

Nonfinancial consolidated statement

2021

Dear Stakeholders,

I am pleased to confirm that Medios reaffirms its support for the ten principles of the United Nations Global Compact in the areas of human rights, labor standards, environmental protection and anti-corruption.

In this annual progress report, we describe our actions to continuously improve the integration of the Global Compact and its principles into our business strategy, corporate culture and daily operations.

We are also committed to communicating this information to our stakeholders using our primary communication channels to our stakeholders.

March 29, 2022

Best regards

Sgd. Matthias Gaertner

Chief Executive Officer | CEO

Nonfinancial consolidated statement for the 2021 financial year

1. Sustainability at Medios

This report marks the second time that Medios AG is publishing a nonfinancial consolidated statement (hereinafter referred to as the “nonfinancial statement”) within the meaning of the German Commercial Code (HGB). Thus far, we have not been required to comply with the German CSR Directive Implementation Act¹ (CSR-RUG; CSR = corporate social responsibility), as the number of individuals employed by our company stood at 301 as of December 31, 2021, which lies below the minimum threshold above which the requirements stipulated within the CRS Directive Implementation Act would be binding. The reporting period corresponds to the 2021 calendar year.

Medios AG (hereinafter also referred to as “Medios” or the “Medios Group”) is the leading company for all aspects of pharmaceutical supply in the multilayered specialty-pharma sector in Germany. Specialty pharmaceuticals have an extraordinary role in the treatment of complex and oversight-intensive diseases such as cancer, HIV, and hemophilia. Drugs that are personally tailored to the individual patient are increasingly being used to optimally target treatment to the specific pathology at hand. We have been an expert in pharmaceutical supply and in manufacturing patient-specific therapies for many years, including in blistering, which means that we cover all the significant points of the supply chain in this special segment.

Our mission is to ensure that patients have the most comprehensive access to specialty pharmaceutical products possible through cooperative collaboration and the exchange of information with the various market participants. We not only have a positive impact on people's lives, however, but also reduce the negative consequences for the environment and society through sustainable day-to-day business practices – and are guided in this regard by the ten principles of the UN Global Compact. We aim to generate sustainable shareholder value by integrating good corporate governance, social responsibility, and a commitment to protecting the environment into our core business activities. For a detailed description of our business model, please refer to the 2021 Medios Annual Report (see the Management Report).

In addition to generally applicable laws, rules, and standards, the business activities and corporate culture of the Medios Group are characterized by our corporate values of trust, respect, integrity, and responsibility.

1.1 Sustainable development goals



In connection with the sustainability ethos embraced at Medios, the Sustainable Development Goals (SDGs) also play a major role. The 17 SDGs of the United Nations reflect the 2030 Agenda, passed by the global community, and seek to promote sustainable value creation. They include, for example, goals that are about ending poverty and hunger, preserving biodiversity, preventing climate change, and eliminating war and corruption. The 17 SDGs are fleshed out through 169 targets and more than 200 indicators.

They were developed with the active involvement of numerous social actors and are designed to include the full spectrum of relevant groups: from nations and municipalities through to NGOs and companies. Our aim is to support attainment of the SDGs through the business operations of Medios. With this in mind, we strive to make a recognizable contribution to the 2030 Agenda while simultaneously minimizing our negative impacts on the SDGs. To this end, we prioritized a set of SDGs and targets at the start of 2022.

Our analysis identified significant influences from current and planned corporate activities on the following six SDGs.

1) Act to strengthen non-financial reporting by companies in their management reports and group management reports, https://www.bgbl.de/xaver/bgbl/start.xav?startbk=Bundesanzeiger_BGBl&start=//%5B@attr_id=%27bgbl117s0802.pdf%27%5D#_bgbl__%2F%2F%5B%40attr_id%3D%27bgbl117s0802.pdf%27%5D__1645547119086

Our analysis identified significant influences from current and planned corporate activities on the following six SDGs.

SDG	SDG targets	Measures at Medios
 3 GOOD HEALTH AND WELL-BEING	3.3: combat AIDS and other communicable diseases	Drug supply of specialized pharmacies
	3.4: reduce premature mortality due to noncommunicable diseases and promote patients' mental health and well-being	Drug supply and production of patient-specific therapies
	3.8: achieve universal health coverage, access to health-care services and safe, high-quality medicines	Drug supply and production of patient-specific therapies Expansion and strengthening of the network of specialized on-site pharmacies Offer health measures for employees
 5 GENDER EQUALITY	5.5: women's participation and equal opportunities for leadership positions	Establish support and mentoring programs Annual analyses of gender pay parity Introduce authorized representative(s) for diversity and inclusion
 8 DECENT WORK AND ECONOMIC GROWTH	8.4: improve resource efficiency	Reusable transport boxes Optimization of logistics through central warehouse, among other things Checking shipping materials for reusability and environmental compatibility Washable laboratory protective clothing
	8.5: full and productive employment, decent work, and equal pay for work of equal value	Annual analyses of gender pay parity In-house Code of Conduct
	8.7: measures to eradicate all forms of modern slavery and human trafficking	Supplier Code of Conduct Supplier Assessment
	8.8: protect labor rights and create a safe and secure working environment	In-house Code of Conduct Whistleblowing System Introduction of occupational health and safety management system (HSE: Health Safety Environment)
	9.4: upgrade infrastructure and make it more sustainable and resource-efficient through the adoption of clean technologies	New location for manufacturing with modern laboratories; optimization of energy use Expansion of the innovative and digital platform mediosconnect
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12.2: use natural resources efficiently	Installation of digital electricity meters to derive efficiency measures Logistics optimization Checking shipping materials for reusability and environmental compatibility
	12.4: environmentally sound management of chemicals and waste through their life cycle in order to minimize their adverse impacts on human health and the environment	Training in the handling of hazardous substances Separate disposal of cytotoxic waste Personal protection of manufacturers through state-of-the-art clean rooms with safety workbenches
	12.5: reduce waste generation through prevention, recycling and reuse	Checking shipping materials for reusability and environmental compatibility Washable laboratory protective clothing Reusable transport boxes
 13 CLIMATE ACTION	13.2: integrate climate protection measures into strategies and planning	Establishment of a sustainability committee Green power purchase Offsetting emissions

1.2 Material topics

During the 2020 financial year, Medios AG conducted a materiality assessment to define various sustainability-related topics that would serve as a basis for sustainability management and strategy. The materiality assessment was carried out based on the provisions of Germany's CSR Directive Implementation Act (CSR-Richtlinie-Umsetzungsgesetz; CSR-RUG; CSR: corporate social responsibility)². The individual topics are also aligned with the reporting standards of the Global Reporting Initiative (GRI Standards)³: stakeholder inclusiveness, sustainability context, materiality, and completeness.

As part of the materiality assessment, the first step was to develop a catalog of potential topics that correspond with statutory specifications, generally applicable frameworks, best practices in our peer group, and the requirements of various stakeholders. This was followed by the preselection and clustering of relevant topics. These were prioritized at a workshop attended by the Executive Board as well as various heads of area and stakeholders. This workshop focused on the impacts of Medios' business on the individual topics and their relevance for the company's long-term success. The first materiality assessment identified 14 material topics in five different areas of action/clusters.

The Sustainability Committee reviews the materiality assessment once per year to check that it is up to date or reenforce it if the conditions remain the same, doing so most recently in January 2022. Insofar as there are no reasons to do otherwise, the materiality analysis is carried out every three years.

1.3 Sustainability strategy 2025

Medios has worked through an extensive process, which also involved external specialists, to develop a detailed sustainability strategy which will be implemented over the period from now until 2025.

The strategy is oriented toward the material topics and areas of action, with an overarching and general cluster aim defined for each topic and broken down into a range of individual goals. All goals and aims are realized using a comprehensive catalog of measures, while the degree to which they have been fulfilled is measured using various key performance indicators (KPIs). Each measure also comes with a corresponding time period in which the measure is planned to be implemented.

Medios AG has defined a total of 34 aims and goals that are being realized through 65 measures and tracked using 57 different KPIs. There also exist further internal goals and measures.

Material topics pursuant to the CSR directive implementation Act (CSR-RUG)

Nonfinancial matters	Nonfinancial matters
Employee affairs	Employee satisfaction Diversity and equal opportunities Occupational health Vocational and advanced training
Employee affairs	Energy and emissions Waste and recycling
Combating corruption and bribery	Compliance
Respect for human rights	Business ethics Responsible procurement
Social affairs	Patient health and protection Civic engagement Stakeholder dialog
Additional nonfinancial matters	Data security and data protection Innovative procedures and processes

2) Act to strengthen non-financial reporting by companies in their management reports and group management reports, https://www.bgbl.de/xaver/bgbl/start.xav?startbk=Bundesanzeiger_BGBl&start=//%5B@attr_id=%27bgbl117s0802.pdf%27%5D#_bgbl__%2F%2F%5B%40attr_id%3D%27bgbl117s0802.pdf%27%5D_1645547119086

3) <https://www.globalreporting.org/standards/>

Area of action	Material topic	Cluster aim
Governance	Compliance	Maintain zero compliance breaches.
	Data security and data protection	Protect and secure our customers' data as far as possible.
	Business ethics	Formalize our values and align our entrepreneurial activities with these values.
	Responsible procurement	Significantly increase the volume of our products procured from suppliers rated according to ESG aspects.
Products and services	Patient health and protection	Ensure that patients have the most-comprehensive access to Specialty Pharma drugs possible.
	Innovative procedures and processes	Improve patient care further with digitization and innovative processes.
Employees	Vocational and advanced training	An overarching training policy for all our employees to develop further.
	Diversity and equal opportunities	Prevent discrimination and promote equal opportunities actively.
	Occupational health	Preserve our employees' health and achieve zero occupational accidents per year.
	Employee satisfaction	Further improve our employees' satisfaction with their workplace and employer.
Environment	Energy and emissions	Be climate-neutral at our sites by 2023.
	Waste and recycling	Conserve resources and recycle and reuse wherever possible.
Social responsibility	Civic engagement	Support social projects.
	Stakeholder dialog	Promote and expand dialog with all stakeholders.

To ensure that they remain up to date, Medios reviews all aims, goals, and measures at regular intervals and, if necessary, adjusts them in line with the current circumstances. Progress is presented in annual nonfinancial consolidated reporting. The sustainability strategy not only encompasses goals relating to the material topics, but also overarching sustainability management goals.

Sustainability management

Goals	Measures	Timing
Increase in external transparency	Establishment of an ESG structure within the company (Sustainability Committee)	2021
	Identification and evaluation of ESG risks	2022
Constant improvement of ESG ratings	Improvement of ESG ratings (Target: ISS ESG Prime)	Ongoing

KPIs for measuring success:

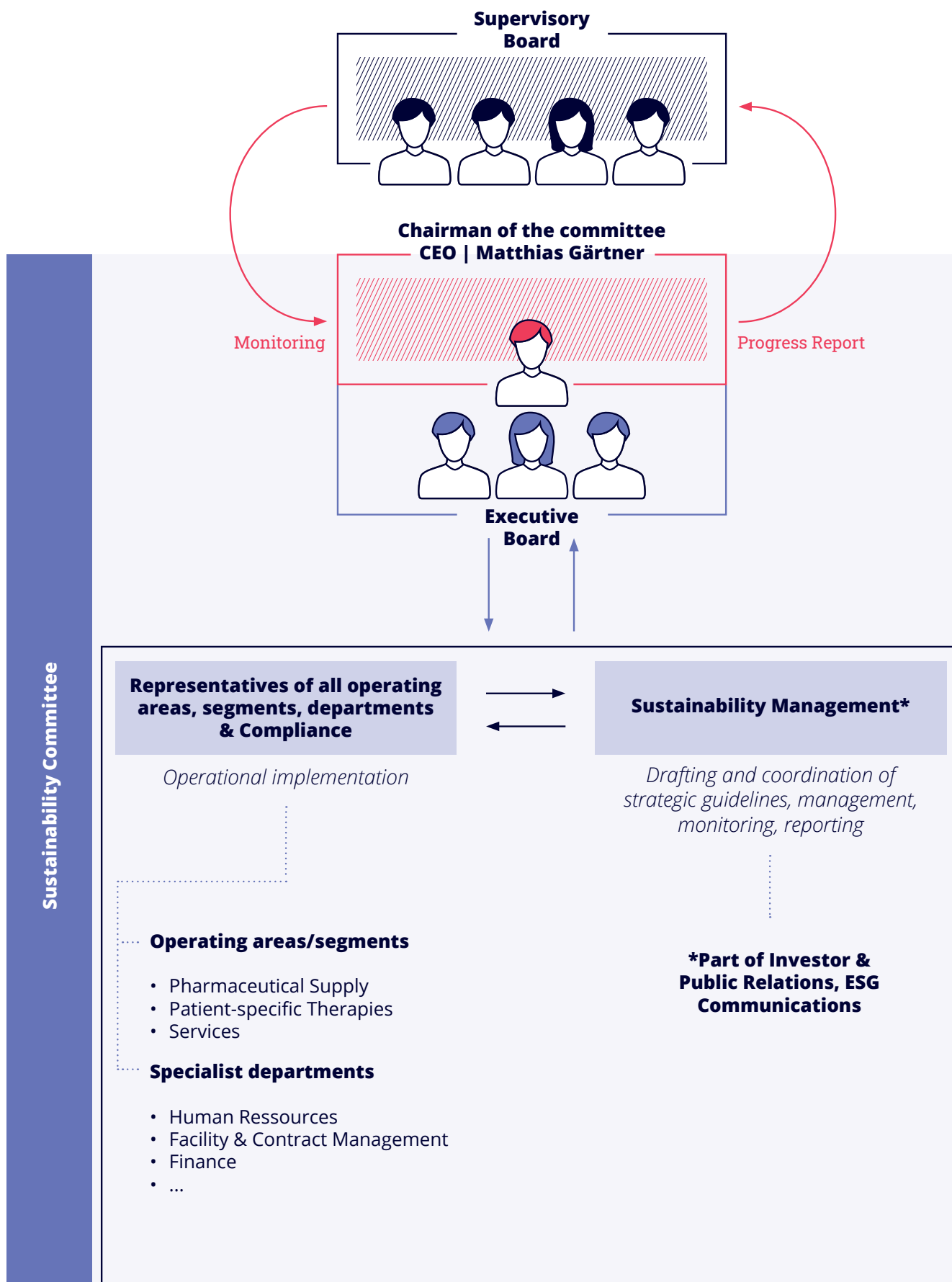
- ESG Rating

2. Good corporate governance

In 2021, the increasing responsibility in respect of good corporate governance was met, among other things, by enlarging the Supervisory Board with the appointment of Dr. Anke Nestler as the fourth Member and by setting up an Audit Committee as well as a Compensation and Nomination Committee. Based on the Supervisory Board's assessment, all of its current Members were impartial in accordance with the German Corporate Governance Code (DCGK) in the reporting period.

The leadership capability of the Executive Board was also strengthened. Since October 1, the business operations of the Medios Group have once again been managed by a four-strong Executive Board. The position of Chief Financial Officer (CFO), previously exercised by CEO Matthias Gaertner, has been assumed by Falk Neukirch. In respect of the specific remuneration structure, the setting of individual remuneration levels, the selection of key performance indicators, and the structuring of payout and allocation conditions, ESG (environmental, social, and governance) criteria were, among other factors, added to promote the sustainable development of the Medios Group. The remuneration system for Executive Board Members was approved by the Annual General Meeting of Medios AG on June 10, 2021, with a majority of 90.8% of share capital represented.

We established a Sustainability Committee during the 2021 financial year in order to embed sustainability within our company's organizational structure. The Committee is comprised of the Members of the Medios AG Executive Board, representatives from all departments, and representatives from the company's operational areas. Further points of contact are designated based on the relevant topic and necessity. In particular, the Sustainability Committee's duties include defining the focus points of the sustainability strategy and monitoring the implementation of the sustainability program.



The topic of good corporate governance is reflected in the “Governance” area of action within our sustainability strategy. This area of action contains four material topics: compliance, data security and data protection, business ethics, and responsible procurement.

2.1 Compliant conduct

Compliance

Cluster Aim: We want to keep achieving zero compliance breaches.

Goals	Measures	Timing
Expansion of compliance training	Expansion to all employees	No later than Q1 2022
	Introduction of special corruption and bribery training	No later than Q1 2023
	Introduction of special anticompetitive-conduct training	No later than Q1 2024
Expansion of compliance management	Implementation of a complaint-management system	2022
	Implementation of internal audit	Q2 2022

KPIs for measuring success:

- Proportion of employees who have received training on compliance topics

In addition to generally applicable laws, rules, and standards, the business activities and corporate culture of the Medios Group are characterized by our corporate values. Adhering to these values is a matter of course at our company and is also enshrined in Medios AG's Code of Conduct as part of our compliance activities. This Code of Conduct is published on our website (<https://medios.ag/en/sustainability>). Compliance training is planned for all employees in the 2022 financial year.

Our Compliance Officer is responsible for coordinating and managing compliance-related topics. In the future, an external service provider will be commissioned for this purpose. The compliance organization's range of activities includes addressing operational compliance issues as well as risk management. The Compliance department's main tasks include the implementation of the Group-wide Medios compliance program as well as the assessment of risks and opportunities, including conducting a review of the internal control system on an annual basis.

The Compliance Officer reports directly to the Chief Executive Officer of Medios, who regularly informs the Supervisory Board regarding current developments and issues. Further reporting is carried out on an ad hoc basis.

For the purpose of preventing and clarifying possible violations, employees of the Medios Group and external third parties have the ability to confidentially contact the Compliance department at any time. A central whistleblowing hotline to anonymously report suspected cases was set up for this purpose in the 2019 financial year. During the course of 2022, we also intend to establish a complaints management system. Our employees are required to report possi-

ble compliance violations immediately. Medios thoroughly investigates every single report. With the exception of false, misleading, or fraudulent reports, we ensure that the whistleblower does not suffer any negative consequences as a result of providing us with information. There were no reports of compliance violations in the 2021 financial year.

In addition to our Code of Conduct, further requirements are in place at Medios in the form of comprehensive compliance guidelines, which we introduced throughout the Group in 2019. In this context, we apply standards that go above and beyond the applicable legal requirements. The Medios compliance guidelines govern, among other aspects of compliance, privacy and data protection, IT security, and how to handle gifts, donations, and conflicts of interest.

To ensure that we adhere to our values on the one hand and our procedural guidelines on the other, we train our employees on a regular basis. When they join the Medios Group, employees receive various onboarding training sessions on topics including the Code of Conduct, data security, occupational safety, and accident prevention, which are planned to be repeated on a regular basis in the future as soon as the training platform has been released.

In the 2022 financial year, we will further expand the training program, both in terms of the area of application and the content. The training modules will be rolled out to include all employees, including those at our new sites.

The training modules focus on the following areas: Germany's General Act on Equal Treatment for employees and managers, the Code of Conduct, prevention of corruption, hygiene in the workplace, and data security in the context of remote work.

Medios strictly rejects any and all forms of corruption and bribery. We take every suspected case seriously and investigate it thoroughly. If a suspected case is confirmed, disciplinary measures are initiated by the Executive Board of Medios AG. No cases of corruption were discovered in the 2021 financial year, nor were any suspected cases of cor-

ruption reported. Similarly, we are not aware of any pending legal proceedings due to anticompetitive behavior nor of any fines or nonmonetary sanctions imposed as a result of noncompliance with laws and regulations. In addition, the introduction of an internal audit is planned.

2.2 Ethical conduct

Business ethics

Cluster Aim: We want to formalize our values and align our entrepreneurial activities with these values.

Goals	Measures	Timing
Practical implementation of Code of Conduct	Holding of Code of Conduct training	By late 2022
Joining of global alliances	Evaluation of relevant guidelines alongside the UN Global Compact (e.g. International Labour Organization and Paris Agreement)	Starting 2021

KPIs for measuring success:

- Proportion of employees who have received training on the Code of Conduct

As a Group conscious of sustainability, it is our aim to reconcile environmental, social, and economic aspects – thereby generating long-term value for us as a company, for our stakeholders, and for society at large. Achievement of this goal falls within our corporate responsibility. It is reflected in all our business relations and contracts of employment.

By signing the UN Global Compact, Medios supports the world's largest alliance for values in enterprise. We champion the principles of the UN Global Compact in the fields of human rights, labor, the environment, and combating corruption. We are committed to reporting regularly on these

topics and our continual development by taking appropriate measures. In keeping with this endeavor, we also see ourselves as committed to the core labor standards of the International Labour Organization (ILO) and the UN's Guiding Principles on Business and Human Rights. Adhering to these fundamental values is a matter of course at our company and is also enshrined in the Medios Group's Code of Conduct as part of our compliance activities. The corporate engagement of Medios is based on a sense of responsibility toward each and every employee, with overall responsibility held by the Executive Board.

2.3 Responsible procurement

Responsible procurement

Cluster Aim: We want to significantly increase the volume of our products procured from suppliers rated according to ESG aspects.

Goals	Measures	Timing
Safeguards for compliance with defined supply-chain standards	Implementation of Supplier Code of Conduct	By late 2023 (prospectively)
	Development of a supplier assessment in relation to ESG	2023
	Expansion of the whistle-blowing system to suppliers	2022

KPIs for measuring success:

- Proportion of suppliers (category A) that have accepted the Supplier Code of Conduct or whose code of conduct corresponds with the Supplier Code of Conduct
- Percentage of suppliers that have been assessed
- Percentage of procurement volume from checked suppliers

In order to live up to the principles of responsible procurement, both our own conduct and that of our suppliers play a key role.

Medios is predominantly supplied by various European pharmaceutical companies that transparently report on their working conditions, their production processes, which are as environmentally friendly as possible, and other sustainability issues. This implies that our partners operate in a responsible manner with regard to their employees, the environment, and human rights.

During procurement activities, we take a variety of criteria into account, including price, quality, area of application, a supplier's ability to deliver, and, in some cases, feedback from our customers if they have special requirements with respect to how deliveries are packaged.

When purchasing office supplies in 2021, we have paid increasing attention to environmentally friendly products and reduced our number of small orders. As part of our office materials supplier's participation in the Easy on the Planet program, 31 trees were planted with our support.

Compliance with standards within the supply chain is extremely important to us. To ensure compliance with these standards, the Quality Assurance department monitors not only occupational safety, but also quality. In this way, we continuously assess whether our suppliers are qualified in accordance with legal requirements.

Our collaboration with partners is cooperative and based on a dialog. This approach enables us to exert influence in terms of ensuring that our high manufacturing standards – e.g., the GPD guidelines (GDP: Good Distribution Practice) – are also observed by our business partners. The same applies for the observance of various statutory requirements.

2.4 Securing and protecting data

Data security and Protection

Cluster Aim: We want to protect our and our customers' data as far as possible.

Goals	Measures	Timing
Safeguards for data protection and security	Expansion of employee training on data protection	Starting 2021
	Implementation of a package of measures for improving data protection	Starting late 2021

KPIs for measuring success:

- Number of employees who have received data protection training

The field in which the Medios Group operates requires absolute confidentiality. Our core business activity is supplying people suffering from serious illnesses with pharmaceuticals and patient-specific therapies in the best possible way. In this context, protecting the personal rights of these people is a top priority.

To ensure that the data in our possession remains secure, we have appointed external data protection officers who fulfill this task together with the central data protection coordination team of Medios AG. Medios has also named two further Data Protection Coordinators at each individual subsidiary.

To enable us to continue meeting our high data protection standard, we also conduct an audit every two years. In the 2021 financial year, we did not identify any data breaches. Various quality assurance measures were instituted, including the appointment of a central Data Protection Coordinator and the development of a data protection concept. We are also working to implement a data protection management system (DPMS) with additional standard operating procedures (SOPs) in respect of data protection emergencies, etc.

Medios communicates the individual aspects of data protection to new employees via a mandatory training session. One of the most important documents in this context is our Data Protection Agreement in accordance with the GDPR (General Data Protection Regulation). In addition, every Medios employee is required to participate in a corresponding refresher seminar with an externally appointed data protection officer once a year. In 2021, 70% of Medios employees attended a data protection seminar.

3. Products and services

The well-being of patients with serious illnesses is at the heart of our business operations. The Medios Group offers products and services that help to deliver optimum care for these patients. With our **Pharmaceutical Supply** segment, we supply specialized pharmacies throughout Germany with patient-specific therapies and finished medicinal products. Our mission is to achieve the safest, best possible, and cost-optimized supply of specialty-pharma medications to patients. By virtue of our open partner network, we consolidate the expertise of all parties and put valuable synergy effects at the disposal of all.

In compliance with exceptionally stringent GMP guidelines (GMP: Good Manufacturing Practice) and drawing on many years of experience, we – as a **pharmaceutical manufacturer** pursuant to sec. 13 of the German Medicinal Products Act (AMG) – also prepare patient-specific infusion solutions and other parenterals using approved finished medicinal products. On account of continuous process optimizations at our manufacturing companies, we are able to ensure reliable manufacturing at all times and can respond flexibly to changes in treatment made at short notice.

With our broad-based logistics and distribution system, we are also able to ensure that our high-quality products are delivered to pharmacies in a fast, secure, and reliable manner.

We also proactively monitor market developments, allowing us to keep our portfolio of products and services up to date at all times. In the reporting year, we made progress in the area of digitalization, for example, by further enhancing our mediosconnect platform, among other things, thereby making our business model even more future-proof.

The “products and services” area of action includes two topics: the “patient health and protection” cluster and the “innovative procedures and processes” cluster.

3.1 Protecting the health of our patients

Patient health and protection

Cluster Aim: We want to ensure that patients have the most-comprehensive access to Specialty Pharma drugs possible.

Goals	Measures	Timing
Safeguards for quality	Compliance with Good Manufacturing Practice (GMP guidelines)	Ongoing
	Compliance with Good Distribution Practice (GDP guidelines)	
	Supplier selection based on high quality standards	Ongoing
	Regular inspections by authorities for quality management Internal audit	Ongoing
Further increase of customer satisfaction	Regular customer-satisfaction survey	Every two years from 2022
Reduction and best-possible resolution of customer complaints	Implementation of complaint management for customers	2022
	Annual analysis of complaints	2022
Training of employees on GMP/GDP and quality management (every two weeks)	Regular training on quality	Ongoing
Expansion of partnerships with local pharmacies	Discussions with suitable pharmacies	Quarterly

KPIs for measuring success:

- Self-inspection (according to manufacturing license), product-quality review (PQR)
- Number of internal audits
- Customer-satisfaction index
- Number of customer complaints
- Number of complaints vs. total deliveries

The health and protection of patients is our highest priority. Within the scope of our business activities, we stockpile pharmaceuticals that are ordered on a recurring basis. We respond to pharmacy inquiries within one hour, and offer overnight delivery whenever possible. In this context, we work with the pharmacies as partners.

Stringent quality management procedures based on compliance with various guidelines and standards are necessary to ensure the safety of our pharmaceuticals. The GDP guidelines follow the basic principle of protecting the safety of pharmaceuticals as comprehensively as possible – both during storage and transport. On the one hand, this is achieved by preventing potential errors through the risk management system, in which appropriate measures can be taken

by continuously identifying potential risks of error. On the other hand, medication safety is safeguarded by means of the CAPA system (CAPA: corrective and preventive action), which also forms part of GMP-compliant working practice. It facilitates the reporting of errors by employees to their superiors and to the responsible individual in the wholesale trade as defined in sec. 52a para. 2 sent. 3 no. 3 of Germany's Medicinal Products Act (AMG). The latter investigates the reasons for the deviation together with those responsible in the respective departments in order to then optimize the processes to the greatest extent possible. Within the context of such optimization, changes are made to individual SOPs, for instance, and training/instructions provided to employees. In the reporting year, the training modules were fully overhauled. Using specific audiovisual examples,

the necessities and practical procedures are communicated to employees. Newly implemented or overhauled processes, as well as corresponding forms, are communicated to employees for the purpose of training/acknowledgment via the online training portal of the Medios Group.

In addition to the GDP guidelines, we also comply with the internationally recognized GMP (Good Manufacturing Practice) guidelines, which standardize good pharmaceutical manufacturing practices and ensure that patients always receive the pharmaceuticals they need in uncompromisingly high quality.

Our quality assurance measures already begin with the selection of suppliers and the documented inspection of incoming goods. A transparent supply chain and quality inspections of the raw materials are intended to identify counterfeits and thus play a key role in ensuring patient safety.

Customers are able to express complaints and suggested improvements, which are then recorded in deviation logs. This logs are completed by employees and sent to the person responsible in each case. Complaints are then processed and resolved by customer advisors according to topic and degree of severity. Medios plans to further expand complaints management in the 2022 financial year.

Quality assurance in manufacturing according to GMP covers all production processes as well as the production environment. Aseptic manufacturing of drugs is carried out in stringent compliance with all regulatory requirements. These relate to the way clean rooms, hygiene, and clothing are handled, as well as the qualifications of the manufacturing personnel and the quality inspections of the manufactured products. In addition, quality assurance ensures that further rules and regulations governing the processing, packaging, and storage of pharmaceuticals are fulfilled. Clear rules apply to all Medios employees in order to meet these requirements. To guarantee product quality and occupational safety, the Medios hygiene policy stipulates, among other requirements, that all employees wear personal protective clothing, a face mask, and gloves throughout the manufacturing process. It must also be possible to fully trace the raw materials used and their batches back to their source.

In the annual training plan, job-specific training, general training on topics such as GMP and GDP, industrial hygiene, compliance, etc., and annual briefings are scheduled in advance for each employee. They form the basis for training employees before they begin their jobs and serve to ensure that they are continuously upskilled on an ongoing basis.

Compliance with standards and processes is monitored by means of regular inspections by the authorities. In addition, annual internal inspections are carried out in all areas of the Medios Group's companies subject to GMP and GDP in order to determine the extent to which their operations comply with the principles of the quality management system, GMP and GDP guidelines, occupational health and safety, and other legal requirements. This enables the group to verify compliance with the GxP (Good x Practice, where the "x" stands for various fields of activity) guidelines in all areas and to improve the quality of internal processes and systems.

3.2 Innovative design of procedures and processes

Innovative procedures and processes

Cluster Aim: We want to improve patient care further with digitization and innovative processes.

Goals	Measures	Timing
Driving of digitization in the Specialty Pharma sector to improve efficiency	Roll-out of mediosconnect	Already in four federal states, then further German states progressively
Improvement of patient care with digitization and innovative processes	Implementation of a platform with e-prescription compatibility for doctors, health insurers, specialized partner pharmacies, and patients (only for the Patient-specific Therapies segment)	2022

KPIs for measuring success:

- Number of federal states where mediosconnect is available
- Number of transactions

To ensure that our products and services are always of the highest quality and up to date, we continuously review the products and services and the underlying processes with a view to identifying opportunities to innovate or improve efficiency. Primary responsibility for all innovation-related topics is held by the Chief Innovation Officer (CINO), as a Member of the Executive Board. New topics are spearheaded by means of corresponding working groups. Operation responsibility in this regard is borne by the heads of the specialist departments involved.

We continuously drive the development of new products and services as well as various process innovations to the benefit of patients and our partner pharmacies. To this end, we continuously analyze current trends and developments in the market. One trend that is currently of particular relevance is the digitization of the health-care sector. Medios wants to play an active role in shaping this trend and has developed mediosconnect, a digital trading platform for personalized drugs that connects doctors, health insurance companies, and specialized partner pharmacies. The aim of the platform is to simplify ordering and billing processes and thus make the health-care system more cost-effective. We have already launched mediosconnect in four German federal states for three indications and plan to press ahead with the rollout, the aim being to make the platform accessible to a greater number of users. Electronic prescriptions, which are still being planned, will create new opportunities for the Medios Group.

4. Employees

Our business success is largely determined by the quality of our products and the reliability of our services. That is why highly qualified employees are of tremendous importance to the continuation of our company's success.

The Group-wide Human Resources department falls under the responsibility of the Chief Operating Officer. At the disciplinary level, HR decisions are made by the executive boards of the respective subsidiaries. We support the individual companies of the Medios Group within the framework of our HR business partner concept, taking into account their respective specifics. We have appointed appropriate specialists to expand our HR systems and processes and to support the team responsible for recruiting.

We are convinced that the conduct of our managers is reflected in the conduct of our workforce. Our daily activities are guided by our corporate values and our shared vision. During the reporting period, the Medios leadership guidelines and corporate values were established on a broader footing, formalized, and communicated in a workshop.

In the field of human resources, we face the challenge of ensuring that positions are filled quickly under difficult conditions such as the COVID 19 pandemic, the lack of qualified specialists, and competition from other pharmaceutical companies. As part of the recruiting process, we also rely on the services of HR consulting firms in individual cases. In addition, we have implemented an "Employees Recruit Employees" program to find new employees, which has been very successful. We also plan to establish collaborations with colleges and universities, as well as with other training institutions, in order to establish contact with graduates that we can potentially recruit.

HR data as of December 31	2021	2020
Total number of employees (Active/excluding parental leave)	301	279
Full-time employees	214	187
Part-time employees	87	92
With a temporary employment contract	14	15
With a permanent employment contract	287	264
Women	153	142
Men	147	137
Under 30 years of age	72	68
Between 30 and 50 years old	185	167
Over 50 years of age	44	44
Employees on parental leave	11	7

4.1 Boosting employee satisfaction

Employee satisfaction

Cluster Aim: We want to further improve our employees' satisfaction with their workplace and employer.

Goals	Measures	Timing
Regular employee surveys	Performance of an annual employee survey	Ongoing, every two years
Increase of employee satisfaction	Expansion of remote-work offering	Late 2021
	"Family & Friends" events	2023

KPIs for measuring success:

- Fluctuation rate
- Percentage of total workforce working from home at least once per week

Successful business performance requires extremely well-trained employees, and we consider long-term employment relationships to be of the utmost importance. To ensure that employees remain with the company for as long as possible, we create numerous incentives in the form of various employee benefits and strive to achieve the greatest possible level of transparency. We achieve the latter through an ongoing dialog in which we discuss personal goals and satisfaction, among other things, as well as our own ideas regarding the respective business areas.

We want to reward our employees' outstanding performance and compete for qualified specialists. Fair compensation plays an important factor in this regard. Compensation within the Medios Group is based on the requirements of the respective position as well as the individual employee's performance. For this purpose, we utilize the Korn Ferry/Hay job evaluation system and, when measuring salaries, are guided by the annual Korn Ferry remuneration data (general market data for Germany). This enables us to ensure that the salaries of our employees correspond to standard industry rates.

In addition to salaries, we offer attractive perks and social benefits. Employee benefits include employer contributions to company pension plans and health insurance as well as the provision of individual workplace glasses, fruit baskets, free flu shots, and full reimbursement of the cost of public transportation tickets. Moreover, all Medios employees are granted 30 days of annual leave as standard.

The topic of home working has become increasingly important during the COVID-19 pandemic. In this regard, the Medios Group has adopted a corresponding guideline.

During the reporting year, we conducted a company-wide employee survey for the second time to measure employee satisfaction. We also document the average length of service with the company, which can also serve as an indication of employee satisfaction. In the reporting year, the average length of service stood at 3.2 years (previous year: 2.9 years), with the employee turnover rate of the Medios Group coming in at 18.2%.

4.2 Equal opportunities at work and promoting diversity

Diversity and equal opportunities

Cluster Aim: We want to prevent discrimination and promote equal opportunities actively.

Goals	Measures	Timing
Retention of a high proportion of women in leadership positions	Development of a mentoring program for women	2023
	Establishment of initiative or awareness day	2023
Active support for equal opportunities	Implementation of diversity and inclusion representative	2024
Safeguards for fair pay for women	Annual analysis of gender pay parity	Ongoing

KPIs for measuring success:

- Employees in leadership positions, by gender
- Proportion of women to employees
- Gender pay parity ratio

Diversity and equal opportunities are a matter of course throughout the Medios Group. We have also enshrined the corresponding guidelines in our Code of Conduct. We expect each of our employees to fully adhere to our corporate values. Accordingly, we prohibit any discrimination on the basis of skin color, sex and gender, sexual orientation, class, origin, physical or mental condition, ideology or religion. If employees nevertheless identify cases of discrimination, we encourage them to

report these cases through our whistleblowing system, to which they have unrestricted access. To date, no suspected cases of this kind have been reported. To ensure that this remains true in 2022, we raise awareness among our employees throughout the Group by means of appropriate training seminars.

4.3 Promoting occupational health

Occupational health

Cluster Aim: We want to preserve our employees' health and achieve zero occupational accidents per year.

Goals	Measures	Timing
Effective support for healthy lifestyles and occupational safety and health	Offer of check-ups and vaccinations (company doctor)	Late 2022
	Promotion of sport, stress-management course, subsidy for office glasses	2023
	Expansion of consistent health management group-wide	Ongoing
Full prevention of work-related accidents	Expansion of single occupational safety strategy group-wide, including training	Late 2022
	Implementation of management system for health, safety, and environment (HSE)	2025
Work-life balance at Medios	Comprehensive offering of flexible working-hour models	Ongoing

KPIs for measuring success:

- Number of employees who have participated in health programs
- Percentage of employees covered by health management
- Number of work-related accidents
- Percentage of employees covered by HSE-management system
- Number of flexible working-hour models utilized in relation to the total workforce

As an employer, we have a duty to maintain and promote the health and safety of our employees. There are several sensitive working areas at Medios where our employees are potentially exposed to hazards. We are aware of this fact and we take appropriate precautions to prevent adverse effects and harm.

Responsibility for this lies with the Group's Executive Board and the respective company executives. At every Medios company, occupational safety matters are identified, addressed, and followed up on in terms of implementation within the framework of the Occupational Safety Committee (abbreviated ASA in German). This ASA consists of the company or site management, an internal safety officer, an external occupational physician, and an external occupational safety specialist. In 2021, several meetings were held for the various companies.

Warehouse or shipping operations can involve physically demanding work when carrying and lifting inventory, for example, which can affect back and joint health. We reduce

this risk through various work instructions, e.g. relating to occupational medicine, fire prevention, and first aid, as well as through organizational measures and the provision of technical equipment such as ramps or trolleys.

For the second year in a row, the COVID-19 pandemic posed us with an extraordinary challenge. In order to contribute to containment of the virus and to protect our employees against coronavirus infection in the most effective way possible, we implemented a raft of measures. For example, we provide our employees with free protective masks and antigen tests. In addition, we shortened cleaning cycles at workplaces, provided large quantities of disinfectant, and developed a hygiene concept at all sites.

Each Medios company also has a company medical service that supports internal health management. This service carries out workplace-specific mandatory and optional employee examinations. At the beginning of 2022, for example, regular screenings were performed for Medios AG employees who work with computer screens.

We document both the number and type of occupational accidents that occur. During the reporting year, a total of eight occupational accidents occurred, mainly resulting in minor injuries, e.g. cuts or needlestick injuries. As such, the number of accidents fell sharply compared to the previous year, when 19 occupational accidents were recorded. The number of sickness days due to accidents totaled 39, meaning that, on average, an occupational accident led to 4.9 sickness days.

With a view to maintaining and promoting employee health, we not only focus on employees' physical condition, but also aim to prevent mental pressure caused by stress and overwork wherever possible. Should our employees nevertheless experience such symptoms, we work with them to develop individual solutions. We take our cue in this regard from the Hamburg model, which provides for talks and a reintegration period following long-term illness. As part of the 2022 employee survey, we will ask about both adverse physical and psychological factors.

At the beginning of the COVID-19 pandemic, we drew up appropriate plans containing measures (e.g., standard operating procedures) specifically tailored to the Medios company in question. They relate, for example, to protective equipment, workplace occupancy and hygiene, and the ability to trace contacts through visitor documentation. The "3G"⁴ rule and the "AHA"⁵ method remained mandatory in the second year of the pandemic. In addition, the pandemic plans include a work-from-home provision that is systematically implemented. The implementation of these measures is both monitored and documented. We also provided our employees with protective masks and disinfectant for personal use. Going beyond the statutory obligation to provide each employee with two antigen tests per week, we give our employees the opportunity to have a free daily test.

4.4 Extensive vocational and advanced training

Vocational and advanced training

Cluster Aim: We want for all our employees to develop further through an overarching training policy.

Goals	Measures	Timing
Identification and further development of our employees' potential with clear concepts	Employee review held with every employee each year	Late 2021
Increased number of trainee positions	Filling of existing trainee positions	2023
	Offering of new trainee occupations	2023
Support for junior employees and managers	Development of support and mentoring program	By 2024
	Manager training	Ongoing

KPIs for measuring success:

- Number of trainee positions
- Number of participants in support and mentoring programs

4) 3G: vaccinated, recovered, tested (translated from German: "geimpft, genesen, getestet").

Source: <https://www.bundesregierung.de/breg-de/aktuelles/bund-laender-beratung-corona-1949606>, accessed on 02/23/2022

5) AHA: distance, hygiene, daily life with masks (translated from German: "Abstand, Hygiene, Alltag mit Maske").

Source: <https://www.zusammengeencorona.de/informieren/sich-und-andere-schuetzen/die-aha-formel/>, accessed on 02/23/2022.

As a company that offers vocational training, we want to promote vocational and advanced training in our field of business in order to meet our current and future need for qualified specialists. As such, we offer vocational training programs in wholesale and international trade management as well as warehouse logistics. We also plan to offer a further training program in the field of IT in the future. In the 2021 financial year, a total of two apprentices were employed at Medios.

In addition, we offer our employees various HR development opportunities to support their personal and professional development. In the 2021 financial year, approx. 17% of the Medios Group workforce attended advanced training courses and coaching sessions for character development. The workshops on the topics of the Medios Group's mission statement, values, and management guidelines planned for the 2021 financial year were carried out successfully. For 2022, management workshops are planned on the topics of employer branding⁶ and the decentralized leadership of virtual teams. Moreover, regular training sessions are held in the field of pharmaceutical production. For more information, please refer to chapter 4.3 "Occupational Health."

In the 2022 financial year, Medios will establish an employee and executive development program on the basis of leadership guidelines and skills – and using management diagnostics and various development measures. To this end, additional tools – such as 360-degree feedback and the recording of employee performance potential – will be used starting January 2022. Employee and executive development will be made more systematic via a training catalog; this too will correspond with the leadership guidelines and contain off-the-job, along-the-job, and on-the-job measures.

Due to the multifaceted restrictions in place as a result of the COVID-19 pandemic, we used digital options in the 2021 reporting year to carry out the training measures, seminars, and advanced training sessions. Our seminars on data protection and occupational safety, for example, were held virtually.

We place a special focus on new employee onboarding and initiation in order to convey the values and organizational structures of Medios across the company on the one hand, and to ensure that employees are fully familiarized with their new jobs and workplaces on the other. The scope and type of onboarding are defined in corresponding plans, which are used as the basis for training the employee for his or her job profile. Certain profiles require training periods of up to nine months, e.g. for laboratory activities.

5. Environment

Dealing with climate change and its consequences is one of the greatest tasks facing future generations. This challenge affects all members of society. As such, Medios will also do its part and respond accordingly. Sustainable use of the resources we need for our business activities plays an essential role in this respect. In addition to the efficient use of energy and reducing emissions, we also feel responsible for reducing the quantity of waste produced and disposing of it properly.

To this end, Medios has issued general codes of conduct and SOPs that outline these issues and, in part, stipulate a responsible approach to energy, waste disposal, packaging materials and their recycling, paper, etc.

Responsibility for observance is held by the senior management teams of Medios companies. The Compliance Officer holds primary responsibility in the specific case of compliance with environmental law. We also rely on our employees' individual sense of responsibility, who are encouraged to act in the most energy-efficient manner possible in their day-to-day lives.

In the field of facility management, we implement concrete measures to save energy. In the 2021 financial year, various production and manufacturing measures were implemented during the expansion of our new site (garden house). Digital electricity meters were installed to record and evaluate energy consumption. These make it possible to identify specific energy-saving measures at a later date.

Moreover, we have instituted various measures to improve energy efficiency at our "garden house" site. We have replaced the radiator thermostats and switched all the lighting to LED. These optimization measures, which relate to the Wholesale, Manufacturing, and Administration departments based at the garden house, will probably start to bear fruit in summer 2022.

We intend to continuously improve our environmental management system. We have set a number of different goals for ourselves in this regard, for example with regard to the energy efficiency of newly acquired equipment or the insulation of cold storage units. In order to manage our environmental performance even more effectively, we also plan to systematically expand our current level of environmental data collection.

6) The term "employer branding" describes the development and maintenance of companies in terms of an employer brand. Source: <https://wirtschaftslexikon.gabler.de/definition/employer-branding-53538>, accessed on 2/23/2022.

5.1 Coordinating energy and emissions

Energy and emissions

Cluster Aim: We want to be climate-neutral at our sites by 2023.

Goals	Measures	Timing
Systematic recording of emissions data	Implementation of ESG software and expansion of digital electricity meters	2022
	Analysis of relevant scope 3 emissions (transport, etc.)	By mid-2023
	Evaluation of Science-based Targets Initiative	2023
Lowering of energy consumption through efficiency and prevention	Implementation of various energy-efficiency measures	Ongoing
	Implementation of ISO 50001 energy-management system	2023
	Determination of energy-efficiency criterion in procurement criteria	Starting 2022
50% reduction of scope 2 emissions and achievement of climate neutrality at own sites (using offsets)	Step-by-step transition to 100% green power	Evaluation starting 2021
	Evaluation and implementation of offset models	Climate neutrality in 2023
	Implementation of ISO 14001 environmental-management system	Starting 2023
	Payment for public-transit ticket	Ongoing

KPIs for measuring success:

- Energy-efficiency level
- Reduction of emissions compared to reference year
- Metric tons of carbon equivalent per €m of revenue
- Share of green power in electricity consumed
- Scope 2 emissions compared to reference year (e.g. own electricity consumption, heating, cooling)
- Emissions at own sites
- Share of business with ISO certification
- Emissions offset

Medios does not generate the electricity required for its business operations itself. How we obtain and use our energy largely determines the extent of our emissions. We cool our products and materials in large refrigerators or cold storage units that are powered by electricity. We obtain heat from the respective landlord of our sites in the form of natural gas and heating oil. The kilowatt hours (kWh) of electricity consumed in the reporting year can be broken down as follows:

Power consumption (in kWh) ⁷	2021	2020
Total power consumption	513,466	583,200
Thereof volume of purchased electricity ⁸	513,466	583,200
Thereof self-generated electricity ⁹	0	0
Total heat use in kWh¹⁰	1,699,373.0	0
Thereof purchased heat	209,364.0	0
Thereof self-generated heat	1,490,009.0	0
Therefor used natural gas	1,197,599.7	0
Therefor used fuel oil	292,409.3	0
Total cooling¹¹	0	0

We see the greatest savings potential in the improved insulation of the new cold storage units that we have been using since the 2020 reporting year. We will also reduce our energy consumption and our emissions by having relocated our corporate headquarters to an energy-efficient new building that is DGNB (German Sustainable Building Council)-certified and meets the latest standards. We will also reduce our energy consumption in the 2022 financial year by accommodating two departments at a shared site. As such, the emissions will no longer be generated that are currently caused by transportation between the two sites, which are currently at separate locations. Furthermore, we have purchased state-of-the-art, energy-saving machinery and devices for the new site.

Another way to operate in a more environmentally friendly manner while using the same amount of energy is to purchase green power. We also evaluated a switch to electricity from renewable energy sources in the 2021 financial year. As a consequence, we completely switched the energy supply to our headquarters to green electricity. Further switches are planned for the 2022 financial year.

In addition, we offer each of our employees the free use of a ticket for the BVG (Berlin's public transit system) in order to minimize emissions from their commute to work.

7) Excluding the new sites NewCo Pharma and „Gartenhaus“, which were not yet fully consolidated in the reporting year.

8) Includes cooling generated via electricity.

9) Medios does not generate electricity itself.

10) Except for Medios AG, only estimates of heat consumption based on square meters, energy efficiency of buildings, insulation and activity can be reported.

11) Cooling is generated via purchased electricity and cannot currently be measured separately.

Emissions Medios Group (in t CO ₂ e) ¹²	2021	2020
Scope 1	307.4	
Self-generated electricity	0	0
Self-generated heat	307.4	
Self-generated cooling	0	0
Scope 2	188.5	
Electricity purchase market-based	152.7	166.8
Electricity purchase location-based	179.7	
Purchased heat	35.7	
Purchased cooling ¹³	0	0
Scope 3	237.5	
Business trips ¹⁴	103.1	
<i>Airplane¹⁵</i>	5.0	3.0
<i>Rental Car</i>	95.7	
<i>Train</i>	2.4	
Waste	18.8	
Energy related emissions ¹⁶	115.6	
Total	733.4	

Our already low number of business trips was further reduced by the impact of the COVID-19 pandemic in the reporting year. We want to maintain and expand the trend toward virtual meetings that has been spurred on by the pandemic. With this in mind, we have continuously improved and expanded the internal IT infrastructure and digital capabilities. As such, we are paving the way in terms of minimizing travel in the future.

Since travel by Medios employees is low overall anyway, company cars are also used to an acceptable extent. In addition, employees who use a Medios AG company car are increasingly choosing sustainable vehicle alternatives. As such, when selecting new company cars, the majority of employees selected hybrid vehicles and only rarely diesel-powered vehicles.

In the 2021 financial year, we leased corresponding parking spaces for electric vehicles, each one featuring a suitable charging station for charging during working hours. Where these possibilities are used and where employees refrain from using vehicles with combustion engines, this has a positive impact on the emissions generated through our employees' commutes.

12) Calculated according to GHG Protocol; where no supplier factors are available, estimated factors are used (DEFRA 2021, IEA 2020 and AIB 2020).

13) Includes cooling generated via electricity.

14) All business travel including emissions generated from generation and transportation of energy sources.

15) Includes radiative forcing from indirect effects other than greenhouse gases.

16) Emissions from production and transport of all energy sources, electricity and district heating.

5.2 Strengthening recycling

Waste and recycling

Cluster Aim: We want to conserve resources and recycle and reuse wherever possible.

Goals	Measures	Timing
Increase of the share of waste recycled or reused	Reusability or recyclability of suits, gloves, etc. defined as a procurement criterion	Starting 2022
Significant increase in usage of recyclable and reusable packaging	Usage of recycled/reused packaging	Starting 2022
	Reusability or recyclability of packaging defined as a procurement criterion	2022 / 2023
Sensitization to issue of recycling	Recycling-awareness campaign among employees (e.g. opening of garden house)	Starting 2022

KPIs for measuring success:

- Waste volumes in metric tons
- Hazardous waste in metric tons
- Proportion of recycled or reused waste in percent
- Proportion of recycled or reused packaging in percent

Medios works with a variety of substances, including hazardous substances that are recorded in a hazardous substances register. This register forms the basis of the standard operating procedures that define how to handle these substances and the corresponding disposal process. Our employees receive training on our standard operating procedures at least once a year through our occupational safety training program. As soon as new hazardous substances are employed during production, a corresponding updated seminar is held.

A special disposal procedure is required for cytotoxic waste, which is produced during the manufacture of pharmaceuticals. It is collected separately in a cytostatic waste container and disposed of properly by specialized companies in accordance with the waste code. In the case of hazardous waste of this type, we completely eliminate the possibility of access by unauthorized persons and/or contamination of the environment.

With the exception of masks and gloves, the protective equipment of employees working in the clean room (laboratory), e.g. coveralls or undergarments, are reconditioned in a controlled process so that they can be used again. Our goal is to further increase the share of recycled and reconditioned waste, especially with regard to thermal recycling. In the 2021 financial year, we switched our office materials to sustainable alternatives for this purpose. For example, a guideline was introduced to collect employee requests, thereby minimizing the frequency of orders. This guidelines also stipulates the selection of sustainable products.

When transporting our products, the use of special transport containers and cold packs is necessary to preserve the quality of the pharmaceutical products. The selection of the required shipping materials is not only based on specification conformity, but also on aspects of reusability.

In order to reduce the quantity of waste produced, we intend to further expand our cooperation with a specialized transport service provider. The company offers temperature-controlled transport, allowing us to eliminate the use of cold packs.

6. Social responsibility

As one of our four corporate values, the topic of responsibility defines our entire corporate culture and therefore everything we do and don't do. Our responsibility extends to society

as a whole: with our corporate conduct, we aim to make a positive contribution to society and create sustainable value for society. Two clusters fall within the "social responsibility" area of action: "civic engagement" and "stakeholder dialog."

6.1 Civic engagement

Civic engagement

Cluster Aim: We want to support social projects.

Goals	Measures	Timing
Even greater expansion of social and civic engagement in our local area	Support for employees with paid days off for day-to-day civic engagement	2023
	Participation in charitable events	Starting 2022

KPIs for measuring success:

- Number of charitable events participated in

Like every company, Medios is a part of its surrounding environment. As such, our goal is to be a good neighbor at our sites in the spirit of good corporate citizenship. But beyond that, we also bear a social responsibility to operate in a sustainable and ethical manner. We are convinced that we create added value for society through our business model and our products. In addition, we promote our employees'

civic engagement and donate to various charitable organizations. The Executive Board decides which projects Medios will support financially. In the reporting year, for instance, we donated 100,000 masks with a total value of approx. €15,000, 2,700 lateral-flow tests with a total value of approx. €15,000, and €1,000 in cash to charitable organizations.

6.2 Maintaining transparent dialog

Stakeholder-dialog

Cluster Aim: We want to promote and expand dialog with all stakeholders.

Goals	Measures	Timing
Consideration of stakeholder interests	Establishment of stakeholder management	Starting 2021
	Evaluation of relevant stakeholder groups	
	Performance of stakeholder survey (dialog format and for verifying material topics)	By 2023
	Expansion of stakeholder dialog with all relevant stakeholders	By 2025
	Medios Specialty Pharma Day / Specialty Pharma Meet-Up / Network Conference Call	Ongoing

KPIs for measuring success:

- Establishment of specific KPIs depending on projects and topics

We interact with different stakeholders as we conduct our day-to-day business, and they place different demands on us. In particular, we stand in close contact with the two stakeholder groups of suppliers and partner pharmacies via various means of communication. We also engage in dialog with our partner pharmacies through networking events and regular conference calls.

As part of our brand development efforts, we conducted a survey of our partner pharmacies in the 2019 financial year – and will do so again in 2022 as part of the customer journey.¹⁷ In addition, we have also been offering our network partners virtual information events on different topics since 2021. This allows us to maintain communication and dialog in times where face-to-face events are not possible due to the pandemic.

We continue to hold regular status reviews with our suppliers at least once a year. With around 40 participants, the “Medios Specialty Pharma Day” – which we held for the first time in the 2020 financial year – represented a new level of dialog with our partners. The goal of the event was to promote networking among pharmacists as well as with us. Previously, Medios had already held smaller events of this kind. We are planning the next Medios Specialty Pharma Day in the 2022 financial year.

Also planned for 2022 is a “Capital Market Day” for investors and analysts.

7. Nonfinancial Key Performance Indicators (KPIs)

The Medios sustainability strategy is based on five material topics: governance, products and services, employees, the environment, and corporate social responsibility. A total of **34 aims and goals**, which are being realized through **65 measures** and tracked using **57 different Key Performance Indicators (KPIs)**, have been implemented for these topics. The implementation of the strategy extends from now until 2025, with some of the measures being implemented and measured in the future. Currently, 25 of the total 57 internal and external KPIs are recorded.

¹⁷⁾ The customer journey describes the entire purchase process. This includes the pre-purchase phase, the purchase phase, and the post-purchase phase. Source: <https://wirtschaftslexikon.gabler.de/definition/customer-journey-prozess-100259>, accessed on 2/23/2022.

Area of Action	KPI	2021 Value
Governance	Proportion of employees who have received training on compliance topics	n/a (not recorded until the 2022 financial year)
	Proportion of employees who have received data protection training	70%
	Proportion of employees who have received training on the Code of Conduct	94%
	Proportion of suppliers (category A) that have accepted the Supplier Code of Conduct or whose code of conduct corresponds with the Supplier Code of Conduct	n/a (not recorded until the 2022 financial year)
	Percentage of suppliers audited by assessment	n/a (not recorded until the 2023 financial year)
	Percentage purchase volume from assessed suppliers	n/a (not recorded until the 2023 financial year)
Products/Services	Number of internal audits	5
	Customer-satisfaction index	n/a (not recorded until the 2022 financial year)
	Number of customer complaints	103
	Number of complaints vs total deliveries/output	0.02%
	Number of states where mediosconnect is available	4
	Number of transactions	230,000
Employees	Number of trainee positions offered	2
	Number of trainee positions occupied	2
	Number of participants in support and mentoring programs	n/a (not recorded until the 2022 financial year)
	Employees in leadership positions, by gender	39% or 11 woman 60% or 17 men (head of department and above)
	Proportion of women to employees	51%
	Number of employees who have participated in health programs	n/a (not recorded until the 2022 financial year)
	Percentage of employees covered by health management	n/a (not recorded until the 2023 financial year)
	Number of work-related accidents	8
	Percentage of employees covered by HSE* management system	n/a (not recorded until the 2025 financial year)
	Number of flexible working-hour models utilized in relation to the total workforce	24%
	Turnover rate	18.2%
	Proportion of total workforce who work from home at least once per week	24%
Environment	Energy-efficiency level	1.63 MWh per €m of revenue
	Reduction of emissions compared to reference year	n/a (not recorded until the 2022 financial year)
	Metric tons of carbon equivalents per €m of revenue	0.54 metric tons CO ₂ e
	Anteil von Grünstrombezug am Strombezug	8,2%
	Scope 2 Emissions compared to the base year (e.g., internal energy consumption, heating, cooling)	n/a (not recorded until the 2022 financial year)
	Emissions at own sites	495.9 metric tons CO ₂ e
	Share of business with ISO certification	0%
	Emissions offset	0
	Waste volumes	801.7 metric tons
	Hazardous waste	6.7 metric tons
	Proportion of recycled or reused waste in percent	11.5%
	Proportion of recycled or reused packaging in percent	n/a (not recorded until the 2022 financial year)
Corporate Social Responsibility	Number of charitable events participated in	0

*HSE - Health Safety Environment

8. About this report

This nonfinancial statement voluntarily covers the requirements of Sections 289b to 289e of the German Commercial Code (HGB) in conjunction with Sections 315b and 315c of the German Commercial Code (HGB) resulting from the CSR-RUG and contains the information required by law within the meaning of Section 289c, Paragraph 2 of the German Commercial Code (HGB) with regard to the following aspects:

- Environmental affairs
- Employee affairs
- Social affairs
- Respect for human rights
- Combating corruption and bribery

We have identified our material nonfinancial issues within the scope of a materiality assessment and in this report disclose the concepts we are pursuing in this regard – for each of the aforementioned aspect within the meaning of Section 289c, Paragraph 2 of the German Commercial Code (HGB).

For the 2021 financial year, we have prepared this report on the basis of the GRI standards for the first time. It also serves as the first progress report in relation to the ten principles of the UN Global Compact.

In accordance with Section 289c, Paragraph 3, Nos. 3 and 4 of the German Commercial Code (HGB), the law requires us to report on significant nonfinancial risks. During a net assessment of risks within the framework of our risk management activities and in accordance with the requirements of the CSR-RUG, we have not identified any risks that are highly likely to have, or are likely to have, a serious negative impact on one or more of the aforementioned aspects. More information is contained in the risk report of the management report.

Within the context of strategic development, the governance-related nonfinancial key performance indicators pursuant to Section 289c, Paragraph 3, No. 5 of the German Commercial Code (HGB) have been defined, with each one listed in the relevant chapters on material topics.

In respect of statements about employees, customers, and other groups of individuals, this nonfinancial statement uses the male, female, or neutral form of address. This is solely for the purpose of improved readability. All disclosures relate, of course, to all genders.

9. GRI content index

For the first time, Medios is reporting on the basis of the international standards of the Global Reporting Initiative (GRI). The GRI is a nongovernmental organization that develops standards (GRI guidelines) for the preparation of sustainability reports in a dialog-oriented manner. The aim of the organization is to foster the transparency and comparability of such reports.¹⁸

This report also serves as a progress report that Medios is obligated to prepare by virtue of having signed the UN Global Compact.

¹⁸⁾ Source: <https://wirtschaftslexikon.gabler.de/definition/global-reporting-initiative-51608>, accessed on 2/23/2022.

GRI content index: GRI 101: Foundation 2016

General disclosures

Standard	Disclosures	Page	Comment	UN Global Compact Principles
GRI 102	General Disclosures 2016			
Organizational Profile				
GRI 102-1	Name of organization	p. 84-85 AR		
GRI 102-2	Activities, brands, products, and services	p. 3 and pp. 84-85 AR		
GRI 102-3	Location of headquarters		Hamburg, Germany	
GRI 102-4	Location of operations	pp. 84-85 AR		
GRI 102-5	Ownership and legal form	p. 14 AR and p. 84 AR		
GRI 102-6	Markets served	pp. 84-85 AR		
GRI 102-7	Scale of the organization	p. 93 AR and pp. 108-109 AR		
GRI 102-8	Information on employees and other workers	p. 3 AR and p. 16		6
GRI 102-9	Supply chain	p. 11		
GRI 102-10	Significant changes to the organization and its supply chain	pp. 85-86 AR		
GRI 102-11	Precautionary principle or approach	pp. 97-101 AR		7
GRI 102-12	External initiatives	p. 27		
GRI 102-13	Membership of associations		Medios AG did not identify any relevant memberships for 2021.	
Strategy				
GRI 102-14	Statement from senior decision-maker	pp. 9-10 AR and p. 51 AR		
Ethics and Integrity				
GRI 102-16	Values, principles, standards, and norms of behavior	p. 7 and pp. 10-11		1-7, 10
Governance				
GRI 102-18	Governance structure	pp. 7-8, p. 47 AR and p. 51-56 AR		1-7, 10
GRI 102-20	Executive-level responsibility for economic, environmental, and social topics	pp. 7-8	Further information is presented separately in the relevant management approaches.	
Stakeholder Engagement				
GRI 102-40	List of stakeholder groups	p. 27		
GRI 102-41	Collective bargaining agreements	p. 127 AR		
GRI 102-42	Identifying and selecting stakeholders	pp. 26-27		
GRI 102-43	Approach to stakeholder engagement	pp. 26-27		
GRI 102-44	Key topics and concerns raised	p. 27		
Reporting practice				
GRI 102-45	Entities included in the consolidated financial statements	pp. 84-86 AR		
GRI 102-46	Defining report content and topic boundaries	p. 5		
GRI 102-47	List of material topics			
GRI 102-48	Restatements of information		All relevant changes are outlined in the relevant places.	
GRI 102-49	Changes in reporting		All relevant changes beyond this are outlined in the relevant places.	
GRI 102-50	Reporting period	p. 29	January 1, 2021 to December 31, 2021. Deviations from this period are noted in the respective sections.	
GRI 102-51	Date of most recent report		March 31, 2020	
GRI 102-52	Reporting cycle		Yearly	
GRI 102-53	Contact point for questions regarding the report		Imprint	
GRI 102-54	Claims of reporting in accordance with the GRI standards	p. 29		
GRI 102-55	GRI content index	pp. 29-30		
GRI 102-56	External assurance		No external assurance was conducted.	

Material topics

Standard	Disclosures	Page	Comment	UN Global Compact Principles
GRI 205	Anti-Corruption 2016			
GRI 103	Management approach (including GRI 103-1, 103-2, 103-3)	p. 9		10
GRI 205-3	Communication and training about anti-corruption policies and procedures	p. 9		10
GRI 206	Anti-Competitive Behavior 2016			
GRI 103	Management approach (including GRI 103-1, 103-2, 103-3)	p. 9		10
GRI 206-1	Legal actions for anti-competitive behavior, antitrust, and monopoly practices	p. 10	In 2021, there were no pending legal proceedings due to anti-competitive behavior or antitrust/monopoly practices.	10
GRI 302	Energy 2016			
GRI 103	Management approach (including GRI 103-1, 103-2, 103-3)	p. 21		7-9
GRI 302-3	Energy consumption within the organization	p. 28		7-8
GRI 302-4	Reduction of energy consumption	p. 21 and p. 23		7-8
GRI 305	Emissions 2016			
GRI 103	Management approach (including GRI 103-1, 103-2, 103-3)	pp. 21-22		7-9
GRI 305-1	Direct (Scope 1) GHG emissions	p. 24		7-8
GRI 305-2	Energy indirect (Scope 2) GHG emissions	p. 24		7-8
GRI 305-3	Other indirect (Scope 3) GHG emissions	p. 24		7-8
GRI 305-3	GHG emissions intensity	p. 28		8
GRI 306	Waste 2020			
GRI 103	Management approach (including GRI 103-1, 103-2, 103-3)	p. 21 and p. 25		8
GRI 306-3	Waste generated	p. 28		8
GRI 401	Employment 2016			
GRI 103	Managementansatz (inklusive GRI 103-1, 103-2, 103-3)	p. 16		6
GRI 401-1	Neu eingestellte Angestellte und Angestelltenfluktuation	p. 28		6
GRI 403	Occupational Health and Safety 2018			
GRI 103	Management approach (including GRI 103-1, 103-2, 103-3)	p. 16 and p. 19		1
GRI 403-6	Promotion of worker health	pp. 19-20		1
GRI 403-9	Work-related injuries	pp. 19-20 and p. 28		
GRI 403-10	Work-related ill health	pp. 19-20 and p. 28		
GRI 404	Training and Education 2016			
GRI 103	Management approach (including GRI 103-1, 103-2, 103-3)	p. 16 and p. 20		6
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	p. 16 and p. 28		
GRI 405	Diversity and Equal Opportunity 2016			
GRI 103	Management Approach including GRI 103-1, 103-2, 103-3)	p. 16 and p. 18		1, 6
GRI 405-1	Diversity of governance bodies and employees	p. 28		6
GRI 406	Non-Discrimination 2016			
GRI 103	Management approach (including GRI 103-1, 103-2, 103-3)	p. 16 and p. 18		6
GRI 406-1	Incidents of discrimination and corrective action taken	p. 18		6
GRI 412	Human Rights Assessment 2016			
GRI 103	Management approach (including GRI 103-1, 103-2, 103-3)	pp. 7-8 and p. 11		1, 2
GRI 412-1	Operations that have been subject to human rights reviews or impact assessments		Corresponding reviews are still being developed at Medios.	2
GRI 416	Customer Health and Safety 2016			
GRI 103	Management approach (including GRI 103-1, 103-2, 103-3)	pp. 12-14		
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	p. 14	In 2021, we were aware of no breaches in this area.	
GRI 418	Customer Privacy 2016			
GRI 103	Management approach (including GRI 103-1, 103-2, 103-3)	p. 12		
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	p. 12		



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