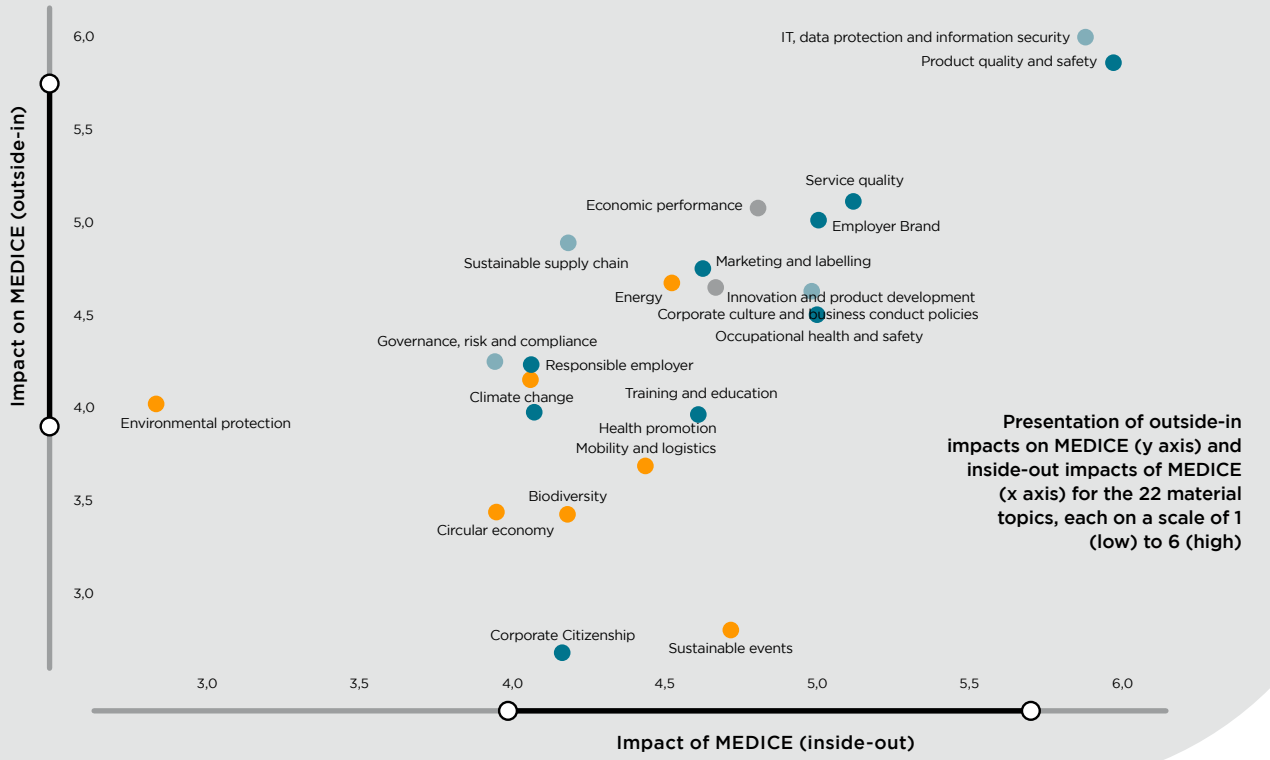
- Responsible employer
- Occupational health and safety
- Training and education
- Employer brand
- Sustainable supply chain
- Corporate citizenship
- Health promotion
- Product quality and safety
- Service quality
- Marketing and labelling

GOVERNANCE

- Corporate culture and business conduct policies
- Governance, risk and compliance
- IT, data protection and information security

GRI 3-1

MATERIAL TOPIC MATRIX



SWOT analysis

The qualitative statements on the impacts discussed and assessed were recorded on an anonymous basis, allocated to four categories (“strengths”, “weaknesses”, “opportunities” and “threats”) and condensed into core statements. This assessment of the qualitative view serves two purposes: on the one hand to check the quantitative results for plausibility (due diligence on the way towards determining materiality under ESRS), and on the other to develop action options in the context of strategy development.

Accordingly, the view forms the basis for identifying the opportunities and risks associated with the impacts, and serves as a driving force in deriving the relevance for sustainable value drivers and determining action to achieve defined goals. This provided valuable insights for further developing and safeguarding the umbrella brand “The Health Family” and for expanding the Group structure. Building on this, another deep dive was carried out to bridge the gap and begin brainstorming key drivers for the ESG strategy and Group communication.

The three analytical identification levels in the SWOT analysis:

1) Summary at the level of the four areas E, S, G and business model

2) Analysis of strengths, weaknesses, opportunities and threats at the level of the 22 material topics

3) 2,200 individual statements from the interviews as starting points

The results of the materiality and SWOT analyses were discussed in detail with and adopted by management. GRI 2-14

ESRS 2 IRO-1

2. Identification of impacts, risks and opportunities (IROs) under ESRS

Transition to double materiality under ESRS
The analysis of strengths (S), weaknesses (W), opportunities (O) and threats (T) (SWOT analysis) forms the basis for analysing the current and potential impacts, risks and opportunities connected with sustainability aspects, which is mandatory under ESRS.

Based on the identified strengths (S), weaknesses (W), opportunities (O) and threats (T), current and potential impacts, risks and opportunities were derived from the material topics in the impact perspective (see above). In doing so, the aspects listed in ESRS 1 AR 16 were either taken into consideration or grounds were given for their non-consideration.

The impacts, opportunities and risks were derived with the help of outside experts and then checked for completeness and plausibility by internal specialists.

ESRS 2 IRO-1

3. Assessment of IROs and double materiality

The identified current and potential impacts, risks and opportunities were assessed according to the following criteria in a structured consultation process involving specialist external advisers, internal departments and project leads, as well as management:

1. **Positive/negative impacts:** Aspects relating to severity (scale, scope and irremediable character) and likelihood in a short-, medium- and long-term perspective, and the assessment as a current or potential impact, taking into account whether the impact affects human rights aspects.
2. **Risks/opportunities:** Assessment of likelihood and the financial scale for MEDICE in relation to the development and performance of its business and of its position, in consideration of a long-term (10-year) perspective.

The impacts, risks and opportunities were assessed using a scoring model that enables a substantively plausible and transparent threshold to be defined for the impacts, opportunities and risks.

IMPACT MATERIALITY

Under ESRS, an impact is assessed for materiality taking into account its scale, scope and irremediable character (its severity) as well as its likelihood. This is done using a scoring model that takes into account the difference between positive and negative impacts. Irremediable character is not used as a criterion for positive impacts, meaning that different scores were calculated for positive and negative impacts. Accordingly, a distinction was made between positive and negative impacts.

The scale of an impact was assessed according to the following categories with the respective scores:

Absolute	**5**
High	**4**
Medium	**3**
Low	**2**
Minimal	**1**

The scope of an impact was assessed according to the following categories with the respective scores:

Global	**5**
Widespread	**4**
Medium	**3**
Concentrated	**2**
Limited	**1**

ESRS 2 IRO-1

The irremediable character of an impact was assessed according to the following categories with the respective scores:

Non-remediable/irreversible	5
Very difficult to remedy or long-term	4
Difficult to remedy or medium-term	3
Remediable with effort (time & cost)	2
Relatively simple to remedy short-term	1
Not relevant (for positive impacts)	0

Six categories were defined for the severity of the impact, which is derived from the total scores for scale, scope and irremediable character (for negative impacts), with scores ranging from </= 2 (not relevant) to >/= 15 (critical):

This specific total per impact was used as a factor for the criticality of the impact. The likelihood of the impact was defined and assessed as follows:

Very likely	Likelihood of >75–100%	Factor of 0.875
Likely	Likelihood of >50–75%	Factor of 0.625
Possible	Likelihood of >25–50%	Factor of 0.375
Not unlikely	Likelihood of >10–25%	Factor of 0.175
Unlikely	Likelihood of >1–10%	Factor of 0.05
Cannot be ruled out	Likelihood of 0–1%	Factor of 0.005

Multiplying the score by the likelihood factor gives the "criticality of the impact", which is divided into five categories: minimal, informative, important, significant and critical. The impacts assessed as "significant" or "critical" were defined as material. For positive impacts, this corresponds to a threshold equal to or greater than seven, and for negative impacts equal to or greater than eight.

FINANCIAL MATERIALITY

The threshold for financial materiality was defined using a scoring model specific to MEDICE. Six categories were defined for the size of the financial loss in the event of a risk materialising or the size of the financial contribution in the event of an opportunity materialising. These were assigned the following ranges and scores:

Critical	EUR > 15 million	Score of 6
Very high	EUR > 10–15 million	Score of 5
High	EUR > 5–10 million	Score of 4
Medium	EUR > 2–5 million	Score of 3
Low	EUR > 0.5–2 million	Score of 2
Very low	EUR 0.1–0.5 million	Score of 1

The likelihood of an opportunity or risk materialising was determined using the same categories applied for impact materiality (with the corresponding factors):

Very likely	Likelihood of >75–100%	Factor of 0.875
Likely	Likelihood of >50–75%	Factor of 0.625
Possible	Likelihood of >25–50%	Factor of 0.375
Not unlikely	Likelihood of >10–25%	Factor of 0.175
Unlikely	Likelihood of >1–10%	Factor of 0.05
Cannot be ruled out	Likelihood of 0–1%	Factor of 0.005

Financial criticality

Multiplying the scores for financial scale by the factors for likelihood gives the values for "financial criticality" in the matrix below. The threshold for financial materiality when assessing risks and opportunities was defined as equal to or greater than 0.7. This corresponds to a financial scale of EUR 5–10 million at a likelihood of 10–25% within the observation period of up to ten years.

0.875	> 75% – 100%	0.875	1.75	2.625	3.5	4.375	5.25
0.625	> 50%–75%	0.625	1.25	1.875	2.5	3.125	3.75
0.375	> 25%–50%	0.375	0.75	1.125	1.5	1.875	2.25
0.175	> 10%–25%	0.175	0.35	0.525	0.7	0.875	1.05
0.05	> 1%–10%	0.050	0.1	0.15	0.2	0.25	0.3
0.005	0%–1%	0.005	0.01	0.015	0.02	0.025	0.03
		Very low	**Low**	**Medium**	**High**	**Very high**	**Critical**
		1	2	3	4	5	6
		EUR 0.1 million – EUR 0.5 million	> EUR 0.5 million – EUR 2 million	> EUR 2 million – EUR 5 million	> EUR 5 million – EUR 10 million	> EUR 10 million – EUR 15 million	EUR > 15 million

ESRS 2 IRO-1
ESRS 2 SBM-3

Overview of the double materiality topics

After the material IROs had been defined and aggregated into 22 double materiality topics, they were assigned by topic to the ESRS topic standards listed below. All IROs identified as material in this initial assessment were taken into consideration. The process is ongoing.

GRI 3-2

ESRS topic standard	Allocation of the material topics	Impact materiality	Financial materiality
ESRS E1 – Climate change	Climate change	Material	Material
	Energy	Material	Material
	Mobility and logistics	Material	Material
ESRS E2 – Pollution	Environmental protection	Material	Material
	Sustainable events	Material	Material
ESRS E3 – Water and marine resources	-	*Non-material*	*Non-material*
ESRS E4 – Biodiversity and ecosystems	Biodiversity	Material	Material
ESRS E5 – Resource use and circular economy	Circular economy	Material	Material
ESRS S1 – Own workforce	Responsible employer	Material	Material
	Occupational health and safety	Material	Material
	Training and advancement	Material	Material
	Employer brand	Material	Material
ESRS S2 – Workers in the value chain	Sustainable supply chain	Material	Material
ESRS S3 – Affected communities	Corporate citizenship	Material	Material
	Health promotion	Material	Material
ESRS S4 – Consumers and end users	Product quality and safety	Material	Material
	Service quality	Material	Material
	Marketing and labelling	Material	Material
ESRS G1 – Business conduct	Corporate culture and business conduct policies	Material	Material
	Governance, risk and compliance	Material	Material
	IT, data protection and information security	Material	Material
Business model	Economic performance	Material	Material
	Innovation and product development	Material	Material

GOVERNANCE

On the pages that follow, we highlight how we live up to our responsibility for good governance. The material topics covered in this section include "Corporate culture and business conduct policies", "Governance, risk and compliance" and "IT, data protection and information security".

GOVERNANCE
MEDICE contributions to the SDGs

Responsible corporate governance sets out the relevant structures, roles, responsibilities and controls, thereby providing a firm foundation on which action can be taken within the company, as well as ensuring transparency and promoting a positive working atmosphere. Entrepreneurship depends on clearly defined and communicated policies which make it possible to offer the necessary latitude for action.

Our management approaches in the field of "Governance" contribute to the achievement of the following United Nations Sustainable Development Goals:

SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Sustainable economic growth requires society and companies to create the conditions under which people can find high-quality jobs that stimulate the economy without placing undue strain on the environment. By offering secure, high-quality jobs and by providing economic and social incentives to bring about improvements in the supply chain, MEDICE contributes to social prosperity where it does business.

SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

We contribute to the achievement of this goal at every level within our control by applying transparent and responsible business practices aimed at preventing corruption and bribery. In addition, we attach great importance to the implementation of internal control mechanisms, ethical principles and codes of conduct, and offer appropriate training for our employees and an easily accessible whistleblower mechanism for all stakeholders. We also contribute to the achievement of this goal by striving to protect human rights, adhering to labour standards and cooperating with employee representatives.

SDG 17: Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development.

A successful sustainable development agenda requires partnerships between government organisations, the private sector and civil society. MEDICE is actively involved in shaping partnerships by participating in key positions in the relevant sectoral associations.

Corporate culture and business conduct policies

GRI 3-3

Context

Setting out in a new direction requires orientation. Our values help us to make the right decisions and keep the "How" in constant focus. Like a beacon, they show us the way and provide every player with a sense of certitude. This is why we are constantly honing our values within the company – because doing so helps to guide us on our journey together, with conviction and confidence.

Sustainability: a family value

In its vision, MEDICE aims to build upon its tradition as a family business. The decisions we take today must lay a solid foundation for future generations. Such a dedication to responsibility gives rise to solutions of a sustainable – and hence future-proof – quality and scope. Sustainability is a family value; sustainable corporate development is our mission.

> **"Values give our employees a sense of direction and stability in their day-to-day work. And they also instil in us a sense of pride and confidence that we are doing the right thing."**

Annick Berreur-Igersheim
Managing Director
People, Culture & Transformation, MEDICE

GRI 3-3
G1-1

OUR THREE VALUES GIVE US A SENSE OF DIRECTION

Bringing our values to life in the Health Family
As the Health Family, we share our values and bring them to life. They guide us and create a reliable foundation for how we communicate and make decisions. We are:

- FORWARD-LOOKING
- VALUE-CREATING
- FAMILY-ORIENTED

Forward-looking:
A focus on the future and a passion for innovation create stability. Standing still is risky.

Value-creating:
Creating value for society and healthcare. This means improving healthcare by offering efficient solutions. Creating value in turn means providing stability for the company and its employees.

Family-oriented:
Family means cohesion in the interest of achieving common goals. These values strengthen our sense of belonging and identification with the company. At the same time, they also shape the positive perception of our authentic brand among all stakeholder groups.

GRI 2-29

The MEDICE Health Family: that's all of us!
When we set out to define our values, we asked every employee what they thought the words meant. This exercise illustrated the power and significance of our brand values.

Under the guiding hand of Annick Berreur-Igersheim, managing director responsible for People, Culture & Transformation (CHRO), the material topic "Corporate culture and business conduct policies" made a valuable contribution to sustainable corporate development in 2024. We begin by presenting things as they stood in 2023.

* Most frequently cited.

Governance, risk and compliance

GRI 3-3

Context

Our responsible and proactive approach to corporate governance on the basis of our three values “forward-looking”, “value-creating” and “family-oriented” renders our business model more stable, successful and cohesive. It thus strengthens the company’s ability to implement specific objectives and measures in order to translate our values as a family business, our vision and our mission into an agile and innovative reality, thereby contributing to long-term appreciation in value.

> “Clearly structured business units, management responsibilities and communicated rules create scope for development and ensure our future success.”
>
> Eric Neyret
> Managing Director Finance, Controlling and Administration, MEDICE

Governance

At MEDICE, corporate governance encompasses the entire system for managing and monitoring the company. This includes organisational structures, responsibilities, and internal and external control and monitoring mechanisms. Our practical and interdisciplinary corporate governance system ensures responsible management and control of the company that is geared towards efficiency, effectiveness and legality. It engenders the trust of our target groups, customers, business partners, employees and the general public in the MEDICE Health Family. This is particularly important to us in a corporate reality characterised by internal and external transformation.

Compliance

GRI 2-24

The management of corporate compliance is also a central concern for MEDICE, as transparency with regard to rules and compliance with them is an important aspect of performance and building trust, especially for a company in the healthcare sector. We must comply with all applicable laws, regulations and agreements as well as sector-specific standards in order to ensure that our business activities are conducted in a socially, environmentally and ethically responsible manner at all levels and by all organisational units of the company.

MEDICE’s defined and practised corporate culture and its effective compliance management system enable it to ensure that management as well as employees comply with the applicable rules and regulations. Beyond the laws and regulations, the MEDICE Code of Conduct provides a benchmark for ethical behaviour for all employees. We also achieve this in our supply chains thanks to our Supplier Code of Conduct.

Risk management

For MEDICE, good (ESG) risk management means protecting our business model, its tangible and intangible assets and the legitimate interests of our stakeholders. Our structured Group-wide (ESG) risk management system enables us to identify strategic and operational ESG risks, avoid or mitigate negative impacts and exploit positive potential for MEDICE’s operational and financial resilience across the entire value chain. An effective (ESG) risk management system therefore improves the future prospects of our company.

G1 SBM-3

IROs and strategic effects

Governance structures

Developing and maintaining a sustainable governance structure is a task that requires constant attention, particularly against the backdrop of the current and future growth and transformation process that is so important for MEDICE. This applies in particular to internationalisation, the digitalisation of processes and the development of integrated healthcare solutions. The desired dynamics must be established for young business divisions. companies in which MEDICE holds long-term relevant investments need to be a good fit, both culturally and structurally. Suitable governance structures contribute to the company's stability while offering decision-making authority and scope to take swift action. The risk of failing to meet international and sector-specific requirements for processes and structures in country-specific approval procedures is considered manageable, as this is actively managed.

Policies and guidelines

GRI 2-24

Company-wide policies and guidelines that govern how employees interact with the material topics of sustainability provide them with a sense of orientation and help to keep them engaged. In the sensitive pharmaceuticals and healthcare sector, corporate practices are underpinned to a large extent by structured management processes. Although this is a day-to-day reality, it still demands a great deal of attention.

Standardising the rules throughout the entire Health Family not only makes it possible to realise process efficiencies and reduce risks of potential unequal treatment, it also facilitates communication, training and across-the-board compliance with internal rules. The targeted use of synergy and efficiency potential and the gradual expansion of compliance management processes and governance structures will lead to positive financial effects in the medium to long term.

ESRS 2 GOV-5

Risk management

Risk management plays a vital role in how the company manages its impact on its environment across the entire value chain, enabling it to avert damage to the environment and mitigate or avoid financial consequences. Impacts, risks and opportunities are interrelated in a variety of different ways. The Corporate Responsibility department coordinates impact assessments with internal departments and external stakeholders. By expanding our risk management organisation at the Group level (Enterprise Risk Management – ERM) and taking into account the relevant ESG aspects, we at MEDICE are developing a multi-stage approach to optimising the financial impact of structured opportunity and risk management activities.

The integration of the risk management system into central departments such as Controlling and Corporate Responsibility enables us to tap directly into the potential to realise synergies and increase efficiency. This makes it possible to develop sustainable corporate strategies by systematically identifying, analysing and evaluating risks and opportunities. Particularly in the context of corporate responsibility, risk management helps to promote sustainable business practices and ensure long-term value creation. Risk management is therefore an indispensable tool that hardens the company's resilience and sharpens its competitive edge by facilitating sound management decisions.

Complaints mechanisms

GRI 2-16
GRI 2-25

MEDICE offers readily accessible complaints submission channels, treats whistleblowers' concerns with absolute confidentiality and ensures that they are afforded every protection set out in the German Whistleblower Protection Act (Hinweisgeberschutzgesetz, "HinSchG"). This approach enables us to exert a positive influence in our

dealings with stakeholders. We communicate transparently about complaints management, and case-related information is of course subject to data protection requirements.

Structured communications processes for handling complaints and clear lines of responsibility make it possible to reduce response times.

Emergency response
A cautious approach to risks and emergencies ensures resilience in the face of incidents. Considerable precautions are taken to forestall risks and emergencies, meaning that the likelihood of occurrence is considered to be low. Nevertheless, a negative impact such as an interruption in the supply of necessary compounds in the healthcare sector can have serious consequences for patients.

Prevention and active emergency management are crucial to MEDICE's resilience, as they significantly reduce the likelihood that risks and emergencies will materialise. Nevertheless, disruptions in the supply chain pose significant risks, which is why systematic business continuity management (BCM) is becoming increasingly important in order to ensure supply capability.

Various standards, such as ISO standard 22301 and BSI standard 200-4, offer companies guidelines for BCM and crisis management and represent the leading edge of theory and practice. By refining its existing processes, MEDICE is able to increase its level of resilience, as the financial impact of a company-wide BCM regime is considered relevant in the medium to long term.

Concept and objectives

GRI 3-3

GRI 2-9
GRI 2-10
GRI 2-11
GRI 2-12
GRI 2-18
G1 GOV-1
G1-1

Governance
As an active part of the management team, the managing owners share direct responsibility for the governance structures. Our aim is to continue to hone our management mechanisms based on stakeholder feedback in order to ensure that we are always working within a corporate governance framework that is in line with the times and appropriate for the company.

The coexistence of different business models – from start-ups to mature production companies – creates challenges in the areas of governance and corporate culture. The existing structures are also facing sweeping changes stemming from the company's sustained growth trajectory over recent decades. The management has implemented an active moderation process rooted in the company's steadfast values, which serve as a compass guiding the company through its transformation.

MEDICE has a structured, transparent and robust purchasing process that features strategic and operational purchasing within the company. The purchasing volume has grown from around EUR 35 million to well over EUR 100 million in the past ten years. Regulatory requirements for management and transparency in accordance with the German Act on Corporate Due Diligence Obligations in Supply Chains (Lieferkettensorgfaltspflichtengesetz, "LkSG") and, in future, the EU CSDDD can be met through timely preparation.

Compliance
GRI 2-24
The pharmaceuticals sector is highly regulated and MEDICE's ability to carry out its business relies on the responsible management of compliance with legal requirements as well as the requirements of pharmaceuticals quality standards. The management is responsible for monitoring current and expected regulatory requirements in order to ensure compliance. Meeting the complex requirements necessitates a significant level of personnel and financial expenditure. Quality assurance is a paramount priority for us and is deeply rooted in our corporate DNA. Our objective to is maintain the necessary levels of staffing in the future in order to meet the increasing demands of internationalisation.

Pharmaceuticals legislation in our markets stipulates in various ways that once a medicinal product has been approved, the experience gained from its use must be continuously and systematically collected and evaluated. This applies to all finished medicinal products on the market. The function of pharmacovigilance is to provide ongoing information on known side effects and interactions associated with the use of medicinal products and to ensure that patients, doctors and other stakeholders are made aware of these risks and, if necessary, of ways to mitigate them.

Our aim is to provide a dynamic document management system to facilitate internal compliance management,

which all employees can access depending on their area of responsibility.

Due to the company's investment in Schaper & Brümmer, internationalisation and the development of additional business models, there is a need to formulate standardised management approaches and policies.

ESRS 2 GOV-5

ESG risk management

ESG risk management at the Group level supports our strategic and operational decision-making process, strengthens our control options and monitors the aspects associated with our business model.

MEDICE attaches great importance to the active management of ESG risks, also in the interests of our stakeholders. For risk management in production-related areas, MEDICE follows the ICH Q9 guidelines. In addition, we provide internal management resources for enterprise risk management via a dedicated department and in the form of funds for external consulting. The managing director responsible for Finance, Controlling and Administration oversees enterprise risk management throughout the Group.

Our aim is to expand our existing active risk inventory to include the identification of ESG risks in the areas of sustainable business models, the environment, social issues including labour and human rights, and governance including anti-corruption aspects. To this end, we initiated a structured management process in 2024, which we will complete in 2025 with an up-to-date ESG risk inventory and the dedicated involvement of the management. This is already being carried out in preparation for the implementation of the reporting requirements under the CSRD. As part of our materiality analysis, stakeholders were involved in structured interviews and contributed both qualitatively and quantitatively to determining our impacts, risks and opportunities. GRI 2-29

Measures and results

Governance

In developing a Group structure that is tailored to the company's growth targets, MEDICE is taking measures to strengthen governance and further develop the overarching organisational and operational structure as well as risk management. In 2023, it was decided to implement the People, Culture & Transformation management function. In 2024, Annick Berreur-Igersheim took over the role.

Compliance

Pharmacovigilance

As a pharmaceuticals company, MEDICE must adhere to pharmacovigilance requirements. The field is highly regulated and subject to regular reviews, and MEDICE is required to report side effects to the authorities.

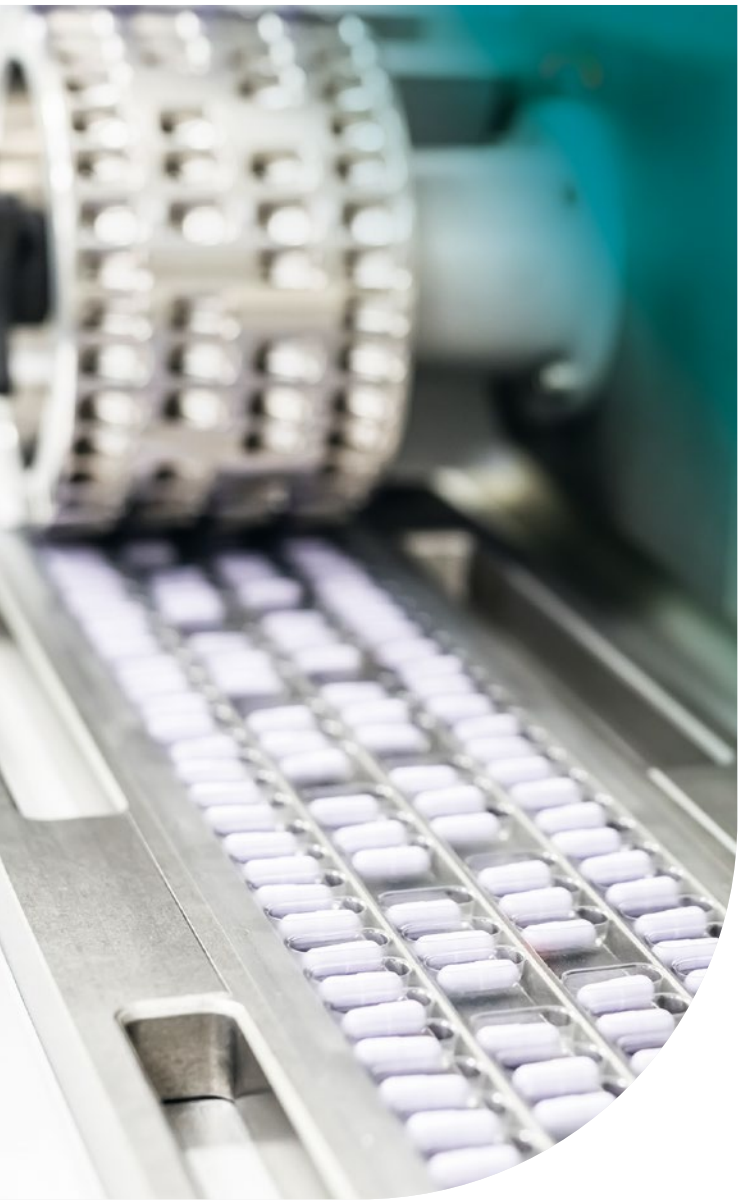
Pharmacovigilance is also relevant for the new business areas. Communications via social networks in connection with MEDICE's products pose a particular challenge here. As the business grows increasingly international, so does the required monitoring effort.

GRI 2-16
GRI 2-25
S1-3
S2-3
S3-3
S4-3

Compliance reporting system: Integrity Line

The EU Whistleblower Directive has been transposed into German law via the German Whistleblower Protection Act (Hinweisgeberschutzgesetz , "HinSchG"). MEDICE's Integrity Line is a structured, web-based whistleblower system. Concerns of misconduct affecting MEDICE Health Family companies or the well-being of employees and third parties can be reported quickly and easily. In addition, reports concerning our supply chain can be submitted in accordance with the German Act on Corporate Due Diligence Obligations in Supply Chains (Lieferkettensorgfaltspflichtengesetz, "LkSG"). The address is: https://MEDICE.integrityline.com.

Whistleblowers can be any person who has obtained information about violations of the law in a professional context. In particular, this includes MEDICE's employees, shareholders, members of management bodies, volunteers and unpaid interns. However, the reporting channel is also open to people who work for contractors, subcontractors or suppliers as well as other third parties, such as customers.



The system may not be used for false accusations, and the reporting of knowingly false information is prohibited.

Whistleblowers also have the option of submitting reports anonymously. Whether or not they avail themselves of this option, they can create a secure mailbox to enable further, protected communication. All reports are strictly confidential and are processed in accordance with the relevant privacy policy.

The primary aim is to report violations of German and European laws (section 2 HinSchG) in connection with professional or official activities. However, MEDICE also encourages employees to report violations of the MEDICE Code of Conduct and the MEDICE AKG Compliance Manual.

Violations of laws such as:

- product safety and conformity
- risk to life, limb and health, hazardous materials
- anti-trust and competition law violations (German Money Laundering Act (Geldwäschegesetz, "GWG"))
- data protection, environmental protection
- money laundering and terrorist financing
- punishable violations of German Medicinal Products Act (Arzneimittelgesetz, "AMG"), Medical Devices Act (Medizinproduktegesetz, "MPG") and Medical Products Advertising Act (Heilmittelwerbegesetz, "HWG")

Violations of internal policies:

- MEDICE AKG Compliance Manual
- MEDICE Code of Conduct
- AKG Code of Conduct

Examples of this could include false invoices, giving and accepting gifts, bribery, accepting benefits, price-fixing, skimming, data breaches, harassment, sexism, racism or other forms of discrimination.

GRI 406-1
GRI 408-1
GRI 409-1
S1-17

No reports of potential misconduct were received during the reporting period. We are not aware of any cases relating to the matters described above. Nor are we aware of any cases of discrimination or any form of violence or forced, compulsory or child labour.

GRI 2-26

Other reporting channels

MEDICE employees who have a concern that does not relate to a violation of the law, but they nevertheless consider serious, can report it through the following channels:

- Company suggestion box
- Internal Audit
- Works council
- HR department
- Company doctor

In some instances it may not be possible to guarantee anonymity.

NIS2 Directive

Cyber security requirements are being significantly tightened across Europe. The "Network and Information Security Directive (EU) 2022/2555" (NIS2 Directive) will significantly increase the number of companies that have to meet cyber security obligations. Because the implementation deadline is short – transposition into national law is expected from the second half of 2024 – MEDICE is already working to prepare for the new requirements under the NIS2 Directive.

GRI 2-24
ESRS 2
GOV-5

Risk management

In the 2023 financial year, management decided to implement a Group-wide enterprise risk management (ERM) system to expand the existing functional risk management processes and enable the systematic identification and assessment of corporate opportunities and risks. This ERM will be closely linked to the sustainability management system in order to establish a comprehensive ESG risk inventory by 2025. Stakeholders were involved in structured interviews as part of our materiality analysis and thus contributed both qualitatively and quantitatively to determining our ESG impacts, risks and opportunities. In 2024, we launched an extensive consultation with the internal departments regarding the financial significance of opportunities and risks. Through this holistic management approach, the company aims to significantly optimise its opportunity and risk management structures and improve its strategic and sustainable positioning.

Digital product information management

MEDICE introduced digital product information management (PIM) software in the 2022 financial year. The aim of this platform is to improve the quality and consistency of product data through centralised data processing and archiving. The Risk and Compliance Management department advocated for the introduction of this digital platform because it permits the documentation of approvals and the tracking of regulatory requirements. The underlying authorisation concept also prevents unauthorised changes to data. The regulatory requirements for mandatory texts and package inserts, which are vital from a product liability perspective, are particularly well protected.

Facts, figures, data

GRI 205-1
GRI 205-2
GRI 205-3
GRI 206-1
G1-3
G1-4

ESRS data point	Description	Value
G1-3 16	Number of in-person employee training sessions on prevention and discovery of corruption and bribery in 2023. Switched to online training sessions in 2024.	11
G1-4 24a	Number of convictions for violation of anti-corruption and anti-bribery laws	0
G1-4 24a	Amount of fines for violation of anti-corruption and anti-bribery laws	0
G1-4 25a	Total number and nature of confirmed cases of corruption or bribery	0
G1-4 25b	Number of confirmed incidents in which own workers were dismissed or disciplined for corruption or bribery-related incidents	0
G1-4 25c	Number of confirmed incidents relating to contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery	0
G1-4 25d	Information about details of public legal cases regarding corruption or bribery brought against undertaking and own workers and about outcomes of such cases	0

GRI 2-24
GRI 2-27

GRI 3-3

IT, data protection and information security

Context

The topic of information security can be roughly divided into the areas of IT security and data protection. IT security is concerned with ensuring the security of all information technologies used, including information processing and communications technologies, in order to protect information in general (e.g., business and trade secrets, patents, production processes). Data protection is all about protecting personal data, privacy and personal rights, as well as guaranteeing the constitutional right to informational self-determination.

Nowadays, any company that wants to maintain its competitive edge has to implement efficient, digital business processes and cannot relent in improving them. The ability to do this hinges on the ability to exchange necessary information securely. MEDICE systematically invests in the digitalisation of integrated service offerings, in internal processes and in an application-based software environment – in order to further enhance the efficiency of working processes and offer innovative, market-driven services. This affords us the utmost flexibility in our response to customer requirements. We attach paramount importance to data architecture and the protection of process and data security in order to maintain business continuity and comply with strict regulations.

G1 SBM-3

IROs and strategic effects

Impact: MEDICE handles sensitive data such as patient, employee or customer data, as well as process-related data, meaning that IT security and data protection play a significant role. The loss of such sensitive customer or patient data represents a potential negative impact and can lead to massive consequences for those affected. For this reason, great care is taken here – nevertheless, the risk of individual incidents occurring cannot be completely ruled out in the long term.

Risk: There is a risk of cyber attacks which materially restrict the company's ability to operate. Although MEDICE has been able to successfully fend off such attacks in the past, the dangers posed by cyber crime are increasing significantly, particularly for sensitive industries. MEDICE has its own IT department with qualified employees whose responsibility is to ensure information security at all times and contribute to business continuity.

Risk: A loss of data or a specific breach of the GDPR with the associated consequences represents a relevant financial risk, particularly when setting up new digital business models in the sensitive context of health.

Risk: Administrative, authorisation-related or even technical errors can disrupt operational IT systems, which can directly result in production and logistics stoppages. This represents a significant financial risk. Qualification, training, sensitive authorisation management and online monitoring of IT systems minimise the risk.

GRI 3-3

Concept and objectives

Our aim is to optimise the provision, continued development and protection of the IT infrastructure required in our complex and highly regulated business and production processes. The tasks involved range from the planning and control of production processes to the management of formulas and sensitive narcotics logistics requirements and ensuring the relevant communication with authorities in accordance with regulations. The management of procurement, production and logistics processes in accordance with the GxP concept, as well as ensuring and efficiently documenting compliance

with quality assurance regulations would be unthinkable today without state-of-the-art IT support and protection. Supply capability goes hand-in-hand with business continuity management.

In order to guarantee the necessarily high level of security, numerous validation processes are carried out with the involvement of the relevant departments. Processes are tested in a multitude of ways, and an active prevention system is maintained and documented. This is part and parcel of business continuity management. Document management is organised based on specific requirements and comprises the GxP-relevant area, which focuses on the measurement and documentation of "Changes, Deviations, CAPAs, SOPs", as well as the implementation/control of digital training courses.

In addition, the commercial information to be archived in an audit-proof manner in accordance with the "Principles for the proper management and storage of books, records and documents in electronic form and for data access" (GoBD) are dealt with in parallel. The GoBD has expanded the previous requirements, stipulating that the IT systems in use must properly account for and record business transactions. A business transaction itself can therefore only be proper if this also applies to all IT systems involved.

To that end, the GoBD contains minimum requirements for processes, systems, data security, the internal control system and procedural documentation. The third area of document management relates to a separate invoice receipt workflow. The introduction of SAP enterprise software will render these processes even more efficient.

As far as data protection is concerned, patient-related data is always treated confidentially. This applies in particular where pharmacovigilance and medigital are

concerned. The CFO/CDO is responsible for IT architecture and security as well as data protection. The great importance of information security for MEDICE is reflected in the existence of a monthly exchange between IT, IT Security, Data Protection, the Works Council, People & Culture and Quality Assurance. The Compliance Board also meets monthly to discuss information security and IT issues.

Measures and results

NIS2 Directive
The "Network and Information Security Directive (EU) 2022/2555" (NIS2 Directive) significantly expands the group of companies affected by cyber security obligations and noticeably tightens cyber security requirements. Because the implementation deadline is short – transposition into national law is expected from the second half of 2024 – MEDICE is already working to prepare for the new requirements under the NIS2 Directive. This concerns extended cyber security competencies and areas of application for sectors, obligations for management bodies, risk management measures, reporting obligations, official controls and other legal requirements, such as the Cyber Resilience Act.

Training courses
IT security and data protection are only as strong as the awareness and skills of the users. That is why we are constantly offering training courses and other awareness-raising activities. Employees are subjected to an examination process to gauge the success of the training units. Simulations such as phishing campaigns are also carried out to measure how vulnerable the company is to external cyber threats. We work with external service providers to bring outside expertise into the company.

SAP introduction
The IT requirements associated with the GXP concept are met on a regular basis. Backup structures and project processes are randomly examined in audits.

In developing a Group structure that is tailored to the company's growth targets, MEDICE is taking measures to adapt the existing IT structures. It was decided in 2023 to introduce SAP enterprise software, and this is currently in progress.

IT service structure
A new architecture for internal IT services was set up in the 2023 reporting period. This includes a new ticketing system for each in-house service case, which tracks and evaluates the timely and correct execution of the service. Software and hardware asset and licence management are also included. IT service management is already making a positive contribution in terms of service performance and infrastructure.

Other relevant projects included the introduction of "middleware" for data integration and automation based on the "single point of truth" principle. Furthermore, a product portfolio management system was set up for the IT area. In particular, this will optimise compliance requirements and resource planning and management of external support. The logistics centre, which will go into operation in autumn 2024, will be accompanied by extensive testing and validation processes on the IT side.

GRI 418-1

Facts, figures, data

Phishing simulation throughout 2023 for the entire MEDICE workforce
Dedicated digital training on the topics of data exchange and internet use
Audit of the subsidiaries' information security status
Internal audit of the IT department

ENVIRONMENT

In this section, we discuss how our responsibility for the environment determines how we operate as a company. How do our actions contribute to climate change, to pollution? How do we affect biodiversity and ecosystems? How can we make a difference through our use of resources and what role does the circular economy play?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ENVIRONMENT
MEDICE's contributions to the SDGs

The forward-looking nature of our management approach in the "Environment" field of action has become our basis for decision-making. We proactively look for solutions, take measures and try to motivate third parties to play their part in protecting the environment. At MEDICE, we have taken the first steps to further develop our healthcare solutions holistically, also taking ecological aspects into account. In the field of "Environment" we contribute to the achievement of the following United Nations Sustainable Development Goals:

Core contributions to SDGs

SDG 13: Take urgent action to combat climate change and its impacts.

Today, climate change affects every country on every continent and has a negative impact on the health of millions of people. Climate change has direct negative impact on health, for example through rising temperatures and humidity. Indirectly, the allocation of economic resources to address crises and promote long-term climate resilience measures prevents important investment in healthcare. The poorest and most vulnerable are hit hardest by this.

MEDICE therefore believes that it has a duty to pursue and promote a structured decarbonisation pathway across its entire value chain. Although our company does not operate energy-intensive sites, potential savings can be made at every link of the value chain. The focus here is on the use and in-house generation of renewable energy, increasing energy efficiency in production, procurement, transportation and logistics as well as sustainable travel and event activities.

SDG 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

Healthy living and sustainable development depend on intact ecosystems. The destruction of marine and terrestrial ecosystems has severe consequences. At MEDICE, we are committed to protecting, preserving and restoring biodiversity by conserving natural resources, increasing material efficiency and reducing or even eliminating waste.

MEDICE and the Schaper & Brümmer Phytocompetence Centre rely to no small extent on the availability of active plant ingredients, including those from wild collection. The evidence-based effect of phytopharmaceuticals is partly the result of complex combinations of active ingredients, the synthesis of which can sometimes pose major problems. In this respect, it is in our interest to protect the relevant habitats in order to maintain the long-term availability of our raw materials. We are only just beginning to understand the possibilities and necessities within the complex interrelationships of local and global ecosystems.

Relevant contribution to SDGs

SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.

Technological progress and digitalisation represent the foundation on which we are able to achieve global sustainability goals, such as improved resource and energy efficiency. Without technology and innovation there can be no industrialisation, and without industrialisation there can be no development. More investment must be made in high-tech products in order to increase resource efficiency. MEDICE is making an important contribution in this context by developing innovative healthcare solutions.

Climate change

Context

The MEDICE Health Familiy takes a multidimensional approach to health, which emphasises the crucial importance of a healthy environment because preventative healthcare requires an intact environment. Climate change is one of the greatest challenges of our time and represents an existential threat not only to society and the economy, but also to human health. Increasingly extreme temperatures pose a health risk, particularly for vulnerable groups such as the elderly, pregnant women, children and people with chronic illnesses – even in temperate climate zones. Climate change now affects every area of life. We as a society must come to terms with new approaches to working, leisure, mobility and nutrition. There can be no doubt that this also poses enormous challenges for the healthcare sector.

Our contribution to the transformation towards a regenerative, decarbonised economy lies along our entire value chain, which essentially consists of our upstream supply chain, our own facilities and, to a lesser extent, the life cycle of our products during use and disposal.

Energy-related greenhouse gas emissions contribute significantly to the adverse environmental and social impacts. This also applies to MEDICE's own production and administrative activities, particularly along its upstream value chain.

E1 SBM-3

IROs and strategic effects

Impact: MEDICE contributes to the worldwide problem of man-made global warming mainly through the indirect emissions associated with its upstream value chain and the direct emissions from the use of fossil fuels to generate heat and operate its vehicle fleet. This impact is considered significant.

Risk: As a company in the pharmaceutical sector, MEDICE has a duty to comply with specific production conditions. Thanks to measures already implemented, MEDICE believes that there is a minor risk that climate change-induced temperature spikes will cause temperature tolerances to be exceeded during transportation, storage and production. At Schaper & Brümmer this risk is considered to be medium. The company faces a negative financial impact stemming from the need to adopt climate adaptation measures such as insulation, air conditioning and associated energy costs.

Risk: The medium-term climate risk for production sites in India and China is on the rise. This can have a significant impact on the availability of primary products, active ingredients and materials. The risk of the physical effects of climate change causing supply chain disruptions or shortages of active ingredients or precursors is considered high due to the increasing frequency of extreme weather events.

Risk: MEDICE – in particular Schaper & Brümmer – depends to some extent on the availability of plant-based active ingredients. There is a physical risk that the growing conditions for the relevant plants will deteriorate as a result of global warming, thus limiting the availability of these active ingredients.

Risk: There is a financial and regulatory risk that climate change could alter the composition of the active ingredients in the drugs, which would require a critical review of approvals.

Opportunity: By developing and implementing a decarbonisation strategy and transformation concept, there is an opportunity to exert a positive influence on the company's ESG rating from banks. This could result in more favourable financing conditions.

Opportunity: The positive financial impact on the company through the reduction of climate-harming emissions is rated as high, because although the purchase decisions are made based on product effectiveness, the connection between climate protection and health can be presented plausibly: "Climate protection is health protection".

Measures to further reduce emissions can have an economic impact, as they involve investments that have not yet been calculated. Carbon pricing can become a relevant factor in investment decisions. Accordingly, we will decide whether it is expedient to set an internal carbon transfer price, although the risk of misallocation in investment decisions can be considered low if a shadow carbon price is not factored in. The issue is well known. Electricity from renewable sources is already purchased at both the Iserlohn and Salzgitter sites and the share of energy costs is not very high. On the whole, we currently believe that our cost risks are low as far as the carbon price trend is concerned. E1-8

GRI 3-3
E1-1
E1-2
E1-4

Concept and objectives

Our aim is to contribute to the achievement of the United Nations international sustainability goals. This will require the development and implementation of a decarbonisation strategy and transformation plan, the specific details of which will be fine-tuned in the years to come.

The range of available measures merely begins with the offsetting of unavoidable emissions, and we are well aware of uncertainties relating to offset certificates. To begin with, we believe that our best prospects lie in avoidance and reduction concepts.

Measures and results

GRI 305-5 Every energy management measure that helps to reduce our use of fossil fuels reduces our carbon footprint. To reduce this even further, we will continue to calibrate our energy management methods and take regular snapshots of our net carbon emissions. We are working on a range of measures as we strive to develop a sustainable decarbonisation pathway. We will present our progress in both areas in our sustainability reporting going forward.

Connection to the district heating network and shutdown of CHP plant

After concluding a painstaking planning phase, we undertook efforts to link up with the district heating network in the autumn of 2023. This next phase will help to drive forward local grid expansion. The construction work is slated for completion by the end of 2024, culminating in a significant reduction in direct carbon emissions at the site beginning in 2025. In connection with this, the gas-powered CHP units were taken offline as local heat and power generators. This will already impact our carbon footprint for the year of 2024. The instalment of additional PV systems has already begun to narrow the electricity supply gap.

Remote Work

MEDICE offers its employees the option of remote work. This often helps to bring down CO_{2eq} emissions by enabling people to avoid travel.

Reusable transport box

One example of how we have managed to reduce our Scope 3 emissions is the introduction of a reusable transport box, which eliminates the need for up to 120,000 packages per year.

Employee mobility

The management has also introduced the option of e-mobility into the employee vehicle fleet. The terms of use will be set out in a works agreement in 2024 and the option implemented in 2025. Employees will be able to choose between electric and internal combustion engines when they select their company car. The Iserlohn site offers four charging points operated by its municipal utility, Stadtwerke Iserlohn. An additional 18 proprietary charging points, some of which will be fed by the installed PV systems, are slated to go live in October 2024. In addition, job bikes are used extensively throughout the Group. A charging station for e-bikes is available in Iserlohn.

E1-3 Facts, figures, data

Emissions

The Greenhouse Gas (GHG) Protocol is the global standard for reporting corporate greenhouse gas emissions. It was developed jointly by the World Resources Institute (WRI) and the World Business Council on Sustainable Development (WBCSD) and is based on the principles of financial accounting. The GHG Protocol defines guidelines for accounting for net organisational and operational greenhouse gas emissions. It divides emissions into three scopes. Scope 1 comprises direct emissions, e.g. from the company's own combustion and refrigeration plants; Scope 2 relates to emissions associated with the generation of purchased energy (e.g. electricity, district heating, etc.) outside the company; and Scope 3 relates to emissions from third parties in the upstream and downstream value chain.

The seven greenhouse gases covered by the Kyoto Protocol are taken into account when calculating emissions: Carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O) and fluorinated greenhouse gases (F-gases), such as HFCs, PFCs, SF_6 and NF_3. In addition, the relevant emissions from volatile organic compounds (VOCs) and the loss of refrigerants were taken into account. The calculation of energy consumption was based on the financial year, the period from 1 January 2023 to 31 December 2023. All figures refer to CO_2 equivalents (CO_{2eq}).

GRI 305-1
E1-6

Scope 1

Scope 1 includes the climate-harming emissions from the gas consumed by the heating and air conditioning units of the two combined heat and power plants and the steam generators at the Iserlohn site, the oil consumed for heating at the Salzgitter site, the gas procured directly for rented office space for the foreign offices, the emissions from the fuel consumed by the entire vehicle fleet and machinery as well as the emissions of volatile gases (VOCs, mainly ethanol and isopropanol) and refrigerants.

Emissions from the consumption of the fossil fuels crude oil, natural gas, diesel and petrol were calculated using the emission factors of the Federal Office for Economic Affairs and Export Control (Bundesamt für Wirtschaft und Ausfuhrkontrolle, "BAFA") "Informationsblatt CO_2-Faktoren", version 2.9 dated 1 November 2023, while VOC emissions were calculated using DEFRA emission factors (2007). No refrigerant losses were identified in the reporting period. Scope 1 emissions amounted to 4,365.6 t CO_{2eq} in the reporting period.

GRI 305-2

Scope 2

Scope 2 includes the CO_{2eq} emissions from the electricity procured for the two production sites in Germany and the sites abroad, the electricity procured for electric vehicles and the CO_{2eq} emissions from the heating of rented premises and properties in Germany and abroad. The Scope 2 emissions from procured electricity were calculated on a market-related basis using the information provided by the electricity suppliers. The location-based Scope 2 emissions were calculated using the official average values for the respective countries. Scope 2 emissions in 2023 amounted to 13.2 t CO_{2eq} market-based and 2,609.6 t CO_{2eq} location-based. The market-based value is comparatively low, mainly because 99.2% of electricity was generated from renewable sources.

GRI 305-3

Scope 3

System limitations and general conditions

The system limitations for the Scope 3 calculation cover the economic activities of MEDICE, Schaper & Brümmer and all international subsidiaries in 2023 in their upstream and downstream value chain. The organisational limitations determine the allocation of emission sources to the company and their classification under the Scope 3 categories. For the greenhouse gas inventory presented in this report, the organisational limitations are based on financial control. Under the financial control method, all emissions over which the organisation has financial control are included in the inventory.

The results presented in this report for the individual Scope 3 categories were calculated using various methods and follow the requirements and methods of the GHG Protocol for corporate accounting and reporting. The process initially identified the material and applicable Scope 3 categories, agreed the context and structured and coordinated the collection of data.

Methodology for the CCF Scope 3 calculation

The calculation of the Scope 3 inventory takes into account the greenhouse gases covered by the Kyoto Protocol and other gases with an impact on the climate (based on the ecoinvent database (version 3.10) with the IPCC 2021 GWP 100a impact assessment method). The emission factors for the calculation stem from various sources for which an internal list is available.

Accounting methods and emission factors

The methods used for accounting and the sources of the emission factors for the individual Scope 3 categories examined are listed below. Of the total of 15 categories in Scope 3, all upstream categories were considered (3.01 – 3.08) and three of the downstream categories. As no active ingredients are currently sold on to other companies and all products are finished medicines or products, no further processing takes place. Of the downstream categories, downstream transportation and distribution (3.09), use of sold products (3.11) and end-of-life treatment of sold products (3.12) were therefore considered.

GRI 305-3
E1-6

LIST OF THE ACCOUNTING METHODS USED AND SOURCES OF THE EMISSION FACTORS

Scope 3 categories	Accounting methods	Sources of emission factors
3.01 Purchased goods and services	Hybrid: • Spend-based • Activity data-based	• Exiobase, 2019 • U.S. Government (EPA) • ecoinvent database (Version 3.10)
3.02 Capital goods	• Spend-based	• UK Government (BEIS/DEFRA 2023) • U.S. Government (EPA)
3.03 Fuel- and energy-related activities	• Activity data-based	• UK Government (DEFRA 2023)
3.04 Upstream transportation and distribution	• Supplier-specific • Activity data-based	• UK Government (DEFRA 2023) • ecoinvent database (Version 3.10)
3.05 Waste generated in operations	• Activity data-based	• UK Government (DEFRA 2023) • ecoinvent database (Version 3.10)
3.06 Business travel	• Supplier-specific	• Calculation of MEDICE's carbon foot-print
3.07 Employee commuting	• Distance-based	• UK Government (DEFRA 2023)
3.08 Upstream leased assets	• Activity data-based	• UK Government (DEFRA 2023)
3.09 Downstream transportation and distribution	• Distance-based • Scenario-based	• UK Government (DEFRA 2023)
3.11 Use of sold products	• Scenario-based • Distance-based	• UK Government (DEFRA 2023) • U.S. Government (EPA) • ecoinvent database (Version 3.10)
3.12 End-of-life treatment of sold products	• Waste output-specific	• ecoinvent database (Version 3.10)

The total Scope 3 emissions across the 11 categories* examined was 23,289.6 tCO_{2eq}. Purchased goods and services (Scope 3.01) accounted for 63.86% of that total amount. Capital goods (Scope 3.02) accounted for the second-largest portion of that amount at 13.56%, followed by employee commuting (Scope 3.07) at 5.25% and upstream transportation and distribution (Scope 3.04) at 4.36%.

The calculated Scope 1, 2 and 3 emissions for financial year 2023 are presented below. These Scope 3 emissions comprise the 11 Scope 3 emissions of relevance to MEDICE and Schaper & Brümmer.

Emissions intensity GRI 305-4

The market-based intensity for Scope 1 and 2 emissions per MWh consumed amounted to 0.175 tCO_{2eq}/MWh and for Scope 1, 2 and 3 combined, that figure was 1.11* tCO_{2eq}/MWh.

The intensities for Scope 1 and 2 emissions of 11.0 tCO_{2eq} per EUR 1 million in revenue and Scope 1, 2 and 3 of 69.5* tCO_{2eq} per EUR 1 million in revenue are relatively low for the industry.

* When determining the Scope 3 emissions for the 2023 financial year, an excessively high figure was calculated and published for category 3.01 "Purchased goods and services". As of the 13th of March 2025 the error has been corrected in this updated version of the report. The related key figures have also been updated.

GRI 305-3
E1-6

CO_2 EMISSIONS

Scope	Quantity	Unit	Share
Scope 1: direct emissions	**4,365.60**	**tCO_{2eq}**	**15.78 %***
Scope 2: indirect emissions from the generation of purchased energy			
Market-based	**13.20**	**tCO_{2eq}**	**0.05 %***
Location-based	2,609.60	tCO_{2eq}	
Scope 3: Indirect emissions associated with the upstream and downstream value chain	**23,289.60***	**tCO_{2eq}**	**84.17 %***
Scope 3.01 Purchased goods and services	14,872.60*	tCO_{2eq}	63.86 %*
Scope 3.02 Capital goods	3,157.40	tCO_{2eq}	13.56 %*
Scope 3.03 Fuel- and energy-related activities	852.50	tCO_{2eq}	3.66 %*
Scope 3.04 Upstream transportation and distribution	1,016.10	tCO_{2eq}	4.36 %*
Scope 3.05 Waste generated in operations	335.60	tCO_{2eq}	1.44 %*
Scope 3.06 Business travel	160.80	tCO_{2eq}	0.69 %*
Scope 3.07 Employee commuting	1,222.50	tCO_{2eq}	5.25 %*
Scope 3.08 Upstream leased assets	25.20	tCO_{2eq}	0.11 %*
Scope 3.09 Downstream transportation and distribution	688.50	tCO_{2eq}	2.96 %*
Scope 3.10 Processing of sold products	n/a	tCO_{2eq}	0.00 %*
Scope 3.11 Use of sold products	731.90	tCO_{2eq}	3.14 %*
Scope 3.12 End-of-life treatment of sold products	226.50	tCO_{2eq}	0.97 %*
Total Scope 1 and 2	**4,378.80**	**tCO_{2eq}**	**15.83 %***
Total Scope 1, 2 and 3	**27,668.40***	**tCO_{2eq}**	**100.00%**

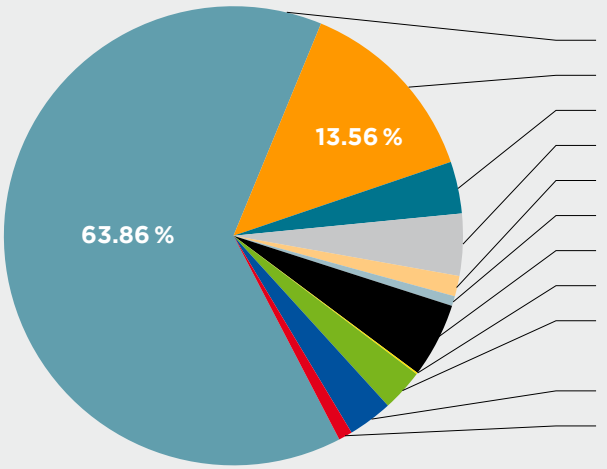
EMISSIONS INTENSITY (MARKET-BASED)

GRI 305-4

Scope	Quantity	Unit
Scope 1 and 2 emissions in relation to MEDICE Group revenue	**11.0**	**tCO_{2eq}/EURm revenue**
Scope 1 and 2 emissions in relation to MEDICE Group revenue (Iserlohn)	9.7	tCO_{2eq}/EURm revenue
Scope 1 and 2 emissions in relation to Schaper & Brümmer revenue (Salzgitter)	21.2	tCO_{2eq}/EURm revenue
Scope 1, 2 and 3 emissions in relation to MEDICE Group revenue	**69.5***	**tCO_{2eq}/EURm revenue**
Emissions intensity for Scope 1 and 2 per MWh consumed by MEDICE Group, incl. foreign locations	**0.175**	**tCO_{2eq}/MWh**
Emissions intensity for Scope 1 and 2 per MWh consumed by MEDICE Group (Iserlohn)	0.174	tCO_{2eq}/MWh
Emissions intensity for Scope 1 and 2 per MWh consumed by Schaper & Brümmer (Salzgitter)	0.168	tCO_{2eq}/MWh
Emissions intensity for Scope 1, 2 and 3 per MWh consumed by MEDICE Group	**1.11***	**tCO_{2eq}/MWh**
Scope 1 and 2 emissions per packaging item produced by MEDICE Group	**0.120**	**$kgCO_{2eq}$/packaging item produced**
Scope 1 and 2 emissions per packaging item produced by MEDICE (Iserlohn)	0.111	$kgCO_{2eq}$/packaging item produced
Scope 1 and 2 emissions per packaging item produced by Schaper & Brümmer (Salzgitter)	0.152	$kgCO_{2eq}$/packaging item produced

GRI 305-3

SHARE OF MEDICE'S SCOPE 3 EMISSIONS (%)*



- **63.86 %** – 3.01 Purchased goods and services
- **13.56 %** – 3.02 Capital goods
- **3.66 %** – 3.03 Fuel- and energy-related activities
- **4.36 %** – 3.04 Upstream transportation and distribution
- **1.44 %** – 3.05 Waste generated in operations
- **0.69 %** – 3.06 Business travel
- **5.25 %** – 3.07 Employee commuting
- **0.11 %** – 3.08 Upstream leased assets
- **2.96 %** – 3.09 Downstream transportation and distribution
- **0.0 %** – 3.10 Processing of sold products
- **3.14 %** – 3.11 Use of sold products
- **0.97 %** – 3.12 End-of-life treatment of sold products

Energy

Context

The responsible use of energy goes far beyond the purely financial aspects and concerns key principles of decarbonisation, competitiveness, security of supply and sustainability. Efficient energy use is also closely linked to ensuring product safety and public health, while at the same time making a significant contribution to combating climate change.

For MEDICE, the sensible use of energy and a commitment to climate protection are therefore fundamental principles. These go hand in hand with structured energy management, which includes targets for increasing energy efficiency and the use and generation of energy from renewable sources.

Although energy costs account for a relatively small share of MEDICE's total costs, energy efficiency and the use of renewable energy are important issues. Energy-intensive processes are used to ensure quality standards, particularly due to the strict regulatory requirements for production processes, intralogistics and storage. Maintaining sterile production environments, consistent compliance with cold chain requirements for temperature-sensitive raw materials, excipients, active ingredients and medicines as well as the energy supply for laboratories are essential. This leads to a significant energy requirement that is directly linked to the requirements of supply and product safety and therefore to the issue of health.

In addition, increasing energy efficiency and decarbonising the energy used is the most effective way to avoid climate-harming emissions and thus prevent further man-made climate change. Vulnerable segments of the population benefit in particular from climate protection and prevention of climate-related health risks.

E1 SBM-3

IROs and strategic effects

Impact: As a manufacturer, MEDICE has a negative impact on the environment through its energy consumption. This applies in particular to the use of fossil fuels for heat and steam generation at the Group's facilities in Iserlohn (natural gas) and Salzgitter (oil) as well as the use of petrol and diesel to operate the vehicle fleet. In the knowledge that health and an intact environment are inexorably interlinked, energy consumption – and in particular the consumption of non-renewable energies – is considered an important negative impact.

Risk: The negative financial impact of a potential energy supply shortfall is considered to be high. In times of crisis, energy supply uncertainties are associated with higher costs.

Risk: While energy costs are not currently a dominant cost factor, price volatility has certainly influenced earnings. The negative financial impact on the company is estimated to be low due to the rather low share of costs attributable to energy. However, it is difficult to assess volatility in energy procurement caused by uncertain supply due to international conflicts.

GRI 3-3
E1-2
E1-4

Concept and objectives

Energy management in accordance with ISO 50001
At its Iserlohn site, MEDICE has implemented an ISO 50001-certified energy management system under which the improvement and optimisation targets are agreed at quarterly meetings of the energy team. There is also an employee suggestion box. Energy management is currently being introduced at the Salzgitter facilities, including the monitoring of energy consumption. The objectives are to reduce dependency on the energy market by increasing the generation and use of renewable energy, decarbonising the heat supply at the Iserlohn site and pooling energy purchasing.

The following strategic energy targets have been set for Iserlohn for the period 2023–2025:

- Further improvement in GHG emissions – savings of 500 tCO_2 compared to financial year 2022
- Energy savings: heat and electricity – 5% compared to financial year 2022
- Expansion of energy self-sufficiency – increase of 5% compared to financial year 2022

At present, the strategic energy goals for the Salzgitter location are being developed in connection with the implementation of the energy management system; these objectives also include plans to switch heat generation methods.

The focus is on further increasing energy efficiency and generating more renewable energy to protect the climate. MEDICE continuously records and analyses energy consumption in order to obtain a transparent picture of consumption structures and – where relevant – to consistently reduce consumption. We are increasing our ability to generate and use renewable energy.

When developing our properties, we use the potential of renewable energy as part of an integrated energy concept. There is a clear difference between the energy performance of our new buildings and our existing buildings – we are aware of the need for action here. In addition to increasing energy efficiency, the focus is on thermal comfort in winter and summer, combined with an intended increase in employee satisfaction in the workplace.

E1-3

Measures and results

In recent years, MEDICE has already implemented significant measures to save energy and reduce its carbon footprint at the Iserlohn site and can already look back on significant successes in increasing energy efficiency. Despite an increase in revenue of around 20%, energy consumption has recently remained at a constant level. This trend continued in 2023.

In 2016, the specific figures for electricity and gas consumption there per packaging item produced was 0.33 kWh_{el} and 0.70 kWh_{th}, respectively. By contrast, in 2022 those figures fell to 0.26 kWh_{el} and 0.56 kWh_{th} per packaging item. This translates to a 23.3% and 20.3% jump in specific energy efficiency over a period of six years. During the reporting period, specific electricity and gas consumption amounted to 0.19 kWh_{el} and

0.32 kWh_{th} per packaging item. This translates to a further jump in specific energy efficiency by 25.7% and 42.6%. The increase was due to technical and organisational energy-saving measures which were implemented at the same time that plant capacity was increased.

On 1 January 2023, MEDICE also switched over to 100% electricity from renewable energy sources at the Salzgitter location (Schaper & Brümmer). This meant that during the reporting period all of the electricity procured by MEDICE from Stadtwerke Iserlohn for its two production facilities in Iserlohn and Salzgitter was generated using renewable sources.

The following measures were initiated or fully implemented to achieve the Iserlohn location's strategic energy goals:

GRI 302-4

- Connection to the Stadtwerke Iserlohn district heating network
- Expansion of PV plant
- Expansion of e-mobility
- Hydraulic balancing of heating system
- Conversion to LED lighting at facility
- Optimisation of office and administration building corridor lighting with new lighting calculations (floor lamps & motion sensors)
- Installation of smart radiator valves
- Optimisation of HVAC system by changing operating times

The introduction of the energy management system meant continued efforts to plan measures to increase energy efficiency and reduce the use of fossil fuel at the Salzgitter location. The new buildings at the Iserlohn location adhere to strict energy standards and a number of these buildings were constructed and certified in accordance with the principles of the German Sustainable Building Council (DGNB). Both the new administration building and the new shipping centre met state-of-the-art energy efficiency standards. In every building, measures have been implemented to reduce energy consumption, such as the installation of motion sensors and improved lighting management.

In 2023, the specific planning and commissioning work commenced with respect to the district heating plant capable of approximately 1,000 kW output. The connection is set to go live in the autumn of 2024. At the same time, in 2023 a comprehensive hydraulic balancing of the heating and cooling system was performed and smart heating management was implemented.

In early 2023, it was decided to invest in a further 1,000 kW on open spaces, rooftops and infiltration basins (rainwater retention basins) in addition to the existing 330 kW PV system. On the Iserlohn quality control laboratory annex alone, 440 kW will be installed on the roof. A PV system will be installed on a support structure on the infiltration basin in summer 2024.

Outlook

Extensive measures to manage the energy transition are being planned or are already being implemented at the Iserlohn site: the district heating connection will be completed in 2024. There are plans to install additional PV modules on open spaces, and PV systems will be installed on the rooftops of production and logistics halls wherever possible. The gas-powered CHP plant was shut down at the end of 2023 to ensure lower-emission operation. A 1,000 kW backup gas burner was also replaced. Together, these measures will also contribute to energy savings and a further increase in energy efficiency in 2024, with the corresponding savings in GHG emissions.

It is assumed that the implementation of the energy management system at the Salzgitter site, combined with the definition of ambitious targets and the development of corresponding measures, will lead to significant improvements in energy efficiency. In addition, energy from fossil sources will be saved and our carbon footprint in Salzgitter reduced.

Facts, figures, data

GRI 302-1
E1-5

Energy consumption

MEDICE's total energy consumption at every one of its locations, including the foreign branches, amounted to 24,374 MWh during the reporting period. The energy consumption figures were recorded and calculated using a uniform method across the Group. In individual cases, the electricity and heating needs at the foreign offices were estimated based on averages for the square metres leased.

The main share of total energy consumed (51.6%) is used for heat and steam generation and includes gas consumption at the Iserlohn site (10,383 MWh, 42.5%), oil consumption at the Salzgitter site (2,174 MWh, 8.9%) and the heat supply of the foreign branches (44 MWh, 1.8%) through gas heating and district heating.

The vehicle fleet consumed 6,262 MWh (25.3%), of which 85 MWh (1.3%) was used by third parties for e-mobility. At the production sites, the electric vehicles are charged using the on-site power supply. Electricity consumption amounted to 5,614 MWh (23.5%), with 99.1% (5,562 MWh) from renewable sources. Of that, 4.2% was generated and consumed at the Iserlohn site using the company's own photovoltaic systems. Overall, energy from renewable sources accounts for 22.9% of total energy consumption. The individual consumption figures and the share of the total they represent are shown in the table below.

GRI 302-3

The energy intensity in the reporting period is calculated by dividing the total energy consumption of 24,969 MWh by the total revenue of EUR 398 million. This amounted to 62.7 MWh/ EUR million in revenue.

GRI 302-1
GRI 302-2
E1-5

ENERGY CONSUMPTION IN 2023

	MEDICE The Health Family		Iserlohn location		Salzgitter location		Foreign offices	
	MWh	%	MWh	%	MWh	%	MWh	%
Electricity consumption (total, incl. from CHP plants)	**7,686**	**-**	**6,129**	**-**	**1,501**	**-**	**56**	**-**
of which for e-mobility	85	1.1%	43	0.7%	-	-	41	74.7%
of which generated internally by PV	238	3.1%	238	3.9%	-	-	-	-
of which generated internally by CHP plants*	1,470	19.1%	1,470	24.0%	-	-	-	-
Electricity purchased or generated internally by PV*	**6,215**	**24.9%**	**4,659**	**22.7%**	**1,501**	**39.3%**	**56**	**8.6%**
of which renewable	6,163	99.2%	4,659	100.0%	1,501	100.0%	3	6.2%
Petrol consumption for own or leased vehicles	**439**	**1.8%**	**132**	**0.6%**	**0**	**0.0%**	**307**	**47.4%**
Diesel consumption for own or leased vehicles	**5,739**	**23.0%**	**5,353**	**26.1%**	**145**	**3.8%**	**241**	**37.3%**
Gas consumption*	**10,377**	**41.5%**	**10,359**	**50.5%**	**-**	**-**	**19**	**2.9%**
Oil consumption	**2,174**	**8.7%**	**-**	**-**	**2,174**	**56.9%**	**-**	**-**
District heating/cooling	**25**	**0.1%**	**-**	**-**	**-**	**-**	**25**	**3.9%**
Total energy consumption (share)	**24,969**	**100.0%**	**20,502**	**82.1%**	**3,820**	**15.3%**	**647**	**2.6%**
of which renewable	-	24.8%	-	22.7%	-	39.3%	-	0.5%

*The energy used to generate electricity at the CHP plants in Iserlohn is included in the figure for gas consumption.

GRI 302-4

INCREASE IN SPECIFIC ENERGY EFFICIENCY IN ISERLOHN

	2016		2022		2023		Efficiency increase 2022/23	
	Electricity kWh_{el}/pkg.	Gas kWh_{th}/pkg.	Electricity kWh_{el}/pkg.	Gas kWh_{th}/pkg.	Electricity kWh_{el}/pkg.	Gas kWh_{th}/pkg.	Electricity kWh_{el}/pkg.	Gas kWh_{th}/pkg.
GRI 302-5 **Energy consumption (electricity** and gas***)/ packaging item produced**	**0.33**	**0.70**	**0.26**	**0.56**	**0.19**	**0.32**	**25.7%**	**42.6%**

**incl. internally generated electricity from CHP plants ***incl. gas consumption at CHP plants

Charging points:
22
from 2024 onwards

Mobility and logistics

Context

In Iserlohn, the logistics and shipping departments manage the processes required to meet market demand and maintain and expand the building infrastructure.

At the fully automated central warehouse, which features around 10,000 pallet spaces, goods delivery for production, internal logistics for the specific steps in the production process and dispatch – including control of order picking for final delivery to the customer – all come together. State-of-the-art conveyor technology and digital control enable goods to be supplied almost autonomously from the relevant departments for production and packing. They are transferred at predefined interfaces. Every order – whether triggered directly by the customer or via the sales force – is received by Customer Service and processed in a timely manner.

In addition, business trips, which are indispensable in sales and management, and employees' commutes to work are further key aspects of mobility.

E1 SBM-3 IROs and strategic effects

Impact: Shipping is resource-intensive. It pollutes the environment both through energy consumption and the associated emissions of climate-harming gases as well as through particulate matter caused by soot and tire abrasion.

Impact: Business trips, the number of which is increasing due to growing internationalisation, also have a negative impact on the environment. Sales force business trips are part of sales.

Opportunity: The use of electric vehicles, e.g. by the sales force, offers the opportunity to effectively underline the authentic positioning of the brand and MEDICE Health Family as a responsible company with a holistic approach to health. In our view, the choice of vehicle is also an indicator of the credibility and seriousness of the sustainability concept in the medium to long term.

Opportunity: The positive financial impact on the company of optimising performance and thus reducing emissions by tracking and managing the relevant logistics and transport KPIs is considered to be medium. Fleet and route optimisation via AI can represent relevant cost-cutting potential in the future.

GRI 3-3 E1-2 E1-4 Concept and objectives

Our aim is to avoid or reduce the environmental impact of mobility to the furthest extent possible. In keeping with the times, meetings, training sessions and courses are now often held digitally and online. This has led to a significant reduction in business travel.

One key aspect of mobility and carbon emissions is traffic in the context of sales activities by our own sales force. Over 200 diesel and petrol-powered cars represent a relevant mobility factor. Due to the high daily mileage driven by some members of the sales force and the fact that availability of corresponding electric vehicles and charging infrastructure remains inconsistent, the possibilities offered by e-mobility are still limited at present. However, we see the importance of a sustainable mobility concept, particularly as a signal to our stakeholders and business partners.

Other relevant traffic is caused by the shipment of goods in the distribution chains.

Our central logistics infrastructure was built with high standards of quality and flexibility and also combines process reliability with high cost efficiency during operation. The focus is always on needs-based and punctual delivery and the associated high level of service orientation to maintain and increase customer satisfaction, which we measure using a structured approach. In Germany, goods are delivered via a central freight forwarder, while in our international markets five to six freight forwarders are responsible for handling deliveries by road, air or sea. All are GDP-certified and regularly audited. A further 12 specialised logistics service providers worldwide take on additional order picking functions on site.

Although these transports can be continuously optimised through complex logistics management, they can never be completely avoided. In-sourcing in the area of goods dispatch makes it easier to control the implementation of sustainable concepts in logistics. This creates potential for efficiency gains in goods dispatch, which we expect to have a direct and significant impact on saving resources by reducing complaints and returns.

Employees commuting to work also contributes to MEDICE Health Family's mobility volumes. This is influenced by the location and rural character of the areas surrounding the two sites in Iserlohn and Salzgitter. The Iserlohn location is moderately well connected to public transportation, but has good connections to the highway, while the Salzgitter location has very good rail connections. Flexible working hours and home office phases for office activities further reduce commuter traffic. In the near future, we will be offering electric vehicles for environmentally and climate-friendly employee mobility. Management has decided that these will also be available in the employee fleet; a works agreement will regulate this option in 2024 so that it can be implemented in 2025.

E1-3 Measures and results

By shipping goods centrally from Iserlohn, considerable shipping efficiencies are also realised for Schaper & Brümmer products. The successful introduction of reusable transport boxes for shipping goods to pharmacies also reduces the burden on the environment.

Following a dedicated survey of around 1,000 pharmacy customers and compelling feedback, we joined the Transoflex reusable box system in 2023. We were motivated less by cost aspects than by what we consider to be the sustainability performance of the concept. The returns system and the multiple use of the plastic boxes mean that resources can be saved on disposable cardboard packaging. The contractual partners also agree to offset the emissions generated over the "last mile" by means of a carbon levy.

Going forward, employees will be able to choose between electric and internal combustion engines when they select their company car. Four charging points operated by the municipal utilities will be in place on the Iserlohn site in 2023, with a further 18 of the company's own points expected to be in operation by October 2024, partly powered by the installed PV systems. This will require the use of a 10 KVA transformer.

In addition, job bike offers are used extensively throughout the Group and a charging station for e-bikes is available in Iserlohn.

MEDICE disclosures E1-5 Facts, figures, data

10,000 pallet spaces at the Iserlohn central warehouse
18 company-operated charging points for employee mobility starting in 2024
More than 120,000 shipping boxes saved annually for deliveries to pharmacies thanks to reusable transport boxes

Environmental protection

GRI 3-3

Context

Environmental protection is one of the most fundamental issues that society currently faces. Natural resources are being exploited and ecological systems overused at a pace that goes beyond what our planet can take. MEDICE Health Family's activities also impact ecosystems directly, and as such also contribute to this trend, although we need to keep a sense of proportion given the positive contribution we make to human health.

Our mission at MEDICE is to do what we can to make the world a healthier place – a place worth living in. Our specific focus is on the efficient use of water, responsible wastewater disposal and the environmentally-friendly handling of pharmaceuticals. We also attach great importance to environmental protection in connection with healthy and sustainable nutrition.

E-2 SBM-3

IROs and strategic effects

Impact: At present, the ecological burden of producing active ingredients and excipients for medications and the corresponding water consumption and polluted wastewater is borne primarily by China and India. As such, they may experience negative impacts in the upstream value chains that could also affect MEDICE.

Impact: Local production is not water-intensive, and as such MEDICE's own water consumption is not considered material. Going forward, the analysis will be extended to cover the upstream value chain.

Impact: Action to conserve water in the summer months in response to government orders may have direct or indirect impacts in the supply chain.

ESRS E2-5

Impact: Pharmaceuticals can enter the water and ground in different ways, such as through residues of active ingredients, their metabolites and by-products that are released through excretion, improper use or incorrect disposal. This causes an increase in harmful and often long-lasting residues in the environment. Even in small concentrations, specific active ingredients have the potential to impact the health of organisms living in the water or adversely affect natural habitats. As things currently stand, the by-products of the active ingredients that MEDICE uses are not harmful to the environment.

Risk: At the European level, discussions are ongoing about financing the costs of introducing quaternary water treatment by imposing a levy on pharmaceuticals and cosmetics industry products. These industries are considered the primarily culprits for the release of micropollutants into the environment. The adverse financial impact on the company of reallocating the costs of introducing quaternary water treatment to the pharmaceuticals and cosmetics industries is considered very high. However, the potential costs to MEDICE are not considered an existential threat if they are allocated to the product. As such, they would affect the entire sector and thus consumers via the levy.

GRI 303-5

Water consumption

21,727 m³

2023

Risk: Potential negative financial impacts due to stricter requirements for MEDICE's management of wastewater are assessed as low, since the action already taken ensures that no hazardous wastewater is generated at the production sites in Iserlohn and Salzgitter.

GRI 3-3
ESRS E2-1
ESRS E2-3

Concept and objectives

MEDICE's mission is to supply customers and users with products that can be developed, manufactured and used with environmental protection in mind. We avoid adverse environmental impacts by using water and disposing of wastewater responsibly.

GRI 303-1

Water is an indispensable resource in the pharmaceuticals industry, both for production and for cleaning facilities and equipment. Given increasing global shortages, it is essential to use water responsibly. We do not currently face water shortages at our production sites, nor do we contribute to them. Nevertheless, we want to use water responsibly as a valuable resource, and, as such, we measure how much we consume and set ourselves reasonable targets to reduce this. The water at our headquarters is Iserlohn and at Schaper & Brümmer in Saltzgitter is sourced as potable water from the respective local utilities.

GRI 303-2
ESRS E2-4

Another critical aspect is wastewater disposal. Manufacturing pharmaceutical products generates wastewater that can contain residues of active ingredients and chemicals. Without appropriate treatment, these substances may enter the environment and damage water, soil and living organisms.

GRI 303-2
ESRS E2-4

MEDICE did not previously manufacture any active ingredients itself until the commencement of albumin tannate production at the Iserlohn location in 2024. This involved installing a neutralisation plant, and the wastewater from the production of the active ingredient is pretreated accordingly. Fatty residues from the production of ointments are separated using a fat separator and disposed of separately in accordance with requirements. The wastewater at the production sites is separated into untreated wastewater and infiltration/inflow and disposed of in the municipal sewage system. MEDICE has put corresponding monitoring mechanisms in place and the wastewater is regularly sampled. The parameters to be complied with were not exceeded at any point during the reporting period.

It is also important for us to establish sufficient retention capacities at our business premises to avoid potentially overloading the wastewater system in the case of heavy rainfall.

The aim is to manufacture our products in an environmentally friendly way, to increase their environmental compatibility and to raise awareness among consumers and the healthcare community about how to achieve environmentally friendly use and safe disposal of pharmaceuticals.

A healthy and environmentally-friendly diet is closely linked with this pro-ecological approach. We have developed an exemplary catering project for our employees at our Iserlohn location, where Friend-Ship Gastronomie GmbH, a subsidiary of sustainable4U GmbH, was formed in 2020 to implement the corresponding nutritional philosophy at our staff restaurant. The core elements are to use natural resources with care, reduce food waste and give preference to regional and seasonal agricultural produce. In line with this concept, sustainable4U GmbH's subsidiary Green Guides GmbH advises commercial kitchens on avoiding food waste. This promotes efforts to conserve natural resources.

The Friend-Ship concept

The mission behind the "Sustainability on a plate" (Gutes von uns für Euch) initiative of MEDICE's subsidiary Friend-Ship is to serve a wide range of healthy and sustainable food items and meals to our employees and guests at our corporate headquarters in Iserlohn. Each dish is intended to promote a healthy lifestyle and the environmentally-friendly use of food resources. The aim is to source as much local and regional food as possible. With that in mind, Friend-Ship has built up a trusted and reliable network of suppliers over the past few years.

Organic products

80%

in the staff restaurant in 2023

The concept comprises three pillars:

REGIONAL PRODUCTS:

"We source as much of our high-quality food as possible from the local area. If there are no regional options, we use organic products."

SEASONAL PRODUCTS:

"We cook our food in harmony with the harvest seasons in the local area, which gives our dishes and products freshness and flavour. We base our menu planning on the vegetables and herbs currently available for harvest at our regional growers and have created a seasonal selection of foods, the "7 Cycles", based on seven harvest seasons."

ORGANIC CERTIFICATION:

"We have been certified in accordance with the Bioland standards since September 2022. We were awarded Bioland silver certification again in 2023, attesting to the fact that over 80% of our products are already organic. The reporting period also saw initial certification for participating in the national strategy to reduce food waste. This is awarded by the centre of excellence for out-of-home catering (KAHV certification), which was set up by the initiative United Against Waste e. V. (UAW) with scientific support from the Thünen Institute."

ESRS E2-2

Measures and results

To date, active monitoring of water consumption at the Iserlohn location has not played a relevant role, since the costs were not considered material. A total of 21,727 m³ of water was consumed at the Iserlohn location in 2023, with water primarily used for sanitary purposes and in products. High-purity water is used in products as “HP” water or as superheated steam. The sanitary facilities at the Iserlohn location use touchless taps with a water-saving function, and the toilets feature a start/stop economy button.

Measures to drain surface water

GRI 303-2

Business growth means that additional buildings are needed at the Iserlohn location. The associated soil sealing due to additional roof areas necessitates action to ensure the controlled discharge of rainwater into the public sewer system. In order to prevent the sewer system from being overloaded going forward, even during heavy rainfall, during future construction projects, a rainwater retention basin with a diameter of some 1.6 metres and a gate valve system for the controlled release of rainwater is already being planned. Work will begin in 2025.

Facts, figures, data

Water consumption 2023	**21,727 m³**
Share of organic products in the staff restaurant in 2023	**80%**

960
events in total

GRI 3-3

Sustainable events

Context

The MEDICE Health Family organises a large number of events each year at its Iserlohn site but also primarily at hotels and other event locations, and these facilitate the professional dialogue we need to maintain with our stakeholders. Holding these events responsibly is not just something that comes naturally to us; we also have an obligation to document our own attitudes towards the careful use of resources. This relates to customers and industry target groups, and our own employees too.

E-2 SBM-3

IROs and strategic effects

Impact: MEDICE organises events on a large scale, and these have an environmental impact due to factors including energy consumption, logistics and use of materials. Thanks to our focus on the aspect of "sustainable events", some of these are already being managed responsibly by MEDICE.

Opportunity: Refining our concepts for sustainable events creates a channel for us to communicate our approach, mission and credibility even more clearly to stakeholders. Within the market environment, there is already a burgeoning awareness of this topic in relation to the event location, travel, the food and beverages on offer and the materials used.

The positive financial impact on the business from leveraging further development of the concepts for sustainable events to convey MEDICE's approach, mission and credibility to stakeholders is assessed as high. At present, the positive impacts stemming from the appeal of a sustainable overall concept are often overlooked. MEDICE will take a structured approach to refining this in its sustainability performance.

GRI 3-3
ESRS E2-1
ESRS E2-3

Concept and objectives

Sustainable event management can initially be divided into events held at the company's own location and external events. The fundamental objective is to constantly optimise events in consideration of sustainability aspects. In structural terms, the focus is on mobility and accessibility for our guests, catering, accommodation, actually holding the event and its organisation, the use of materials and recyclability, as well as social, communications and financial aspects. Consequently, we see social, environmental and economic aspects as holistically linked to sustainable event planning and organisation.

As a member of the MEDICE Health Family, sustainable4U GmbH assumes a leadership role in the targeted further development of our event performance:

ESRS E2-2

Measures and results

MEDICE operates its own microsite to coordinate the information connected with participating at events, and this can be used for example to book an event ticket from Deutsche Bahn AG. In doing so, we promote travel by public transport as opposed to driving. The microsite can also be used to organise car sharing.

Regional and seasonal aspects are taken into consideration in planning menus. Vegetarian and vegan meals are becoming more popular, and exotic and critical foods, such as mango and tuna, are avoided where possible. At a fundamental level, the question of necessity always has to be addressed so as to avoid waste. We give preference to reusable table coverings and cut down on plastic and disposable items.

for events held at the campus in Iserlohn, it takes on planning and organisation of high-quality catering in cooperation with Friend-Ship Gastronomie GmbH. The primary focus here is on sourcing seasonal and regional produce from selected partner businesses that meet high ecological standards. The sustainable4U subsidiary was recertified as a Bioland partner in 2024, demonstrating its deep expertise and high quality.

Management regularly reviews the event management activities, as this involves credible communication from a healthcare company that acts holistically.

More than
29,500
participants
in total

When selecting accommodations, we take into account accessibility and sustainability certificates, and evaluate our existing partners internally. The aspects we look at include reducing and separating waste, energy efficiency for air conditioning in rooms and building services, action to save water, sensible room service and food management.

If necessary, we strive to engage local service providers to assist us on site. In the next development stage, we will review which planning steps and working documents it makes sense to digitalise on site in order to further reduce the use of resources.

MEDICE disclosures

Facts, figures, data

Total events	**960**
Participants	**> 29,500**
Overnight stays	**1175**
Meals	**approx. 3,700**
Kilometres travelled	**approx. 640,000**

Restored natural habitats

1,000 m²

on company premises

Biodiversity

GRI 3-3 Context

ESRS E4-1 One of MEDICE Health Family's core concerns is to promote and preserve biodiversity in intact natural habitats. We have gained experience in processing natural resources since the company was founded, and in particular through integrating Schaper & Brümmer's Phytocompetence Centre. As such, we know that healthy ecosystems are a condition for the ongoing flow of ecosystem services we need to survive and thrive. We are dependent on some of these ecosystem services. For instance, the active ingredients that we process at our Phytocompetence Centre are naturally occurring. Collecting medicinal plants in the wild is one source of this. Sustainable harvesting is essential so as to avoid harming natural stocks and ensuring they can continue to be used in the long term. Cultivating these medicinal plants is an alternative, however one that poses challenges. In some cases, the desired qualities of the active ingredient have not been achieved reliably, or it has not yet proven possible to successfully cultivate plants bearing active ingredients.

At the same time, climate change impacts the availability and quality of plant-based active ingredients. Changes in temperatures and precipitation patterns can change the growth and chemical composition of medicinal plants, which in turn can impact their efficacy and marketing authorisation. This requires changes to farming and harvesting practices and increased research so that new challenges can be met and high-quality and effective medicines can continue to be provided.

Thanks to responsible strategies to manage natural resources and close cooperation with local communities and nature conservation organisations, the pharmaceuticals industry can help protect biodiversity while securing a foundation for future pharmaceutical innovation.

> **"When it comes to environmental health, we focus on restoring biodiversity and intact natural habitats, in particular in our home region, by means of restoring habitats and through fruit tree sponsorships."**
>
> Dr Katja Pütter-Ammer, Managing partner, MEDICE

E4 SBM-3 IROs and strategic effects

GRI 304-2 **Impact:** The release of critical substances has negative impacts on biodiversity, primarily in the upstream supply chain.

GRI 201-2 **Risk:** The negative financial impact on the company caused by impairment of the conditions to grow plants producing active ingredients as a result of expected long-term climate change is assessed as high due to the connection with the foundation for business at Schaper & Brümmer's Phytocompetence Centre. The risk is that increasing global warming and changes in precipitation patterns will alter the growth conditions for plants producing active ingredients. Availability may be restricted or the composition of the active ingredients may change.

Risk: The regulatory requirements for a new marketing authorisation or expanding the application of phytotherapeutic medicines have increased significantly in recent years. The financial impact on the company is assessed as critical due to the strategic nature of the development costs for new active ingredients, which are increasing as a result.

Risk: There is limited availability in the wild of plants producing active ingredients, and many stocks are under threat due to human actions. In some cases, there is also a dependence on a small number of suppliers. This increases the risk that it may no longer be possible to secure the supply of key natural resources essential to MEDICE in the long term due to diminishing harvests as a result of climate change or regulatory restrictions.

GRI 3-3
GRI 304-2
ESRS E4-2
ESRS E4-4

Concept and objectives

Our objective is to minimise as far as possible the adverse impacts we have on natural habitats and biodiversity in the upstream value chain, both in extracting natural active ingredients and in producing them, particularly in China and India. We are aware that manufacturing practices in these countries have a potentially greater environmental impact than would be permitted in Germany. Nevertheless, the existing market structures, some of which concentrate price control for specific active ingredients in the hands of a small number of sellers, offer little leeway or relevant opportunities to exert influence.

GRI 411-1

MEDICE applies the Good Agricultural and Collecting Practices (GACP) when sourcing active ingredients from harvesting in the wild. We are not aware of any incidents in which the rights of indigenous peoples were violated. Looking ahead, we will define suitable sustainability performance indicators that we will take into consideration in our strategic purchasing decisions.

The aim of our environmental action at the Iserlohn location is to use recreation and ecological compensation areas on our premises to promote biodiversity. In principle, we favour restoring habitats using native plants so as to support species-rich wild flora and fauna.

ESRS E4-3

Measures and results

Planned in 2023 and in motion in 2024: The “Health Family Park” at the Iserlohn location is an herb and vegetable garden spanning some 2,400 m² with paths and benches for rest and relaxation. Fruit trees give the look and feel of a meadow orchard and provide the bees from the company’s own bee colonies a convenient shortcut when it comes to making honey. Young trees were planted in the hollow of the fire pond in line with a dedicated landscaping plan. A park will also be established there.

Wild bees

ESRS E4-3

Wild bees are highly specialised pollinators for species-rich wild flora. As part of our conceptual pillar of environmental health, we are focusing on restoring biodiversity and intact natural habitats through renaturation. To this end, land has been and will continue to be converted into a coherent habitat network in cooperation with the town of Iserlohn. More than 30,000 m² of this natural area has been created directly on and in close proximity to our business premises.

GRI 304-4 Previously native wild plants such as the viper's bugloss are thriving once more, offering a new home to wild bees, butterflies and hoverflies. Pollinator insects are an indispensable part of our ecosystem, and their endangered status symbolises the ongoing destruction of our environment.

Restored natural habitats
29,759 m²
outside of company premises

Honey bees – small creatures with a big impact
We also have our own honey bee farm on the company premises that was established by MEDICE founding father Gustav Pütter and pollinates our extensive tree population as well as our meadow orchard and the surrounding fields. Although honey bees are not classified as endangered, they depend on bee-keepers' careful attention and care to maintain their populations.

Fruit tree sponsorships
Decided in 2023 and in motion in 2024: the MEDICE Health Family is further expanding its commitment to environmental protection and the regional promotion of biodiversity by sponsoring around 100 fruit trees at the Märkischer Kreis e. V. nature conservation centre. Through this initiative, the company aims to make a sustainable contribution to ecological diversity in the region.

The orchard at Sauerlandpark in Hemer has been home to 276 tall fruit trees since 2011. The current tally of 175 apple trees, 62 pear trees, 30 cherry trees and 9 plum trees make it one of, if not the largest multi-species orchard in Westphalia. Biodiversity in the area is also promoted by the approx. 2,000 m² of wildflower strips planted in 2020 by nature conservation centre MK and NABU MK.

GRI 304-3
ESRS E4-5

Facts, figures, data

Area on company premises with habitats restored by MEDICE	**1,000 m²**
Area outside company premises with habitats restored by MEDICE in cooperation with the town of Iserlohn	**29,759 m²**
Total expenses in 2023 to promote biodiversity	**EUR 23,879**

Funding to promote biodiversity
EUR 23,879
(2023)

Circular economy

Context

Despite the lower use of materials compared to other industries, managing material flows is a relevant aspect of sustainability for the MEDICE Health Family. This includes using resources with care through avoiding waste and disposing of it responsibly, using critical materials with care, down to the design of (shipping) packaging. We are aware of our responsibility in the supply chain when selecting materials.

A key aspect of the circular economy is to use resources efficiently, and this brings both environmental and economic benefits. Optimising production processes enables raw materials, excipients, active ingredients and consumables to be used efficiently, and this minimises production waste. This is particularly relevant as the availability of active ingredients is of paramount importance for security of supply to the general population.

There is potential for declaration-related uncertainty in the pharmaceuticals industry, since products can be declared as “German” or “European” if merely the final production step took place in a relevant country. The steps in the upstream value chain in third countries with lower environmental and social requirements – and corresponding lower production costs – remain potentially opaque. This puts businesses that manufacture their pharmaceuticals in Germany and the European Union at a considerable disadvantage in terms of location.

A material topic is the recyclability of packaging materials, in particular of blister packs made from composite materials that cannot be recycled due to their material composition. These are used throughout the entire pharmaceuticals industry, including at MEDICE. The highly regulated requirements for medicine production and packaging and their authorisation mean that to date there have only been very limited opportunities to use alternatives. Most of the time, thermal treatment remains the only alternative. However, this is expected to change in the medium term: all primary packaging must be recyclable for all non-pharmaceuticals in the EU from 2030 onwards, and for all pharmaceuticals from 2035.

E5 SBM-3 IROs and strategic effects

Impact: The processing of raw materials, excipients and active ingredients can cause environmental impacts throughout the value chain. This includes extraction, processing, refining and possible recycling or reuse in the circular economy, and disposal. The impacts of MEDICE's use of resources are manageable. In the direct use of pharmaceutical products, the issue of re-use/recycling does not play a role since these are generally ingested and metabolised. However, the topic is a more significant one when it comes to packaging – both for transport and the product itself.

Impact: The impacts of product packaging in the pharmaceuticals industry cannot be ignored, and there is room for improvement. Product and shipment packaging can have an adverse impact on the environment due to the use of materials, since these often constitute a virtually inseparable mix of materials.

Impact: (Hazardous) waste also constitutes a potential environmental impact throughout the value chain. The potential sources of waste to be disposed of separately include overproduction, medicines past their expiration dates or returns due to complaints, for instance due to damaged outer packaging. The quantities are manageable overall, however, and MEDICE handles (hazardous) waste responsibly.

Impact: Problematic materials have an adverse impact on people and the environment, primarily in the supply chain and potentially during use and recycling. This relates to human and labour rights, as well as exploitation and environmental pollution. The use of critical materials in the supply chain cannot be ruled out.

Risk: Product and shipment packaging is highly regulated, particularly primary packaging. The potential financial impact on the company of packaging regulation with regard to the recyclability of primary packaging is assessed as high in the medium and long term, since new investments may need to be made in packaging.

Opportunity: The company could benefit from a positive financial impact thanks to the strategic opportunity to make secondary and tertiary product packaging more environmentally friendly. First-mover effects and the credibility of the positioning can be leveraged here, too.

GRI 3-3 E5-1 E5-3 Concept and objectives

We help reduce the negative environmental impacts of our products by sourcing raw materials, excipients, active ingredients and consumables responsibly, by thinking in terms of the circular economy, and by pursuing resource-efficient manufacturing that avoids generating waste. Efficient production management actively avoids plant downtime and the associated production waste.

Use of resources and avoidance of waste GRI 306-2

We are committed to using natural resources responsibly and avoiding unnecessary waste. Our long-term strategic goals are to avoid or at least to reduce adverse environmental impacts throughout MEDICE's entire value chain. The inclusion of circular economy connections is of fundamental importance to these efforts.

GRI 301-1
E5-4

MEDICE's use of primary resources is negligible; however, we are not yet able to quantify the exact material flows in tonnes for the reporting period. We manufacture pharmaceutical forms from active ingredients and excipients by mixing, emulsifying, filtering, portioning, etc. MEDICE itself does not synthesise active ingredients. Some active ingredients are extracted from plant-based raw materials at the Salzgitter location. Going forward, we will also record material flows by weight and make more specific disclosures.

The proportion of recycled materials in the material mix is small and does not currently play a role in the industry. However, there are increasing public discussions on the topic and its significance for the manufacture of pharmaceuticals is difficult to assess, since the use of recycled materials in the pharmaceuticals industry is considered complex. The potential for packaging has not yet fully been explored.

Purchasing plays a crucial role in the efficient use of resources, and pricing and security of supply are also key aspects. Past crises have shown that MEDICE is well positioned in this regard.

Friend-Ship: Membership of the United Against Waste initiative

Reducing food waste is an integral part of our concept, and we leverage optimal manufacturing processes and effective food processing to help reduce waste every day. We set ambitious reduction targets: waste was measured on multiple occasions, we successfully exploited potential for savings and future potential was identified. Our official membership of United Against Waste e. V. also helps, since being part of the association means we can multiply our efforts as we advocate for common values and goals.

GREEN GUIDES

Our subsidiary GREEN GUIDES GmbH leverages state-of-the-art digitalised food waste management to reduce food waste in commercial-scale kitchens at hospitals and industrial plants. This frees up resources that can in turn be invested in healthy and sustainable nutrition, not just improving the quality at hospitals but also helping patients in the recovery process. GREEN GUIDES refers to this approach as "inwastement": avoiding waste, saving money and investing in better food quality. Ultimately, everyone benefits – patients in particular.

Packaging

One aspect of our sustainability strategy is to optimise packaging to keep the environmental impact to a minimum at all times. Efficiency is in MEDICE's DNA and a focus of everything we do. Our quality management focuses on solutions that conserve resources, while our employees are actively involved in environmental issues and given awareness training.

GRI 301-2

Primary packaging: Like the rest of the industry, MEDICE uses aluminium foil and plastics for product packaging, which among other things have to be vapour resistant. However, this packaging is difficult to separate and thus virtually unrecyclable, which offers massive potential for substitution. No established technical solution has been developed to date that would meet all of the technical requirements and the corresponding environmental aspects. We face a conflict of interest between the strict quality requirements of the German Medicinal Products Act (AMG) and the call for more environmentally-friendly primary packaging.

Secondary and tertiary packaging offers a chance to make pharmaceutical products more sustainable and environmentally friendly. The potential approaches include single-material packaging, dispensing with shrink film, reusable packaging, the use of recycled materials and avoiding PV or soft-touch coatings.

For secondary packaging, MEDICE is planning to standardise all folding boxes, with outer packaging to be modified in an effort to reduce variance and thus enhance efficiency. We are also looking into whether intermediary packaging can be dispensed with during internal transport from Salzgitter to Iserlohn.

E5-2 Measures and results

Use of resources
The active ingredients that MEDICE uses are sourced from German and European wholesalers, and in part from third countries such as India, China, the USA and Switzerland. Excipients such as cellulose, lactose, magnesium stearate or potato starch are also used.

Use of natural materials
MEDICE and Schaper & Brümmer manufacture products including phytopharmaceuticals from natural, sustainable raw materials. These medicinal plants are collected as wild flowers or cultivated as a monoculture, for which the procedure is generally governed in detail in the Good Agricultural and Collecting Practices (GACP). Schaper & Brümmer has developed a specific cultivation method for plants such as Actaea racemosa and Baptisia, while Thuja is cultivated both in-house and on a contract basis. Some plants such as the magnolia vine cannot yet be cultivated to pharmaceutical quality.

Use of critical materials
For MEDICE, critical materials include rare resources that are secured for the long term, and problematic materials. The latter do not constitute a material topic for MEDICE, since they are not used as active ingredients or excipients. Substances covered by the REACH Regulation (red/black list) do not currently play a role.

Waste
Reducing waste is a relevant topic for us, although it is virtually impossible to avoid all waste at a pharmaceutical production facility. A relevant waste stream arises from production dust resulting from the cleanroom environment in the production area. Here, unnecessary packaging waste (15-litre single-use plastic buckets) is efficiently avoided by the use of 1 m^3 big bags and container solutions for disposal.

Hazardous waste does not play a material role at MEDICE. Smaller quantities arise due to production waste arising from cleaning during batch changes, medicines past their expiration dates, or returns from the market. This waste is disposed of properly by a specialist partner. Files and data media are also disposed of pursuant to a defined procedure in compliance with data protection. Plastics and metals from production are recycled, while paper, cardboard and cardboard packaging are sorted and sold separately.

Food waste
A significant year-on-year reduction in food waste was achieved thanks to optimised planning processes at our staff restaurant in Iserlohn, which is operated by our subsidiary Friend-Ship GmbH. ReFood sustainably disposes the remaining waste.

KAHV certification
Friend-Ship GmbH was awarded the KAHV certificate for the prevention of food waste, which is sponsored by the German Federal Ministry of Food and Agriculture. This certification recognises our commitment to reducing food waste through sustainable production and effective processing of the food we use.

In addition, GREEN GUIDES GmbH leverages state-of-the-art digitalised food waste management to reduce food waste in commercial-scale kitchens at hospitals and industrial plants.

Packaging
The GMP guidelines prohibit the use of recycled materials for primary packaging. Blister packs are composite materials, and as such are difficult to recycle. In accordance with the draft EU packaging regulation, the pharmaceuticals industry has until 2035 to develop and begin using a sustainable solution to replace blister packs. GRI 301-2

MEDICE makes use of reusable plastic boxes to avoid unnecessary disposable packaging in warehouse logistics. Since 2023, these have been replacing more than 120,000 shipping boxes per year for deliveries to pharmacies. That reduces CO_2 emissions by some 40%, and cuts water consumption in the upstream supply chain by 90%. Further projects to increase resource efficiency are in the pipeline. MEDICE sourced exclusively recyclable materials for its logistics in the reporting period.

Customer information and promotional materials

Promotional materials are used in pharmacies to present products and provide customers information. MEDICE takes a responsible approach to planning the amount and use of these materials. Environmental aspects such as reduced use of materials and recyclability are increasing in significance. We nevertheless see a structural need for optimisation, which has relevant potential particularly in consultation with our partners at pharmacies.

Despite careful advance planning based on many years of experience, our destruction rate of 3.8% in 2023 fell short of the target of 1.5%. While ambitious, this was a realistically achievable target prior to the pandemic. In 2022 and 2023, however, we had to remove large volumes of outdated materials from stocks that were not used as planned due to the massive market shifts caused by COVID.

In packaging design, MEDICE developed a very visible umbrella brand strategy in 2023. This was very well received in market tests and the market launch has already commenced. Here, too, aspects from the sustainability context have already been factored in, with a focus on ensuring that as many recyclable materials as possible are used. Nevertheless, blister packs in primary packaging remain an industry-wide challenge.

GRI 306-1-4
E5-5

Facts, figures, data

Waste name	Quantity (tonnes)	Location		Means of disposal					Hazardous/non-hazardous waste	
		MEDICE Iserlohn	Schaper & Brümmer	Thermal treatment	Special waste	Recycling	Land-filling	Composting/ fermentation	Hazardous waste	Non-hazardous waste
Packaging waste – plastics/composites	**135.2**	81.9%	18.1%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Solvents, chemicals, waste oil	**20.8**	67.3%	32.7%	69.3%	30.7%	0.0%	0.0%	0.0%	100.0%	0.0%
Waste from medical research, filters, protective clothing	**13.0**	100.0%	-	100.0%	0.0%	0.0%	0.0%	0.0%	0.3%	99.7%
Pharmaceuticals	**65.7**	84.4%	15.6%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Organic waste	**89.6**	86.3%	13.7%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	100.0%
Waste paper	**139.1**	94.9%	5.1%	89.6%	0.0%	10.4%	0.0%	0.0%	0.0%	100.0%
Waste wood	**22.4**	100.0%	-	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Sludge	**141.0**	100.0%	-	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Electrical waste	**1.2**	100.0%	-	0.0%	0.0%	100.0%	0.0%	0.0%	12.5%	87.5%
Waste metal	**1.3**	-	100.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%
Construction waste	**188.9**	95.8%	4.2%	0.0%	0.2%	97.8%	2.0%	0.0%	0.2%	99.8%
Total	**818.1**	91.4%	8.6%	63.1%	0.8%	24.6%	0.5%	10.9%	2.6%	97.4%

SOCIAL

In this section, we discuss how our social responsibility determines how we operate as a company. In accordance with ESRS, this concerns our own workforce, workers in the value chain, affected communities in our surrounding area, and consumers and end-users.

SOCIAL
The MEDICE Health Family's contributions to the SDGs

As a responsible family business in the healthcare sector, MEDICE considers social aspects to be one of the fundamental prerequisites for sustainable action. Our management approaches to "social" aspects are diverse and nuanced. They contribute to the achievement of the following United Nations Sustainable Development Goals:

Core contributions to SDGs

SDG 3: Ensure healthy lives and promote well-being for all at all ages.

Health solutions are at the core of everything we do. Our direct product and service solutions have a major impact on health and healthcare and on the well-being of people in many countries worldwide. We leverage fully differentiated logistics structures to ensure the rapid delivery of medicines in observance of the requisite hygiene conditions.

The Health Family symbolises this aspiration, and takes a holistic view of healthcare through its contributions to physical, mental, social and environmental health. That includes specific action to promote health and well-being among our workforce, as well as for our partners throughout the entire value chain.

SDG 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

Education is the foundation for our business model, because we know that effective and evidence-based health solutions can only offer prospects for the future in a corporate environment built on specialist skills and expertise and driven by the will to progress and improve. MEDICE is dependent on well-trained workers, just as we make an extensive contribution to the further education and training of our employees through the MediCampus. We also hold numerous specialist events each year to promote education and training among our specialist target groups and in the industry in general.

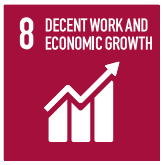
SDG 12: Ensure sustainable consumption and production patterns.

To embody a holistic approach to health, and to do so in a credible way, we as a family business focus on promoting sustainable consumption and sustainable manufacturing of products. This is linked to business models that can reduce the need for substance-based treatment, for instance through indication-led nutritional concepts or digital services. We also promote a continual increase in resource and energy efficiency in production processes, the further development of sustainable infrastructure, particularly when it comes to delivering medicines, and efforts to ensure access to basic medicines. We also take responsibility for decent jobs throughout the entire value chain. This goes hand-in-hand with contributions to a better quality of life for all.

Relevant contributions

SDG 5: Achieve gender equality and empower all women and girls.

As a responsible employer, it is our goal to promote equality among our employees and also in our value chain. We have zero tolerance for any form of discrimination or violence. We are committed to reducing social inequalities, including by paying fair wages and ensuring equal pay. In our upstream supply chain, we raise awareness by means of standardised purchasing conditions that are defined in our Supplier Code of Conduct and take into account the latest human and labour rights aspects.



SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Sustainable economic growth requires society and companies to create the conditions under which people can find high-quality jobs that stimulate the economy without placing undue strain on the environment. By offering secure, high-quality jobs and by providing economic and social incentives to bring about improvements in the supply chain, the MEDICE Health Family contributes to social prosperity where it does business.

Responsible employer

GRI 3-3 Context

ESRS 2
SBM-3
S1 SBM-2

We are aware of the responsibility we bear as a manufacturer of pharmaceuticals. We work each and every day to meet our customers' needs, even across national borders. For instance, our "JobFamily" drives forward the development of our employer brand and is able to leverage transformation as an opportunity.

Society and the healthcare market have been undergoing fundamental change for years now. Patient-specific therapy and patient empowerment, a focus on nature, environmental protection and sustainability are core issues that are completely reshaping our world. Advanced therapies and services are emerging and the pace of growth in new areas is on the rise, fuelled by the onward march of digitalisation. At the corporate level, we have responded to this changing world with our transformation into the MEDICE Health Family, and will also anchor this in our understanding of people and culture management.

Our constant growth would be impossible without the spirit of community and mutual support that is the hallmark of our daily lives. After all, motivated, happy, skilled and capable employees are the key to our success. We help make change a reality by offering gender equality, fair pay, an attractive working environment, appropriate opportunities for development and much more.

S1 SBM-3 IROs and strategic effects

S1-2 **Impact:** MEDICE upholds employees' rights and is a reliable partner in collective bargaining. The international expansion strategy must continue to focus on this and make positive contributions to prosperity and well-being in the value chain.

Impact: Ensuring equal opportunities and taking account of diversity creates an inclusive and more diverse workplace culture with positive effects on motivation and performance.

Impact: Shaping working conditions at MEDICE to be more family-friendly has a direct positive influence on the employees concerned.

Impact: MEDICE offers its employees diverse opportunities for development. We give our skilled workers the opportunity to take on management responsibility.

Risk: A sufficient minimum level of profitability is needed for the Group to continue to develop. Wage and salary costs are a key factor in this context and must remain economically feasible, which can only be controlled to a very limited extent due to collective wage agreements. Incentive systems already have a relevant impact on the company's output. The corresponding systems tend to be conservative and need to be revised.

900
interviews held (2023)

Risk: The willingness to take on responsibility is not a given thing – it must be actively encouraged. The concept of work-life balance is increasing in importance, and part-time opportunities tend to be more popular among younger people than older employees. This poses the risk of having an insufficient pipeline of up-and-coming management talent.

Risk: There is a considerable need to establish succession plans for management positions and retain internal expertise.

Opportunity: Equal opportunities has become much more of a focus for many stakeholders, with job applicants, customers, business partners, ESG ratings agencies and banks considering it a relevant topic. The demands on the pharmaceuticals industry, which has an excess of management positions reserved to men, are growing. There is an opportunity to strengthen the organisation's resilience and agility by means of cultural change focused on internationalisation and promoting diversity and equal opportunities in the workforce.

Opportunity: There is an opportunity to demonstrate responsibility towards employees with attractive opportunities for families and to strengthen Group unity by reinforcing our claim, "The Health Family".

Opportunity: In a sector comparison, wages and salaries at pharmaceuticals firms are considered attractive.

At the regional level, this is particularly relevant for MEDICE's appeal as an employer that offers attractive salaries, as it primarily competes with other sectors for the best people. The high pay in the pharmaceuticals industry offers the opportunity to seek and recruit employees in the regional environment. GRI 203-2

Opportunity: Modernisation measures can be used to make working conditions more inclusive and create a compelling foundation underpinning the concept of "Health Family".

GRI 401-1

Total of 324 people hired (2023)

For People & Culture, monitoring and supporting the development of emergent holding structures is seen as a strategic contribution to sustainable corporate development. This involves finalising governance and responsibilities, and the intention in this context is for the stability of the underlying values to be something tangible. Organisational and procedural action areas must be reworked to ensure state-of-the-art human resource management with a complex remit.

GRI 3-3
S1-1
S1-5

Concept and objectives

Responsibility based on values
MEDICE is a value-driven family business that promotes equal treatment and equal opportunities as fundamental values and that upholds and safeguards employees' rights. Our recruitment and employment practices ensure equal treatment irrespective of gender, race, social background, religion, beliefs, age, disability, health, sexual orientation, nationality, marital status, pregnancy, trade union affiliation, social group or ethnic background.

Transformation within People & Culture
Our vision is to position ourselves for the future and ensure that our HR work and processes are strategically aligned with the modern working world and digital future. The digital era requires greater flexibility and innovative working methods that both nurture creativity and cater to individual needs.

The entire MEDICE Health Family has developed in great strides in recent years, and our HR work with it. Traditional processes that focus heavily on managing and administering resources have to be rethought. Building on our tried and tested underlying processes, we are working hard to bring more clarity and structure to our organisation. This action promotes dynamic decision-making processes and enhances efficiency.

Our aim in transforming HR management into People & Culture is to actively shape development within the organisation and the experience of the MEDICE culture. Our approach is forward-looking, value-creating and family-oriented. We can only achieve our goals and make our ambitions a reality if we work as a dynamic team pursuing the same mission. For that reason an open, respectful approach and close dialogue are a must, and our door is always open. As well as maintaining our tried and tested underlying processes, we are strategically aligning ourselves with the modern working world and the digital future.

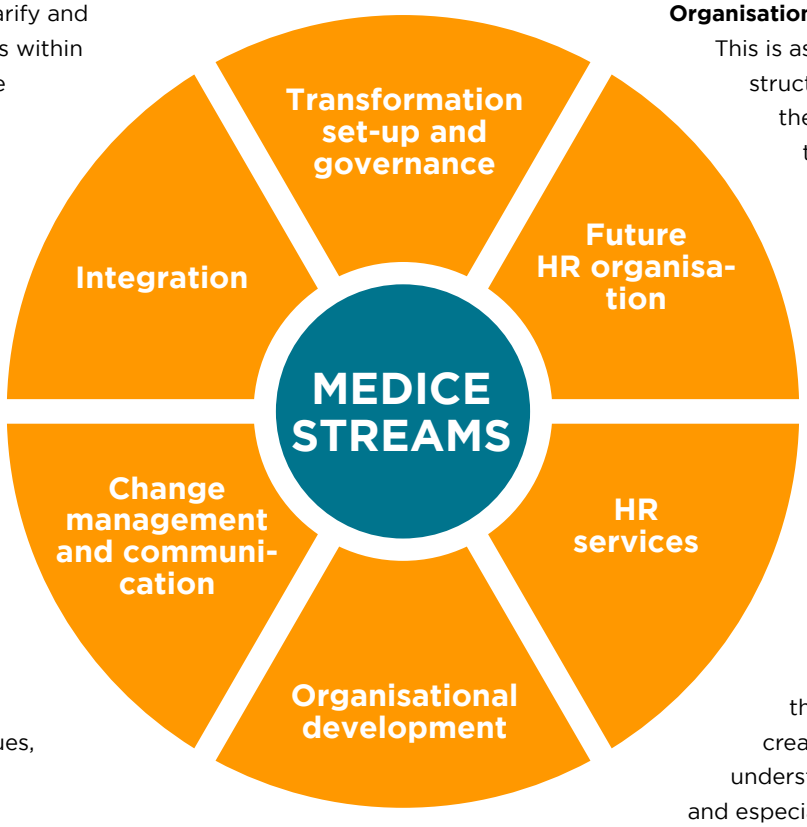
Our vision also includes promoting diversity, equal opportunities and integration, and upholding human rights. We aim to increase the number of women in management teams and offer our employees fair pay and individual and/or collective agreements governing their working conditions and hours. We improve team performance by ensuring a balanced age structure from young to old.

GRI 405-2
GRI 406-1

STRATEGIC FOCAL TOPICS WITHIN PEOPLE & CULTURE

Perspective 2024 plus
In 2023, it was decided to implement the People, Culture & Transformation management function. In 2024, Annick Berreur-Igersheim took over the role. Looking ahead, People & Culture will focus on the topic areas “Values & Culture”, “Leadership Culture”, “Organisational Development” and “Change and Communication”, and we have given ourselves a medium to long-term horizon to do so. In the short to medium term, we will lay the groundwork by establishing the corresponding processes and systems with requisite tools. Please refer to the diagram on page 94 below.

In addition, we will clarify and modify responsibilities within the department in line with the international requirements, and set up direct points of contact with the corresponding global management functions. This will bring benefits in terms of expertise and efficiency. Our goal is to respond to queries within 48 hours, either with a proposed solution or, for more complex issues, initial feedback.



We have also defined six “streams” as dynamic centres of strategic HR development. These cluster initiative areas with indefinite timing and projects with defined timing that are each flagged with a specific priority. The streams form the next level of strategic action in and around the defined values of the MEDICE Health Family. The following streams were formed with an eye to the future:

Transformation set-up and governance
This is associated with clarifying governance structures within People & Culture and implementing a “change cockpit” to manage the project level.

Future HR organisation
This stream deals with issues including the development of strategy and process design. Added to that are the launch of HR-specific IT tools, action to develop teamwork in the department and communications support for the change processes.

HR services
The areas of remuneration systems, succession planning management and recruiting and onboarding were classified as high priorities. This stream also covers employee and leadership development, the code of conduct and employer branding.

Organisational development
This is associated with the structural challenges in the sub-organisations that involve new healthcare services or globally active subsidiaries. The target is the same understanding of values throughout all parts of the business.

Change management and communication
Communicating the objectives, creating a common understanding of our values and especially the involvement of the management functions are described tasks. Tools and SAP launches must be coordinated in parallel.

Integration
The task here is to efficiently integrate the new parts of the business such as Schaper & Brümmer and the global subsidiaries into the central process designs.

There are numerous interfaces between these streams, and these are specifically required to implement modern and agile HR management.

GRI 405-2
S1-4

Measures and results

The MEDICE Health Family is committed to further promoting and fostering gender equality. By creating the position of Equality and Inclusion Officer, we have appointed a direct contact person in a position of responsibility so that concerns and requests can be handled directly and the statutory requirements of the German Federal Act on Gender Equality (BGleiG) can be implemented at MEDICE.

S1-10
S1-12

GRI 401-1

Turnover rate
9%
(2023)

Furthermore, one of our fundamental HR policy concerns is to ensure a gender-sensitive remuneration policy. Our collective bargaining agreements define gender-neutral criteria for job evaluation and remuneration. The salary grades are grouped based on uniform criteria according to function, qualification and responsibility.

S1-8

GRI 2-30
GRI 405-2
S1-16

Consequently, equal pay is anchored in our pay scale remuneration system: salaries are determined based on a value structure in which equivalent functions are assigned corresponding salary bands with the criteria for function evaluation always being gender-neutral. Remuneration for non-pay scale employees is also governed by a gender-neutral salary determination system.

Rate of part-time work
22.4%
(2023)

For MEDICE, it is important to increase the number of management and executive positions held by women. At the same time, the intention is to open up new opportunities for men, and for this purpose MEDICE offers a wide range of options for women and men to reconcile work with family life. These are also subject to constant development in line with corporate requirements.

Examples include flexible working time models, part-time employment, remote work and retirement leave. It is also possible to take one or more sabbaticals, which are managed via the demographic fund. There are also subsidies for preschools as well as long-term care and disability insurance. A company pension scheme is in place. Further elements of MEDICE's HR policy include a specific dialogue with management as part of "Family Times" and further training opportunities in a private capacity via the MediCampus, which also offers events for children.

S1-11
S1-15

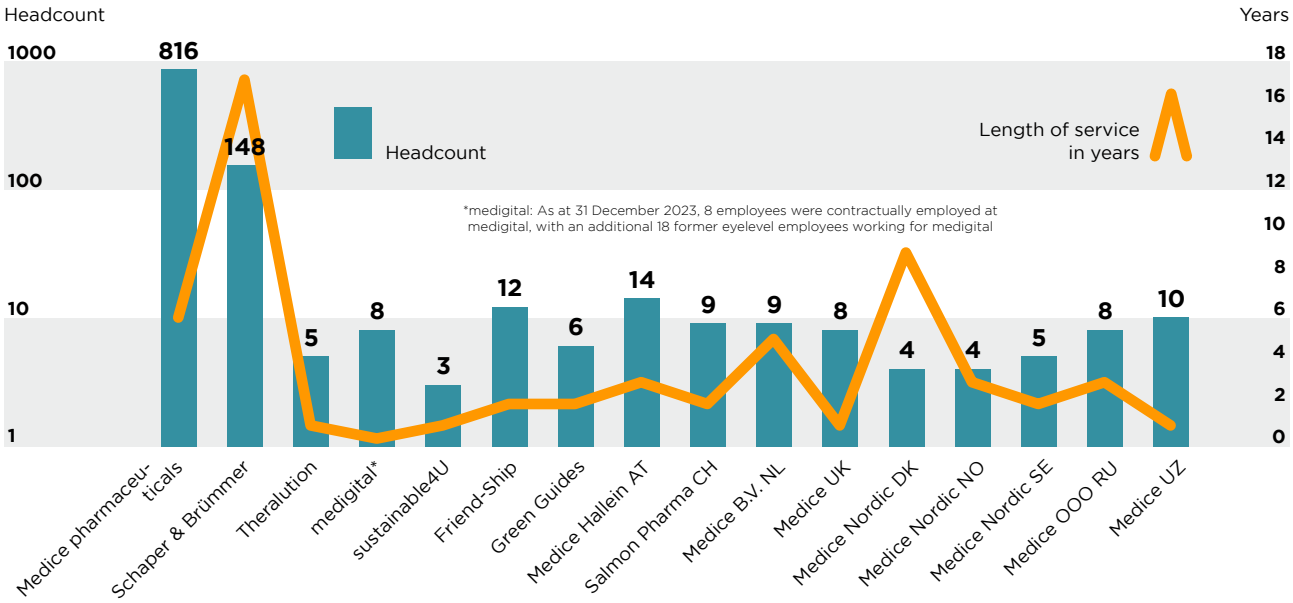
Many questions relating to HR management can already be answered via a knowledge database, which was created in 2023/2024 and is being continually updated.

S1-6

Facts, figures, data

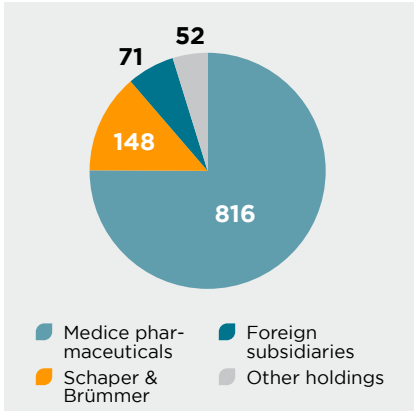
EMPLOYEES AT THE MEDICE COMPANIES

GRI 2-7

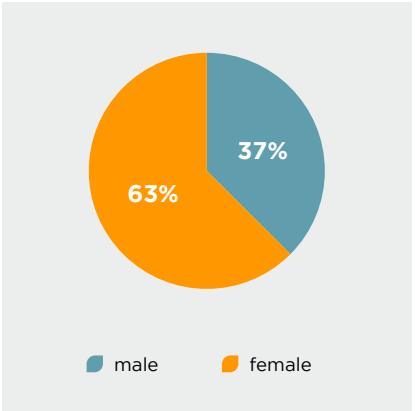


GRI 2-7
S1-9

MEDICE HEALTH FAMILY HEADCOUNT – SUMMARY



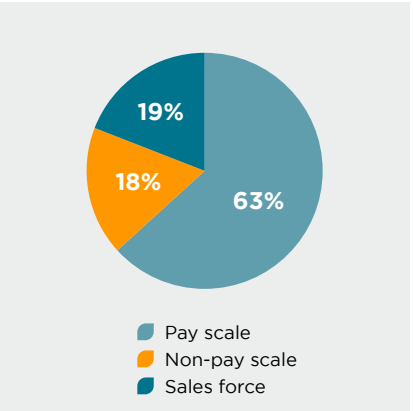
GENDER BREAKDOWN WITHIN THE MEDICE HEALTH FAMILY (%)



REMUNERATION STRUCTURE OF THE MEDICE HEALTH FAMILY (%)

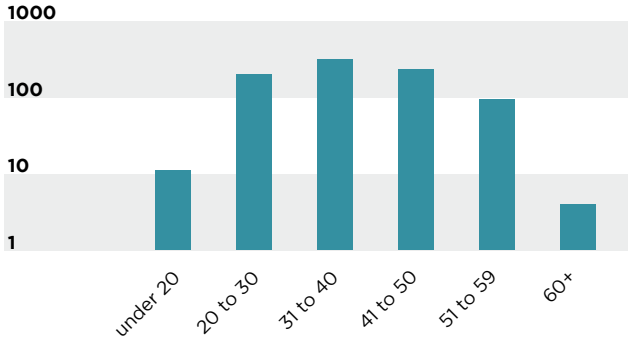
GRI 405-1
S1-8

GRI 2-30



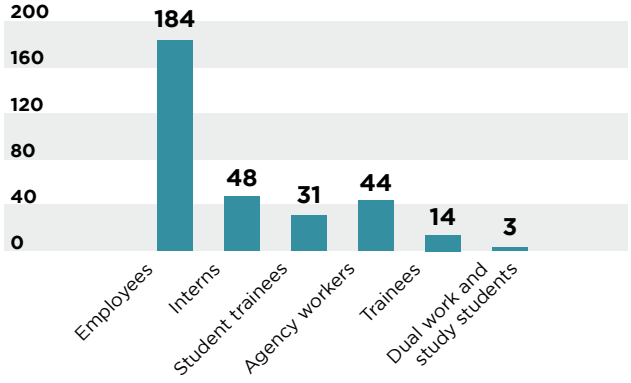
GRI 405-1

AGE STRUCTURE OF THE MEDICE HEALTH FAMILY (HEADCOUNT)



TOTAL HIRES IN 2023 AT MEDICE HEALTH FAMILY EXCL. S&B

GRI 401-1



Occupational health and safety

GRI 3-3 Context

Safe and healthy workplaces that promote the well-being of our staff are a core concern for us as an employer and as the Health Family. Concern for our employees' health stems both from our ethical principles as a family business and from our economic interest in maintaining a productive, active and committed workforce.

S1 SBM-3 IROs and strategic effects

Workplace accidents and occupational illnesses
Impact: Workplace accidents and occupational illnesses are current negative impacts on workers, however their occurrence within the company is very low.

Risk: The increase in stress-related occupational illnesses due to the complexity and pace of growth poses a risk. This risk can be minimised by raising awareness among managers and taking timely action.

Risk: When the rate of growth is high, the sales and distribution activities also increase. Despite all of our digitalisation activities, this continues to involve face-to-face activities at customers' locations. As such, the issue of accident prevention among our sales force remains a key focus. Driver training is already in place for sales force employees.

Risk: The topic of occupational health and safety remains highly regulated and continues to require considerable attention and resources. It is conceivable that occupational health and safety requirements may be tightened in the medium term, necessitating corresponding expenditures.

Employee well-being
Impact: Promoting well-being in the workplace has a positive impact on employees and boosts their performance and motivation.

Opportunity: Strengthening the "MEDICE Health Family" brand through congruent health promotion activities among employees makes a key contribution to our credibility. If continued, further potential can be unlocked in terms of a Group identity.

Opportunity: Increasing our appeal as an employer by expanding the current range of health promotion, nutrition and sports initiatives creates a relevant opportunity. Employees consider the wide range of events on offer to be authentic and a positive motivational factor increasing their performance and reducing rates of sick leave. It also improves internal communication through contact points as an opportunity for networking.

GRI 3-3
GRI 403-1
S1-1
S1-5

Concept and objectives

Workplace accidents and occupational illnesses

Creating optimal and safe working conditions is of the utmost significance to us and represents a core management objective. It is a prerequisite for our appeal as an employer and thus for our operational performance, for us to maintain complex production processes and for high-quality and flexible customer solutions.

We are guided by specific GMP guidelines in order to actively shape our management approach with defined qualitative and quantitative goals, as well as measurable and management-relevant key performance indicators (KPIs).

Our objective is to systematically prevent accidents and actively manage downtime as a measurable target. This
GRI 403-7 requirement applies not only to our own employees, but also to all those who work on our behalf and provide services that we would otherwise have to perform ourselves.

Thanks to the dedicated GMP guidelines and their
GRI 403-8 specific implementation, MEDICE is able to obtain ISO 45001 certification for occupational health and safety at any time and with minimal effort. This has not been done due to the additional complexity of the process, despite the criteria being met in full. There are specific targets for improvement, operating and procedural instructions, regular risk assessments
GRI 403-2
GRI 403-5 are conducted and standard operating procedures (SOPs) are followed. Training is organised in line with a structured procedure.

Two occupational health and safety specialists are on
GRI 403-3
GRI 403-4 hand. Weekly meetings are also held with external experts on the topic of occupational health and safety. Every 6–8 weeks, an external management consultant provides an update on regulatory changes in the procedural area. The Occupational Health and Safety Committee meets on a quarterly basis, formal document control is performed and structured inspections review effectiveness.

Employee well-being

For us, health is a multidimensional concept comprising GRI 403-6 interlinked physical, mental, social and environmental action levels. For our employees, we develop forward-looking concepts that take these levels into account.

"FRIEND-SHIP SHOWS THAT THE OWNERS REALLY VALUE THEIR EMPLOYEES."

Friend-Ship GmbH, a subsidiary of sustainable4U GmbH, is responsible for implementing a health-conscious nutritional philosophy at our staff restaurant. Balanced and wholesome ingredients are at the heart of a regional and seasonal food concept.

Our Health Family staff restaurant provides healthy food and a place for colleagues, friends and guests to meet and relax. A key element of our concept is to conserve resources and reduce food waste. Together with our MediGym, the restaurant is a key pillar of our efforts to promote health at work. Our staff restaurant has been Bioland-certified since 2022, achieving Bioland partner status in the summer of 2024.

"I'M PROUD THAT OUR STAFF RESTAURANT HAS BEEN AWARDED THE BIOLAND SEAL."

The training and education programme at the MediCampus also provides comprehensive content and programme items for preventative healthcare. These range from healthy cooking at home, through avoiding back problems, down to managing stress. Employees make full use of the initiatives on offer, which confirms our approach.

Measures and results

Occupational health and safety

GRI 403-9
S1-4

The action we have taken to date to prevent accidents and promote health at work are having a satisfactory effect. There were no fatal accidents either in 2022 or the 2023 reporting period. There were a total of 13 reportable workplace accidents in 2023.

GRI 403-10

There have never been any occupational illnesses such as noise-related hearing problems, skin irritations or back complaints at MEDICE.

Protecting health and well-being

GRI 403-6

We have been offering our employees a comprehensive health promotion programme for many years now, and we continued to consolidate and expand this in 2023.

For instance, we designate specific health-themed months to raise awareness among our staff and encourage them to take part in events. In 2023, for example, we held a health month and a relaxation month with a total of 18 initiatives on offer at the MediCampus and more than 450 people taking part. Healthcare services are also offered, such as skin cancer screening.

> “Providing healthy meals for staff is something close to my heart as we evolve from a pharmaceuticals company to the MEDICE Health Family.”
>
> Dr Katja Pütter-Ammer
> Managing Partner, MEDICE

MediGym

One of our specific benefits is the MediGym, where employees can train daily for free. The almost 400m² facility features state-of-the-art cardio and training equipment, a free weights area with various equipment and a functional hub. It is open from 6 a.m. to midnight, making it easy for staff to focus on their health and fitness before and after work. Employees can also get help and advice from a personal trainer who will draw up a custom training plan.

MediCampus

Our targeted efforts to promote physical and mental health and a sense of community are rounded out by the broad range of collective activities on offer at our MediCampus staff academy. From yoga courses, bike rides, sailing trips, skiing holidays and group cooking events to courses on health and sustainable nutrition, our employees experience the fun that can be had being healthy.

GRI 403-6
S1-14

Facts, figures, data

Occupational health and safety

- Reportable workplace accidents in 2023: 13
- Fatal workplace accidents: 0
- Percentage of employees with occupational health and safety training: 100%

MediGym/staff restaurant

- MediGym "members": 578
- Training sessions at the MediGym: 4,617
- Healthy and sustainable meals served at the staff restaurant: > 20,000
- Sustainable breakfasts served: > 20,000

MediCampus

- 67 people vaccinated against flu
- 86 blood donors
- 8 options offered during relaxation month with 257 participants
- 10 options offered during health month with 210 participants

S1-15

Training and education

Visits to external seminars (online)
126
in HR development

GRI 3-3 Context

Our employees have a wide range of prospects open to them. The MEDICE JobFamily is not just their professional home, but also an appealing working environment that both challenges and nurtures them. We are proud of our low staff turnover and are pleased that our long-term employees feel at home with the company. This is certainly helped by our flat hierarchies, short decision-making processes and diverse opportunities for development – which are always subject to equal opportunities.

Visits to external seminars
96
in HR development

In the fierce competition for top talent and up-and-coming management potential, we can only be successful if we are prepared to develop new approaches and face the changing needs and demands – both of our international markets on the one hand and of the candidates on the other. Going forward, we will therefore focus on our People & Culture concept, which is making the shift from the existing HR development framework towards "strategic workforce planning" at all levels. This concept permeates all levels, from education and training through leadership coaching down to succession planning, both at corporate headquarters in Iserlohn and at our international subsidiaries.

If we successfully navigate this transition, we will master the coming challenges for which highly qualified and motivated employees are a must have.

S1 SBM-3 IROs and strategic effects

Impact: MEDICE offers training and education in a range of professions, offering young people a springboard into a skilled career path with good prospects for the future. The specific occupations include chemistry lab technician, electrician for industrial engineering, industrial business administration specialist, industrial mechanic, warehouse logistics specialist, machine and plant operator, media designer and pharmaceutical technician.

Impact: MEDICE offers an extensive education and training curriculum for employees at the MediCampus, including sports and creative courses.

Risk: The tense labour market may cause a declining supply of qualified candidates for training vacancies. The trend towards apprenticeships for school leavers has declined in favour of university studies, and candidates with a specific profile are being sought for skilled occupations. Accordingly, the challenge of finding adequate trainees has grown noticeably greater.

Opportunity: In the past, Schaper & Brümmer largely dispensed with voluntary opportunities for economic reasons. Now, as part of MEDICE, it has the opportunity to benefit from an expanded range of training and education initiatives.

Opportunity: Further strengthening the MediCampus service profile and opening up international access to the high-quality services on offer could make a key contribution to developing the overall "MEDICE Health Family" brand in the context of the cultural transformation: a superlative use-case for training and education activities within the JobFamily.

GRI 3-3
S1-1
S1-5

Concept and objectives

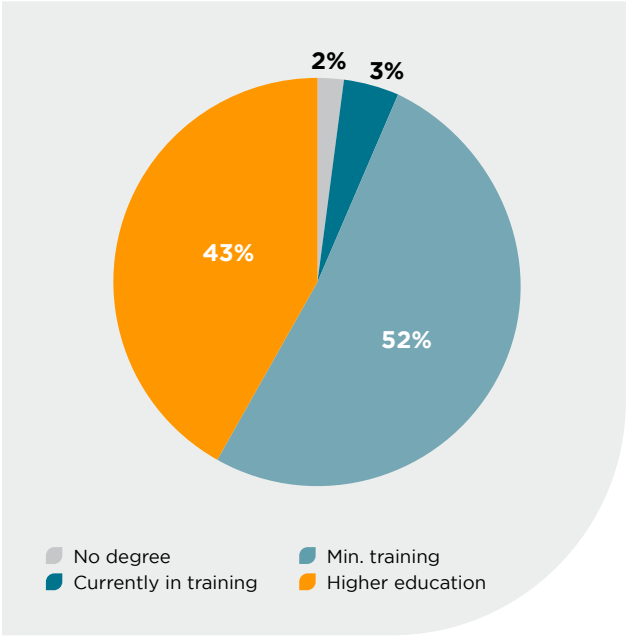
As a committed and open-minded family business, our doors are open to all who want to join us in rethinking health and making it more sustainable. We extend an open invitation to become part of our MEDICE Health Family. Together we have one key goal: we want to make the world a healthier place.

Going forward, it will be a critical part of our international growth journey to achieve a corresponding level of skills, qualifications and expertise within our own workforce.

Our employees' prospects and development are crucial to our long-term success. Developing and nurturing their potential is not just part of our holistic People & Culture transformation strategy, it is also a conscious approach firmly anchored in our corporate culture. Our employees' knowledge and motivation are among our most important resources.

Consequently, we ensure that we maintain and continuously improve our employees' skills and expertise, and to this end we will increase the corresponding individual training initiatives via internal and external courses. We know that the opportunities within The Health Family are still unevenly distributed globally, and we will change this with an international perspective.

MEDICE QUALIFICATION LEVEL



Part of the concept is to create transparency in development planning by offering specifically determining internal succession and preparing talented people for future requirements. The intention is for all key positions to be secured for the foreseeable future with a substitution solution and a permanent succession plan. To achieve this, our focus in training, education and HR development is on recruitment and onboarding, talent management including qualifications for up-and-coming leadership talent, and substitution and succession planning. GRI 404-2

In-house seminars
38
for various departments

Constructive and courteous communication in HR management is another key factor in improving individual skills and efficient teamwork to achieve the defined goals. Our systematic employee dialogue includes development meetings between managers and employees to discuss topics such as professional experience, behavioural skills, technical abilities, indicators for potential, performance and career development. This dialogue is then used as a basis to develop a bespoke programme of training and education customised to the needs of the individual. GRI 404-3

We offer special programmes for managers to continually drive forward the development of their skills and expertise. Going forward, this will also focus more closely on knowing our ethical standards and taking cultural diversity into account when working together. Our employee development activities are also increasingly focused on gender equality. GRI 404-2

Another aspect of our People & Culture approach is to harmonise the composition of our management in the long term. This will ensure that we retain valuable experience and market insights while giving us the opportunity to integrate innovative management approaches from other businesses and industries.

S1-4 Measures and results

MediCampus
Our goal is to actively promote our employees' training and education, and the MediCampus offers a range of exclusive seminars, activities and events. Here, employees have the opportunity to attend free training seminars and events, for example on IT, methodological skills or a range of languages.

The MediCampus embodies our total commitment to our employees' training and education, and we are convinced that good and regular training is a precondition for their high motivation. The training teaches the specialist knowledge required to be a competent partner to customers and users throughout all phases of the customer relationship.

All employees take part in mandatory training and job-specific technical courses.

Registrations for courses
3,485
(2023)

Entry opportunities within the Health Family
We offer diverse entry opportunities at MEDICE. These range from various forms of fixed employment, through traineeships, dual courses of study, voluntary and mandatory internships, student traineeships, work on project and degree theses, down to temporary work. The range of jobs is as broadly diversified as one would expect of an international company, and cover for instance production and logistics, business intelligence, database development, IT security, risk and compliance management, down to communications and product management.

Employees sailing as part of a MediCampus training session

S1-13 Facts, figures, data

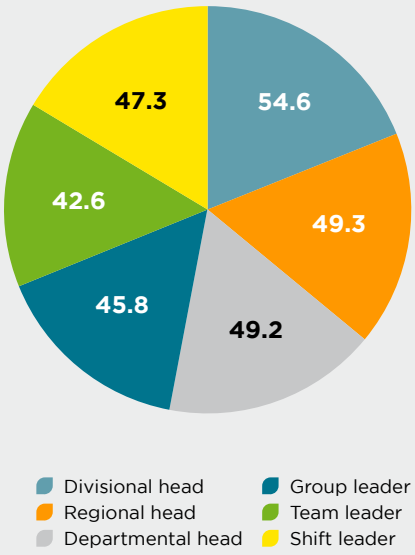
GRI 404-2 **HR development**

- 96 in-person external seminars in HR development
- 126 online external seminars in HR development
- 38 in-house seminars for various departments
- 13 participants in dual work and study courses
- 10 “team development” programme blocks
- 21 participants in 1:1 coaching

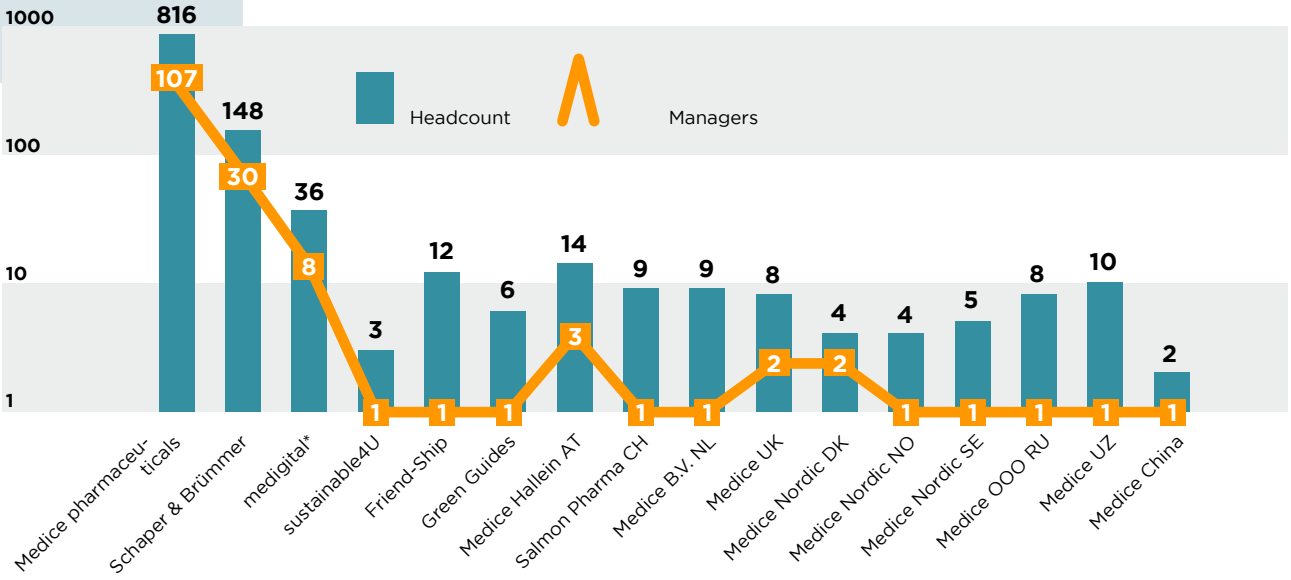
GRI 404-1 **MediCampus**

- 202 courses with a graduation rate of 87%
- 16 lectures involving the MEDICE Health Family subsidiaries
- 3,485 registrations

AVERAGE AGE OF MANAGERS AT MEDICE



NUMBER OF MANAGERS



- 13% of workforce = managers in Iserlohn
- 20% of workforce = managers at Schaper & Brümmer
- The span of control is 1 to 66 employees

Employer brand

GRI 3-3

Context

Our Health Family is open to all! We have decades of experience in our sector and work at both the regional and the international level to ensure that innovative pharmaceuticals in line with market requirements can be produced and treat patients. In doing so, we are evolving into a holistic healthcare provider that is perceived as an attractive employer and can find the requisite skills despite the competition for skilled workers.

To ensure that MEDICE remains on its growth trajectory, we rely on new members joining our "JobFamily". The uninterrupted growth of the MEDICE Health Family is based on striking the optimal balance between the traditional and the modern. MEDICE positions itself as a forward-looking and resolute business with a clear vision to shape the future that is underpinned by our fundamental values: forward-looking, value-creating and family-oriented.

Together, with our diverse skill-sets and across national borders: we are driven by a deep conviction to raise the appeal of our company. What we have already achieved is what motivates us every day to seek continual improvement and create the very best development prospects for our business and for our people.

S1 SBM-3

IROs and strategic effects

Impact: Flexible working time arrangements, remote work and efforts to strike an optimal work-life balance have a major impact on the workforce. Remote work is already widely available for office-based staff. For production, the options are more limited.

Impact: The MEDICE Health Family is a strong employer brand with high appeal in terms of what up-and-coming Gen Z talent expects.

Risk: Change processes within the workforce are on the increase due to growth, internationalisation and transformation activities. There is a risk of employees feeling strong individual pressure with potentially adverse effects on sick leave and staff turnover. This can be counteracted by honing the management culture and leadership skills – and that is where the potential for optimisation lies.

Risk: The risk of having our reputation as an attractive employer damaged due to negative social media posts increases as the barriers to communication fall.

Risk: Shift work tends to be less appealing to skilled workers, making it harder to find them in the private sector. The perceived inequality between blue-collar production workers and administrative staff with respect to flexible working models can pose a risk to achieving a homogeneous corporate culture.

Risk: In the medium term, the trend towards remote work may weigh on innovative ability due to the reduction in contact points and less agility in online meetings.

Risk: There is a general risk that skilled workers will become harder to find. This could have adverse effects on starting salaries and an increasing number of job vacancies, with a corresponding impact on costs and expansion opportunities.

Opportunity: The People & Culture transformation creates the opportunity to source and retain talented staff by facilitating flexible working and strengthening self-reliance.

Opportunity: Positioning the MEDICE Health Family as a values-based employer embodies the appeal of family values as a brand and of sustainable attitudes in the spirit of a multi-generational family business.

Opportunity: Employee development is a crucial tool to recruit and retain staff – in particular in the context of a structured process with the corresponding potential for targeted communication. There is an opportunity here to place a stronger communicative focus on best-in-class employee training and development for employee recruitment and retention.

GRI 3-3
S1-1
S1-5

Concept and objectives

By substantively strengthening and actively communicating our employee brand, the aim is to recruit and retain motivated staff who will help drive forward our international growth. To do so, we are taking structured action to remain an attractive employer for skilled workers. We are seeking to maintain and expand the conditions for an attractive working environment and further increase employee satisfaction. This helps us to keep staff turnover low and raise our employees' productivity.

At MEDICE, "JobFamily" stands for partnership on equal terms and a strong sense of unity. As we transition from being a pharmaceuticals company to the MEDICE Health Family and the JobFamily, our family values run through the entire organisation. For us, being a "family business" is not just an empty phrase, it is part of our DNA. Flexible working time models are an absolute must in this context. Owner-managed in the third generation, 2024 marks 75 years of our efforts worldwide to promote close cooperation. Whether in training, as an expert in specialist areas or as a manager, at MEDICE Health Family everyone can count on the support of a strong community.

The JobFamily puts its expertise to use for a good cause – for us, our customers and of course for our patients. Our goal is to work together for a healthier world. To do so, we seek to achieve the optimal work-life balance. Working together in a spirit of respect and harmony is of key importance to us, because only then can we shape the future of health together.

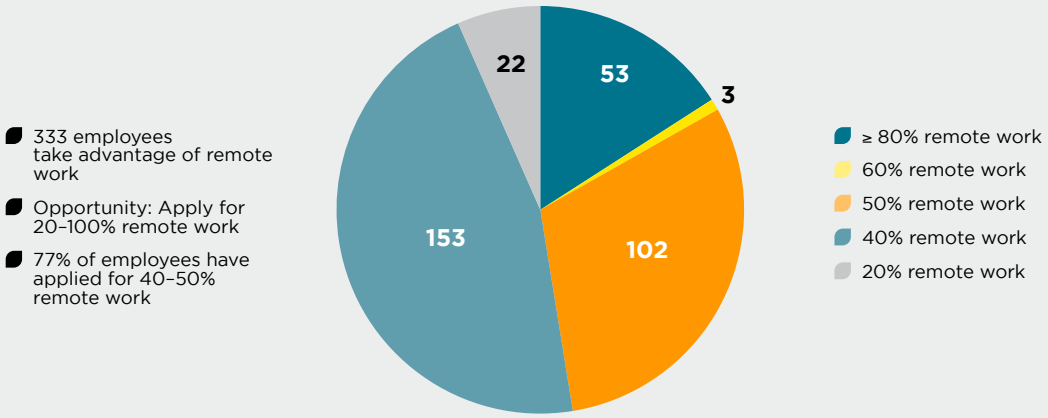
We are laying down principles of mutual cooperation in an updated Code of Conduct with the aim of promoting self-reliant and independent conduct within a defined framework.

Our aim is to provide a range of benefits within our JobFamily that support our employees and enhance their job satisfaction. Long-term growth has made MEDICE one of the largest mid-caps in the pharmaceuticals industry, but despite this success we have not lost our personal touch – to us employees are not mere numbers.

S1-4

Measures and results

**REMOTE WORK AT MEDICE:
NUMBER OF EMPLOYEES AND PERCENTAGE AT THE ISERLOHN LOCATION**



We work tirelessly on the MEDICE Health Family employer brand so as to be an attractive employer for qualified specialists. This means we can actively position ourselves in local job markets and gain attention and positive ratings in job portals. In line with our philosophy, we also offer all the benefits that employees can expect from a modern employer in the healthcare sector.

GRI 401-2

Flexible working time models

Making a healthy start to each day is our idea of a family-friendly JobFamily. Consequently, we offer flexible working time models that comprise both core working time models and remote work.

Social benefits

We offer a wide range of voluntary benefits to support employees in different life situations.

Events

From sailing and skiing to salsa, we organise a wide range of events at the MediCampus to bring employees together.

Individual development

No two people are the same, and for that reason we give all our staff the space to develop their own potential. Within the MEDICE Health Family, the doors are open to a wide range of development opportunities.

MediGym

One of our specific benefits is the MediGym, where employees can train daily for free. The almost 400m² facility features state-of-the-art cardio and training equipment, a free weights area with various equipment and a functional hub. It is open from 6 a.m. to midnight, making it easy for staff to focus on their health and fitness before and after work. Employees can also get help and advice from a personal trainer who will draw up a custom training plan.

Job security

According to a study carried out for German business newspaper Handelsblatt, we are ranked one of Germany's top 100 fastest-growing mid-caps in 2023. This growth is based on healthy corporate growth with foresight as its hallmark, and as a family business we are no fan of disruptive change: ideal conditions to safeguard job security for motivated employees.

#Packungsbeilage –
the MEDICE Health Family reports

In our podcast series, #Packungsbeilage (German for patient information leaflet), we not only discuss exciting health topics but also draw attention to MEDICE as an employer. Individual stories from employees and experts give a behind-the-scenes look at a modern, integrated healthcare service provider, for instance with a profile of our in-house fitness coach. Here, listeners can find out what the Health Family is all about and gain valuable insights into the wide range of career opportunities and benefits. Six episodes of #Packungsbeilage were produced in 2023.

MEDICE disclosures

Facts, figures, data

Participation at 10 events for job applicants and specialists

Newcomer events 3

56 participants

>50 social media posts in the context of employer branding

Our integrity tool covers **92.7%** of MEDICE's procurement volume

Sustainable supply chain

GRI 3-3 Context

Sustainability is a very important topic for the MEDICE Health Family and is an integral part of our corporate philosophy, strategy and culture.

GRI 2-23 We are committed to environmentally and socially responsible corporate governance and we expect the same from all of our suppliers. We also expect our employees to observe the principles of ecological, social and ethical behaviour and to integrate them into our corporate culture. We strive to continuously optimise the sustainability of our business activities, our products and the services we offer and ask our suppliers to contribute to this in keeping with a holistic approach.

S2 SBM-3 IROs and strategic effects

Impact: Communicating about risks in the supply chain raises awareness among suppliers, which can lead to a positive change in upstream value creation. Ensuring compliance with the German Act on Corporate Due Diligence Obligations in Supply Chains (Lieferkettensorgfaltspflichtengesetz, "LkSG") and, in the future, the Corporate Sustainability Due Diligence Directive (CSDDD) on the basis of supplier codes of conduct and active sustainable supply chain management means carrying out the necessary due diligence with regard to human and labour rights and environmental impacts.

Impact: Detrimental effects within the supply chain potentially restrict human and labour rights and can cause a wide range of environmental impacts. MEDICE has complex supply chains that are transparent thanks to the high level of regulation in the sector. Nevertheless, negative impacts along the supply chain cannot be ruled out, particularly as MEDICE depends on a small number of suppliers for certain primary products.

GRI 204-1 **Risk:** MEDICE procures around 90% of its products in Europe in accordance with the relevant standards. However, some of these are contingent on international supply chains that require a complex risk assessment. If human rights, environmental and/or social standards are not complied with in the upstream value chain, this can have massive economic consequences. The European pharmaceuticals sector is structurally dependent on suppliers of active ingredients from third countries. They have a rather limited ability to exert influence on indirect suppliers, giving rise to the risk that compliance with human rights, environmental and/or social standards may be difficult to enforce in the upstream value chain. Increasing awareness of this issue means that the company's reputation will be more directly affected by it in the future. Violations are subject to severe penalties.

Opportunity: The positive financial impact of optimising supply chain management on the company's business model is considered to be high. The positive effects of meeting future customer expectations in terms of supply chain transparency are often underestimated at present. With the introduction of systems and structures for sustainable supply chain management, the effort involved will decrease. Measurable KPIs in the purchasing process will help to increase quality.

Compliance with LkSG reporting obligations and the sustainable supply chain requirements will be actively managed. Active sustainable supply chain management can be measured externally and is often used as a key performance indicator by banks and insurance companies.

71 audits in 2023

GRI 3-3
S2-1
S2-5

Concept and objectives

One of our overriding sustainability objectives is to continue to refine our procurement activities without losing sight of economic, social and environmental concerns. Our Supplier Code of Conduct, which we updated in 2023, serves to ensure transparent communication with suppliers so that expectations and guidelines are clearly defined on both sides. We also aim to foster mutual understanding so that we can work together to achieve our sustainability goals. We want to structure our procurement activities responsibly and support our suppliers in improving their and our sustainability performance.

When we initiate a new supplier relationship, we agree with our contractual partners that the provisions of the Supplier Code of Conduct must be adhered to. This forms the basis for all future deliveries. Contractual partners undertake to comply with the principles and requirements of the Code of Conduct. We also ask them to ensure that their subcontractors undertake to comply with the standards and regulations set out in this document. These agreements enter into force as soon as they are signed. Any violation of the Code of Conduct may be reason and cause for MEDICE to terminate the business relationship, including all associated supply contracts.

The Supplier Code of Conduct is based on national laws and regulations as well as international conventions. These include the United Nations Universal Declaration of Human Rights, the Children's Rights and Business Principles, the United Nations Guiding Principles on Business and Human Rights, the International Labour Standards of the International Labour Organization (ILO) and the United Nations Global Compact. We expect our suppliers to comply with all relevant laws and regulations as well as the requirements of standards.

GRI 308-2
GRI 414-2
G1-2
S2 SBM-2

Assumption of social responsibility by our supply chain partners

The content of our Supplier Code of Conduct consists of the following principles, which constitute contractually agreed terms for our supplier relationships and thus represent an integral element of every order placed by the MEDICE Health Family:

- Partners champion the abolition of forced labour, slave labour and comparable working conditions so that everyone is free to take on work of their own volition or leave employment at their own free will.
- Partners are committed to the prohibition of child labour and adhere to the conventions of the International Labour Organization (ILO).

- Partners ensure that their workers receive fair pay and comply with all applicable laws on remuneration.
- Partners respect the rights of workers to freedom of association, to join trade unions, to appeal to workers' representatives and to join works councils.

GRI 406-1

- Partners protect their employees from any form of discrimination, including on the basis of gender, race, caste, skin colour, disability, political views, ethnic background, religion, age, pregnancy and sexual orientation.
- Partners take precautionary measures to prevent accidents and injury to life and limb that may arise in connection with work. Partners also provide a safe and healthy working environment.
- Partners take care to cause no harmful changes to the soil or pollute the water or air, and undertake to avoid harmful noise emissions and excessive water consumption.
- Partners oppose the unlawful seizure of land, forests and waters that serve as the basis of people's livelihoods and reject violence and restrictions on freedom caused by the use of private or public security forces.
- Partners ensure that an effective grievance mechanism is in place for individuals and communities that may be affected by adverse impacts.
- They exercise due diligence to promote responsible supply chains for conflict minerals in accordance with the Organisation for Economic Cooperation and Development (OECD) Guidelines.

We support the social commitment of our suppliers and promote projects with which they assume responsibility towards society.

Our supply chain partners' commitment to ethical business conduct

G1-3

- Partners undertake to ensure fair competition and to comply with the applicable antitrust laws in accordance with the relevant standards.
- Partners ensure compliance with applicable data protection laws and treat personal data confidentially.
- Partners uphold intellectual property rights and protect customer information.
- Partners undertake to apply the highest standards of integrity and comply with anti-corruption laws.

Our suppliers are expected to identify risks within their supply chains and take appropriate measures. If there are suspected violations or increased risks, MEDICE requires disclosure of the supply chains.

GRI 308-2
GRI 414-2

MEDICE verifies compliance with the standards and regulations listed in the Code of Conduct by using a self-assessment questionnaire. In addition, the company reserves the right to conduct sustainability audits at supplier production facilities. MEDICE reserves the right to impose suitable measures on suppliers which do not adhere to these requirements, which may ultimately include the suspension or termination of a supplier relationship.

S2-2

We encourage our partners to notify the relevant contact persons or the MEDICE Health Family compliance officer of any potential violations. Such reports may also be sent anonymously via the whistleblower system.

S2-3
S2-4

Measures and results

GRI 204-1
GRI 308-1
GRI 414-2

Audits of external MEDICE partners

Since the introduction of a supplier risk assessment, supplier audits have an even greater significance within the quality assurance systems of pharmaceuticals manufacturers. Under the GMP concept, regular reviews are conducted with regard to supplier qualifications; these were part of the "2023 GMP/GXP Audit Plan" for the reporting period. Under that plan, the company performed its own external audits and was subject to third-party audits and Joint Audit Initiative (JAV) audits. JAV is a non-profit initiative among pharmaceuticals companies in German-speaking countries, of which MEDICE is a member. It's purpose is to save costs and time by conducting joint supplier audits. Audit reports are made available free of charge to member companies, thereby reducing audit redundancy.

A total of 71 remote and on-site audits were performed in 2023. All audited suppliers were accredited or recertified by MEDICE.

MEDICE disclosure

100%
certification/ recertification after audit

In 2023, 17 external PV partner audits were performed, 12 of which in the EU/EFTA region. Five were non-EU audits. MEDICE has conducted the supplier certification audits for Schaper & Brümmer since 2023. Four such EU/EFTA audits took place.

Preparation for LkSG reporting obligations
MEDICE has prepared itself for the requirements of the LkSG, as the MEDICE Health Family comprises over 1,000 employees. MEDICE's LkSG team rounded off the project on time in 2023/2024, meaning that the relevant report will be published in early 2025. Due to legal changes having occurred in the meantime, we will now comply with our reporting obligation by publishing our first complete sustainability statement pursuant to the CSRD in 2026.

Taking into account the substantively defined LkSG elements, specific responsibilities for all action areas under the LkSG were assigned to the various functions and all generated documents were stored on a central internal Sharepoint server.

LkSG action areas:

1. Risk analysis: direct suppliers
2. Risk analysis: own business
3. Preventative and remedial measures
4. Statement of principles
5. Complaints procedure
6. Documentation duties

The Legal department took on responsibility for the governance function. Executive functions rest with Compliance, Procurement, Enterprise Risk Management and sub-functions within the subsidiaries.

Further work in 2024
For the purposes of refining the LkSG governance structure, continuous monitoring has been introduced for the LkSG action areas and annual and ad hoc reporting to the management institutionalised. Supplier risk analyses continue to be performed for the action areas and the risk analysis for -internal divisions and the statement of principles will be updated as and when necessary. In addition, continuous tracking of LkSG-relevant complaints via our integrity tool will continue.

Aside from the top 100 suppliers already analysed in the integrity tool, who account for 92.7% of MEDICE's total procurement volume, the company is assessing whether additional suppliers should be included and analysed in accordance with the LkSG. This assessment will be completed by the end of 2024.

In addition to direct suppliers, selected indirect suppliers are also included in the LkSG tool due to the fact that they represent a country risk per the risk analysis. Furthermore, Schaper & Brümmer's top 40 suppliers, who account for 90% of total procurement volume, will be included in the analysis before the end of 2024. It is also planned for a supplier assessment in accordance with the Supplier Code of Conduct to be included in the integrity tool by the end of 2024.

MEDICE disclosures
GRI 407-1
GRI 408-1
GRI 409-1

Facts, figures, data

We did not become aware of any instances of child labour, forced labour or compulsory labour during the reporting period. Furthermore, we did not become aware of any operations or suppliers where the right to freedom of association and collective bargaining may be at risk.

A total of 71 remote and on-site audits were performed in 2023.

100% of the audited suppliers were accredited or recertified by MEDICE.

In the 2023 reporting period, 0 instances of suspected violations of the Supplier Code of Conduct were reported.

We used our integrity tool to analyse our top 100 suppliers, who account for 92.7% of MEDICE's procurement volume.

0 companies represented an elevated risk of child labour based on the country in which they are located.

On our premises and surrounding areas:
> 30,000 m²
wildflower patches for insects

Corporate citizenship

GRI 3-3
GRI 203-1
GRI 203-2

Context

Health is a family affair: The triad of our social commitment goes back to our holistic understanding of health. As a pharmaceutical mid-cap specialising in prescription and pharmacy-only medicines, peoples' health is at the heart of our corporate identity. Rooted in the region with ties the world over, more than 1,000 employees and a major international network of physicians, pharmacists and scientists are working each and every day on new, pioneering medicines, ideas and care concepts for a healthier world.

S3 SBM-3

IROs and strategic effects

Impact: By strengthening local communities and promoting regional development, MEDICE Health Family seeks to make a relevant commitment to a successful society as a family company with local roots. This includes regional sponsorships and strengthening and promoting the corporate environment by supporting initiatives, athletic clubs and cultural institutions.

Opportunity: Measures to promote local communities can boost the perception of the region's pull as an attractive place to live and work. The company's significance as a relevant employer in this attractive environment can offer positive momentum in the search for talented new employees.

GRI 3-3
S3-1
S3-5

Concept and objectives

Our aim is to use our cultural, social and ecological commitment to strengthen social interaction and a sense of community in the region and thus foster the social and ecological framework underlying health in a lasting way. This is because MEDICE does not view health in isolation as merely medical treatment, but rather focuses on the interrelated and mutually influencing facets of health – physical/psychological health, social health and ecological health. This results in the action areas underpinning our social and regional commitment.

GRI 413-1
S3-4

Measures and results

Promotion of regional culture
We believe that social projects that bring people together in the region are vital. We offer our support in this area in order to help promote, maintain and increase cultural diversity.

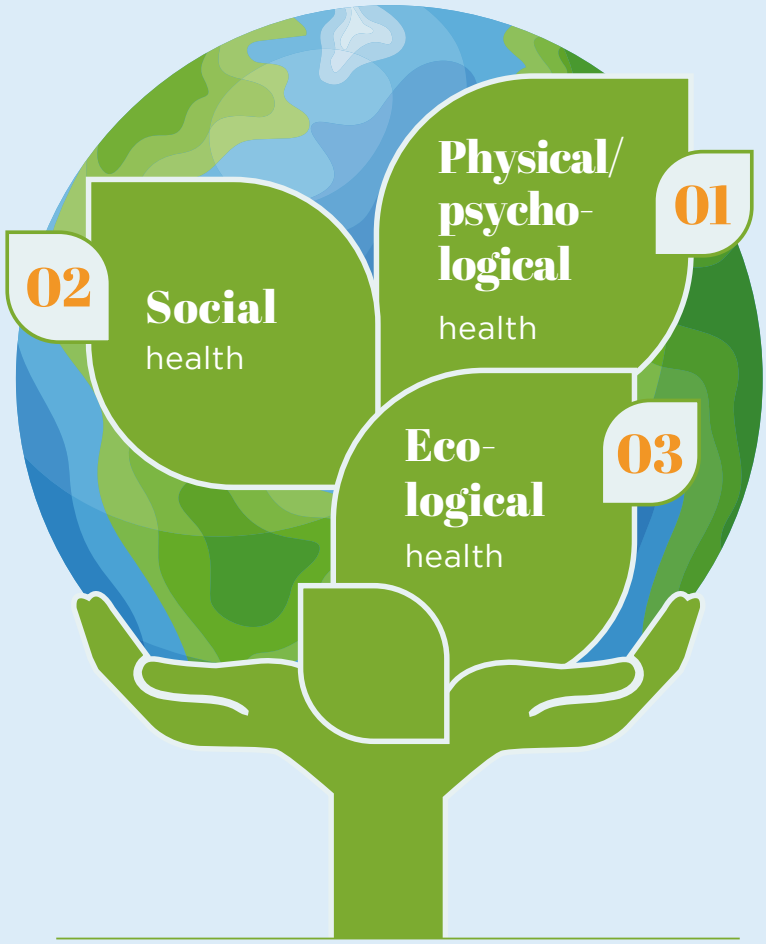
Orgelstiftung Bauernkirche

The start of the "OrgelGlanzLichter" organ concert series initiated by the Pütter-Ammer family marks the continuation of a project close to the heart of Dr Sigurd Pütter, who was among the second generation of the family to leave his mark on MEDICE. The renovation of the Bauernkirche country church and the donation of the newly built Grenzing organ were among the last major projects that Dr Sigurd Pütter made possible through his generous commitment. The four-manual Grenzing organ, which was inaugurated in 2019, offers organists an almost limitless range of play and performance.

Sport and recreation
We sponsor a broad range of sporting activities. Whether it be ice hockey, basketball, football, tennis, table tennis or equestrian sport, we support the valuable work of sports clubs which offer people a sense of togetherness and an opportunity to get some exercise.

Iserlohn Roosters

Our partnership with the Iserlohn Roosters offers an ideal way to strengthen the fellowship and friendships of our employees. Team events which offer employees the chance to attend ice hockey matches together are usually very popular.



Iserlohn Kangaroos

We are proud sponsors of the Iserlohn Kangaroos basketball squad. The values that sport teaches, such as social responsibility, team spirit and fairness, are all part and parcel of our corporate culture. The MEDICE Cup, which has now been developed into the MEDICE World Championships, has been held for children and youngsters for several years.

Environmental health:
Restoring nature

The destruction of natural habitats and species diversity adversely affects our health. The consequences are increasingly frequent chronic illnesses. We base our social commitment on a comprehensive concept of health and, in addition to the obvious projects in the area of specific patient groups, we also support social and ecological health projects.

Facts, figures, data

An average of 300 people attended each of the concerts in the "OrgelGlanzLichter" series.
On our premises and in surrounding areas: > 30,000m² wildflower patches for insects
Friend-Ship Family Garden, which supplies regional vegetables to our employee restaurant
MEDICE's own honey produced from more than 30 bee colonies across the region
Donations and subsidies for charitable institutions and associations EUR 139,000
Expenses for sponsorships EUR 213,000

Health promotion

GRI 3-3
GRI 203-1
GRI 203-2

Context

Given the specific nature of our company, we help in particular to ensure healthy lives and promote well-being for people of all ages, which is one of the United Nations Sustainable Development Goals (SDG 3).

Health is a fundamental part of our lives. MEDICE Health Family's aim is to work together with its stakeholders for a healthier world. We structure this into the levels of action of physical, mental, social and ecological health.

This holistic approach is closely linked to our material sustainability topics, resulting in a variety of relationships.

In order to avoid redundancies, we will focus here on the aspects of "affordability", "public health", "preventative health education" and "availability and accessibility of medicines". Taken holistically, promoting good health is tangential to many other areas covered in this report.

S3 SBM-3

IROs and strategic effects

Impact: By ensuring supply capability, the MEDICE Health Family makes a key contribution to the public supply of medicines and thus to public health.

Impact: By expanding its range of services to include health promotion and prevention services related to its core business, MEDICE makes a positive impact on the health of its customers and patients, as well as on their environment.

Impact: As a German and European provider, MEDICE contributes to strengthening the national and European stockpiles of medicines by offering a relatively secure infrastructure.

Risk: German locations run the risk of losing market share in international competition due to significant cost disadvantages if they do not innovate to develop adequate solutions for healthcare provision in the markets. This applies in particular to sub-segments with expiring patents.

Risk: The combination of medical effect and price is decisive for further international expansion. It is not possible to enter markets where customers are not willing to pay enough. As various crises in recent years have had an impact on the financial situation and people's sense of security, the risk of calculating margins when entering the market is higher.

Opportunity: Bolstering strategic purchasing and thereby shoring up the supply chain in order to increase the Group's security of supply and resilience has a significant positive financial impact. Securing supply capability can directly improve sales opportunities.

Opportunity: It is not currently possible to quantify the potential positive financial impact on the company of benefiting (in terms of business policy and revenue) from the politically desired sourcing of pharmaceutical products and services within the EU.

GRI 3-3
S3-1
S3-5

Concept and objectives

Availability of medicines and public health

As a German and European provider in the market, MEDICE assumes responsibility for strengthening the supply of medicines by national and European manufacturers. This helps to shorten supply chains and increase security of supply at the continental level, which is a key factor for public health. The increasing complexity of global supply chains has recently illustrated that even seemingly minor disruptions, such as a shipping accident in the Suez Canal, can lead to major effects and supply bottlenecks in various industries.

Our aim is to further reduce our dependence on individual suppliers of active ingredients through strategic purchasing in order to become more independent on the supplier side. However, with an order volume share of over 90% from European suppliers, we already consider this to be a high degree of security. We are investing extensively at the Iserlohn and Salzgitter sites in order to further optimise the required structures in terms of delivery capability and efficiency.

With this location strategy and the integration of sustainability aspects into the corporate strategy that has already taken place, we hope that these will also be taken into account as criteria in the health insurance companies' tenders. We are already seeing a willingness to do this in some cases. The task here is to implement this social requirement in daily practice.

Affordability

Our aim is to further strengthen the existing perception of affordability on the customer side. To this end, we are working on pricing strategies in a structured manner and using specific market studies to incorporate the assessments of our stakeholders and their reactions to price changes.

Health is a valuable commodity worldwide. As the price of a good reflects the value or benefit from the customer's perspective, the willingness to pay for effective medicines that provide relief in the event of illness is generally high. Nevertheless, the issue of allocating the scarce commodity of money is much more relevant in many countries around the world than in relatively affluent, industrialised countries. As a result, there is also a strong focus on manufacturing costs in our domestic and existing markets and therefore on greater pricing flexibility.

The price levels on the European markets, which are developing oligopolistic characteristics for some active ingredients, are primarily decisive in strategic sourcing. MEDICE previously benefited from a sound procurement position during the COVID-19 pandemic. We manage constant availability on the active ingredient side through long-term supplier relationships characterised by a high degree of flexibility. In a constant network of relationships without ad hoc purchases at short notice, this also has a positive effect on overall costs and thus on the affordability of our products in internationalised markets. On the active ingredient side, spontaneous changes are hardly possible anyway due to the sophisticated GxP regulatory framework.

Preventative health education GRI 413-1

Our aim is to secure and expand the success of our pharmaceutical products through an integrated range of healthcare services. The concept of the MEDICE Health Family is essentially based on developing and offering multimodal healthcare solutions around our pharmaceutical compounds. An important component is the transfer of knowledge and education about preventative measures as well as accompanying offers that support the therapy. Our "Theralution" product family, for example, which supports the intestinal flora, contributes to this approach and is accompanied by numerous educational measures. We use digital solutions to inform and support patients and customers in order to make everyday life easier for them and those around them. Preventative tips are part of the intended scope of services.

Measures and results

Availability of medicines and public health
The continuing internationalisation of the MEDICE Health Family means that more and more people in an increasing number of countries have access to our medicines. This underscores the compelling effect of our products and the overarching strategy of contributing to the healthcare of as many people as possible.

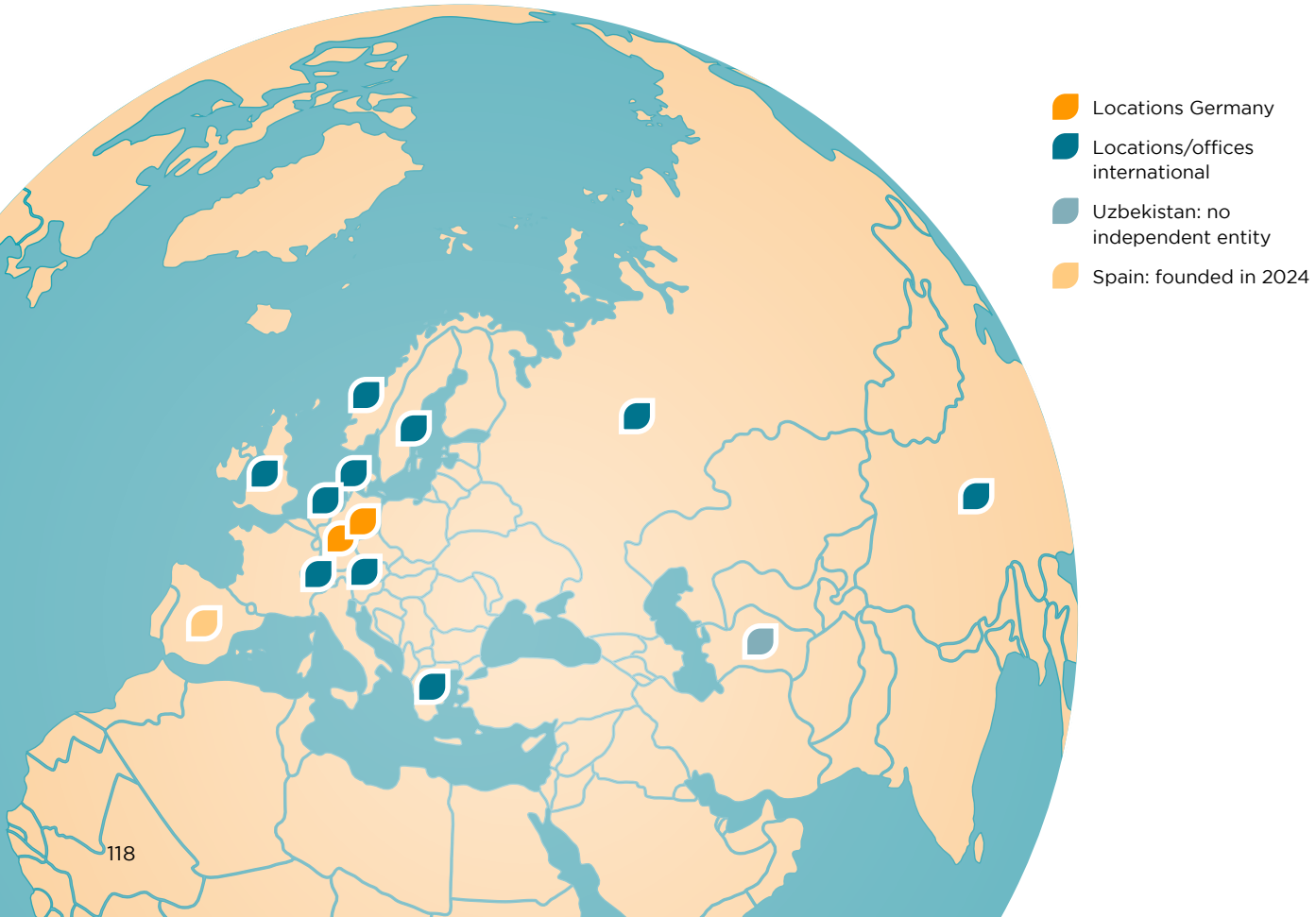
Affordability
In order to optimise the pricing of our products in various markets, we regularly conduct structured customer surveys that give us clear insight into attitudes and expectations. Affordability is determined based on value-for-money. We are already very pleased with the level of customer satisfaction with our delivery capability, effectiveness and flexibility in individual order processing, and are working on solutions to issues that have drawn criticism.

Preventative health education
Friend-Ship, a subsidiary of sustainable4U, is responsible for implementing a health-conscious nutritional philosophy. Balanced and wholesome ingredients are at the heart of a regional and seasonal food concept. As the parent entity, sustainable4U develops holistic and forward-looking solutions for the fields of nutrition and the environment. The three action levels CREATE, DEVELOP and CONSERVE provide the framework for this.

At the CREATE level, sustainable4U is involved in long-term projects that focus on nature as an endangered area. The restoration of biodiversity and intact natural areas through renaturation creates ecosystems for the production of natural and healthy food.

At this DEVELOP action level, healthy and sustainable staff and guest catering is provided in collaboration with the subsidiary Friend-Ship Gastronomie. In addition, sustainable4U develops sustainable give-aways for the food and non-food sectors, which are tested and approved for distribution in accordance with defined environmental and nutritional guidelines.

At the CONSERVE action level, concepts are created in collaboration with the subsidiary Green Guides to counteract food waste by optimising processes in commercial kitchens. This helps to conserve resources.



Product quality and safety

GRI 3-3 Context

"Product quality and safety" for the benefit of our customers and patients represents a pre-eminent ESG material topic for the MEDICE Heath Family and its stakeholders. As a third-generation family business, we take our responsibility towards our target groups and patients very seriously. Therefore, despite the challenges associated with our location in Germany, we continue to focus on expanding our central headquarters in Iserlohn and Schaper & Brümmer in Salzgitter in order to ensure consistently high quality and security of supply for our customers.

Without our qualified employees at our locations, the continued market-driven development of integrated healthcare services at a top international level would not be possible. Guaranteeing the well-known and closely monitored product quality for the benefit of our customers is of paramount importance.

MEDICE has therefore appointed the legally required "qualified persons" and registered them with the district authority. A qualified person in accordance with section 15 of the German Medicinal Products Act (Arzneimittelgesetz, "AMG") (as well as Directive 2001/83/EC) plays a vital role in a pharmaceuticals company. They are responsible for ensuring that all pharmaceuticals regulations are complied with during production, testing and batch release. MEDICE has appointed five qualified persons.

S4 SBM-3 IROs and strategic effects

Impacts: MEDICE makes a significant contribution to product safety – and therefore to people's health – by providing comprehensive training and information to doctors, pharmacists and PTAs at numerous specialist events and in online training courses, as well as by implementing structured GxP concepts with closely interwoven, continuously refined quality control processes that are subject to internal as well as external review. We also contribute to responsible clinical research. By closely monitoring product quality, we are able to ensure product safety for patients.

Risk: Due to increasing internationalisation and the resulting rise in complexity of regulatory requirements in relation to manufacturing, testing, monitoring and documentation, the volume of data is increasing – in some cases even exponentially. The necessary infrastructure and staffing systems must be continuously expanded. This requires a great deal of effort and expense, and ties up human and financial resources.

Opportunity: Product quality and safety is crucial to providing the utmost level of patient safety. The field is highly regulated and we are subject to regular monitoring through internal and external audits as well as inspections initiated by the authorities. After years of significant investment and continuous development of expertise, we have established a solid position from which to carry out further internationalisation projects.

As in previous years, the strategic focus on this material topic ensured that no incidents that could affect the health of consumers or end users were known to have occurred in 2023. The defined quality targets were largely met in 2023, meaning that the quality management system is effective.

GRI 3-3
S4-1
S4-5

Concept and objectives

Patient safety

The Health Family is committed to working for a healthier world. MEDICE is therefore in constant communication with target groups of specialists such as doctors, pharmacists and researchers. Our patients and their health and safety are at the centre of this exchange.

With around 20 employees, the Medical department provides the necessary front-line support in the authorisation process for pharmaceuticals products. Applying ethical standards, the focus is squarely on the safety and efficacy of our products, which must be proven by preclinical and clinical assessments. As MEDICE is not a traditional research company in the pharmaceuticals sector, but generally uses established active ingredients that have already been developed, preclinical studies are a rare exception. These take place only as mandated by law. It goes without saying that every active ingredient and end product undergoes every prescribed step in the process through to marketing authorisation.

In addition, the department provides specialist information in response to specific medicinal queries, mainly from physicians and pharmacists, but also from end customers. Qualified medical advisers exchange views and information with target groups.

Another responsibility of the Medical department is to translate its own scientific findings as well as current and relevant publications in the literature into training and educational materials. These materials must be prepared for our own sales force as well as in the formats specifically required by a variety of target groups. Train-the-trainer programmes have been established that provide internal and external subject-area specialists with a continuous flow of information and expertise, which in turn enables them to speak knowledgeably with healthcare professionals.

Our aim is to satisfy the most stringent needs for information about how to use our medicinal products and to offer a whole range of informative content to our target groups. The Medical department's three specialist teams represent the foundation of expertise on which this content is provided. In a process governed by standard operating procedures, the information officer ensures the legally compliant communication of product information which is rooted in scientific expertise.

GxP concept (Good Manufacturing Practice GMP/GxP)

For MEDICE as a pharmaceuticals company, quality management (QM), with highly specified, tightly woven network of quality assurance and control measures, is of utmost importance. The overarching goal is to ensure that patient safety is paramount in every application.

The pharmaceuticals industry adheres to the GxP concept. GxP is the umbrella term for specifically regulated areas, such as:

- **GMP = Good Manufacturing Practice**
- **GSP = Good Storage Practice**
- **GDP = Good Distribution Practice**
- **GEP = Good Engineering Practice**
- **GAMP = Good Automated Manufacturing Practice**

MEDICE's quality management system is thus tasked with verifiably implementing strict regulatory requirements arising from the applicable national and international GxP/GMP guidelines in order to guarantee the high quality of our products at all times.

Quality assurance begins with supplier selection. All suppliers who are required to apply the GxP concept are subject to the supplier qualification process. Procurement may only place orders with suppliers approved by the QA department. To that end, a corresponding supplier qualification system has been established which also involves audits of the relevant manufacturers and suppliers.

For our current staff of 27 (as of July 2024) in the Quality Management and Quality Assurance (QM/QA) department, this means establishing comprehensive systems and specifications to ensure the implementation of quality assurance processes, which must be documented in writing for official inspections as well as internal and external audits. Digitalised process descriptions are used, which the electronic document management

system classifies into levels for the management manual, the derived process instructions and standard operating procedures.

The Quality Control (QC) department is responsible for reviewing and approving the production batches for the market. It assesses the quality of all incoming shipments of goods. This includes input materials, packaging, intermediate products and finished products. The Quality Control department alone employs a staff of around 50.

S4-2 **Pharmacovigilance**

Pharmacovigilance is a key guarantor of patient safety. It encompasses all activities involved in the detection, assessment, understanding and prevention of side effects and other problems in connection with medicaments. The primary objective of pharmacovigilance is to protect people from harm caused by undesired or unintended effects of medications and to promote the safest, most effective use possible. Pharmacovigilance thus helps to protect patients and public health.

The primary duties of the Pharmacovigilance department are to assess incoming reports of suspected side effects in connection with MEDICE products after they have been authorised for use and marketed as well as to continually monitor risks in connection with the use of a medication. This usually consists of processing and assessing reports of side effects and other safety-relevant information in accordance with a structured, highly regulated process.

This enables us to ensure that risks are proactively minimised and communicated as necessary. Continuous monitoring of the risks and benefits covers the entire life cycle of a medicinal product. Processes are documented in writing in the pharmacovigilance standard operating procedures.

Thus, at MEDICE, the aim of pharmacovigilance is to verifiably implement the strict regulatory requirements stemming from European regulations such as the guidelines issued by the International Conference on Harmonisation (ICH), the European Medicines Agency (EMA) and Good Pharmacovigilance Practice (GVP) guidelines so as to ensure a consistently high level of product safety.

Synergies in exchange of ideas and information with Schaper & Brümmer

Regular meetings are held between the pharmaceutical labs. The herbal medicines analytics team will be relocated to Salzgitter going forward to benefit from the great expertise at Schaper & Brümmer. The analytics team for the Aqualibra® product range already took advantage of this in 2023. In return, we leverage MEDICE's expertise when it comes to international authorisations as well as for market expansion for Schaper & Brümmer's products.

S4-4 Measures and results

MEDICE disclosures

Patient safety

To contribute to patient safety, we seek extensive exchanges of information and ideas with specialists at conferences and organise a number of our own specialist conferences which give attendees the opportunity to exchange information. A total of 960 events took place in 2023 with more than 29,500 people in attendance.

Good Manufacturing Practice (GMP/GxP)

As part of our international expansion, preparatory measures for market authorisations have been stepped up significantly. The Quality Assurance department implemented the GxP-compliant "DocuSign" electronic signature system for contracts during the reporting period. The ability to use digital signatures speeds up the process of internationalisation. A widely diverse array of market access requirements have been implemented in various countries, such as in China, Russia, Australia and Brazil. These requirements must be identified for all new markets and assessed via a gap analysis. If necessary, measures must be taken to close any gaps.

Depending on the existence of mutual recognition agreements concerning official inspection systems, inspections by international authorities should also be expected. In addition, external audits of international distribution partners have increased in scope in order to ensure compliance with their requirements for quality standards. This necessitates a significant recruiting drive for expertise and personnel.

The construction of extensions and the associated internal relocations of departments and production and laboratory units also lead to considerable additional quality assurance and quality control efforts. Qualification and validation measures are necessary for every relevant intervention in process sequences or machine use to ensure the described qualities.

In September 2023, the surveillance audit for the ISO 9001/13485 management systems was carried out by TÜV Nord in Iserlohn. In addition, in spring 2024, the Arnsberg district authority carried out the acceptance inspection for the production of the active ingredient tannin albuminate at the Iserlohn site. The inspection was successful and the manufacturing authorisation was expanded accordingly. GMP-compliant acceptance of the new sterile area in production is scheduled for August 2024. The Quality Assurance department implemented the GxP-compliant "DocuSign" electronic signature system for contracts during the reporting period.

Pharmacovigilance

Information on potential side effects or other risks associated with a MEDICE product is collated from studies, literature, doctors and pharmacists and other target groups as well as from patients directly or via MEDICE employees. In addition, the structured analysis of other potential sources of information, including social media channels, has shone a light on side effects and other risks in the past. Some of these are screened by MEDICE employees and recorded with the aid of filter tools. The e-mail address drugsafety@medice.de is available for persons wishing to send their own reports to MEDICE's Pharmacovigilance department. This department then conducts a scientific and medical evaluation of the reports and forwards them to authorities and MEDICE's international partners in accordance with regulations and relevant agreements.

Pharmacovigilance is also responsible for the qualified and regulatory-compliant exchange with health authorities regarding patient safety issues relating to MEDICE products. This can take place, for example, in the form of inquiries from the authorities or in the context of periodic safety reports. In addition, Pharmacovigilance itself regularly reviews the medical and scientific data with regard to new information on the safety of MEDICE's products. It also evaluates these with regard to significant risks and the resulting pharmacovigilance or risk minimisation measures that

should be taken to protect patients. The description of these risks, which can significantly influence the risk-benefit ratio of a medicinal product, as well as agreed measures that may be necessary to increase patient safety, are presented in the risk management plan (RMP).

Safety-relevant information received by MEDICE's Pharmacovigilance department is evaluated regularly and on an ad hoc basis with regard to new risks or information on known risks as part of signal management. This serves to identify new risks as early as possible and to inform patients and members of the healthcare professions promptly.

0.005
per thousand
Complaints rate

Pharmacovigilance negotiates pharmacovigilance agreements with partners and subsidiaries in order to establish and adhere to international standards and processes for MEDICE's products in accordance with regulations. These standards and processes are subject to continuous review with regard to deviations and analysed to assess whether corrective or preventative actions need to be initiated. This deviation and CAPA (corrective and preventative action) management covers not only MEDICE's partners and subsidiaries, but also internal processes and standards.

Quality rate
99%
during the reporting period

In addition, pharmacovigilance audits of subsidiaries and MEDICE partners are carried out regularly to verify adherence to the agreed processes and ensure patient safety. Furthermore, MEDICE's pharmacovigilance system is subject to regular review by authorities such as the Federal Institute for Drugs and Medical Devices (BfArM).

Destruction costs
0.6%

MEDICE disclosures

Facts, figures, data

GRI 416-2

We believe it is our duty to ensure that we offer our customers the greatest-possible level of quality. For this reason, we define detailed quality KPIs every year in addition to our cross-departmental corporate targets. The strategic focus on this material topic ensured that no incidents or material side effects that could affect the health of consumers or end users were identified in 2023.

For the purposes of pharmacovigilance, the reported KPIs and performance for the year 2023 were subjected to independent audit by QA/PV manager. The KPIs were all normal. Ultimately, no further measures beyond those implemented under the established management system were necessary.

The target of processing 95% of batch inspections without GMP deviation (material deviation) was once again met, at approximately 97%. One event was reported as being critical.

Rate of pharmaceutical-technical complaints
At 0.005‰, the rate was significantly below the target of < 0.01‰. This corresponds to five complaints per million products sold.

Destruction costs
In 2023, the destruction costs of 0.6% of revenue were significantly above the target of 0.3%. This was due to a one-off incident caused by the expiry of rapid COVID tests which could no longer be sold after the end of the pandemic.

Assessment of impacts of products and services on health and safety GRI 416-1
Percentage of material product and service categories which affect health and safety that were analysed to identify room for improvement: 100%

Service quality

GRI 3-3 Context

In a digitally networked healthcare market which we are helping to shape with innovative and integrated solutions, service in support of medicines and other products is a deciding factor, as are reliability and supply capability. Speed and maximum efficiency, coupled with availability and flexibility, are core competencies that will help to ensure our future viability.

S4 SBM-3 IROs and strategic effects

Impact: The adequate provision of services in support of pharmaceuticals products is crucial and ensures customer satisfaction and business success. This affects patients, who depend on the reliable supply of our products and services, as well as our product-specific target groups of doctors and pharmacists.

Risk: Increased resources are tied up to monitor social media channels with regard to customer satisfaction and pharmacovigilance, particularly as a result of the increasingly international nature of our business. Consumers are increasingly willing to publicly discuss medical topics and/or pharmacological effects via a variety of media channels. This also poses a relevant challenge when it comes to providing service.

Opportunity: The strategy of marketing products that are beneficial for the microbiome of the intestinal flora means that patients and physicians can supplement traditional therapeutic approaches with a supportive, holistic nutritional approach. We combine this with increased service quality and improved customer satisfaction throughout the course of treatment.

Opportunity: Pharmaceutical products require explanation and purchases often depend on experience-based recommendations. Customer satisfaction is therefore the pillar on which market success rests. Regular, positive customer feedback provides a foundation on which to expand our market position.

Opportunity: The service MEDICE offers in support of its product portfolio is vital to our pharmacy customers. In addition to training and education, this includes, above all, consistent and well-founded availability. Although MEDICE has established a good market position in this area, there is still potential, particularly as competitors are withdrawing from direct contact with pharmacies.

Opportunity: Customers and consumers increasingly expect us to offer digital services in support of our core product range. For MEDICE, our focus on service is a key USP. MEDICE sees digital services in the context of integrated healthcare services as an important market and future potential.

The impacts, risks and opportunities described above directly influence the company's development and the differentiation of specific products and services offered to our customers. The development into an integrated and internationally positioned healthcare service provider is closely linked to customer satisfaction and service orientation for the benefit of our customers.

GRI 3-3
S4-1
S4-5

Concept and objectives

Customer satisfaction

Our Customer Relationship Management (CRM) team offers flexible responses to various customer concerns on the market. Our objective is to process and close inquiries within one day of having received them. For returns and complaints, we require somewhat more time due to coordination processes with external service providers. Another key factor that influences customer satisfaction is availability. Because we can be reached in person from 8:00 a.m. to 6:00 p.m. Mondays to Friday, we achieve excellent marks in this regard.

Our primary target groups are pharmacies, pharmaceuticals retailers, clinics, nephrology key accounts and partners of our new business units, which turn to us with a wide variety of inquiries. They do so either by telephone or in writing via e-mail, fax, WhatsApp, text message or chat bot. Every contact is processed in a structured manner via our customer management tool, which we implemented in February 2024.

Our customer service activities are also subject to strict statutory regulations given the sensitive nature of the topic of shipping controlled substances. For instance, medical queries may only be responded to by trained pharmaceuticals reps in the first instance. This is subject to regular audits.

Customer satisfaction surveys are also made available by our customer events management team and international market research team. The management is presented with a summary of all market research studies every year in the form of the Quality Management Board report. Satisfaction with our specialist events represents a key indicator for us.

Service

The MEDICE Health Family's efforts centre around customer service. This entails a significant effort to increase customer satisfaction, which we measure in a structured way. The objective of our customer service team is to meet the highest measures of quality and flexibility and to combine this with process certainty and cost-efficiency. Providing appropriate, prompt responses to our customers is very important.

Our Customer Service Management team receives roughly 150,000 inquiries per year – many of which in relation to logistics issues. Every service ticket is handled according to a structured process, which centres around the customer. For MEDICE, a focus on the customer means accepting responsibility for the final metre to reach the customer.

In Iserlohn, the logistics and shipping departments manage the processes required to meet market demand and maintain and expand the building infrastructure. At the fully automated central warehouse in Iserlohn, which features around 10,000 pallet spaces, goods delivery for production, internal logistics for the specific steps in the production process and dispatch – including control of order picking for final delivery to the customer – all come together. State-of-the-art conveyor technology and digital control enable goods to be supplied almost autonomously from the relevant departments for production and packing before being provided to specified handover areas. Every order – whether triggered directly by the customer or via the sales force – is received by Customer Service and processed in a timely manner.

The objective of implementing networked shipping concepts is to increase the Logistics department's efficiency and output. This makes us faster and more reliable and enables us to leverage synergies in order to raise the bar for the quality of our service. For example, construction work to expand our new shipping centre began in summer 2023 and will be completed by the end of 2024. This will enable us to find solutions for how to manage the strong growth momentum associated with the internationalisation of our business. Beyond this, we consider the management of our own logistics processes to be a logical next step towards further developing our customer relationship management activities.

S4-4 Measures and results

Customer satisfaction
In summer 2024, our service team comprised 13 employees. Inquiries from Germany and Austria are processed by one team, while inquiries from other countries are processed at our International Division.

The introduction of our CRM service tool has significantly simplified the evaluation of inquiry content, enabling us to optimise how we manage the services we offer. The majority of inquiries have been categorised, allowing us to plan service resources in line with customer requirements. Customers can also provide feedback on each individual service process once it has been completed. Only a very small number of customers (0.1%) take advantage of this, meaning that the vast majority are highly satisfied.

Thanks to the flexible management of service resources in the event of a high volume of inquiries, we are able to keep waiting times to a very low level. We receive positive feedback that it is still possible to reach us until 6:00 p.m. from Monday to Friday.

Transoflex reusable boxes
Following a dedicated survey of around 1,000 pharmacy customers and compelling feedback, we joined the Transoflex reusable box system in 2023. We were motivated less by cost aspects than by what we consider to be the sustainability performance of the concept. The returns system and the multiple use of the plastic boxes mean that resources can be saved on disposable cardboard packaging. A contractual service agreement regarding cleaning is associated with the boxes. The contractual partners also agree to offset the emissions generated over the “last mile” by means of a carbon levy.

Service
Our central logistics infrastructure was built and is operated in order to meet the highest standards of quality and flexibility, combining them with process reliability and high cost efficiency. In Germany, goods are delivered via a central forwarding agent. For our international markets, we use five to six freight forwarders who are responsible for handling road, air and sea freight. All are GDP-certified and regularly audited. A further 12 specialised logistics service providers worldwide take on additional order picking functions on site.

With in-sourcing in the area of goods dispatch, we can better influence sustainable and service-orientated concepts in logistics. The investment in the expansion of our shipping centre was necessitated by the strong growth momentum combined with the increasingly international character of our business. In addition, the internal management of logistics represents a consistent next step in the further development of our CRM activities, as it allows us to manage logistics to the customer in a customer-oriented manner, which is almost impossible to achieve with the otherwise usual and cost-oriented outsourcing. For MEDICE, a focus on the customer means accepting responsibility for the final metre to reach the customer. The new dispatch building was constructed in accordance with the KfW40 energy efficiency standard.

MEDICE also ships in small containers, which is seen as advantageous from the customer’s point of view, as this allows pharmacies to reduce storage quantities. However, details of the outer packaging can still be optimised for small containers.

MEDICE disclosure

1.4%

Total returns rate

Facts, figures, data

Reliable deliveries (OT and OTIF)
The OT (on-time) figure indicates how many orders are delivered to customers on time. OTIF (on-time in full) reflects the share of orders delivered with the correct quantity and quality at the first attempt. "In full" and "on-time" are based on the customer's original order. When the OTIF rate is calculated, the actual delivery is compared to the original order data.

MEDICE disclosure

$$\text{OTIF} = \frac{\text{Number of complete and timely deliveries}}{\text{Number of total planned deliveries}} \times 100\%$$

The company's defined OTIF target rate for 2023 was 95%; in reality only 79% of orders met this target.

Delivery accuracy
Delivery accuracy (DA) indicated how many orders are delivered without encountering any incident that results in an incomplete or late delivery.

As with the OTIF rate, this figure is compared against the total number of orders. The company's defined DA target rate for 2023 was 95%; in reality only 46% of orders met this target. Because higher OTIF and delivery accuracy rates are closely correlated with high customer satisfaction rates, we have already taken extensive measures to improve these indicators significantly going forward.

Total returns rate
The total returns rate is calculated based on a number of different reasons for returns. The defined returns rate target in 2023 was < 1.5%. We met this target with a rate of 1.4%, where the primary causes for returns were damage during transport and short shelf lives.

Marketing and labelling

GRI 3-3 Context

As a pharmaceuticals company, MEDICE is subject to particular duties of care in connection with the marketing and labelling of medications. The issue of restrictions on advertising for risk and compliance reasons plays a significant role. Aside from the German Act Against Unfair Competition (Gesetz gegen den unlauteren Wettbewerb, "UWG"), it must adhere to other specific statutory provisions concerning the marketing of medications. Of particular relevance is the German Medical Products Advertising Act (Heilmittelwerbegesetz, "HWG"), which regulates the advertising of prescription and pharmacy-only medicines as well as, to a certain extent, medical devices. Non-pharmacy-only medicines, such as those available in drug stores, do not fall under the scope of the HWG. Beyond this, the German Medicinal Products Act (Arzneimittelgesetz, "AMG") and the General Data Protection Regulation (GDPR) are of relevance.

In pharmaceuticals advertising, a claim is deemed to be misleading if it provides inaccurate information to the target group. The HWG specifies various forms of such misleading information, e.g. deceitful information about the composition of the medication and the false impression of guaranteed efficacy when the compound is used. According to case law, the overall impression that an advertising claim makes on the relevant target group is decisive.

The HWG distinguishes between healthcare professionals and consumers in the aforementioned target group. Prescription drugs, for example, may only be advertised to healthcare professionals.

In addition, the HWG also differentiates between healthcare professionals and consumers when it comes to mandatory information in advertising. More extensive information is required for healthcare professionals, including the name and registered office of the pharmaceuticals company, the composition of the medicine in accordance with the AMG and information on side effects. The latter is particularly important with regard to potential product liability risks. For end consumers, a brief mandatory text is provided, which includes the familiar note "For risks and side effects, read the package insert and ask your doctor or pharmacist". This differentiated regulation takes into account the different information needs and competencies of the target groups and aims to provide appropriate information.

S4 SBM-3

IROs and strategic effects

Impact: Inadequate product information, excessive promises of efficacy or a lack of transparency can lead to incorrect use of medicines.

Risk: The PCC segment in particular is a highly competitive environment for MEDICE. Competitor lawsuits and lawsuits from watchdogs and consumer associations alleging exaggeration of product efficacy are part of everyday life and can demand the attention of highly specialised experts for years.

Risk: Negative effects on the brand message and value often go hand in hand with a potential loss of trust when it comes to critical communication topics. The challenge is to combine an accurate and verifiable impact with a clear, competitive and unambiguous message in critical communications. The considerable scope for interpretation is argued over in court by the relevant industry players practically on a daily basis.

Risk: Lawsuits regarding greenwashing and consumer deception ("Green Claims Directive") can result in penalties and administrative costs. Potential confusion among specialist target groups and authorities is possible.

Opportunity: Our aim is to grow and internationalise our PCC business. To that end, we are recruiting the relevant expertise on product information and labelling in the Sales and Marketing department, and are coordinating with the respective local country managers as central contacts. International sales activities can be facilitated through country-specific product declarations. The marketing approval processes still vary greatly from country to country.

GRI 3-3
S4-1
S4-5
GRI 417-1

Concept and objectives

It is our aim to always market products in accordance with the information provided during the approvals process. In addition to pharmaceutical qualities and modes of action, this also includes product labelling and consumer information. Information on the packaging and the package insert is highly regulated information that is covered by the approvals process and is therefore subject to strict monitoring, both internally and externally. As part of the GXP concept, they are subject to the management principles and audits already described at various points in this report.

In addition to the legal requirements, MEDICE has undertaken to adhere to the "Code of Conduct of the Members of Arzneimittel und Kooperation im Gesundheitswesen e.V. (AKG e.V.)" (AKG Code). This regulates the framework for advertising to healthcare providers and represents a crucial element in the fight against corruption in the healthcare sector. Due to the increasingly international nature of the Group's activities, some of its foreign subsidiaries have also undertaken to adhere to their country-specific codes of conduct for the pharmaceuticals sector. In order to set a Group-wide minimum standard and tackle the risk of corruption and reputational damage in this area, a global guideline on dealing with healthcare providers was drawn up, which – unless a country-specific code of conduct for the pharmaceuticals sector has stricter rules – represents a minimum standard of sorts for all companies.

S4-2

MEDICE itself actively seeks to influence communication practices in the pharmaceuticals sector. For example, Andreas Kellermann, Head of Legal and IP Department, has been Deputy Chairman of INTEGRITAS - Verein für lautere Heilmittelwerbung e. V. for many years. INTEGRITAS was founded in 1962 on the initiative of Pharma Deutschland (formerly BAH). The aim of the association is to uphold fair advertising of medicinal and related products as an essential instrument

of fair competition in the social market economy, including in the interest of consumer protection. It helps to safeguard fair competition and combat unfair competition to the detriment of consumers, competitors and the general public, including in cooperation with authorities and the courts, if need be.

MEDICE has implemented a structured approvals process involving various departments in order to ensure at all times the quality of the advertising claims made as well as of the necessary product information. MEDICE assumed the sales and distribution activities of Schaper & Brümmer in 2023 and coordinated with it on communications and labelling.

S4-4 Measures and results

Digital product information management
MEDICE introduced digital product information management (PIM) software in the 2022 financial year. The aim of this platform is to improve the quality and consistency of product data through centralised data processing and archiving. The platform also enables the initiation of verifiable approvals workflows, for example for the aforementioned mandatory texts for healthcare providers and consumers. Individual marketing campaigns are also approved via this platform by various departments such as Medical, Sales & Distribution and Legal.

Expanding the scope of the product texts already recorded and saved is an ongoing process. The plan is to gradually implement the platform for all products in the respective sales countries, as there are differences in the regulatory requirements, for example with regard to packaging regulations. The Risk and Compliance Management department also advocated for the introduction of this digital platform because it permits the documentation of approvals and the tracking of regulatory requirements. The underlying authorisation concept also prevents unauthorised changes to data. The regulatory requirements for mandatory texts and package inserts, which are vital from a product liability perspective, are particularly well protected.

GRI 2-27
GRI 206-1
GRI 417-2

In 2023, final judgements were handed down against MEDICE in two cases relating to non-prescription products, causing it to refrain from making specific advertising claims going forward. An effect proven by studies was described in the communication as “fast” and “reliable”. This was judged to be an inadmissible guarantee.

APPENDIX

GRI content index

MEDICE has reported in accordance with the GRI Standards for the period 1 January 2023 to 31 December 2023.

	Disclosures		Page	Comment
GRI 1: FOUNDATION (GRI STANDARDS 2021)				
	1	Foundation		
GRI 2: GENERAL DISCLOSURES (GRI STANDARDS 2021)				
About MEDICE and the Health Family				
The organisation and its reporting practices	2-1	Organisational details	16, 17, 143	
	2-2	Entities included in the organisation's sustainability reporting	16, 17, 143	
	2-3	Reporting period, frequency and contact point	143	
	2-4	Restatements of information	143	
	2-5	External assurance	143	
Activities and workers	2-6	Activities, value chain and other business relationships	2, 10, 12, 14, 28	
	2-7	Employees	3, 16, 97	
	2-8	Workers who are not employees	Disclosures in the next report	
Governance	2-9	Governance structure and composition	16, 17, 50	
	2-10	Nomination and selection of the highest governance body	16, 50	
	2-11	Chair of the highest governance body	16, 50	
	2-12	Role of the highest governance body in overseeing the management of impacts	17, 29, 50	
	2-13	Delegation of responsibility for managing impacts	29	
	2-14	Role of the highest governance body in sustainability reporting	4, 36	
	2-15	Conflicts of interest	17	
	2-16	Communication of critical concerns	49, 52	
	2-17	Collective knowledge of the highest governance body	17, 29	
	2-18	Evaluation of the performance of the highest governance body	50	
	2-19	Remuneration policies	16	
	2-20	Process to determine remuneration	16	
	2-21	Annual total compensation ratio	16	
Strategy, policies and practices	2-22	Statement on sustainable development strategy	4, 14, 28	
	2-23	Policy commitments	17, 29, 110	
	2-24	Embedding policy commitments	29, 48, 49, 50, 53	
	2-25	Processes to remediate negative impacts	49, 52	
	2-26	Mechanisms for seeking advice and raising concerns	53	
	2-27	Compliance with laws and regulations	53, 130	
	2-28	Membership associations	16	
Stakeholder engagement	2-29	Approach to stakeholder engagement	30, 46, 51	
	2-30	Collective bargaining agreements	96, 97	

	Disclo-sures		Page	Comment
GRI 3: MATERIAL TOPICS 2021				
GRI 3: Material Topics 2021	3-1	Process to determine material topics	32, 34, 36	
	3-2	List of material topics	35, 40	
BUSINESS MODEL				
Economic performance				
GRI 3: Material Topics 2021	3-3	Management of material topics	18, 19	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	3, 22	
Innovation and product development				
GRI 3: Material Topics 2021	3-3	Management of material topics	24, 25	
	MEDICE disclosure		26	
GOVERNANCE				
Corporate culture and business conduct policies				
GRI 3: Material Topics 2021	3-3	Management of material topics	45, 46	
Governance, risk and compliance				
GRI 3: Material Topics 2021	3-3	Management of material topics	48, 50	
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption		All
	205-2	Communication and training about anti-corruption policies and procedures	53	
	205-3	Confirmed incidents of corruption and actions taken	53	
GRI 206: Anti-competitive Behaviour	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	53, 130	
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	52, 94, 112	
GRI 408: Child Labour 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	52, 113	
GRI 409: Forced or Compulsory Labour 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	52, 113	
IT, data protection and information security				
GRI 3: Material Topics 2021	3-3	Management of material topics	54, 55	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		None

	Disclo-sures		Page	Comment
ENVIRONMENT				
Climate change				
GRI 3: Material Topics 2021	3-3	Management of material topics	63	
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	80	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	2, 65, 68	
	305-2	Energy indirect (Scope 2) GHG emissions	2, 65, 68	
	305-3	Other indirect (Scope 3) GHG emissions	2, 65, 66, 67	
	305-4	GHG emissions intensity	66, 67	
	305-5	Reduction of GHG emissions	64	
Energy				
GRI 3: Material Topics 2021	3-3	Management of material topics	69	
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	2, 71	
	302-2	Energy consumption outside of the organisation	2, 71	
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	302-4	Reduction of energy consumption	70, 71	
	302-5	Reductions in energy requirements of products and services	71	
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GRI 3: Material Topics 2021	3-3	Management of material topics	72	
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Environmental protection				
GRI 3: Material Topics 2021	3-3	Management of material topics	74, 75	
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	75	
	303-2	Management of water discharge-related impacts	75, 76, 77	
	303-5	Water consumption	75	
Sustainable events				
GRI 3: Material Topics 2021	3-3	Management of material topics	78, 79	
	MEDICE disclosures		79	
Biodiversity				
GRI 3: Material Topics 2021	3-3	Management of material topics	80, 81	
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	80	
	304-2	Significant impacts of activities, products and services on biodiversity	80, 81	
	304-3	Habitats protected or restored	82	
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	82	
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	81	

	Disclo-sures		Page	Comment
Circular economy				
GRI 3: Material Topics 2021	3-3	Management of material topics	84	
GRI 301: Materials 2016	301-1	Materials used by weight or volume	85	
	301-2	Recycled input materials used	85, 86	
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	87	
	306-2	Management of significant waste-related impacts	84, 87	
	306-3	Waste generated	87	
	306-4	Waste diverted from disposal	87	
SOCIAL				
Responsible employer				
GRI 3: Material Topics 2021	3-3	Management of material topics	92, 94	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	93, 96, 97	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	108	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	97	
	405-2	Ratio of basic salary and remuneration of women to men	94, 96	
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	52, 94, 112	
Occupational health and safety				
GRI 3: Material Topics 2021	3-3	Management of material topics	98, 99	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	99	
	403-2	Hazard identification, risk assessment, and incident investigation	99	
	403-3	Occupational health services	99	
	403-4	Worker participation, consultation, and communication on occupational health and safety	99	
	403-5	Worker training on occupational health and safety	99	
	403-6	Promotion of worker health	99, 100, 101	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	99	
	403-8	Workers covered by an occupational health and safety manage-ment system	99	
	403-9	Work-related injuries	100	
	403-10	Work-related ill health	100	

	Disclo-sures		Page	Comment
Training and education				
GRI 3: Material Topics 2021	3-3	Management of material topics	102, 103	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	105	
	404-2	Programmes for upgrading employee skills and transition assis-tance programmes	103, 105	
	404-3	Percentage of employees receiving regular performance and career development reviews	103	
	MEDICE disclosures		102, 103, 104, 105	
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GRI 3: Material Topics 2021	3-3	Management of material topics	106, 107	
	MEDICE disclosures		109	
Sustainable supply chain				
GRI 3: Material Topics 2021	3-3	Management of material topics	110, 111	
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	110, 112	
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	112	
	308-2	Negative environmental impacts in the supply chain and actions taken	111, 112	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of associ-ation and collective bargaining may be at risk	113	
GRI 408: Child Labour 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	52, 113	
GRI 409: Forced or Compulsory Labour 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	52, 113	
GRI 414: Supplier Social Assessment 2016	414-2	Negative social impacts in the supply chain and actions taken	111, 112	
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GRI 3: Material Topics 2021	3-3	Management of material topics	114	
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	114, 116	
	203-2	Significant indirect economic impacts	93, 114, 116	
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assess-ments, and development programmes	25, 114, 117	
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GRI 3: Material Topics 2021	3-3	Management of material topics	116, 117	
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	114, 116	
	203-2	Significant indirect economic impacts	116	
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assess-ments, and development programmes	117	
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GRI 3: Material Topics 2021	3-3	Management of material topics	119, 120	
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	123	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	123	
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GRI 3: Material Topics 2021	3-3	Management of material topics	124, 125	
	MEDICE disclosures		126, 127	
Marketing and labelling				
GRI 3: Material Topics 2021	3-3	Management of material topics	128, 129	
GRI 206: Anti-competitive Behaviour	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	130	
GRI 417: Marketing and Labelling 2016	417-1	Requirements for product and service information and labelling	129	
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ESRS IRO-2

ESRS content index

MEDICE has reported based on ESRS for the period 1 January 2023 to 31 December 2023.

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	BP-2	Disclosures in relation to specific circumstances		No disclosure
2. Governance	**GOV-1**	The role of the administrative, management and supervisory bodies	16, 50	
	GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	17, 29	
	GOV-3	Integration of sustainability-related performance in incentive schemes	16	
	GOV-4	Statement on due diligence	17, 29, 32, 33	
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3. Strategy	**SBM-1**	Strategy, business model and value chain	10, 12, 14	
	SBM-2	Interests and views of stakeholders	30, 92	
	SBM-3	Material impact, risks and opportunities and their interaction with strategy and business model	40	
	Business model	Material topic: Economic performance	18	
		Material topic: Innovation and product development	25	
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		Material topic: Governance, risk and compliance	49	
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		Material topic: Occupational health and safety	98	
		Material topic: Training and skills development	102	
		Material topic: Employer brand	106	
	Social: ESRS S-2	Material topic: Sustainable supply chain	110	
	Social: ESRS S-3	Material topic: Corporate citizenship	114	
		Material topic: Health promotion	116	
	Social: ESRS S-4	Material topic: Product quality and safety	119	
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4. Impact, risk and opportunity management **4.1 Disclosures on the materiality assessment process**	**IRO-1**	Description of the processes to identify and assess material impacts, risks and opportunities	37-41	
	IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	138 *et seq.*	

	Disclosure requirements		Page	Comment
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Strategy	**E1-1**	Transition plan for climate change mitigation	63	
	E1 SBM-3	Material impact, risks and opportunities and their interaction with strategy and business model	63, 69, 72	
Impact, risk and opportunity management	**E1 IRO-1**	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	37-41	
	E1-2	Policies related to climate change mitigation and adaptation	63, 69, 72	
	E1-3	Actions and resources in relation to climate change policies	64, 69, 73	
Metrics and targets	**E1-4**	Targets related to climate change mitigation and adaptation	63, 69, 73	
	E1-5	Energy consumption and mix	2, 71, 73	
	E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	2, 65, 66, 67	
	E1-7	GHG removals and GHG mitigation projects financed through carbon credits		None
	E1-8	Internal carbon pricing	63	
	E1-9	Potential financial effects from material physical and transition risks and potential climate-related opportunities		Not yet recorded
ESRS E2	**POLLUTION**			
Impact, risk and opportunity management	**E2 IRO-1**	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	37-41	
	E2-1	Policies related to pollution	75, 79	
	E2-2	Actions and resources related to pollution	77, 79	
Metrics and targets	**E2-3**	Targets related to pollution	75, 79	
	E2-4	Pollution of air, water and soil	75, 76	
	E2-5	Substances of concern and substances of very high concern	75	
	E2-6	Potential financial effects from pollution-related impacts, risks and opportunities		Not yet recorded

	Disclosure requirements		Page	Comment
ESRS E4	**BIODIVERSITY AND ECOSYSTEMS**			
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	E4 SBM-3	Material impact, risks and opportunities and their interaction with strategy and business model	80	
Impact, risk and opportunity management	**E4 IRO-1**	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	37-41	
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	E4-3	Actions and resources related to biodiversity and ecosystems	81	
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	E4-5	Impact metrics related to biodiversity and ecosystems change	82	
	E4-6	Potential financial effects from biodiversity and ecosystem-related impacts, risks and opportunities		Not yet recorded
ESRS E5	**RESOURCE USE AND CIRCULAR ECONOMY**			
Impact, risk and opportunity management	**E5 IRO-1**	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	37-41	
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Metrics and targets	**E5-3**	Targets related to resource use and circular economy	84	
	E5-4	Resource inflows	85	
	E5-5	Resource outflows	87	
	E5-6	Potential financial effects from resource use and circular economy-related impacts, risks and opportunities		Not yet recorded
ESRS S1	**OWN WORKFORCE**			
Strategy	**S1 SBM-2**	Interests and views of stakeholders	30, 92	
	S1 SBM-3	Material impact, risks and opportunities and their interaction with strategy and business model	92, 98, 102, 106	
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	S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	52	
	S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	96, 100, 104, 108	

	Disclosure requirements		Page	Comment
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	S1-7	Characteristics of non-employee workers in the undertaking's own workforce		Not yet recorded
	S1-8	Collective bargaining coverage and social dialogue	96, 97	
	S1-9	Diversity metrics	3, 97	
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	S1-11	Social protection	96	
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	S1-17	Incidents, complaints and severe human rights impacts	52	
ESRS S2	**WORKERS IN THE VALUE CHAIN**			
Strategy	**S2 SBM-2**	Interests and views of stakeholders	30, 111	
	S2 SBM-3	Material impact, risks and opportunities and their interaction with strategy and business model	110	
Impact, risk and opportunity management	**S2-1**	Policies related to value chain workers	111	
	S2-2	Processes for engaging with value chain workers about impacts	112	
	S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	52, 112	
	S2-4	Taking action on material impacts on value chain workers, and approaches to mitigating material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	112	
Metrics and targets	**S2-5**	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	111	
ESRS S3	**AFFECTED COMMUNITIES**			
Strategy	**S3 SBM-2**	Interests and views of stakeholders	30	
	S3 SBM-3	Material impact, risks and opportunities and their interaction with strategy and business model	114, 116	
Impact, risk and opportunity management	**S3-1**	Policies related to affected communities	114, 117	
	S3-2	Processes for engaging with affected communities about impacts	30	
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No external review was performed.

GRI 2-4 **Notice**
MEDICE Arzneimittel Pütter GmbH & Co. KG has reported in accordance with the GRI Standards for the period
GRI 2-3 1 January 2023 to 31 December 2023. This report is the first published by MEDICE Arzneimittel Pütter GmbH & Co. KG in a yearly reporting cycle. Please see pages 132 et seq. for an overview of the relevant GRI disclosures (GRI content index).

The reporting period is the 2023 financial year. Unless explicitly stated otherwise, all information pertains to the period from 1 January 2023 to 31 December 2023. Current information up to the copy deadline in August 2024 was included and explicitly referred to as such.

Editorial note
The copy deadline for this report was 31 August 2024. This text is a translation of the Sustainability Report issued in German language, whereas the German text is authoritative.

When determining the Scope 3 emissions for the 2023 financial year, an excessively high figure was calculated and published for category 3.01 'Purchased goods and services'. As of the 13th of March 2025 the error has been corrected on pages 2, 66 and 67 in this updated version of the report.

System limitations GRI 2-2
The financial figures are based on the consolidated group of MEDICE Arzneimittel Pütter GmbH & Co. KG.

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