

Nonfinancial consolidated statement of the annual year 2022

Nonfinancial consolidated statement for the 2022 financial year (Unaudited)

1. Sustainability at Medios

This report marks the third 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). The reporting period corresponds to the 2022 calendar year.

The requirements of the CSR Directive Implementation Act were in effect up to and including 2022 (CSR-RUG; CSR: Corporate Social Responsibility). From 2023, the provisions of the CSR-RUG and thus the publication of our nonfinancial statement will become legally binding for us.

As part of the “Sustainable Finance” action plan, the EU Taxonomy Regulation was adopted by the European Commission in 2020, with the aim of, among other things, directing capital flows from the economy into ecologically sustainable activities. All necessary and preparatory processes have already been initiated in order to meet these requirements accordingly.

In Germany, Medios is the leading company for all aspects of pharmaceutical supply in the multi-faceted field of Specialty Pharma. Specialty Pharma drugs 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 are experts with many years of experience in the supply of pharmaceuticals and the manufacture of patient-specific therapies, including blistering. This enables us to cover all the essential points of the supply chain in this special segment. Our mission is to ensure that patients receive the best care with specialty pharmaceuticals across the board by cooperating and exchanging information with all market participants. A comprehensive description of our business model can be found in the Annual Report 2022 (Management Report).

But our business activities are not only having a positive impact in the social sphere, we are also reducing negative impacts on the environment and society by making our day-to-day business sustainable. We are guided by the ten principles of the UN Global Compact. We aim to generate sustainable economic value by making good corporate governance, social responsibility and environmental commitment integral parts of our core business. In addition to the generally applicable laws, rules and standards, our corpo-

rate values of trust, respect, integrity and responsibility also shape the business activities and corporate culture of the Medios Group.

1.1 Sustainable Development Goals

The Sustainable Development Goals (SDGs) of the United Nations also play an important role in the sustainability concept practised at Medios. The 17 SDGs 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 substantiated across 169 sub-goals and over 200 indicators.

Our aim is to support the achievement of the SDGs through the business activities of Medios. With this in mind, we want to make a visible contribution to the 2030 Agenda, while minimizing the negative impact of our business activities on the SDGs. That's why we prioritized the SDGs and their sub-goals for us at the start of 2022.

Our analysis showed that our current and planned corporate activities have a significant impact on the following six SDGs

SDG	SDG targets	Measures at Medios
 3 GOOD HEALTH AND WELL-BEING	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
 5 GENDER EQUALITY	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
 8 DECENT WORK AND ECONOMIC GROWTH	Gender equality	
	5.5: women's participation and equal opportunities for leadership positions	• Establish support and mentoring programs
		• Annual analyses of gender pay parity
 8 DECENT WORK AND ECONOMIC GROWTH	Decent work and economic growth	• Introduce authorized representative(s) for diversity and inclusion
	8.4: improve resource efficiency	
		• Reusable transport boxes
 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE		• Optimization of logistics through central warehouse, among other things
	8.5: full and productive employment, decent work, and equal pay for work of equal value	• Checking shipping materials for reusability and environmental compatibility
	8.7: measures to eradicate all forms of modern slavery and human trafficking	• Washable laboratory protective clothing
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	8.8: protect labor rights and create a safe and secure working environment	• Annual analyses of gender pay parity
		• In-house Code of Conduct
		• Supplier Code of Conduct
 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Industry, innovation and infrastructure	• Supplier assessment
	9.4: upgrade infrastructure and make it more sustainable and resource-efficient through the adoption of clean technologies	• In-house Code of Conduct
		• Whistleblowing system
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Responsible consumption and production	• Introduction of occupational health and safety management system (HSE: Health Safety Environment)
	12.2: use natural resources efficiently	
		• New location for manufacturing with modern laboratories
 13 CLIMATE ACTION	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	• Optimization of energy use
	12.5: reduce waste generation through prevention, recycling and reuse	• Expansion of the innovative and digital platform mediosconnect
		• Installation of digital electricity meters to derive efficiency measures
 13 CLIMATE ACTION	Climate Action	• Logistics optimization
	13.2: integrate climate protection measures into strategies and planning	• Checking shipping materials for reusability and environmental compatibility
		• Training in the handling of hazardous substances
 13 CLIMATE ACTION		• Separate disposal of cytotoxic waste
		• Personal protection of manufacturers through state-of-the-art clean rooms with safety workbenches
		• Checking shipping materials for reusability and environmental compatibility
 13 CLIMATE ACTION		• Washable laboratory protective clothing
		• Reusable transport boxes
		• Establishment of a sustainability committee
 13 CLIMATE ACTION		• Green power purchase
		• Offsetting emissions

1.2 Material topics

During the 2020 financial year, Medios AG identified various sustainability-relevant topics as part of a materiality assessment that serve as the basis for sustainability management and the sustainability strategy. This materiality assessment was based on the provisions of the CSR-RUG. The individual topics were also based on the Global Reporting Initiative's Reporting Standards (GRI Standards): stakeholder inclusiveness, sustainability context, materiality, and completeness.

As part of the materiality assessment, we first developed a catalog of potential topics that corresponded to statutory specifications, generally applicable frameworks, best practices in our peer group, and requirements of various stakeholders. We then made a preselection and clustered the relevant topics. To this end, we held a workshop with the participation of the Executive Board as well as various heads of area and stakeholders. It focussed on the impact of our business on the individual topics and their relevance to the company's long-term success. In this initial materiality assessment, we identified 14 material topics in five action areas or clusters.

The Sustainability Committee reviews the relevance of the materiality assessment on an annual basis and confirms it if the conditions continue to apply. This was most recently done in January 2022. Unless there is a particular need, the materiality assessment is updated every three years, the next time in 2023.

1.3 Sustainability strategy 2025

In 2021, Medios worked extensively with external specialists to develop a sustainability strategy that we want to implement by 2025. Five strategic fields of action were defined: good corporate governance, products and services, employees, the environment and social responsibility.

Our sustainability strategy is based on the key topics and areas of activity. Each theme has an overarching and general cluster objective consisting of different individual objectives. We implement all of our objectives with the help of a comprehensive catalog of measures. We measure target achievement using various key performance indicators (KPIs). We have defined time frames for the implementation of all measures.

Medios AG has defined a total of 34 objectives that are being realized via 65 measures and tracked using around 60 different KPIs. There are further internal objectives and measures.



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

Nonfinancial matters	Material topics
Employee affairs	Employee satisfaction Diversity and equal opportunities Occupational health Vocational and advanced training
Environmental issues	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

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 quarterly and, if necessary, adjusts them in line with the current circumstances. The progress is presented annually in our nonfinancial consolidated statement. The sustainability strategy not only encompasses goals relating to the material topics, but also overarching sustainability management goals.

Strategy program – ESG achievements

				
Achieved	Nearly finalized/ ongoing	In implementation	New	In preparation

Sustainability management

Goals	Measures	Timing	Progress	Explanation
Increase in external transparency	Establishment of an ESG organization in the company (Sustainability Committee)	2021		Successful work of the Sustainability Committee Various responsibilities defined: including Supervisory Board on the Sustainability Committee
	Identification and evaluation of ESG risks	2022		Environmental and social risks included in the management report of the 2022 annual report Inclusion of ESG risks in risk handbook planned for 2023
Constant improvement of ESG ratings	Continuous improvement of key ESG ratings	Ongoing		Continuous improvement of key ESG ratings

KPIs for measuring success:

- ESG Rating

2. Good corporate governance

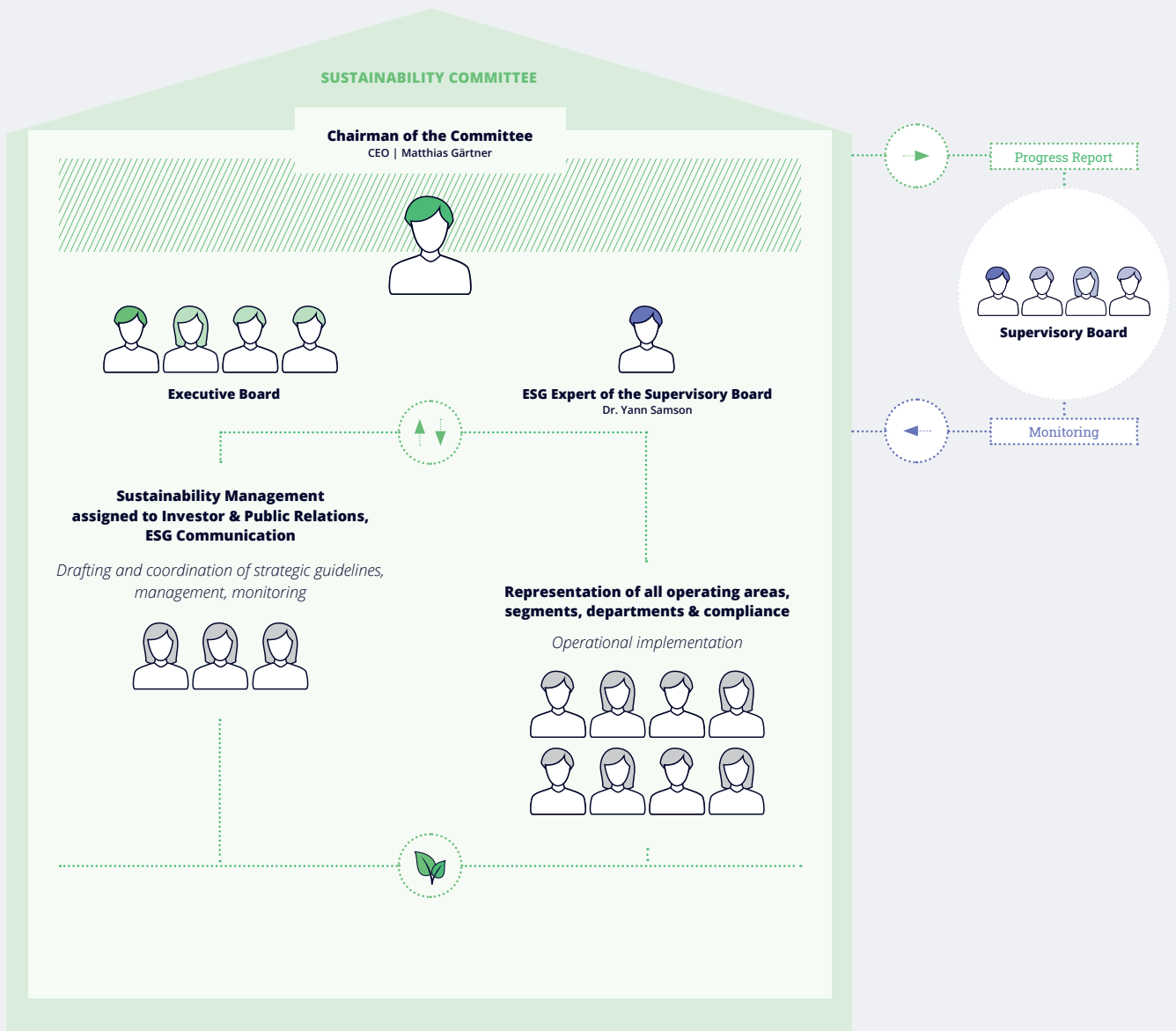
Since the addition of Dr. Anke Nestler to the Supervisory Board in 2021, the Supervisory Board has had four members. The Audit Committee and the Compensation and Nomination Committee remained in place. Since the beginning of 2022, the Chairman of the Supervisory Board, Dr. Yann Samson, has been the Sustainability Officer on the Supervisory Board and is responsible for monitoring and advising the Executive Board on sustainability issues. In doing so, Medios took account of its growing responsibility for good corporate governance. In the opinion of the Supervisory Board, all of its members in the reporting period were to be regarded as independent within the meaning of the German Corporate Governance Code ("DCGK").

The Executive Board has also had four members since 2021. In the specific structuring of their remuneration, the determination of individual remuneration, the selection of the relevant performance indicators and the design of payment and allocation modalities, we take ESG criteria into account, among other things, in order to promote the sustainable development of the Medios Group (see Remuneration Report).

The area of "good corporate governance" is part of the "Governance" action area of our sustainability strategy. This contains four main topics: Compliance, Business Ethics, Responsible Procurement, Data Security and Data Protection.

At the corporate level, the topic of sustainability is firmly anchored in the Sustainability Committee, which was established in 2021 and is chaired by CEO Matthias Gärtner. In addition, the committee consists of the Supervisory Board's sustainability officer, the Members of the Executive Board of Medios AG, and representatives of all departments and operating areas.

There are further points of contact depending on the relevant topic and necessity. The Sustainability Committee meets four times a year, defines the priorities of the sustainability strategy, and monitors the implementation of the corresponding measures.



2.1 Compliant conduct

Compliance

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

Goals	Measures	Timing	Progress	Explanation
Expansion of compliance training	Expansion to all employees	2023		Expansion of training to newly acquired companies in 2023
	Introduction of special anti-corruption and anti-bribery training	Q1 2023		With the introduction of the training platform
	Introduction of special anti-competitive training	Q1 2024		
Expansion of compliance management	Introduction of a new whistleblower system	2022		Whistleblower hotline in place since 2021 Operated via a new online tool since 2022
	Introduce internal audit	Q2 2022		Group-wide implementation started in 2022

Q: Quartely

KPIs for measuring success:

- Proportion of employees who have received training on compliance topics

In addition to general laws, rules and standards, our corporate values shape the business activities and corporate culture of the Medios Group. Adhering to these values is a matter of course for us and is enshrined in the Medios AG Code of Conduct, which can be found on our website (<https://medios.ag/en/sustainability>).

Since 2022, we have had an external compliance officer with primary responsibility and an internal deputy, who are responsible for coordinating and managing compliance issues. The main tasks of our compliance organization under the leadership of the CEO include implementing the Group-wide Medios compliance program, reviewing the internal control system on an annual basis, and preparing our risk handbook, which records all risks and regulates how they are assessed.

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 will take place as and when necessary.

Employees, as well as suppliers, of the Medios Group can contact the Compliance department at any time to prevent and investigate possible compliance violations. Since 2022, there has also been a publicly available online whistleblower system for anonymous reporting of suspected cases. Our employees are required to report possible compliance violations immediately. Medios thoroughly investigates all reports in accordance with the whistleblower guidelines. Ex-

cept in cases of the whistleblower system being misused, we guarantee that the whistleblower will not suffer any disadvantages. This includes protective measures against, for example:

- Disclosure of identity
- Suspension, dismissal/termination, or equivalent measures of your employment relationship
- Transfer of tasks, transfer, salary reduction, change of working hours
- Discrimination, disadvantageous or unfair treatment
- Non-renewal or premature termination of a temporary employment contract
- Premature termination or cancellation of a contract for goods or services
- Civil, criminal and administrative liability.

Relatives, colleagues, and caregivers are also protected by the Whistleblower Protection Act and the Medios Whistleblower Policy. There were no reports of compliance violations in the 2022 financial year. The plan is to open the whistleblower system to suppliers in the current 2023 financial year.

Medios has established a comprehensive risk management system within the Group. In order to minimize risks, gaps in the system are identified and described as well as measures defined to prevent or contain potential errors in advance. Risk assessment is carried out according to the quantitative criteria: potential damage, probability of occurrence and detection of the error. The review of the of the risk assessment is carried out every six months.

In addition to our Code of Conduct, further requirements are in place at Medios in the of comprehensive compliance guidelines, which we harmonized throughout the Group in 2019. In doing so, we have exceeded the statutory requirements. The guidelines govern, among other things, privacy and data protection, IT security, and how to handle gifts, donations, and conflicts of interest. We have also compiled a comprehensive compliance manual.

We regularly train our employees to implement our values and process principles. Especially when new employees join the Medios Group, they receive onboarding training, including on the topics of the Code of Conduct, data security, occupational safety and accident protection.

Compliance training was also provided in the 2022 financial year, particularly for the Purchasing and Sales departments. For 2023, we plan to expand an internal training and management platform for corporate guidelines across the Group. Once approved, regular training will be held there on topics such as the Code of Conduct for suppliers, how to deal with conflicts of interest, the General Equal Treatment Act for employees and managers, the Anti-Corruption and Antitrust Guidelines, corruption prevention, hygiene in the workplace, and data security when working remotely.

Medios strictly rejects any and all forms of corruption and bribery. We take all suspicions seriously and investigate them. If a suspicion is confirmed, the Executive Board of Medios AG will initiate disciplinary action. No cases of corruption were discovered in the 2022 financial year, nor were there any suspected cases. We are also not aware of any pending legal proceedings for anti-competitive conduct, fines or non-monetary sanctions for non-compliance with laws and regulations. In order to continuously increase efficiency and at the same time mitigate risk, an internal audit was introduced in 2022 and will be continued in 2023 and extended to the subsidiaries.

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	Progress	Explanation
Implement Code of Conduct	Conduct training on the Code of Conduct	Q1 2023		With the introduction of the training platform
Joining of global alliances	Evaluation of relevant guidelines in addition to the UN Global Compact (e.g. International Labour Organization and Paris Agreement)	Starting 2021		Member of the UN Global Compact since 2021 Compliance with ILO core labor standards

KPIs for measuring success:

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

Q: Quarterly

As a sustainability-conscious company, our aim is to harmonize ecological, social, and economic aspects. In doing so, we want to create long-term value for ourselves as a company, our stakeholders, and society as a whole. We regard this as our corporate responsibility, which is reflected in all our business relationships and employment relationships.

Since the signing of the UN Global Compact in 2021, Medios has supported the world's largest alliance of corporate values. We are committed to the principles of the UN Global Compact in the areas of human rights, labor, the environment, and anti-corruption. We undertake to report regularly on these topics and to continuously develop ourselves 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. It goes without saying that we adhere to these fundamental values and, as part of our compliance, anchor them in the Medios Group's Code of Conduct. The corporate engagement of Medios relies on the sense of responsibility of each and every employee and is the responsibility of the Executive Board as a whole.

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	Progress	Explanation
Safeguards for compliance with defined supply-chain standards	Implementation of Supplier Code of Conduct	2023		Publication planned for the first half of 2023
	Development of an ESG assessment/audit for suppliers	2023		
	Extension of the whistle-blowing system to suppliers (whistleblowing hotline)	2023		Expansion via existing whistle-blowing tool after publication of the Supplier Code of Conduct

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 meet the principles of responsible procurement, both our own conduct and that of our suppliers play a key role.

Medios is only supplied by pharmaceutical companies that are headquartered or have subsidiaries in the EU. For this reason, we only trade medicinal products that are authorized in the EU or Germany.

Our collaboration with partners is cooperative and based on a dialog. In this way, we can help to ensure that they comply with high standards. We regularly check whether our suppliers are qualified in accordance with the legal requirements and EU guidelines for the good distribution practice of medicinal products for human use (GDP guidelines).

We are not yet subject to the new German Supply Chain Act, as Medios does not exceed the limit of 3,000 employees in Germany. Nevertheless, we value a sustainable supply chain and pay attention to their working and production conditions, environmental standards, and respect for human rights in their supply chain. To translate this into a formal guideline, we are currently working on our own Code of Conduct for suppliers and intend to introduce it in the first quarter of 2023. On this basis, we plan to increase our purchasing volume from ESG-certified suppliers in 2023.



In the procurement process, we also take into account criteria such as price, quality, area of application, and ability to deliver. In some cases, the feedback from our customers is also decisive, e. g. if they have special requirements for the packaging of deliveries.

When purchasing office supplies in 2022, we continued to focus on environmentally friendly products and reduced the proportion of our smallest orders.

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	Progress	Explanation
Ensuring data security and data protection	Expansion of employee training on data security and data protection	Ongoing		Training of external data protection officers
	Introduction of a package of measures to improve data security and data protection	2022		New, comprehensive data protection concept published in June 2022 and additional IT security guidelines, available via the media library of the Rexx employee platform

KPIs for measuring success:

- Number of employees who have received data protection training

The Medios Group's field of work 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. Protecting the personal rights of these people is a very high priority.

To ensure the security of the data in our possession, we have appointed external data protection officers. These officers perform their duties together with the central data protection coordination department of Medios AG. In addition, Medios has appointed two internal data protection coordinators in each subsidiary.

To ensure our high data protection standards, we conduct an audit every two years. We did not identify any data breaches in the 2022 financial year. For quality assurance purposes, we set up a data protection portal that contains documents for review and joint processing with external data protection officers and simplifies internal coordination. Moreover, we are currently working on the implementation of a Data Protection Management System (DSMS) with additional standard operating procedures (SOPs) relating to data protection emergencies, etc.

New employees at Medios receive binding training on the various aspects of data protection. One of the most important documents in this regard is our data protection agreement in accordance with the GDPR (General Data Protection Regulation). All Medios employees must attend refresher training with one of our external data protection officers once a year. Training at the newly acquired companies is not yet fully recorded. For this reason, 81% of Medios employees officially received data protection training in 2022. Group-wide documentation of the training courses is planned for 2023.

A staff unit for IT security was created in 2020. Since then, it has developed into an independent department, and in 2022 the field of work was expanded to include the topic of IT Quality Management. The Medios Group has thus stepped up its investments for the secure operation of its IT infrastructure.

Many measures were implemented in the areas of intrusion prevention and intrusion detection, such as the introduction of a new end-point security software, the complete overhaul of the firewalls, and the establishment of dedicated network monitoring with the help of SIEM (Security Incident and Event Management) software. Network traffic can be analyzed for IOCs (Indicator of Compromises) in order to automatically detect and eliminate threats.

An Information Security Management System (ISMS) based on ISO 27001 is currently being set up in order to define and achieve the information security objectives of the Medios Group. The Medios Group has appointed an internal information security officer for this purpose.

Employee training is an important aspect of the Medios Group's IT security concept. Special security awareness training sessions are held for all employees. Automated phishing tests are currently being planned and will be carried out in the course of 2023.



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. Our **Pharmaceutical Supply** segment supplies specialist pharmacies throughout Germany with patient-specific therapies and finished medicinal products. Our mission is the safest, best possible, and cost-optimized supply of specialty pharmaceuticals to patients. By virtue of our 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) – prepare patient-specific infusion solutions and other parenterals using approved finished medicinal products. Our manufacturing operations are constantly optimizing their processes. In this way, 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 able to ensure that our high-quality products are delivered to pharmacies in a fast, secure, and reliable manner.









At the same time, we actively monitor market developments in order to keep our range of products and services up to date at all times. In the year under review, for example, we made progress in the area of digitization and further developed our mediosconnect platform.

The “**Products and Services**” action area comprises two clusters: “Patient health and protection” and “Innovative procedures and processes.”

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	Progress	Explanation
Safeguards for quality	Adherence to Good Manufacturing Practice (GMP guidelines)	Ongoing		Obligation as a pharmaceutical manufacturer
	Adherence to Good Distribution Practice (GDP guidelines)			
	Supplier selection based on high quality standards	Ongoing		According to GDP regulations
	Regular quality management inspections by the authorities	Ongoing		According to regulations
	Internal audit			
Further increase of customer satisfaction	Regular customer-satisfaction survey	Every two years from 2022		Postponed to 2023 because pharmacies were too busy with regulation and supply bottlenecks in 2022
Reduction and best-possible resolution of customer complaints	Implementation of complaint management for customers	2022		Decentrally organized and regulated by each company's own Standard Operating Procedures (SOPs)
	Annual evaluation of complaints	2022		Since 2021
Training employees on GMP/GDP and	Regular GMP/GDP training	Ongoing		Obligation as a pharmaceutical manufacturer
Expansion of partnerships with local pharmacies	Discussions with suitable pharmacies	Quarterly		January 2023: Network of partner pharmacies increased to 700 (2021: 600)

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 our patients is our highest priority. As part of our business activities, we stockpile medicines that are regularly ordered. We respond to inquiries from pharmacies within an hour, and deliveries – in most cases – overnight. In this context, we work with the pharmacies as partners.

To ensure that our medicinal products are always safe, we operate a strict quality management system based on various guidelines and standards. The guidelines for GDP (Good Distribution Practice), for example, require complete drug safety in both storage and transport. To achieve this, our quality management system must anticipate possible errors by identifying risks and defining countermeasures. The CAPA system (Corrective and Preventive Action) also serves to ensure drug safety within the framework of the GMP (Good Manufacturing Practice) guidelines: Employees report any errors that have occurred to their line managers and/or to the mandate holders, such as the head of manufacturing or the head of quality control, in accordance with Section 52a, para. 2, no. 3 of the German Medicines Act (AMG). Together with those responsible in the departments, this team analyzes the causes of the error and then improves the processes. This may mean changing standard operating procedures or training and instructing staff. In the year under review, we conducted these training courses on a regular basis and incorporated them into our Group-wide system. Our annual training plan sets out workplace-related training for all employees, general training on topics such as GMP and GDP, industrial hygiene and compliance, and annual instruction. They are a prerequisite for allowing workers to take up their jobs and serve to safeguard their qualifications.

Employees can find newly implemented or revised processes and the corresponding forms in the online training portal of the Medios Group.

In addition to the GDP guidelines, the internationally recognized GMP guidelines ensure good manufacturing practice for medicinal products. They also ensure that patients always receive their medicines in the highest quality.

Our quality assurance begins with the selection of our suppliers and the (video) documented inspection of our incoming and outgoing goods. Our transparent supply chain and quality testing of our raw materials prevent counterfeiting and thus contribute significantly to the safety of our patients. All raw materials and their batches can be fully traced using QR codes.

Under the GMP, quality assurance in manufacturing covers all production processes and the production environment. The aseptic manufacture of medicinal products is subject to particularly strict regulatory requirements. This relates to the handling of clean rooms, hygiene and clothing, the qualification of the manufacturing personnel and the quality in-

spections of the manufactured products. We also ensure that the processing, packaging, and storage of our medicinal products also comply with all national and European regulations.

At Medios, there are clear rules for all employees to ensure that they comply with these requirements. In terms of product quality and occupational safety, our own hygiene policy requires, among other things, personal protective clothing, face masks, and gloves to be worn throughout the manufacturing process.

Customers can voice complaints or requests for improvement, which our employees record in deviation logs and send to the responsible individuals. Complaints are handled and documented by the qualified person or the respective level plan officer in accordance with GMP regulations. As in the previous year, the complaint rate in 2022 was exceptionally low at 0.3%.



Regional authorities regularly check that we comply with all standards and processes. In addition, we conduct annual self-inspections in all areas of the Medios Group's GMP and GDP-regulated companies. In doing so, we align our working methods with the principles of the quality management system, GMP and GDP regulations, occupational health and safety, and other legal requirements. This allows us to check that we are complying with the regulations and also improve the quality of our internal processes and systems.

Since we manufacture medications that are individually tailored to the patient from ready-to-use drugs and are not involved in drug research, Medios can exclude animal testing.

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	Progress	Explanation
Driving of digitization in the Specialty Pharma sector to improve efficiency	Rollout of mediosconnect	Ongoing		Already in five federal states, successively more federal states Transactions via mediosconnect up by 50%
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	2022		Deferred to 2023/2024 for regulatory reasons

KPIs for measuring success:

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

We regularly analyze current trends and developments in the market. On this basis, we develop new products and services as well as process innovations.

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 currently being promoted within the framework of the following bodies: IT Board, IT strategy workshop between the IT Board and the Executive Board, and the Digital Health Working Group. Depending on the topic of work, one of the committee members is responsible for the preparation and processing. The heads of the respective departments are responsible for the work. The digitalization of the healthcare sector in particular is

currently emerging as a trend. Medios wants to play an active role in shaping this development. For this reason, we have developed mediosconnect, a digital trading platform for personalized medicines that connects doctors, health insurers, and specialist partner pharmacies. The platform simplifies ordering and billing processes and thus makes the healthcare system more cost-effective. We have now introduced mediosconnect in five German federal states. 35 practices were acquired as users, and orders placed via the platform increased by around 50%. The trading platform is to be rolled out continuously in 2023. Electronic prescriptions, which are still being planned, will create new opportunities for the Medios Group.

4. Employees

Highly qualified employees are very important for our company's success.

The HR department reports to the Chief Operating Officer and bears Group-wide responsibility. At the disciplinary level, the management of the subsidiaries make their own personnel decisions. We support the individual companies of the Medios Group within the framework of our HR business partner concept and take into account their respective specifics. We have used internal specialists to expand HR systems and processes as well as for recruiting. The NewCo Pharma Group acquired in January 2022 was not yet integrated into the HR business partner concept in 2022. For this reason, the following employee data does not include information about the NewCo Pharma Group unless explicitly stated.

All employee data is data as of the reporting date. For this reason, they differ from the employee data in the 2022 Annual Report, which are averages.

Our daily activities are guided by our corporate values and our shared vision. We are convinced that the conduct of our managers is reflected in the conduct of our workforce. For this reason, in 2022, we established the Medios management guidelines and company values more broadly, formalized them, made them available digitally, and communicated them in a workshop.

Employees	As of December 31, 2022 (incl. NewCo Pharma Group)	As of December 31, 2022 (excl. NewCo Pharma Group)*	2021
Total number of employees (active/excluding parental leave)	531	305	301
Full-time employees	333	224	214
Part-time employees	198	81	87
With a temporary employment contract	14	13	14
With a permanent employment contract	517	292	287
Women	317	161	153
Men	214	144	147
Under 30 years of age	84	45	72
Between 30 and 50 years old	332	205	185
Over 50 years of age	115	55	44
Employees on parental leave	13	10	11

* Base of calculation for subsequent KPIs unless otherwise stated. All employee data provided here is based on the cut-off date. The other employee data reported in the annual report are averages that exclude Executive Board members, managing directors, and trainees.

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	Progress	Explanation
Regular employee surveys	Employee survey regularly conducted	Ongoing		Carried out in March 2022
Increasing employee satisfaction	Expansion of remote-work offering	Late 2021		"60% presence, 40% mobile" – regulation since December 2021

KPIs for measuring success:

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

For successful business development, we need very well-trained employees and consider long-term employment relationships to be exceptionally important. To ensure that our employees stay with the company for as long as possible, we create incentives in the form of employee offers and dialog regularly with our employees. In these discussions, we discuss personal goals, satisfaction with the working environment, and their own ideas about the business area, among other things.

We reward the performance of our employees and want to compete for qualified specialists. Fair compensation plays an important factor in this regard. In the Medios Group, it is based on the requirements of the specific position and the employee's performance. To measure salaries, we use the Korn-Ferry/Hay job evaluation system and use the annual Korn-Ferry compensation data for the overall German market as a benchmark.

In addition to salaries, we offer attractive perks and social benefits. For example, employees receive a subsidy for company pensions and health insurance. They also have access to individual workplace glasses, fruit baskets, free flu vaccinations, a free public transport ticket, and, in some cases, company bikes. An annual leave of 30 days is a matter of course.




The topic of home working became increasingly significant during the COVID-19 pandemic. The Medios Group has adopted a corresponding guideline according to which employees can work 60% on site and 40% from home.

In the year under review, we once again measured the satisfaction of our workforce by means of a company-wide employee survey. We take the criticism and suggestions of our employees seriously and take them into account as far as possible when planning and aligning our corporate activities. In Germany, employees have the right to establish a works council under the German Works Constitution Act. We also see the fact that Medios employees have not yet made use of this right as a sign of satisfaction.

4.2 Working with equal opportunities and promoting diversity

Diversity and equal opportunities

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

Goals	Measures	Timing	Progress	Explanation
Retention of a high proportion of women in leadership positions	Development of a mentoring program for women	2023		50% women in management positions
Active support for equal opportunities	Implementation of diversity and inclusion representative	2024		
Safeguards for fair pay for women	Annual analysis of gender pay parity	Since 2022		

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. Our Code of Conduct contains relevant guidelines. 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 or gender, sexual orientation, class, origin, physical or mental condition, ideology, or religion.

Should employees nevertheless become aware of cases of discrimination, we encourage them to report such via our whistleblower system. All employees have unrestricted access to it. No suspected cases were reported in 2022. To ensure that this remains the case, we are planning Group-wide training on the Code of Conduct via our new training software for 2023.

The unadjusted gender pay gap was calculated for the first time for 2022. The gender pay gap describes the difference between the average gross salary of women and men. This difference is expressed as a percentage of men's average gross hourly earnings. On average, women earned 17% less than men at Medios. The calculation takes into account the salaries

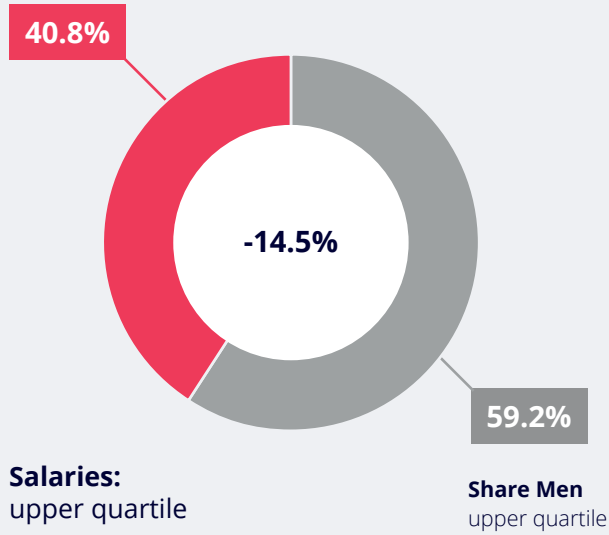
of all employees irrespective of wage-determining factors such as level of education, occupation, qualification or work experience. For this reason, the unadjusted gender pay gap is usually higher than the adjusted gender pay gap, which excludes differences in earnings due to occupation, qualification, etc. We do not calculate the latter due to the lack of data.

In order to be able to classify the deviation of 17%, we have formed quartiles across all salaries. Within the quartile, the unadjusted gender pay gap and the distribution of women and men were then determined.

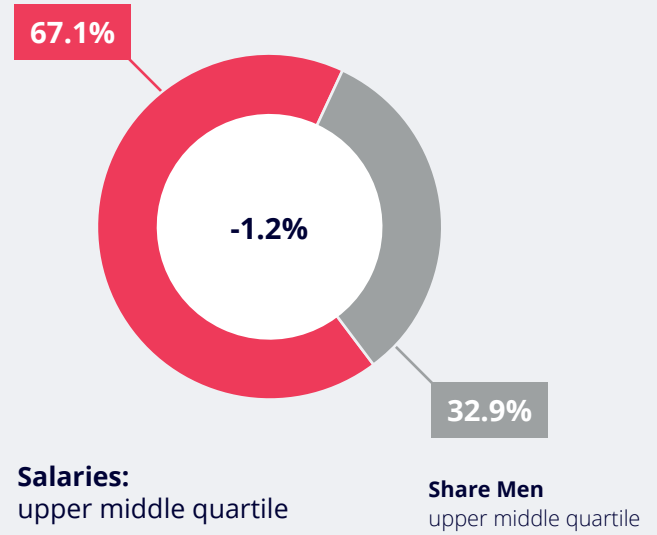
The pay gap is greatest in the upper quartile, which contains the highest salaries, including Executive Board salaries. This is due in particular to the fact that three Members of the Executive Board are male. In the lower quartiles, women earn more than men.

Gender pay gap within salary quartiles

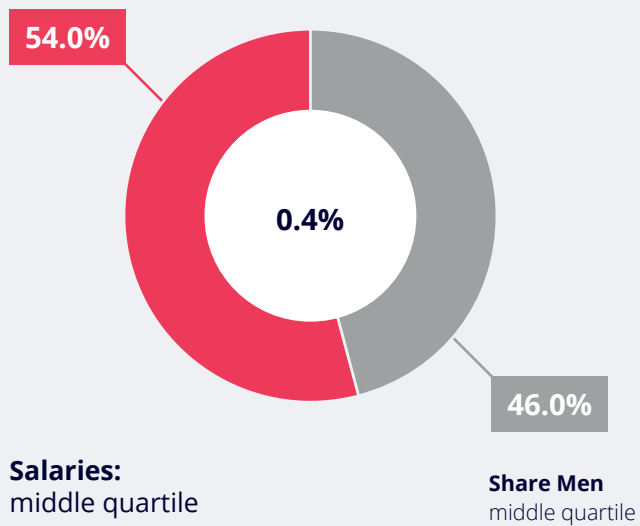
Share Woman
upper quartile



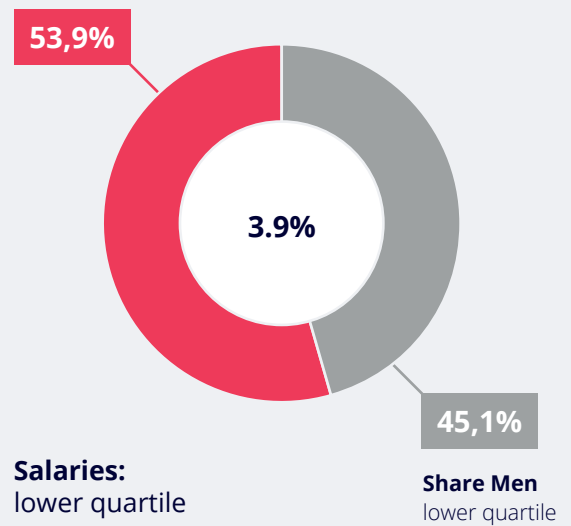
Share Woman
upper middle quartile



Share Woman
middle quartile



Share Woman
lower quartile



(%) Unadjusted gender pay gap within the quartile

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	Progress	Explanation
Effective support for healthy lifestyles and occupational safety and health	Offer of checkups and vaccinations (company doctor)	Late 2022		Held in Q1/2022 Voluntary offer for flu vaccinations
	Promotion of sport, stress-management course, subsidy for office glasses	2023		Work glasses are already subsidized
	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		Occupational safety training courses take place regularly Quarterly occupational safety meetings were held throughout the Group ≥ Strategies for individual companies
	Introduction of a management system for occupational health and safety (HSE: health safety environment)	2025		
Work-life balance at Medios	Comprehensive offering of flexible working-hour models	Ongoing		Available to every employee

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. At Medios, there are various sensitive work areas where our employees may be exposed to hazards. We are aware of this fact and take precautions to avoid disruption and damage. For example, we conduct regular safety briefings and fire safety drills and train first responders and fire safety assistants.

The Executive Board has delegated its responsibility for occupational health to management. Medios identifies and deals with occupational safety issues in occupational health committees (OHC) and ensures that they are implemented. Each OHC consists of the management or employer representative, an internal safety officer, an external occupational

physician, and an external occupational health and safety practitioner and met once a quarter in 2022. They review and revise the occupational safety instructions and advise on organizational measures and technical aids.

In the third year of the COVID-19 pandemic, we continued to provide our employees with the best possible protection against coronavirus infection through hygiene protection concepts, shorter workstation cleaning cycles, and the free provision of masks and antigen tests. From May 3, 2022, we were able to relax the obligation to wear masks and distancing, albeit not at the manufacturing plants. The company medical service of each Medios company supported inter-

nal health management and provided regular information on the statutory coronavirus regulations. The medical service also carried out the regular and mandatory health checks specific to the workstations for all employees, e.g. the annual health checks for employees with VDU (Visual Display Unit) workstations in early 2022.

If accidents at work occur, we document both the number and the type. In the year under review, there were 17 accidents at work, the majority of which were minor cuts or needlestick injuries. In six cases, serious injuries occurred, i.e. the affected employee was on sick leave at least three days after the accident. This corresponds to an overall accident rate of 6.4% per 100 employees and a serious work-related injury rate of 2.2% per 100 employees.

In order to maintain and promote the health of our employees, we pay attention not only to their physical condition, but also to psychological stress caused by stress and overload. Should our employees nevertheless develop psychological 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.

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	Progress	Explanation
Identification and further development of our employees' potential with clear concepts	Conduct annual feedback and development discussions with all employees	Late 2021		Available to every employee
Increased number of trainee positions	Fill available trainee positions	2023		Available trainee positions are filled
	Offering of new trainee occupations	2023		From 2024, IT specialist for system integration
Support for junior employees and managers	Management training	Ongoing		
	Development of support and mentoring program	Until 2024		
Securing young talent	Hire student trainees	Ongoing		Working students at Medios
	Attract dual-study students and scholarship recipients in pharmacy studies	Starting 2023		A dual-study student at Medios since early 2023 Scholarship program has started

KPIs for measuring success:

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

As a training company, we promote education and training in our business area in order to meet our current and future demand for qualified specialists. As such, we offer vocational training programs in wholesale and international trade management as well as warehouse logistics. Two apprentices were employed at Medios in the 2022 financial year – one as a merchant in wholesale and foreign trade management and one as a specialist in warehouse logistics. From 2024, we also plan to train IT specialists for system integration. In addition, since the beginning of 2023, we have been offering students in dual courses of study the opportunity to complete their practical phases at Medios. We currently have one dual-study student specializing in business administration working for us. Starting in 2023, pharmacy students from their sixth semester onwards will be able to receive a one-year scholarship through the “Medios Talent Program” and then complete their practical year at a partner pharmacy or the Medios manufacturing companies. The program aims to retain employees and increase the visibility of Medios as an attractive employer for pharmacists.

In addition, we support our employees in their personal and professional development through various personnel development measures. In the 2022 financial year, around 17% of the Medios Group's workforce took part in personal development measures and coaching. They attended workshops on the topics of mission statement, values, and leadership guidelines, as well as management workshops on the topics of employer branding and decentralized leadership of virtual teams. Moreover, regular training sessions were held in the field of pharmaceutical production. For more information, please refer to section 4.3 “Promoting health at work.”

In 2022, Medios introduced a new program for employee and management development. It is based on our leadership guidelines and competencies and includes management diagnostics and various development measures. Since January 2022, we have been using additional tools such as 360-degree feedback and employee performance potential tracking. We systematize employee and management development through a training catalogue that is also aligned with the management guidelines. It includes off-the-job, along-the-job, and on-the-job measures.

We take the onboarding and induction of new employees quite seriously. On the one hand, we want to convey the values and organizational structures of Medios to them across all divisions and, on the other, ensure comprehensive, job-related training. We have therefore put together concrete plans that define the scope and nature of onboarding, and on this basis, we qualify employees for their job profiles. Some profiles require training periods of up to nine months, e.g. lab work.

5. Environment

Medio's business model has a comparatively low impact on the environment. Nevertheless, it is essential to use the resources we need for our business sustainably. We feel responsible not only for the efficient use of energy and the

reduction of emissions, but also for the reduction and proper disposal of waste. The acquisition of the NewCo Pharma Group in 2022 significantly expanded Medios AG's partner network, which has a significant impact on consumption and production figures. In addition, we introduced new software for capturing ESG data in the 2022 financial year. This enables us to obtain much more detailed and structured data across the Group – both in terms of breadth and depth. In line with the basic principles of the GHG Protocol, we have therefore decided to use 2022 as the new base year for reporting energy, emissions, and environmental figures.

Our primary objective is to avoid and reduce emissions. Starting in 2023, we want to offset unavoidable Scope 1 and Scope 2 emissions in order to be climate-neutral at our locations. We are currently examining various options for offsetting and will analyze and also reduce our Scope 3 emissions. Our logistics service providers, who supply pharmacies, play an important role in this. For example, we are working on making route planning even more efficient.

Medios has issued general codes of conduct and standard operating procedures (SOPs) that explain these topics and, in some cases, stipulate the responsible handling of energy, waste, paper, and packaging material as well as how to recycle such, etc.

The management of the Medios companies is responsible for adhering to the guidelines. In the specific case of environmental law, the Compliance Officer is primarily responsible. 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 area of facility management, we are actively working to reduce energy consumption. For example, we have installed motion detectors for the light. Further starting points are the workbenches in the clean rooms and the ventilation systems in the laboratories. In 2022, systematic checks were carried out at all manufacturing facilities so that the workbenches and ventilation systems can operate in setback mode if not in use. Switching off is not possible in clean rooms due to the required hygiene regulations.

In the 2022 financial year, we recorded and evaluated energy consumption for production and manufacturing as part of the further expansion of our new location (Gartenhaus) together with the Wholesale, Manufacturing and Administration departments. For example, we installed digital electricity meters, thermostat controllers on the radiators, LED lighting, and sun protection film on the windows. In addition, the cold storage rooms are state-of-the-art and very energy-efficient. These measures will enable us to implement specific energy conservation measures at a later stage.



In principle, we want to continuously improve our environmental management. To this end, we set ourselves specific targets, such as the energy efficiency of newly acquired appli-

ances or the improved insulation of cold storage rooms. Our new ESG software specifically supports us in managing our environmental performance even more effectively.

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	Progress	Explanation
Systematic recording of emissions data	Implementation of ESG software and expansion of digital electricity meters	2022		Implementation completed in December 2022 Digital electricity meters retrofitted at two locations
	Analysis of relevant Scope 3 emissions (transport, etc.)	Until 2023		Trips with own fleet, business trips, waste already recorded Expansion planned
	Evaluate the Science Based Targets Initiative (SBTi)	2023		Initially, ensure a good data base for 2022, in order to set greenhouse gas emission reduction targets under the SBTi
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		Energy efficiency is already taken into account when purchasing new hardware, electronic devices, and commissioning data centers Formal inclusion in
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		Purchase of green electricity increased to just under 40%
	Implementation of ISO 14001 environmental-management system	2023		
	Mobility allowance for local public transport	Ongoing		For all employees

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 electricity for its own business activities. How we obtain and use our energy, however, determines the amount of emissions we are responsible for. We obtain heat from the landlords at our locations in the form of natural gas and heating oil. In the year under review, our electricity use was made up as follows:

Power consumption Medios Group	2022*	2021*
Total power consumption	3,392.4	513,4
Thereof volume of purchased electricity	3,392.4	513,4
Thereof self-generated electricity	0	0
Total heat consumption	2,040.1	1,699.4
Thereof purchased heat	2,040.1	1,699.4
Thereof self-generated heat	0	0
Total cooling consumption	185.6	-
Thereof purchased cooling	185,6	-
Thereof self-generated cooling	0	-
Total energy consumption	5,618.2	2,212.8

* Partly based on consumption from the previous year, due to missing operating cost invoices. Where no data was available, conservative estimates were made on the basis of average consumption per square meter.

We cool our products and materials in large refrigerators or cold-storage cells that we operate with electricity. We see the greatest savings potential in the improved insulation of the new cold-storage cells that we have been using since 2020. We were also able to reduce our energy consumption and emissions by moving our company headquarters to an energy-efficient new building in 2020. The new building meets the latest standards and has received a certificate from the DGNB (German Sustainable Building Council). In the 2022 financial year, we were able to further reduce our energy consumption by housing two departments in the same location. This eliminates the emissions caused by transport between locations. Furthermore, we have purchased state-of-the-art, energy-saving machinery and devices for the new site. However, absolute consumption and emissions have increased due to the addition of new companies.

By purchasing green electricity, we can also operate in a more environmentally friendly way while maintaining stable energy consumption. For this reason, we switched other areas to electricity from renewable energy sources in 2022. In the first half of 2023, we also want to make this mandatory in our purchasing guidelines. When it comes to IT, we only work with energy-certified data centers.

Emissions Medios Group (in tCO ₂ e)	2022	2021
Scope 1	136.8	0
Self-generated electricity	n/a	n/a
Self-generated heat	n/a	n/a
Self-generated cooling	n/a	n/a
Own fleet / company cars	136.8	n/a
Scope 2	5,787.7	188.5
Electricity purchase market-based	2,872.5*	152.7
Electricity purchase location-based	689,5	179.7
Purchased heat	2,040.1	35.7
Purchased cooling	185,6	n/a
Scope 3	10,931.6	237.5
Business trips	10,253.6	103.1
<i>Airplane</i>	1,833.2	5.0
<i>Rental car</i>	7,722.0	95.7
<i>Train</i>	698.5	2.4
Waste	302.1**	18.8
Energy related emissions	375.9	115.6
Total emissions	16,856.1	733.4

* Due to missing emission factors from the electricity contracts, emissions for 85% of the Medios Group were calculated using the residual factor 0.61784 kg CO₂ / kWh (Source: Association of Issuing Bodies AIB (2022): European Residual Mixes 2021) | ** No data for 15% of the Medios Group

After falling in previous years due to the COVID-19 pandemic, the number of business trips increased again in the year under review. We want to maintain and promote the trend toward virtual meetings driven by the pandemic. To this end, we further improved and expanded our internal IT infrastructure and digital opportunities in the reporting year. In this way, we are laying the foundation for further reducing our travel activities in the future.

Company cars are used by sales representatives and managers. Medicines are delivered partly by our own fleet and partly by a logistics service provider. Since February 2022, the Medios Group's company car policy has not allowed diesel vehicles. When choosing a company car, priority should be given to sustainable vehicle alternatives such as electric vehicles. Management's company cars were converted to gas.

Since 2021, we have rented parking spaces for electric vehicles, each with charging facilities available during working hours. If as many employees as possible take advantage of this offer and do without vehicles with internal combustion engines, this will have a positive impact on the emissions generated by our employees' commuting.

In addition, we offer employees a free public transport ticket or a company bike to make their commute to work as sustainable and emission-saving as possible.

5.2 Strengthening recycling

Waste and recycling

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

Goals	Measures	Timing	Progress	Explanation
Increase of the share of waste recycled or reused	Reusability or recyclability of suits, gloves, etc. defined as a procurement criterion	2023		Washable protective suits in all companies since 2021 Formal inclusion in purchasing guidelines in progress
Significant increase in usage of recyclable and reusable packaging	Usage of recycled/reused packaging	Starting 2022		Use of reusable transport boxes Test on environmentally friendly packaging and filling materials launched in 2022
	Reusability or recyclability of packaging defined as a procurement criterion	2022/2023		Formal inclusion in purchasing guidelines in progress
Sensitization to issue of recycling	Awareness campaign among employees	Starting 2022		Expansion to include energy and resources
				Information campaign via newsletter

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

All hazardous substances we work with are recorded in a hazardous substances register. This is the basis for all operating instructions relating to the handling of hazardous substances and their disposal process. We train our employees on these operating instructions at least once a year as part of our occupational safety training. As soon as we use new hazardous substances in manufacturing, we update the operating instructions and train our employees accordingly.

The cytotoxic waste generated during the manufacture of pharmaceuticals requires special disposal regulations. We collect it separately in a cytostatic bin and have it disposed of in accordance with the waste code by specialist companies that are certified as a specialist waste disposal company in accordance with the German Circular Economy Act (Kreislaufwirtschaftsgesetz). This enables us to prevent unauthorized access and environmental contamination. This is how we minimize the negative impact on biodiversity

For hardware disposal, we work with a non-profit IT company that specializes in extending the lifespan of used IT and mobile devices by professional data destruction, reprocessing, and reselling. In 2022, we collected 229 IT and mobile devices weighing just under one metric ton. Almost 50% of these devices were resold after data destruction, hardware testing, spare parts procurement, repair, upgrade, and cleaning. Valuable raw materials such as gold, silver, copper, palladium, or platinum are recovered from non-reusable equipment through recycling processes. With the exception of masks and gloves, the protective equipment of employees working in the clean room (laboratory) – e.g. overalls and undergarments – is reprocessed and reused in a controlled manner. Our goal is to further increase the share of recycled and reconditioned waste, especially with regard to thermal recycling.

We have expanded the use of sustainable office materials. At the same time, we are digitizing our accounting system so that we need less office supplies overall. To ensure the quality of our pharmaceutical products, we need special transport containers and continuous cooling for their transport. In 2022, tests were carried out on various reusable packaging materials, which are still ongoing, to further increase the share of recyclable packaging. The majority of the transport boxes are already reusable and are being brought back. The packaging and filling material is also reused to the extent possible. By working with a specialist transport service provider that offers temperature-controlled transport, we are able to dispense with cooling packs and thus reduce the amount of waste. Where we deliver ourselves, we rely on reusable cooling 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 business activities, we aim to make a positive contribution and create sustainable value. The action area "social responsibility" comprises two clusters: the topic "civic engagement" and the topic "stakeholder dialog."

6.1 Civic engagement

Civic engagement

Cluster Aim: We want to support social projects.

Goals	Measures	Timing	Progress	Explanation
Even greater expansion of social and civic engagement in our local area	Support employees in their day-to-day activities with a paid day off	Starting 2023		
	Participation in charitable events	Starting 2022		Charity sports campaigns Four-day student internship at Berlin location as part of the Berlin Program for In-depth Career Orientation (BVBO)

KPIs for measuring success:

- Number of charitable events participated in





As a responsible company, we want to be a good neighbor at our locations 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.

We regularly donate to various charitable organizations. The Executive Board decides which projects Medios will support financially. It is based on our compliance guidelines, which provide for donations for "health care purposes." In the year under review, we made a donation to the Children's Cancer Foundation by participating in a charity bicycle race. Medios also donated to Ukraine via "Pharmacists without Borders" and "Aktion Deutschland hilft."

6.2 Maintaining transparent dialog

Stakeholder dialog

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

Goals	Measures	Timing	Progress	Explanation
Consideration of stakeholder interests	Establishment of stakeholder management	Starting 2021		Evaluation of the most relevant stakeholder groups has taken place
	Evaluation of relevant stakeholder groups			
	Performance of stakeholder survey (dialog format and for verifying material topics)			
	Expansion of stakeholder dialog with all relevant stakeholders			First Capital Markets Day for institutional investors and analysts
	„Medios Specialty Pharma Day“ / Specialty Pharma Meet-up / Netzwerk-Telko	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 maintain close contact with the stakeholder groups suppliers, partner pharmacies, and investors via various communication media. The dialog with our partner pharmacies takes place primarily at network events and regular telephone conferences.

As part of brand development, we conducted a survey of our partner pharmacies in 2019, which we intend to repeat in 2023 as part of the Customer Journey. In addition, we continue to offer our network partners virtual information events on various topics.

We hold status meetings with our suppliers at least once a year. We are organizing the “Medios Specialty Pharma Day” for our pharmacy customers. It took place twice in 2022: with 50-60 participants each in Frankfurt and Berlin. The goal was to promote networking among pharmacists as well as with us. We want to organize two Medios Specialty Pharma Days again in 2023.

In 2022, we held the first “Medios Capital Markets Day” for investors and analysts. In Berlin, more than 30 capital market participants learned out about the Medios strategy, were able to ask management questions, and had the opportunity to visit the new Medios laboratories.

7. Nonfinancial Key Performance Indicators (KPIs)

Cluster	KPI	Value 2022
Governance	Proportion of employees who have received training on compliance topics	97%
	Proportion of Supervisory Board members who have received training on compliance topics	100%
	Proportion of employees who have received training on the Code of Conduct	100%
	Proportion of Supervisory Board members who have received training on the Code of Conduct	100%
	Proportion of employees who have received training on data protection	81%
	Number of suspected compliance cases or violations	0
	Number of reportable data protection incidents	0
	Total number of discrimination incidents	0
Products and services	Number of self-inspections	38
	Number of internal audits	13
	Proportion of complaints vs. total deliveries/preparations	0.3%
	Number of partner pharmacies	700
	Number of states where mediosconnect is available	5
Employees	Proportion of women in leadership position	50%
	Gender Pay Parity Quote (unadjusted)	-17%
	Number of occupied trainee positions	3 Headcount
	Proportion of employees covered by health management program	100%
	Proportion of flexible working-hour models utilized in relation to the total workforce	41%
	Fluctuation rate	20.2%
	Proportion of total workforce working from home at least once per week	80.7%
	Rate of work-related accidents (per 100 employees)	6.4%
	Rate of work-related deaths	0%
Environment	Rate of work-related injuries with serious consequences (per 100 employees)	2.2%
	Total energy consumption	5,618.2 MWh
	Energy from renewable sources	1,354.0 MWh
	Energy efficiency rate	3.5 MWh per €million revenue
	Proportion of green electricity	39.9%
	Total emissions Medios Group	16,856.1 tCO ₂ e
	Total Scope 1 emissions	136.8 tCO ₂ e
	Total Scope 2 emissions	5,787.7 tCO ₂ e
	Total Scope 3 emissions	10,931.6 tCO ₂ e
	Metric tons of carbon equivalents per €m of revenue	10.5 tCO ₂ e per €million revenue
	Total waste	620.5 t
	Total hazardous waste	45.8 t
	Total non-hazardous waste	574.7 t
Social responsibility	Total water consumption	4,391.7 m ³
	Number of charitable events participated in	2

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).

This report was prepared on the basis of the GRI standards. It also serves as the 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.

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General Disclosures

Standard	Disclosures	Page	Comment	UN-Global-Compact-Principles
GRI 2	General Disclosures 2021			
Organizational profile				
2-1	Organizational profile	p. 14 und pp. 100–102	Headquarter: Berlin, Deutschland	
2-2	Entities that are considered in the organization's sustainability reporting	pp. 100–102		
2-3	Reporting period, reporting frequency and contact	p. 43 and p. 189	Reporting period: January 1, 2022 to December 31, 2022. Deviations from this period are noted in the respective sections. Reporting cycle: yearly	
2-4	Correction or restatement of information		All relevant changes are outlined in the relevant places.	
2-5	External assurance		No external assurance was conducted.	
Activities and employees				
2-6	Activities, value chain and other business relationships	p. 15, 23 and pp. 100–107		
2-7	Employees	p. 3, 29 and p. 145		6
2-8	Employees without direct employment	/	not relevant	
Corporate Governance				
2-9	Management structure and composition	p. 8, pp. 19–20 and pp. 48–52		10
2-10	Nomination and selection procedure of the highest supervisory body	p. 59		
2-11	Chairman of the highest supervisory body	p. 48		
2-12	Role of the highest governance body in overseeing the management of impacts	p. 19–20 and p. 52		
2-13	Delegation of responsibility for the management of impacts	p. 59	Further information is presented separately in the relevant management approaches.	
2-14	Role of the highest governance body in sustainability reporting	p. 59		
2-15	Conflicts of interest	p. 51		
2-16	Communication of critical concerns	p. 51		
2-17	Collective expertise of the highest control body	p. 61		
2-18	Performance evaluation of the highest governance body	p. 62		
2-19	Remuneration policy	pp. 67–95		
2-20	Procedure for determining the remuneration	pp. 67–95		
2-21	Ratio of total annual remuneration	pp. 91–92		
Strategy, policies and practices				
2-22	Declaration of application for the sustainable development strategy	p. 17 and p. 58		
2-23	Declaration of commitment to principles and courses of action	pp. 9–10, pp. 19–20, pp. 21–24 and pp. 57–62		1–7, 10
2-24	Inclusion of political commitments	pp. 57–59		
2-25	Procedure for the elimination of negative effects	p. 17–19		1–7, 10
2-26	Procedures for obtaining advice and reporting concerns	pp. 21–22, p. 31 and pp. 57–58		
2-27	Compliance with laws and regulations	pp. 21–22, pp. 35–36, p. 52 and p. 57		
2-28	Membership of associations		Medios did not identify any relevant memberships for 2022.	
Stakeholder engagement				
2-29	Stakeholder engagement approach	p. 41		

Disclosure on material topics

Standard	Disclosures	Page	Comment	UN-Global-Compact-Principles
3-1	Procedure for determining the content of the report and the delimitation of topics	p. 17		
3-1	List of material topics	p. 17		
3-1	Management of material topics	p. 17		
GRI 205	Anti-corruption 2016			
GRI 3-3	Management of material topics	pp. 21–22		10
205-1	Operating sites audited for corruption risks	p. 22		10
205-2	Communication and training on anti-corruption policies and procedures	pp. 21–22		10
205-3	Confirmed incidents of corruption and measures taken	p. 22		10
GRI 206	Anti-competitive behaviour 2016			
GRI 3-3	Management of material topics	pp. 21–22		10
206-1	Legal actions for anti-competitive behaviour, antitrust, and monopoly practices	p. 22		10
GRI 302	Energy 2016			
GRI 3-3	Management of material topics	pp. 35–37		7–9
302-1	Energy consumption within the organization	p. 37		7–8
302-3	Energy intensity	p. 42		8
302-4	Reduction of energy consumption	pp. 36–37		7–9
302-5	Reduction of energy requirements for products and services	pp. 36–37		7–9
GRI 305	Emissions 2016			
GRI 3-3	Management of material topics	pp. 35–40		7–9
305-1	Direct GHG emissions (Scope 1)	p. 38		7–8
305-2	Indirect energy-related GHG emissions (Scope 2)	p. 38		7–8
305-3	Other indirect GHG emissions (Scope 3)	p. 38		7–8
305-4	GHG emissions intensity	p. 42		8
305-5	Reduction of GHG emissions	pp. 36–38		7–9
GRI 306	Waste 2020			
GRI 3-3	Management of material topics	p. 35 and p. 39		7–9
306-1	Waste generated and significant waste-related impacts	p. 39		7–9
306-2	Management of significant waste-related impacts	p. 39		7–9
306-3	Waste generated	p. 42		7–8
GRI 401	Employment 2016			
GRI 3-3	Management of material topics	pp. 29–35		6
401-1	Newly hired employees and employee turnover	p. 42		6
401-2	Operational services	p. 30		6
401-3	Parental leave	p. 29		6
GRI 403	Occupational health and safety 2018			
GRI 3-3	Management of material topics	p. 29 and pp. 33–34		
403-1	Management system for occupational safety and health protection	p. 33		
403-2	Risk identification, risk assessment, and incident investigation	p. 34		
403-3	Occupational health services	p. 34		
403-4	Employee participation, consultation and communication on occupational safety and health protection	p. 34		
403-6	Promoting employee health	pp. 33–34		
403-7	Avoidance and minimization of occupational health and safety impacts directly related to business relationships	pp. 33–34		
403-8	Employees covered by an occupational health and safety management system	p. 42		
403-9	Work related injuries	pp. 34–35 and p. 42		
403-10	Work-related diseases	pp. 34–35 and p. 42		

Standard	Disclosures	Page	Comment	UN-Global-Compact-Principles
GRI 404	Training and education 2016			
GRI 3-3	Management of material topics	p. 29 and pp. 34-35		
404-2	Programs to improve the skills of employees and transition assistance	p. 29 and pp. 34-35		
GRI 405	Diversity and equal opportunity 2016			
GRI 3-3	Management of material topics	p. 29 and p. 31		1, 6
405-1	Diversity in control bodies and among employees	p. 42		6
405-2	Ratio of basic salary and remuneration of women to basic salary and remuneration of men	p. 32		6
GRI 406	Non-discrimination 2016			
GRI 3-3	Management of material topics	p. 29 and p. 31		6
406-1	Incidents of discrimination and remedial action taken	p. 31		6
GRI 412	Human rights assessment 2016			
412-1	Management of material topics	pp. 19-20 and p. 23		1-6
412-1	Sites at which a human rights compliance audit or human rights impact assessment has been conducted		Corresponding reviews are still being developed at Medios.	
412-2	Training for employees on human rights policies and procedures	p. 22		1,2
412-3	Significant investment agreements and contracts that contain human rights clauses or have been screened for human rights aspects	p. 23		1-6
GRI 416	Customer health and safety 2016			
GRI 3-3	Management of material topics	pp. 25-28		
416-1	Assessing the health and safety impacts of different product and service categories	p. 25		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		There are no known violations in this regard in 2022.	
GRI 418	Customer privacy 2016			
GRI 3-3	Management of material topics	p. 24		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	p. 24		



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