



Sustainability report **2021**



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Editorial

Commitment to sustainability

Sustainability is a key issue for companies. These were the words of top managers in the German economy in a survey in 2021. "Sustainability" has therefore taken over the top-ranking position for the first time thereby displacing "digitisation", from the number 1 position that it held for the past number of years.

This change and the general appreciation of the topic correlates with the debate on climate protection policy as well as with the legal specifications of the European Union. Sustainability reports have been mandatory for capital market-oriented companies, banks and insurance companies as well as for companies with more than 500 staff members since 2017. According to the CSR Directive 2014/95/EU (Corporate Social Responsibility Directive), non-financial information characterises the responsibility assumed by companies with respect to their impact on society.

MED-X-Press has so far not been required to report. We have, nonetheless, opted to publish a sustainability report on a voluntary basis and in the spirit of transparent communication. Check out our report on sustainability featuring qualitative facts and learn about how our company, a medium-sized pharmaceutical logistics company, internally implements the requirements for socially responsible and resource-efficient handling of processes and service offerings, oriented towards the objectives of climate neutrality.

Formulating these principles has allowed us to establish a reference framework. "Our Mission", the mission statement of Med-X-Press, defines our internal and external action guidelines. This report provides a detailed description of how we have implemented our objectives to date and how we are pursuing our "sustainability" motto over the medium and long term.



Christian Frede
Chief Executive Officer

Lars Dörhage
Managing partner



Our mission

Med-X-Press mission statement

Based on our self-imposed requirements, our company's strategies and mission are subdivided into four key topics: Staff members, business relations with customers and suppliers and business partners, technical equipment and structural facilities as well as social commitment.



PHARMALOGISTICS AT ITS BEST

Med-X-Press – unser Leitbild

Die Med-X-Press GmbH ist ein mittelständisches, inhabergeführtes Dienstleistungsunternehmen für Firmen aus der Pharma- und Gesundheitsbranche. Das Kerngeschäft mit logistischen Angeboten wird durch eine Reihe von qualitativ hochwertigen, innovativen Outsourcing-Lösungen komplettiert. Wir agieren national und international entsprechend der Märkte unserer Kunden, die das gesamte Spektrum der pharmazeutischen Industrie, von kleinen Nischenanbietern bis zu den global präsenten Pharmakonzernen, widerspiegeln.

Kundenzufriedenheit und Servicequalität sind für uns die Antriebskraft unsere Arbeitsabläufe und -prozesse optimal auszuführen. Wir handeln zuverlässig, schnell und flexibel. Unsere externen Beziehungen zu Kunden, Lieferanten und Partnern sind durch Fairness, Transparenz und ein gegenseitiges Vertrauensverhältnis gekennzeichnet.

Was für uns extern gilt, das bildet auch die Grundlage unseres internen Handelns.

Die Mitarbeiter/innen gehen respektvoll, freundlich und mit gegenseitiger Wertschätzung miteinander um. Diese Maxime ist ebenso die Basis für das Verhalten der Geschäftsleitung gegenüber den Mitarbeiter/innen. Die Geschäftsleitung fördert Mitarbeiter/innen gemäß ihren Fähigkeiten und ihres Potenzials.

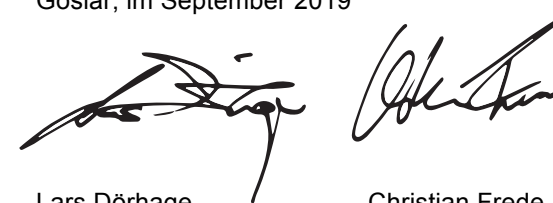
Das Gesundheitswesen und insbesondere der Arzneimittelmarkt weisen eine hohe Regulierungsdichte auf. Wir bewegen uns bei allen Arbeitsabläufen im Rahmen aller gesetzlichen Vorgaben, erfüllen alle erforderlichen Qualitäts- und Sicherheitsstandards und richten unser Handeln an den Compliance-Regeln und dem Verhaltens-Kodex für die pharmazeutische Industrie aus. Im Interesse unserer Kunden gehen wir einen Schritt über das Standardmaß hinaus.

Damit unsere Arbeit den hohen Anforderungen genügt, werden Mitarbeiter/innen qualifiziert geschult und erhalten die Möglichkeit sich im Rahmen ihrer Aufgaben weiterzubilden.

Neben der ökonomischen Verantwortung und unserer Ertragsorientierung handeln wir kostenbewusst und verantwortungsvoll in den Bereichen Ökologie und Nachhaltigkeit. Wir engagieren uns für soziale Zwecke in der Region und unterstützen gemeinnützige Projekte.

Wir entwickeln gemeinsam zukunftsfähige Outsourcing-Modelle entlang der Wertschöpfungskette unserer Kunden, sichern Arbeitsplätze und die Expansion des Unternehmens mit dem Anspruch des zuverlässigsten Logistik-Dienstleisters der pharmazeutischen Industrie.

Goslar, im September 2019



Lars Dörhage

Christian Frede

1. Staff members

As a pharmaceutical logistics company, Med-X-Press offers its customers an extensive range of services.

All staff members are required to exercise the utmost care in all aspects of the handling of medicinal products and medical devices. This extends to the storage and commissioning of pharmaceutical products as well as to the complex regulations that govern the logistics of narcotics and to the individual manufacturing areas based on § 13.1 of the AMG [German Medicines Act], such as syringe screening and serialisation.

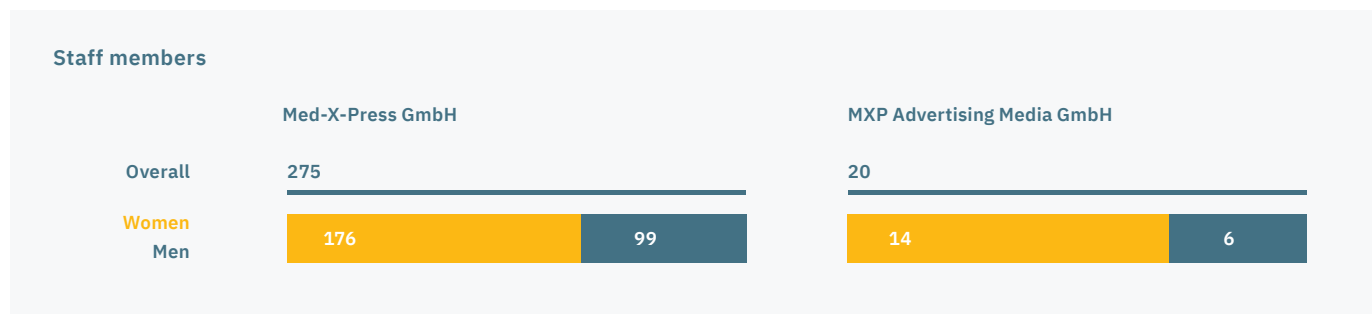
Med-X-Press, and its subsidiary MXP Werbemittel GmbH, currently employs 295 staff members.

The total workforce comprises 64 per cent women and 36 per cent men. The proportion of female managers is also comparatively high. A total of 12 women hold management positions that involve being responsible for personnel. Our employees are on average 44 years old.

In the complex world of pharmaceutical logistics and industry regulations, we meet the requirements by providing individual teams with **permanent training** and further education. Our **quality Unit** is responsible for implementing quality requirements in everyday practice and for strict compliance with regulatory requirements.

We attach particular importance to respectful interactions within our teams and to the cooperation with managers, as this contributes significantly to a pleasant and trustworthy working atmosphere.

For us, inclusion is a matter of course. Med-X-Press employs 11 individuals with disabilities who, like all other staff members, contribute to the success of our company.



Updated: 31.12.2021

Med-X-Press stands for living diversity.

Our teams are very colourful. The total workforce includes individuals from 14 nations who enrich our corporate culture. We have implemented a **whistleblower system** based on the EU Whistleblower Directive 2019/1937. This helps protect our staff members and, at the same time, gives us the opportunity to identify and change or remedy any grievances or breaches.



Health & Prevention

We support the health of our staff members through a wide range of projects and improvements in the workplace.



Tables that can be adjusted in height ensure a more relaxed posture and more varied working positions



In-house physiotherapy sessions: Our contribution to preventive health care

The physical layout of the workplace is of crucial importance. Here, we focus on the topic of employee health. We have taken a number of measures that centre on healthcare issues.

A few examples:

- height-adjustable tables and chairs
- ergonomic workstation mats
- free provision of drinks, such as mineral water and coffee

Our latest project is the provision of physiotherapy sessions. According to monitoring commissioned by the Federal Ministry of Health, more than 50 percent of individuals in Germany complain of back and neck pain.

Our staff members are also impacted by these symptoms and we aim to specifically tackle this in the context of overall well-being. That is why we have developed a range of **physiotherapeutic services**, provided in dedicated equipped rooms, and that can be accessed free of charge by all staff members.

These appointments are held during working hours and are paid for by the company on a pro rata basis. This represents another milestone in health care, in prophylaxis and in the treatment of health problems.

Two years ago we also introduced employer-funded supplementary dental insurance for all permanent staff members, this substantially reduces excess contributions for dental treatments.

2. Customers, suppliers and business partners

We place great importance on fairness and transparent communication in all of our relationships with customers, suppliers and other business partners.

Our long-standing business relationships are indicative of a well-functioning cooperation. We consider ourselves a partner committed to achieving the best possible outcome.

The flat hierarchies of our medium-sized company ensure fast decision-making and great flexibility - which can only be achieved in concert with the extraordinary commitment of our staff members in order to provide reliable customer service. We view **outsourcing** in pharmaceutical logistics as a portfolio of offerings that are always designed to be customer- and market-oriented. Our teams thus create the prerequisites for positive collaborations, which are supported by our internal organisational structures.

Our in-house processes are carried out in accordance with SOP guidelines. All of our technical facilities are certified.

In the interests of **quality, safety and transparency** along the supply chain, our customers audit us and we audit our suppliers. This allows us to ensure that these attributes are maintained at every stage of the value chain.

This is particularly important for outsourced transport services. GDP-compliant logistics is based on temperature-controlled transport with real-time monitoring and complete end-to-end documentation. The same demands that we make of our service providers also apply to us, namely in terms of our participation in the pharmaceutical transport network GDP network solutions, as well as Med-X-Press own fleet of vehicles. In our business relationships, we respect the specifications in all matters of **compliance** based on the codes

of the pharmaceutical industry. This motto applies in B2B business, but also when dealing with institutions, authorities and administrative bodies.

To ensure a fair handling of human rights and environmental risks across the board, the German Bundestag passed a Supply Chain Due Diligence Act in 2021. In anticipation of national and EU-wide requirements, we fulfil our responsibility and review our value chains to counteract human rights violations and ecological destruction



GDPnetwork solutions:
All transport services are GDP-compliant and fully documented



92%

of our customers rate the quality of our services as high to very high.*

97%

of our customers describe our services as extremely good, very good or good.*

* Survey of existing clients conducted by Med-X-Press

3. Technical equipment and structural facilities

In the entire bundle of measures, the technical equipment and the structural facilities of the business premises represent a decisive factor on the path to climate neutrality.

Founded in 2005, Med-X-Press is a comparatively young company, where sustainability considerations have played an important role right from the very beginning and have permeated all aspects of construction. More than ten years ago, when building the loading and unloading hall and constructing the high-bay warehouse, we already made important environmentally conscious decisions that are still relevant today.

Since 2010, a **cogeneration plant (BHKW)**, has been operating at the company's Pracherstieg headquarters, which covers a large part of the energy consumption using the combined heat and power principle. The facility is adapted to our operational processes and ensures a reliable supply of electricity, heating/cooling and hot water. This **energy supply** solution is particularly relevant for us as a pharmaceutical logistics company with exclusively actively temperature-controlled storage capacities.

Just as important as energy production is **reducing energy demands**. In order to only consume energy when it is actually needed, we rely on the expansion of ventilation systems, monitoring and access systems as well as lighting and shading systems that are centrally controlled by the respective software.

When modernising the facilities, we not only pay attention to the control of components, but also to the components themselves.

This happens in very different areas and includes, among others:

- the installation of motion sensors and daylight-sensitive lighting
- the installation of PC workstations with energy-saving Tiny PCs
- the replacement of windows for better heat insulation

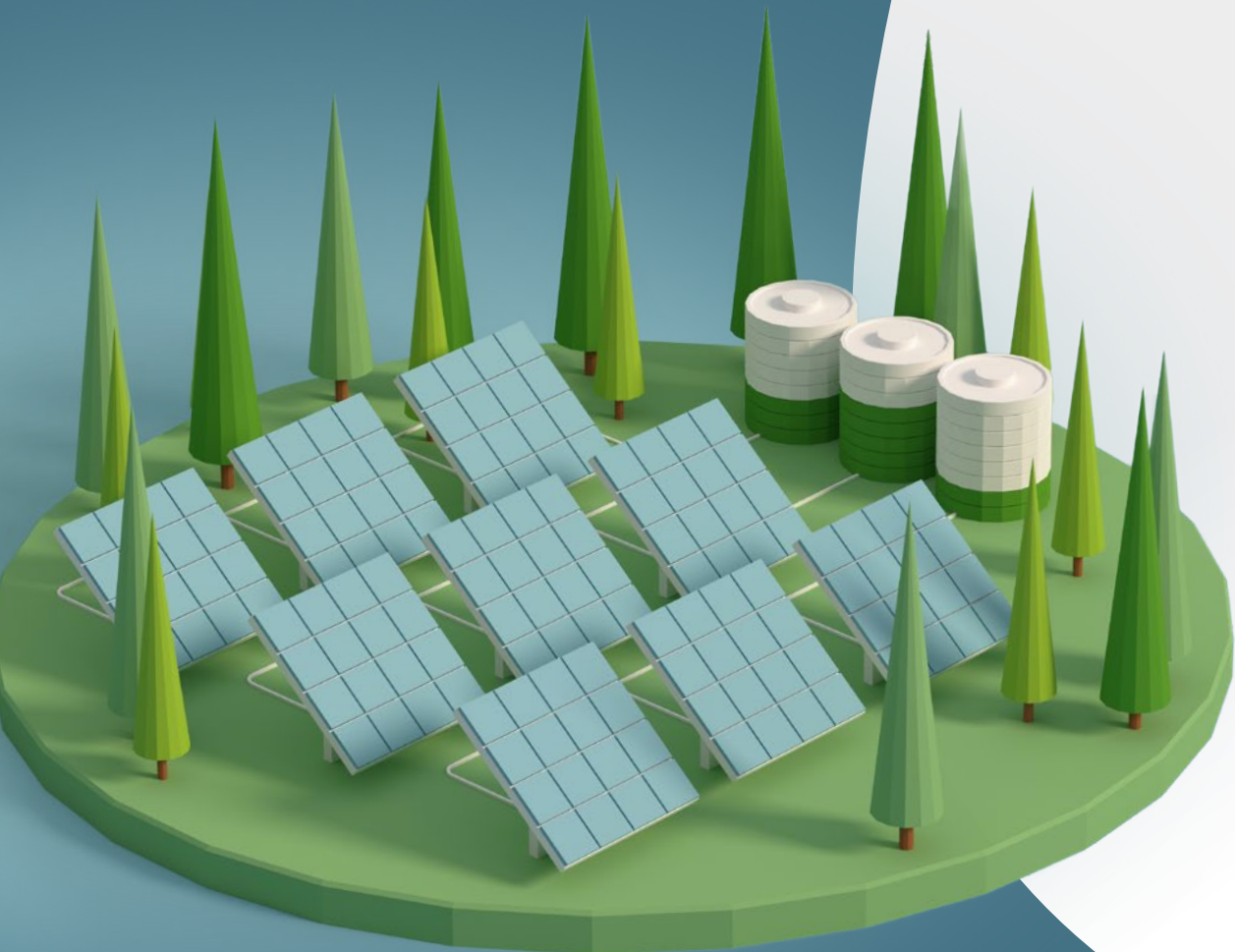


In
2010,

we have been operating our own
CHP unit at the Pracherstieg site in
Goslar.

Energy

Photovoltaic facilities play a decisive role in the energy transition. The solar cells supply eco-electricity for our operating facilities.



Photovoltaic facility on the roof of the new narcotics warehouse



Charging stations on the company premises

This is our way of contributing to the reduction of CO2 emissions and the conservation of fossil energy resources. At the moment, our facility located on the company's premises covers one third of our electricity needs.

Our objective is to become independent of external energy suppliers. That is why we intend to establish the technical prerequisites for 0 feed-in to meet our entire energy demands from renewable sources. The next facility will be installed on the roof of our new narcotics warehouse and will also make this location self-sufficient in energy supply.

Battery capacities for intermediate storage are also being planned for the new facility, which will allow green electricity to be supplied only when it is needed.

Last but not least, this complex of topics also embraces the implementation of a mobility turnaround.

We are gradually replacing our company vehicles with e-cars or hybrid cars. We have already installed our own charging stations, which allow us to recharge batteries with electricity that we have generated ourselves during working hours. Our truck fleet consists exclusively of vehicles that comply with the Euro 6 standard.

The lighting system for our high-bay warehouse was fitted with environmentally friendly LED lamps, after extensive studies, more than 10 years ago. The higher costs of this system when compared to conventional lighting systems were recouped after only two years. We are replacing all conventional lighting systems with LEDs, which represents a saving of approximately 75 percent.

Construction measures

In recent years, we have made substantial investments in new buildings at our five locations in the Baßgeige industrial estate in Goslar. The planning incorporated environmental concerns and social considerations.



Stone crusher for processing waste directly on the construction



Deconstructions are carried out in a resource-friendly manner.

Recycling of building materials

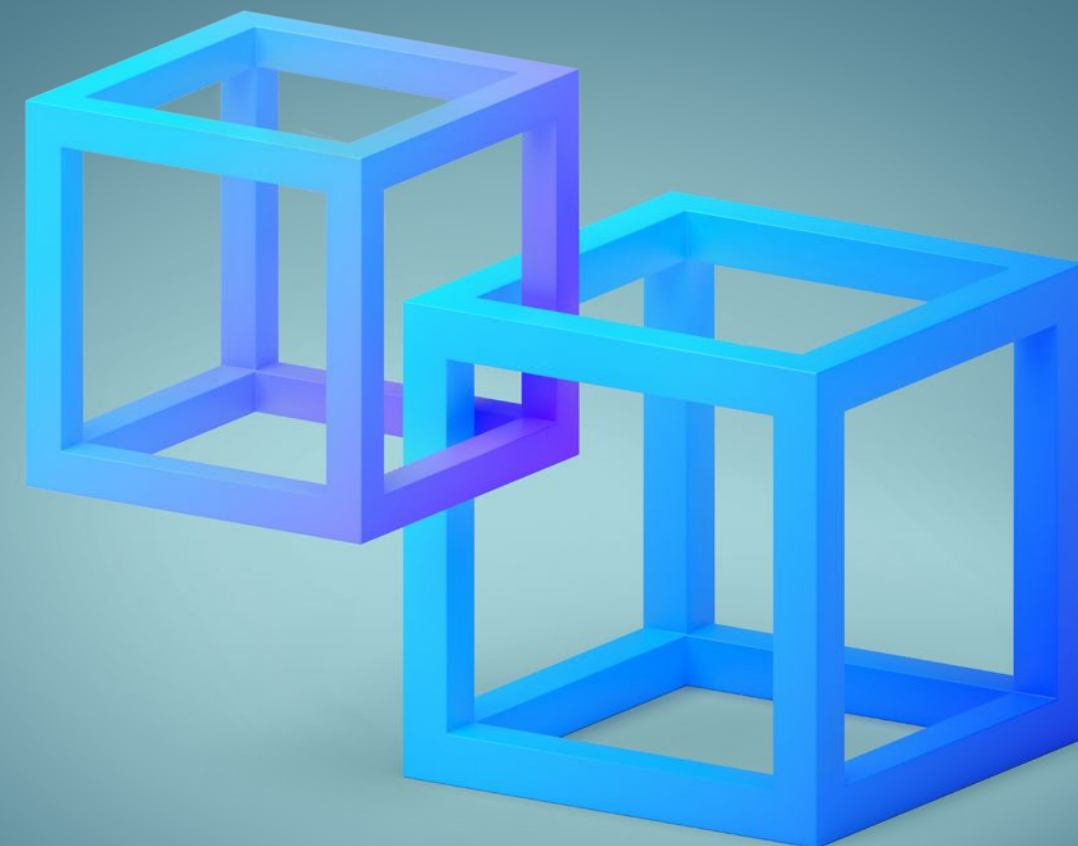
The ground-breaking ceremony for a new construction is in many cases preceded by the demolition or dismantling of existing structures.

Building material recycling is becoming increasingly important in the material cycle. Our new narcotics warehouse is a prime example. The building material from the demolished hall was recycled on site and used for different measures. After sorting, all the stones and concrete parts were crushed using a mobile stone crusher and then sent to be **reused**.

Furthermore, the impact of using particular materials already needs to be assessed in advance during the planning stages. It is important to consider how the materials used can be recycled or disposed of in an environmentally sound manner after their useful life has expired.

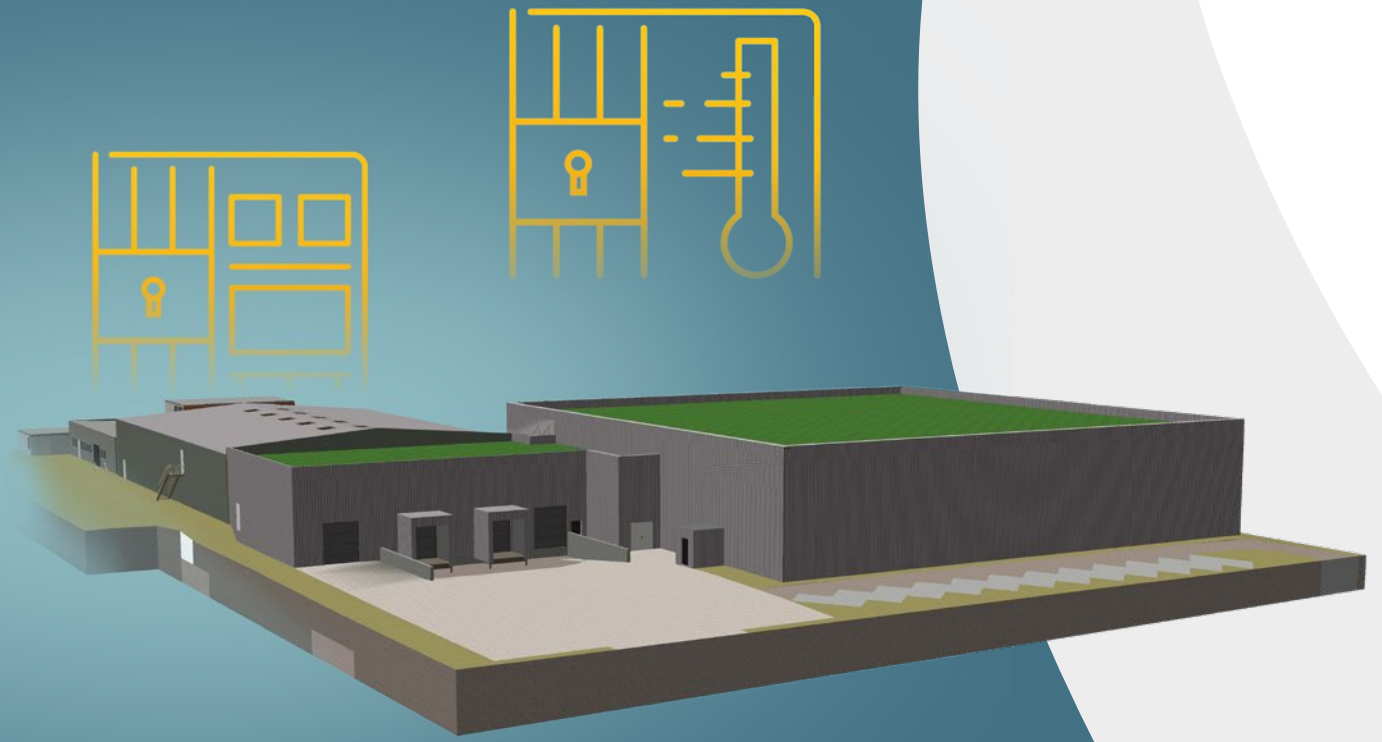
33%

of our investments are spent on sustainable, resource-conserving projects.



The new narcotics warehouse

Our new narcotics warehouse is notable for its optimised energy performance.



The narcotics warehouse near completion; Sustainability was given top priority during the construction process.

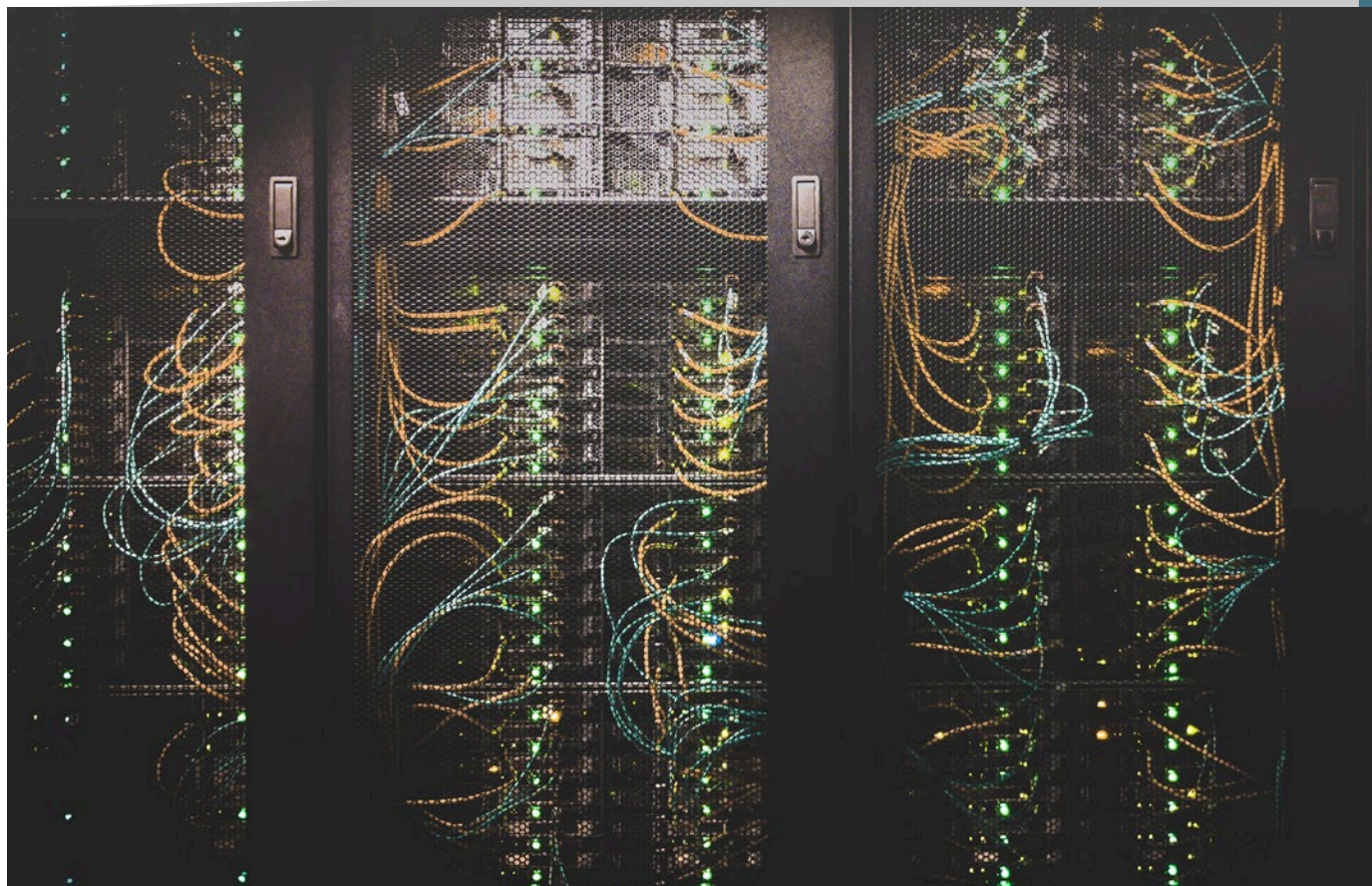
The temperature-controlled warehouse uses a **heat pump** to regulate climatic conditions. The seasonal temperature fluctuations i.e., the extra heat during the summer months and the cold in winter are minimised by optimising the **insulation** and the green roof area.

The most striking ecological measure in the construction of the new warehouse is the **green roof**, which is designed to equilibrate the urban climate and is one of the largest green roofs on an industrial building in Goslar. Each layer of the roof provides a high water storage capacity and a perfect distribution underneath the substrate layer. Greening is implemented with specific seed mixtures and herbs.

- Sustainability is a high priority in all aspects of the building's internal design:**
- Safety technology
 - Air conditioning technology
 - IT installations
 - Instruments



Rooftop gravel as the basis for green roofs



A safe and reliable infrastructure as the basis of our sustainable business activities

Most processes are controlled by our own IT department. We are continuously expanding our IT infrastructure to digitise or automate paper-based documentation or manual work processes.

Already implemented digitisation solutions:

- our MS Dynamics NAV company software
- the use of Cargoclix when booking timeslots
- the use of scanners in the loading and unloading operations
- Paperless archiving of receipts, forms or documentation
- the use of cloud-based solutions for data storage

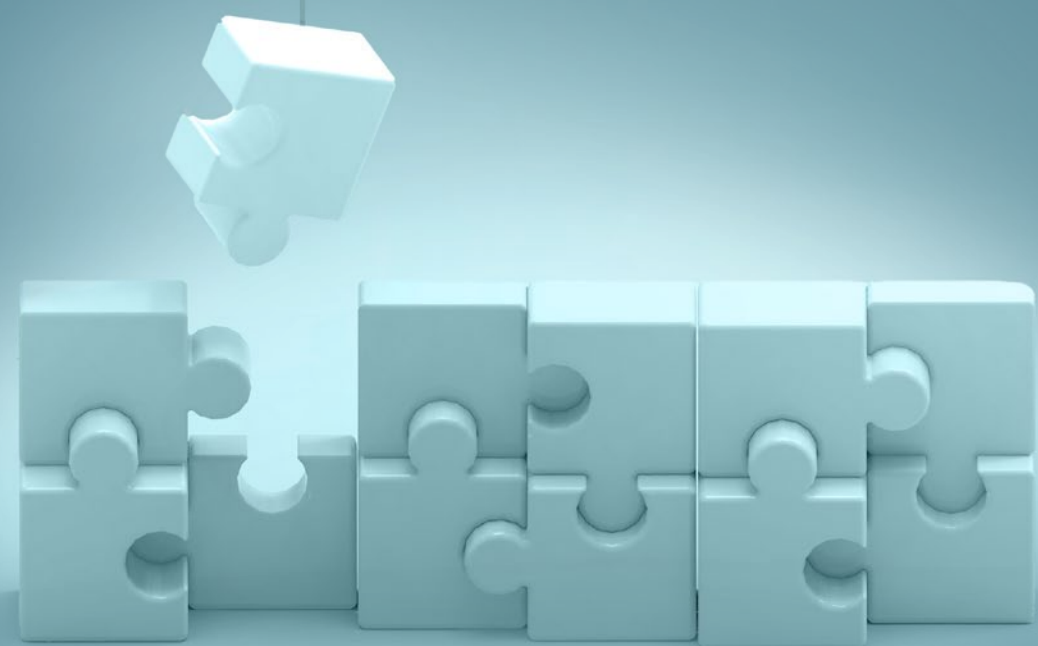
Digitisation

The digitisation issue has infiltrated all aspects of the Med-X-Press business and all of its locations for many years now.



Further internal company measures

A higher recycling rate is indispensable for conserving resources.



Reducing waste and raising sustainability awareness in the workplace: Reusable drinking bottles for all staff members

For us, this means implementing the targeted **separation of waste** at all operating sites to ensure that waste is brought back into the cycle. It also means that we avoid, **producing waste** wherever possible.

To support our staff members in this effort, we have provided all of our staff members with drinking bottles and coffee mugs to help eliminate disposable plastic bottle and cup use.

We identify opportunities to further **reduce** paper consumption. Accordingly, our numerous staff member training courses, are conducted as online seminars - and not just because of the pandemic. Use of packaging materials is closely related to paper consumption. For shipping, we use materials that can both be easily recycled without any problems, and materials that are composed of up to 100% of recycled content.

This applies to the use of cardboard, inlays or filling materials made of paper. We are particularly pleased when our environmentally friendly behaviour can also be measured and rewarded. In 2020, for example, we saved 183 trees by using 100% recycled paper. A result that encourages us to continue on the chosen path and to set ourselves the next objectives.

By rigorously opting for 100% recycled paper, we save trees



4. Social involvement



In 2013, we co-founded a large children's day care centre to promote work life balance, and specifically address the needs of families and single parents with children. This centre is known as "die Bassgeigenflöhe" [a playful double entendre for "Flees from Baßgeige" and "Bass Violin Flees"].

The childcare hours are based on the parents' working hours and also accommodate requirements outside of the normal opening hours of the **childcare facility**. This **pilot project**, supported by the Goslar company, has seen a constant increase in demand since its inception. The model receives a lot of attention from politicians and the business community because it operates successfully without state subsidies and constraints.

We advocate for the targeted continuing and further education of women, also in the context of reintegration into working life. We are members of the inter-company network of "**Frau und Wirtschaft**" [Women and the Economy], which is affiliated to the Goslar district. Our association membership enables women to expand their professional expertise and acquire skills for operational tasks. We take our responsibilities as a stakeholder in the healthcare sector very seriously, at both regional and supra-regional levels, by participating in a number of industry associations, such as the **Bundesverband der Pharmazeutischen Industrie e.V. (BPI)** [Federal Association of the Pharmaceutical Industry] and the **Bundesverband der Arzneimittel-Hersteller (BAH)** [Federal Association of Pharmaceutical Manufacturers] which we not only support through our memberships, but also by actively participating in projects.

Equally important for us is the commitment to the economic interests in our region. We have our roots in Goslar and the Harz region and we champion the interests of the local economy. We are for example a member of the **Ein-Harz-Initiative [One Harz Initiative]**, which represents the interests of our state and counties.

Our Managing Partner Lars Dörhage, is also the Chairman of the Goslar Regional Economic Committee at the **IHK Braunschweig [the Braunschweig Chamber of Commerce and Industry]**. We are also a supporting member of the **proGoslar**, association, which, among other things, works to improve the general conditions for businesses.

We also work closely with the city and district economic development agencies (**WiReGo [Goslar Economic Region]**). As a medium-sized company, we are committed to supporting society and taking responsibility for our home region.



Med-X-Press as the founding company of the "Bassgeigenflöhe"



Inter-company network Frau & Wirtschaft e.V.



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5. The future

Med-X-Press considers itself to be well on the way to consistently pursuing its specific sustainability goals over the coming years.

We will implement all necessary internal measures to protect individuals, animals and nature. We hope that this inaugural Med-X-Press sustainability report, has given you an insight into our practical actions and the convictions that define our approach.

We will adapt our non-financial reporting to the legal specifications of the EU's proposals for the CSR Directive and develop a concept which combines qualitative factors with the quantitative standards.

In terms of sustainability, we strongly believe that management and staff members need to work together to achieve an efficient balance between ecology and economy.

Our
certificates:



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