

Compliance Principles

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1.0	Compliance Principles	Group Compliance	Via Executive Board on 05.04.2019	15.04.2019
2.0	Compliance Principles	Group Compliance	Via Executive Board on 15.02.2022	01.03.2022

For questions regarding the versioning and exact content-related changes please contact Group Compliance.

The currently valid version is highlighted bold. Currently applicable Compliance policies and SOPs may be consulted via the intranet (COIN, local intranet).



Table of contents

I	General	5
1.	Subject Matter, Objective, and Purpose	5
2.	Scope and Applicability	5
3.	PHOENIX's Expectations of its Employees	6
4.	Reporting (potential) Misconduct	7
4.1	Case Reporting System / Reporter Protection	7
5.	Action taken against Compliance Infringements / Investigation Process	8
6.	Consequences of misconduct	8
II	Implementation	9
7.	Organisation and Monitoring	9
8.	Information and Training.....	11
9.	Responsibility and Implementation	11
10.	Searches by Authorities	11
11.	Exceptions	11
12.	Contact	12



Glossary

Compliance Management System (CMS)	The CMS is the system that combines all activities pertaining to compliance (such as policies, training, compliance processes, etc.) within the PHOENIX group.
Group Compliance Committee (GCC)	Compliance committee at the group level, which oversees tasks related to monitoring, inspection, decision-making, and escalation.
Compliance Organisation Handbook	The Compliance Organisation Handbook is made available to all LCMs by Corporate Compliance. It comprises all instructions, processes, recommended actions, etc. related to the implementation of the PHOENIX group CMS.
Local Compliance Committee (LCC)	Local compliance committee at the country or regional level, which oversees tasks related to monitoring, inspection, decision-making, and escalation.
Local Compliance Manager (LCM)	The individual who is responsible for the implementation of the CMS – following the specifications from Corporate Compliance – in their respective company/companies and who is available as a local point of contact for all matters relating to compliance. One LCM has been designated for each unit within the PHOENIX group.
Employee	Any individual, who signed a direct employment contract with the PHOENIX group, and performs work or tasks directly for the PHOENIX group.
Zero-tolerance	The PHOENIX group does not tolerate any infringements against this policy or any other compliance policies. Every case in which an infringement is suspected will be investigated and appropriate measures taken if needed.
PHOENIX group (or just "PHOENIX")	Comprises all companies in which a majority of the shares are held by PHOENIX Pharma SE or one of its subsidiaries, or which are directly or indirectly controlled by the holding company or its subsidiaries.
SOP	Standard Operating Procedure. Standard operating procedures contain additional regulation with which every Employee with the PHOENIX group is to comply. All compliance policies and SOPs can be consulted via COIN.



I General

1. Subject Matter, Objective, and Purpose

This policy governs the organisation and responsibilities of the PHOENIX group regarding compliance. The objective is both to prevent and to uncover infringements (or potential infringements) against the contents of this and any other compliance policies including further SOPs.

The compliance policies (hereafter referred to simply as policies) include:

- Code of conduct
- Anti-Corruption Policy
- Competition Compliance Policy
- Sanctions Compliance Policy
- Anti-Money Laundering Policy

All regulations in this policy also apply to the aforementioned policies.

As a leading European pharmaceutical distributor, pharmacy operator, and healthcare provider along the entire supply chain, the PHOENIX group is considered to be trustworthy and highly reliable. The PHOENIX group strives to be the best integrated provider of health services in all regions where it conducts business. In this regard, PHOENIX's good reputation, its credibility, and business ethics are essential components of its success and sustainability as a company. PHOENIX has managed to achieve this as a result of the tireless commitment of all its employees over many years. This is of the utmost value for PHOENIX and represents a significant strategic competitive advantage. Only through a reliable, proactive and respectful behavior we can assure an ethical and fair interaction with our customers, business partners and between each other.

With the full support of the board, the PHOENIX group follows a Zero-tolerance policy when it comes to breaches against these values and the regulations contained in these policies.

2. Scope and Applicability

The Compliance Principles as well as the other compliance policies apply to all Employees of the PHOENIX group. Nobody in the company is exempt from them.

Employees are obligated to implement and promote the rules and conduct specified in these policies. All levels of organisation within the PHOENIX group are responsible for the monitoring and prevention of unethical and illegal business practices.

These policies contain the minimum standards of the PHOENIX group's compliance management system that are applicable throughout the entire group. They serve as a binding regulatory framework.

In individual countries, stricter laws, regulations, or codes may take the place of the principles laid out in this or other policies. In a similar vein, more restrictive regulations might apply



individually to certain companies within the PHOENIX group or to certain business activities and areas.

Furthermore, for certain individual matters, separate process regulations may be recommended by Corporate Compliance as well as the LCM or the LCC, to be approved by the local board. Matters may also be escalated to the GCC at any time.

In addition to the regulations – which apply to all PHOENIX Employees – LCMs are responsible for the procedural implementation of the PHOENIX groups' CMS. Further details are laid out in the Compliance Organisation Handbook.

If the PHOENIX group or one of its subsidiaries holds a minority or majority share in a company (including joint ventures) or has managerial responsibility, the representatives of the PHOENIX group within the relevant management or supervisory body are obligated to make active efforts to introduce and enforce the relevant compliance regulations, following the underpinning policies.

[See COIN](#)

Currently applicable policies and SOPs may be consulted via the intranet (COIN, local intranet).

All Compliance policies and connected SOPs are prepared and governed by Group Compliance in English language. They may be translated into local languages.

In case of discrepancies and/or ambiguities of the local versions, the English version is binding.

3. PHOENIX's Expectations of its Employees

The PHOENIX group expects the following from all Employees, third parties, representatives, and contractors:

- a) Compliance at all times with the policies and applicable laws;
- b) Reporting, at the earliest possible moment, of anything that gives rise to suspicion of a proximate or future infringement against the policies (see Point 4);
- c) To refrain from issuing instructions that promote prohibited behaviour and to refuse to follow such instructions, reporting them along the same lines as (b);
- d) Respectful behaviour towards all clients, suppliers, and other parties with whom PHOENIX maintains business relationships, as well as ethical, law-abiding, and professional conduct in pursuit of the company's objectives;
- e) To obtain advice and/or guidance from the LCM or Corporate Compliance in case of doubt or uncertainty regarding the policies, and to assume personal responsibility in complying with them;
- f) Participation in training sessions and other events organised with regard to the policies.



4. Reporting (potential) Misconduct

Any Employee of the PHOENIX group who acquires knowledge of an infringement (or potential infringement) against applicable laws or policies must report this (or the suspicion of such) immediately.

Employees of the PHOENIX group are obligated to report (anonymously or otherwise) indications of or concerns about (possible) infringements against the policies (e.g. those related to corruption and bribery, cartel violations, etc.) to the following persons:

- a) Their direct superiors;
- b) The competent Local Compliance Manager or Corporate Compliance; or
- c) Via the PHOENIX group's case reporting system (<https://phoenixgroup.integrityplatform.org/>; see point 4.1)

4.1 Case Reporting System / Reporter Protection

Every Employee, as well as persons outside the group, has access to a case reporting system (in line with 4c), which may also be used to make anonymous reports.

The system is hosted externally. It is not possible to trace the identity of an anonymous reporter.

The system can be accessed via the following link: <https://phoenixgroup.integrityplatform.org/>

In order to encourage an ethical and compliant work culture and to strengthen the trust internally and externally concerns can be reported safely. Anyone, without fear of reprisal, can raise concerns about wrongdoings or potential wrongdoings through PHOENIX group's Case Reporting System, reachable at the link above.

PHOENIX prohibits retaliation, threats or attempts of retaliation against anyone who raises or reports concerns in good faith and with reasonable ground to believe that the reported information was true at the time of reporting. Such protection is granted to anyone, whether it is before, during or after their employment at PHOENIX.

It is possible to report concerns both through an internal reporting channel as well as through external reporting channels, which may differ from country to country. In case of doubt about an external reporting channel, please reach out to your LCM for further information.

Corporate Compliance and the LCMs are responsible for the Case Reporting System. They receive and follow-up with the (anonymous) reports.

Should the reporter choose the internal reporting channel, it is ensured that the confidentiality of the identity of the reporting person and any third party mentioned in the report is protected, and access thereto by non-authorized persons is prevented. A strict authorization process is followed, e.g., only Corporate Compliance and the LCM have access to the Case Reporting System, though



it may be that for some cases other functions and departments are involved as well (e.g. Human Resources department).

For this, a dedicated internal group wide investigation process has been set-up. All involved persons with access to the Case Reporting System are accurately and regularly trained in the usage of such system as well as in the dedicated internal processes.

The responsible person/department (Compliance or other involved departments, such as the Human Resources department) is competent for

- sending an acknowledgment of receipt of the report to the reporting person within seven days of that receipt;
- maintaining communication and reaching out to the reporter should further information be necessary and
- implementing actions, if required.

The same is also competent for following-up and providing feedback after three months from the report (or its acknowledgement), with an information on already implemented and/or planned measures, only if such feedback does not infringe on possible investigations or rights of any individual and/or a third party involved. Appropriate measures to assure the protection of personal data are taken.

5. Action taken against Compliance Infringements / Investigation Process

Each notification of (potential) misconduct will lead to an appropriate internal investigation as well as an appropriate response (see Point 6 of this policy).

The type of the investigation and its scope will be specified in more detail in accordance with the defined investigation processes and/or a decision of the Executive Board, respectively.

The process is a standard for registration, categorization (classification and severity) of cases and for the further processing of reports and to define clear responsibilities in regards to the handling of the reports.

Once a case gets reported it is classified into predefined categories, taking into account the nature of the case, effects the case may have on other departments and on corporate assets (asset misappropriation), as well as the degree of severity. All investigations will be followed by a final report and if applicable – depending on the degree of severity – a follow-up process, and possible considerations on damages or claims.

6. Consequences of misconduct

Violations of these policies by Employees may result in disciplinary action, up to and including termination of employment. The competent manager will work together with the Human Resources department in deciding on the actual measures to be taken.



In addition, the affected PHOENIX group company may assert claims under civil law against the violating Employee. Violations by third parties may result in the termination of contracts, reports to supervisory authorities or the police, as well as civil claims on the part of the affected PHOENIX group company against the violating party.

If such violations are proven, this could have severe legal consequences, including:

- Fines and long terms of imprisonment for the persons involved;
- Fines for the PHOENIX group companies and their representatives who were implicated in the matter;
- Measures taken under labour law, up to and including the termination without notice of employment as well as the potential assertion of claims for damages under civil law by PHOENIX vis-à-vis the Employee, third parties, representatives, and contractors.

II Implementation

7. Organisation and Monitoring

▪ Overall responsibility at the group and company level

The overall responsibility for compliance with the policies within the group lies with the board of PHOENIX Pharma SE. The management of the individual companies in the PHOENIX group bear the overall responsibility for compliance with the policies at the company level.

▪ Compliance organisation at the group level

The Board of PHOENIX Pharma SE establishes a GCC at the group level, which is comprised of the CEO of PHOENIX Pharma SE, the CFO of PHOENIX Pharma SE, the Director Corporate Legal, the Director Corporate Human Resources, and the Director Corporate Audit.

The following tasks are delegated to this committee: monitoring, inspection, decision-making, and escalation of local requests and the setting of value limits, as well as discussing and deciding on the strategic alignment and further development of the PHOENIX group's CMS.

A Group Compliance Manager is appointed, who is responsible for the ongoing enforcement of the compliance requirements, the further development of the CMS, compliance training courses, compliance reports, and the handling of all other matters related to compliance.

At least once annually, Corporate Compliance shall draft a report that comprises, among other things, the status and further development of the group-wide CMS, projects, statistical information on notifications and cases of suspicion, as well as an overview of compliance training courses.



- **Compliance organisation at the local level**

The local compliance unit is to be incorporated into the management organisation. The local compliance unit may be established at either the company or the country level, which would mean, for instance, that a compliance unit which is established at one company is also responsible for all other PHOENIX group companies in that country.

The competent management will form one or more LCCs, comprised of at least three senior managers, including a member of local management¹ and – if available – the head of Human Resources. These committees are to have the following tasks: monitoring, inspection, and decision-making in local matters, the setting of local value limits (following the specifications of the GCC), as well as reporting to local management, to Corporate Compliance, or to the GCC when requested to do so.

A LCM is to be appointed, who is to be responsible for the ongoing implementation of compliance requirements, compliance training courses, compliance reports, and the handling of matters related to compliance – in short, the implementation of the group-wide CMS.

Changes in the local compliance organization have to be reported to the Group Compliance Manager in due course and be documented in a formalized and traceable manner (e.g. board resolution).

- **Monitoring of compliance is to be achieved by:**

- Periodic Self-Assessments and Risk-Analyses;
- Reports and entries in the relevant registers;
- Periodic compliance declarations from Employees who carry with them an increased risk potential²;
- Adequate training for Employees; as well as
- The active and visible engagement of the Board and all Board Members of all business areas, particularly via the regular monitoring of events which come with an increased risk potential of (potential) violations against the policies.

If required, internal and external audits of the CMS may also be conducted.

Further details on the organisation and monitoring of the PHOENIX group's CMS are laid out in the Compliance Organisation Handbook.

¹ Local management member as a member of local management or board with operative capacities, and not the supervisory board, for instance.

² It is up to Corporate Compliance to define which Employees carry with them an increased risk potential.



8. Information and Training

Each Employee of the PHOENIX group is obligated to inform themselves about the policies and the contents thereof and to conduct themselves accordingly.

It is the task of the local compliance unit to ensure that all Employees are informed about the policies and any subsequent modifications. Employees are trained in accordance with the compliance-training programme in use throughout the PHOENIX group. On the local level, companies within the PHOENIX group can decide on and define additional training requirements together with Corporate Compliance.

9. Responsibility and Implementation

All managers within the PHOENIX group are responsible for the implementation of the policies within their functional area of responsibility. They must lead by example with regard to everything contained in these policies and provide advice and guidance to all Employees who report to them.

All Employees of the PHOENIX group are responsible for compliance with the contents of the policies.

The authority responsible for these policies is Corporate Compliance. If you have any general questions about the policies, please contact your competent LCM or Corporate Compliance directly.

10. Searches by Authorities

In order to enforce national or EU law, authorities (such as national authorities or the EU Commission) may conduct searches of the premises of PHOENIX businesses. The competences of the authorities may vary from country to country.

[See guideline on searches \(COIN\)](#)

If the premises or a unit in the PHOENIX group is actually searched (Dawn Raid), the guideline on searches for that country are to be applied, if available.

In principle, PHOENIX cooperates with the national authorities and assists in clearing up the matter in question.

11. Exceptions

The GCC shall decide on all matters which are not covered by this policy and/or other regulations.



12. Contact

See Point 4

There are various options available when it comes to reporting misconduct (see Point 4)

In case of any questions about this or one of the other policies, please contact your LCM or Corporate Compliance.

Corporate Compliance may be reached via the following channels:

By email: compliance@phoenixgroup.eu

By phone: +49 621 8505 – 8519

(Anonymously) via the case reporting system: <https://phoenixgroup.integrityplatform.org/>

By post:

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