



NON-FINANCIAL STATEMENT 2021

PHARMAGEST INTERACTIVE
A French Public Limited Company (Société Anonyme) with share capital of €3,034,825
Registered office: Technopôle de Nancy Brabois
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Nancy Companies Register (RCS) No. 403 561 137



NON-FINANCIAL STATEMENT TO THE ORDINARY ANNUAL GENERAL MEETING

of 28 june 2022

In accordance with French Law no. 2012-387 of 22 March 2012, on the simplification of the law and the reduction of administrative procedures (known as the Warsmann Law) and its implementing Decree of 24 April 2012, we hereby present the Non-Financial Statement of PHARMAGEST Group. This report is an appendix to and forms an integral part of the Management Report.

This statement covers the main employment-related, environmental and social priorities of PHARMAGEST Group, combating corruption and respecting Human Rights.

The information in this Non-Financial Statement was prepared on the basis of contributions from PHARMAGEST Group's internal network for data on 2021 and for prior years. The report is overseen by Executive Management. The list of indicators has been defined:

- In compliance with Order No. 2017-1180 of 19 of July 2017 on non-financial information to be published by certain large companies and groups of companies, which has modified the nature of employment-related, environmental and social information that companies are required to disclose;
- With regards to the significant priorities for PHARMAGEST Group;
- Based on the French Decree number 2012-557 of 24 April 2012, on corporate transparency requirements in relation to human resources and environmental issues, and in particular, on Articles L. 225-102-1 and R. 225-105 of the French Commercial Code.

The Non-Financial Statement was audited by an Independent Third Party, which issued a report (attached) that includes a certificate of completeness and a substantiated opinion on the fair presentation of the information.

PHARMAGEST Group, under the impetus of LA COOPERATIVE WELCOOP and assisted by a specialised firm, initiated in late 2021, with the goal of establishing work groups in early 2022, the development of a CSR approach for each of the Group's activities to define a business model, the priorities and a materiality matrix for these activities and, in this way enabling them to define their own objectives (and key indicators) in line with the UN's Sustainable Development Goals (SDGs).

This approach will contribute to establishing the relevance and commitment of the different stakeholders with respect to the diverse range of the cooperative's activities.

This work is expected to be completed in late 2022.



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I. Background and business model

Our resources

Financial Capital

- Subsidiary of a cooperative with more than 3 400 cooperative members-pharmacists united in cooperative values and principles.
- A sound financial situation annually recognized with a high credit rating from the Bank of France.

Human Capital

- More than 1 200 employees,
- Sales in 6 countries,
- More than 220 IT developers

Societal Contribution

IT solutions for Healthcare

- For retail pharmacists
- For healthcare professionals and facilities to foster interoperability
- eHealth solutions and connected objects
- Preferred partnerships for key players in the healthcare industry
- Accredited Healthcare Data Host
- Synergy with other subsidiaries of the WELCOOP COOPERATIVE

A strong presence

- More than 60% of our employees have contact with health professionals or facilities via a network of agencies and sales teams throughout our territories.
- Logistic platforms (+2 200 m²) capable of delivering directly to healthcare professionals and facilities.

Multidisciplinary care centers

General Practitioner

Current context

Demographic context

An aging and increasingly dependent population

Medical context

Medical desertification
Inefficient healthcare pathways

Economic context

Sustainable solutions are needed to ensure efficient medical coverage

Technological context

General propensity to connected objets
eHealth developing rapidly
Protection of patient data

Our social responsibility as

Citizens for health and well-being

Guided by our values

Expertise Closeness Foresight Optimism

Our business model

With our "Patient-Centric" strategy and a strong belief in technology-human compatibility, our ambition is to become the leading European healthcare platform.

A secure platform that allows the collection and provision of patient data to different healthcare professionals, thus streamlining the patient healthcare journey.

Technology for a more human experience

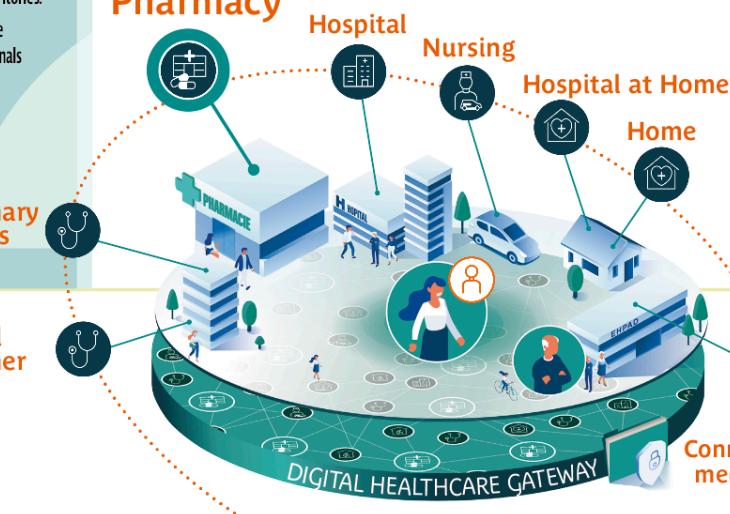
Pharmacy

Hospital

Nursing

Hospital at Home

Home



Our value creation

Financial value creation

- Dividend payout by PHARMAGEST INTERACTIVE of 14.3 M€
- Recurring operating income in 2021 of 50.5 M€ in IFRS and available funding of 65 M€ in IFRS

Human value creation

- 1 out of 3 employees receive training each year
- The average job seniority is 9 years
- 98% of contracts are permanent
- A sincere and pragmatic action plan for gender equality

Societal value creation

For the Patient

- Improve medication adherence to treat illness
- Encourage independent living through preventive measures (making the home safer)
- Extended quality of life
- A smoother patient healthcare journey
- Support research and finding cures
- Allow patients to take back their data

For the State and public health

- Two key watchwords: efficiency and effectiveness
- Medication adherence, independent living = cost savings for a more efficient and effective healthcare system
- Solutions to alleviate medical desertification and keep pharmacies in rural areas
- Coordination of healthcare professionals
- Support research and finding cures

For healthcare professionals and facilities

- Support for healthcare professionals as the pharmacy's economic model evolves, by providing tools, data, and solutions to improve patient care
- Coordination of information between healthcare professionals (town/hospital)
- Pharmacy networks: specialized know-how for pharmacists



II. Our non-financial risks and priorities

PHARMAGEST Group conducted a review of those non-financial risks which could have a material adverse effect on its business, financial position or results (or its ability to meet its targets).

| Risks | Description of the risk | Priorities |
|--|--|--|
| Loss of attractiveness | Increase and turnover and loss of key competencies | Attracting talent and reinforcing skills Being a responsible employer |
| Effectiveness of the positioning as "Citizens in the Service of Health and Well-Being" | Discrepancies between the Group's strategy with products / solutions marketed and its day-to-day operating practices | Minimising Greenhouse Gas Emissions and reducing energy consumption Promoting the circular economy and recycling Protecting data of the company's customers and patients Developing a culture of cooperation Improving the efficacy of the healthcare system Promoting short supply chains, local operations and minimising the use of intermediaries Being a responsible partner Respecting and ensuring the respect of Human Rights and the ILO's core conventions within the Group Preventing the risk of corruption within the Group |



III. Our non-financial objectives and indicators

3.1 Employment: innovation driving our development

LA COOPERATIVE WELCOOP's employees, cooperative members and pharmacy owners are driven by a single priority: promoting health. Like all subsidiaries of LA COOPERATIVE WELCOOP, PHARMAGEST Group promotes a corporate culture as "Citizens in the service of Health and Well-Being" extending far beyond the traditional world of work for the benefit of the greatest number.

Proud of its position within an alternative business model successfully balancing economic and human values, the PHARMAGEST Group must remain faithful to its DNA by personifying a commitment to transform the world of health. As Citizens in the Service of Health and Well-Being, our engagement goes far beyond a simple signature. Each of our members is motivated by a genuine desire to serve the greater good.

For that reason, human capital represents the PHARMAGEST Group's greatest asset and a key contributor to the creation of value by the Group.

ATTRACTING TALENT AND REINFORCING SKILLS

ATTRACTING AND INTEGRATING TALENT

Our approach to recruitment

"Becoming a Corporate Citizen in the Service of Health and Well-Being" requires expertise to address the priorities of LA COOPERATIVE WELCOOP's strategy as well as strong human qualities.

For PHARMAGEST Group, no reproduction of existing profiles or elitism but rather a rigorous selection of candidates who share its corporate culture and values. For that reason, PHARMAGEST Group seeks to attract to its teams employees distinguished by very diverse profiles, professional background and training while sharing its values.

This mix of expertise and profiles represents a genuine asset for PHARMAGEST Group and its customers.



Since 2019, the WELCOOP Group created an Employee Attraction, Recruitment and Development centre staffed with four people, tasked with supporting the Group's strategy in the area of employment and employee attraction by insourcing and improving the management of the recruitment process.



Solutions for attracting talent

To attract new talent, PHARMAGEST Group has defined two main lines of action: referral recruitment programs and reinforcing its visibility.



Poster of the cooptation campaign

The Citizens' Network: attracting new employees through referrals

PHARMAGEST Group regularly uses referrals as a collaborative approach through which employees can recommend people from their network for positions available within the WELCOOP Group.

Indeed, PHARMAGEST Group is convinced that everyone is concerned by recruitment and that its employees represent the best possible ambassadors to reach potential candidates.

This referral approach (the "Citizen's Network") is at the heart of PHARMAGEST Group's recruitment policy where offers available are communicated to all its employees on a monthly basis.

In this way, in 2021, the PHARMAGEST Group received 75 CVs resulting in 17 recruitments, compared to 67 CVs received in 2020 for 10 recruitments.

Raising its visibility

➤ Improving its digital presence as a recruiter

PHARMAGEST Group continues to develop its employer brand by increasing its presence on social networks (via LinkedIn, Facebook and Instagram). These communication initiatives focus on five main areas:

- the promotion of its corporate culture;
- the promotion of its employees, different business lines and entities;
- advice for candidates to help them in their search for a job, internship or work-study opportunity (an increasingly important issue, particularly in view of the health crisis and the difficulties encountered by some candidates);
- its presence at student forums;
- the publication of its job offers.

➤ Developing pragmatic relations with schools

For a number of years PHARMAGEST Group has developed relations with schools with programmes related to our strategic businesses and for those profiles subject to strong demand (sales, IT, etc.) with key partnerships, internships and work-study programmes proposed to students who share its values of Optimism, Anticipation, Expertise and Proximity.

The goal is above all to offer them meaningful, varied and career-building assignments and projects. Guided by engaged "mentors" at their side, the aim is to offer them, at most, a job at the end of their training period.

In 2021, the "internships and work-study" policy was further reinforced by a dedicated team. It should be noted that in response to the health crisis the formats of student forums in 2021 shifted to virtual fairs, though this did not limit the Group's participation in any way.

➤ Being present at major professional events

To attract the attention of industry experts, PHARMAGEST Group regularly participates in major professional events in the universe of healthcare and technology with the objective of raising its name recognition.



Instagram post following our participation at a student forum

For example, the Group participates in HACKATHONS, during which development teams from all over the world work on a programming topic over a limited period of time. As an example, at the Google Hash Code 2021 programming competition, a PHARMAGEST INTERACTIVE development team was ranked 72nd in France and 820th in the world (out of more than 9,000 teams). These events provide opportunities to promote the considerable expertise of the Group's development teams.

It should be noted that the 2021 health crisis led to the postponement or cancellation of some events.

Offering candidates a positive experience

Within an environment where competition for talent is fierce, where the number of websites rating companies are increasing and representing an increasing volume of recruitment, PHARMAGEST Group is committed to offering a "candidate experience" as rewarding and respectful as possible.

Each candidate, regardless of their gender, whether for internships, a work-study program, a fixed-term or permanent employment contract, for a management or non-management position, are to benefit from the same level of hospitality and attention from the Group. In consequence, there are regular and systematic exchanges with candidates throughout the recruitment process.

PHARMAGEST Group has also adopted a "candidate experience kit" for managers (consisting of a guide and a video), describing all its engagements vis-à-vis candidates to ensure they are given an opportunity to experience something different.

Promoting successful integration

In addition to being required to assimilate a large quantity of new information, the new employees must find their place within a new team and adapt to a new corporate culture. A failure to successfully manage the integration phase can have a very negative impact on the employer image and employee well-being.

For that reason, from the very beginning of the relation, it is vital to provide for a phase of acculturation and operational integration, a genuine investment for the future for the employee and company like.

This is why PHARMAGEST Group is equipped with a "Cultural and Operational Integration Kit" consisting of a guide and a video, designed to assist each manager ensure the successful integration of his or her new employees.

This kit lays down markers for the first six months of the new employee in the form of operational milestones and cultural rituals such as: sending a message of welcome before their arrival, providing them with "Group" products on the day of their arrival, a discovery report to be produced by the employee after a few months of presence,...

This approach makes it possible to harmonise the integration process for all PHARMAGEST Group entities, transmit the corporate culture, develop a feeling of belonging and company loyalty and enabling the new employees to become in turn ambassadors of our company.



Instagram post following our participation at the Google Hashcode 2021

Be exemplary, respectful and caring



DEVELOPING EMPLOYEE EXPERTISE AND EMPLOYABILITY

Managing skills

PHARMAGEST Group is committed to implementing a tool-based and digital skills management system in line with its medium to long-term vision of its needs, taking into account the aspirations of its employees within the framework of jointly developed career plans.



Monitoring employees on an individual basis

All French subsidiaries of PHARMAGEST Group have a platform devoted to Annual and Professional Performance Meetings that, in order to integrate the specific characteristics of its values and corporate culture, was designed by its own teams.

This general practice constitutes a genuine advance in conducting skills and performance evaluations, the co-construction of the future and integrating the Group's corporate culture.

PHARMAGEST Group is committed to the professional development of its men and women. Advancement within the company and career development for all employees, regardless of their level of training, is one of the Group's employment-related priorities and the focus of its strategy in this area.

To this purpose, PHARMAGEST Group is adopting plans to develop skills through internal/external training, coaching, mentoring, etc., in line with its strategic, cultural and social vision. The priorities defined in this area address:

- Management: increasing the team leadership skills of existing managers, supporting new managers as they assume their responsibilities through the acquisition of managerial and communication techniques;
- Project management at all levels (key contributors, project managers and sponsors);
- The improvement in language skills linked to the international development strategy;
- Commercial development: increasing the efficiencies of business development teams, effectively managing sales techniques, integrating new sales engineers and new Compliance teams and the Robotisation and Digital Equipment Project Leaders;
- Technical and IT skills: helping R&D and customer services teams upgrade their skills in order to adapt to organisational and technological developments, professional certifications;
- Workplace quality and safety: supporting the deployment of the continuous improvement plans in the areas of quality and safety (OHS training – GDPR – ISSO project);
- Recognition and promotion of skills transfer initiatives: classroom training, remote training, e-learning, development of learning communities, tutoring, webinars, etc.;
- Developing cross-functional skills such as managing priorities, time management, stress management and communication through training and individual or group coaching.

Skills development initiatives are based on a variety of schemes, including:

- Off-the-job training focused mainly on developing employee skills in the areas of management, sales techniques, IT development and security (new technologies, agility, infrastructure, hosting services) and English language proficiency;
- In-house training focused on business knowledge and the line-up of products and services. These training programs may be supported by e-learning modules (through our internal solution: My Campus) which are designed to inform all employees about the different business lines, regulatory developments etc.



III. Our non-financial objectives and indicators

In addition, all subsidiaries of the Group also comply with their statutory training obligations.

| Summary of training in the year | Year | Number of employees trained | Total training hours | Of which internal training | Of which external training |
|---------------------------------|-------------|-----------------------------|----------------------|----------------------------|----------------------------|
| PHARMAGEST Group | 2021 | 330 | 5,613 | 2,664 | 2,949 |
| | 2020 | 323 | 4,678 | 2,165 | 2,513 |



Tools designed to help employees pool their knowledge and increase synergies

LA COOPERATIVE WELCOOP has implemented for all its subsidiaries (of which PHARMAGEST Group):

- Inter-company seminars promoting innovation, sharing ideas and the implementation of cross-corporate projects;
- Managerial events: events bringing together all executive management and local management and contributing to the development and the appropriation of the strategy, cross-corporate projects, the review of results and possible areas for improvement. This event also highlights the Group's strategy and culture and enables managers to provide information about their own respective areas of intervention and, in so doing, provides teams with a sense of purpose;



Health's challenges
of Nancy in August 2021

- The construction of the "House of Citizens in the Service of Health and Well-being", the Group's new headquarters, which brings together employees from different activities, and connected with all the sites and subsidiaries, in this way promoting the sharing of knowledge, strengthening synergies and common corporate culture;
- A television social media channel, "WELCOOP Channel", providing an internal showcase of the cooperative's talent, innovations, initiatives and "business fields", with the participation of experts recognised in their fields offering their views on societal, economic and health issues, etc.



BEING A RESPONSIBLE EMPLOYER



PROMOTING HEALTH AND SAFETY



Employee health and well-being

Convinced of the benefits of sports in the workplace to counter the effects of sedentary lifestyles, promote well-being at work and strengthen cohesion, PHARMAGEST Group's new headquarters provided for space reserved for a gym for employees. The management of this gym (via group classes geared towards sports and well-being) was entrusted to an internal sports association,



Different insights of the House of Health and well-being Citizens

WELSPORT, staffed by motivated employee volunteers. After beginning classes in October 2020, activities were halted, due to the health situation.

Despite this, the Group continued to offer activities for all employees, including distance learning sports courses, sports challenges (including a race with French walking champion Yohan DINIZ), and workshops on body movements and postures, sophrology, nutrition, etc., in collaboration with the Human Resources and Communication Department. Finally, indoor sports activities were able to resume starting in September 2021.



In addition, the WELSPORT association, affiliated with the French Federation of Workplace Sports Activities (Fédération Française du Sport d'Entreprise or FFSE), is planning to build on the momentum developed during the health crisis and extend it to all the Group's employees.

Employee safety

The health and safety policy which has been in place at PHARMAGEST Group for a number of years is integrated within all its activities. It ensures that all are aware of the importance of prevention and safety measures.

As part of this policy, since 2015 PHARMAGEST Group has been constantly improving its Occupational Health and Safety Management System.

To support this policy, a security steering committee meets quarterly. Its members include security managers of the Group's subsidiaries and outside experts assisting the Group in this area.



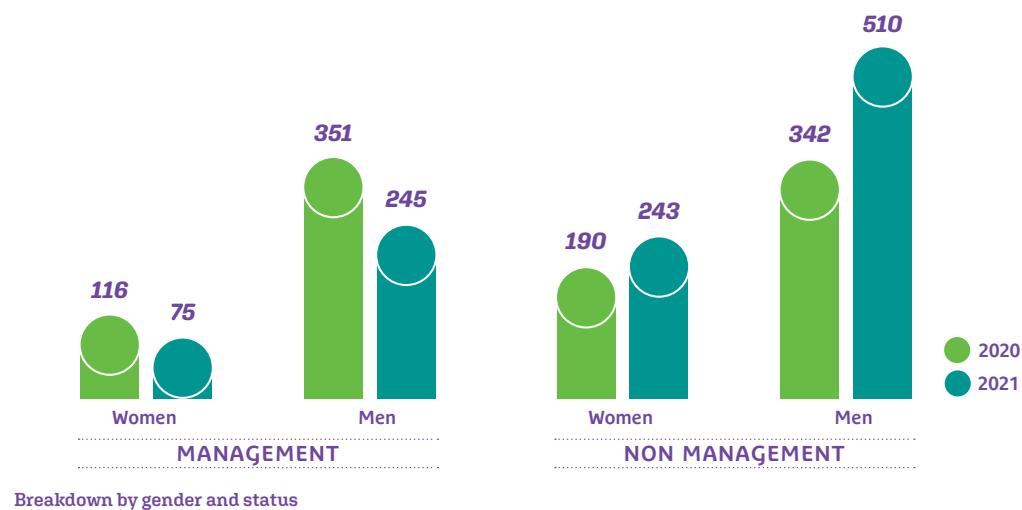
PROMOTING EQUAL TREATMENT OF MEN AND WOMEN

At 31 December 2021, PHARMAGEST Group had **1,204** employees (**1,190** on a Full-Time Equivalent basis - FTE), compared with 1,121 employees (1,099 on a FTE basis) in 2020.

For PHARMAGEST Group's French entities, the workforce is divided between non-management staff (including employees, technicians, supervisors and senior technicians) and management staff.



III. Our non-financial objectives and indicators



For foreign companies where the distinction between management and non-management staff is not made, the workforce is comprised of 40 women and 91 men, versus 37 women and 85 men respectively in 2020 (pro forma information).

PHARMAGEST Group has 358 women employees, or 29.73% of the Group's total workforce. The percentage of women remained stable in relation to 343 women (or 30.60% of the total workforce) in 2020. This rate is in line with the standard for the business sector [information technology, research and development].

The professional equality index between women and men is 89/100 in 2021, versus 86/100 in 2020 for the PHARMAGEST Economic and Social Unit (ESU) reporting scope.



Gender equality action plan

Convinced that gender balance and diversity positively contribute to social balance and economic efficiency, the Group has decided to implement a gender equality action plan providing for medium-term objectives and results.

Actions thus defined relate to:

➤ Access to employment:

- Implementing a neutral and equal opportunity recruitment process combating gender stereotypes and gender discrimination in hiring processes. More broadly, teams in charge of recruitment are trained to combat all forms of discrimination (gender, sexual orientation, religion, ethnicity, social origin, etc.);
- Ensuring gender balance in recruitment;
- Promote women's access to positions of responsibility and to historically male-dominated technical professions. When the Group outsources recruitment, it requires recruitment agencies to provide an equal number of CVs for men and women candidates.

➤ Training:

- Ensure that the proportion of men and women trained corresponds to their representation in the workforce;
- Work-life balance, taking family obligations into account and flexible working hours where relevant, measures in favour of local and regional training, exoneration from departing for training programs on Sunday evenings, development of e-learning, implementation or specific training programs to facilitate the return to the workforce.

➤ Compensation and career development:

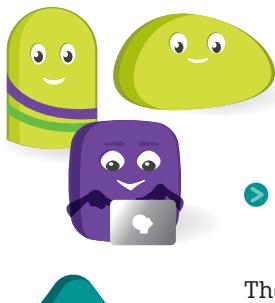
- Compensation based on skills, experience, responsibilities, results and expertise in the position;

- Ensure that pay gaps do not arise as a result of personal life events. To this end, in 2021 the Human Resources department initiated analysis to ensure that gaps do not exist between employees in the same department, with each employee being compared individually to his or her peers, based on experience, seniority and performance;
- Possibilities for neutralising the impact of part-time work on future pension benefits;
- Promotion based solely on skills and results, etc.

➤ Work-life balance:

- Working hours and organisation (whenever possible opt for teleconferencing during working hours, flexible working hours, teleworking, etc.);
- Seeking to ensure that parental leave does not hinder career advancement, etc.;
- Specific measures for pregnant women (remote working practices, reduced working hours and counting time off for mandatory medical examinations as working hours);
- Family leave (four days paid leave to look after sick or hospitalised children, adaptation of working hours to back-to-school periods);
- Payment for time set allocated for breast-feeding or breast milk expression in the workplace and providing a specific room / office for that purpose;
- Confirming the right to disconnect from digital services;
- Combating harassment and sexist behaviour in the workplace (providing manager training on the subject, staff awareness-raising initiatives). Whistleblowing procedures were adopted.

➤ Professional mobility.



The purpose of this action plan is to confirm the Group's commitments and formalise new concrete commitments (preventive and corrective measures) to promote diversity and gender parity in the recruitment process but also throughout the employees' career development, compensation, achieving an optimal work-like balance, etc.) by gradually preventing and correcting any inequalities that may be identified.



STRENGTHENING MEASURES FOR THE EMPLOYMENT AND INTEGRATION OF DISABLED PEOPLE

Integrating employees with disabilities has for a number of years been an integral part of the Group's diversity policy, going far beyond the purely financial and regulatory requirements based on quotas.

Reflecting its commitment as a Corporate Citizen in the Service of Health, PHARMAGEST Group seeks to adapt its recruitment policy for persons with disabilities and make this one of its priorities of its employment strategy.

PHARMAGEST Group is continuing its measures to promote the employment and integration of disabled people:

- The development of partnerships with AGEFIPH (Association for managing funds for the employment of disabled persons) and Occupational Health authorities in order to better take into account the adaptations that must be made to the workstations for disabled workers. For example, the Human Resources Department worked with the Health, Safety and Working Conditions Committee to develop a standard for furniture and a type of chair adapted to the specific needs of disabled employees. PHARMAGEST Group is assisted by an occupational ergonomist when adapting workstations and uses specialised suppliers for the purchase of equipment;

III. Our non-financial objectives and indicators

- A portion of the activity of managing network incidents and telephony has been outsourced to sub-contracting company authorised for the integration of disabled workers. This activity represents a unit of work;
- Locally, supplies are ordered from the Fédération des Aveugles, a not-for-profit for the blind and visually impaired.

In line with the previous measures, PHARMAGEST INTERACTIVE, in partnership with the AGEFIPH, and with the support of the Quality of Working Life (QWL) consulting firm, JLO, is engaged in a global project to audit the company, provide comprehensive analysis to develop action plans in the areas of awareness-raising, recruitment, training and adapting workstations, etc. and formalising the basis for an enterprise agreement. This has led to the development of a genuine disability policy for the Group. The objective is to ultimately extend this policy to all entities of LA COOPERATIVE WELCOOP.



Since 2020, the Group has included the job constraints in the job descriptions and also the job advertisements (travel, computer monitor work, working hours, handling heavy loads, etc.).

In 2022, the Group will maintain its efforts to:

- Raise the awareness of managers and employees about disabilities, by removing potential obstacles;
- Contacting the main disability stakeholders (AGEFIPH, Cap Emploi, Sameth, Workers Rehabilitation Centre of Mulhouse...) to develop a network of experts capable of understanding all the different challenges associated with this subject;
- Identify schools able to partner with the Group addressing this area and common actions to be taken to promote the employment of persons with disabilities and internships for disabled workers, notably in those areas subject to high demand;
- Use the referral recruitment channel to convey the message that the Group actively encourages referrals for the recruitment of disabled workers.



COMBATING ECONOMIC INSECURITY

PHARMAGEST Group's businesses require by nature highly-trained personnel with an in-depth knowledge of specialised areas but also the professional and regulatory environment of its customers. These factors explain the low rate of fixed-term employment contracts:

| Type of contract | Number | | Percentage | |
|----------------------|--------|-------|------------|--------|
| | 2021 | 2020 | 2021 | 2020 |
| Permanent contracts | 1 178 | 1 104 | 97,94% | 98,48% |
| Fixed-term contracts | 26 | 17 | 2,06% | 1,52% |

III. Our non-financial objectives and indicators

In addition, the Group had 11 professional training contracts and apprenticeship contracts, compared with 14 in 2020.

The percentage of employees with permanent contracts is **98.22%** for men and **96.94%** for women. This rate was 99.36% for men and 96.50% for women.

The average length of service of **9 years** declined in relation to the prior year.

PHARMAGEST Group may continue to use temporary workers to address business operating requirements (for example: logistics activities or temporary replacements).



III. Our non-financial objectives and indicators

3.2 Environment: reducing the environmental footprint of our products and solutions

In 1999, the World Health Organization (WHO) stated during the Ministerial Conference on Health and the Environment that "the environment is the key to better health". It is only natural, therefore, that to create a more sustainable world that fosters better health, PHARMAGEST Group strives to reduce its direct impact on the environment and is increasingly focussed on reducing its indirect impact.



MINIMISING GREENHOUSE GAS EMISSIONS AND REDUCING ENERGY CONSUMPTION



MONITORING AND COMBATING THE MAIN CAUSES OF GREENHOUSE GAS EMISSIONS (GHGS)

PHARMAGEST Group conducted an initial review of its direct (scope 1) and indirect (scopes 2 and 3) greenhouse gas emissions, integrating upstream and downstream activities into its calculations.

| Scopes ⁽¹⁾ - In T CO ₂ eq | 2021 | 2020 |
|---|--------------|--------------|
| Scope 1 - Direct GHG emissions of the company | 678 | 663 |
| Scope 2 - Indirect GHG emissions associated with energy consumption | 143 | 128 |
| Scope 3 - Other indirect emissions ⁽²⁾ | 2,004 | 1,790 |
| Total estimated GHG emissions | 2,826 | 2,581 |

⁽¹⁾ The main assumptions and methodologies used for each of the three scopes are explained in the methodology note.

⁽²⁾ Given the difficulty of determining the total amount of indirect greenhouse gases (scope 3), this information is potentially uncertain.

France accounts for 87% of GHG emission sources, Italy for 4% and Belgium and Luxembourg for 5%.

In line with its CSR approach, PHARMAGEST Group plans to initiate a carbon assessment in 2022 with the assistance of an independent firm.

Greenhouse gas emissions identified originate from the following sources.

Employee mobility

Its strategy of promoting proximity with healthcare professionals and patients requires PHARMAGEST Group entities to possess a significant lead of vehicles (utility vehicles and passenger cars).



In consequence, with nearly **540 vehicles and 14.3 million kilometres travelled** in 2021, vehicles represent a significant source of greenhouse gas emissions for the Group. By way of comparison, in 2020 the Group had nearly 540 vehicles which travelled 12.8 million kilometres.

To minimise the environmental, regulatory (constraints associated with technical standards for vehicles and related regulations) and economic impacts (fuel price increases, vehicles and taxation), PHARMAGEST Group initiated several action plans focusing on two strategic priorities:

Optimisation of the vehicle fleet to achieve a reasoned and gradual greening of the Group's fleet with the aim of integrating the use of drivers and develop a more relevant technological mix:

- An ongoing approach seeking to renew the automobile fleet (with an average age of vehicles of less than 3 years) in order to select increasingly efficient vehicle in terms of CO₂ emissions.
- Contributing to energy transition by adopting fleet management to driver profiles based on the different categories of use (long or short distances, etc.) Also, in view of the vehicle use observed (long distances over short periods), current technologies in terms of battery autonomy and the existing network of recharging stations for electric vehicles, use of combustion engines continues to be preferred for the time being.

However, due to the major difficulties encountered by car manufacturers in 2021, resulting from a shortage of components and significant delays or even stoppages in deliveries, measures associated with this action plan were postponed. In consequence, the first effects of this action plan should only be felt from 2022 onwards.

PHARMAGEST INTERACTIVE complies with the French Mobility Act which applies to companies with fleets of more than 100 vehicles. The purpose of this law is to promote energy transition and concerns in particular the renewal of vehicles (in terms of flow rather than inventory). The renewable targets of this act are as follows:

- By 2022, low-emission vehicles must account for 10% of the company's fleet.
- This figure is destined to increase to 20% by 2024, 35% in 2027 and 50% in 2030.



Low-emission vehicles weighing less than 3.5 tons include passenger cars and light trucks with carbon dioxide (CO₂) emissions of 60 grams per kilometre or less (electric or plug-in hybrid vehicles). PHARMAGEST INTERACTIVE intends in this way to transition to a greener fleet, starting in 2022, by acquiring electric vehicles or rechargeable hybrids.

Use of alternative technologies and solutions to reduce the number of kilometres travelled:

- Using in priority the train instead of the plane when the distance permits and more generally using public transport for business trips;
- Use of new technologies and, in particular, those allowing remote meetings. In this respect, the health crisis has reinforced the Group's capabilities in this area which proved to be a real strength in deploying teleworking for its employees, circumventing obstacles in reaching health professionals and rethinking commercial and operational contacts (assistance, training, etc.) through the use of videoconferencing.

In addition, PHARMAGEST Group is attentive to the carbon footprint generated by its employees who do not possess a vehicle in connection with their different professional travel (including for home-to-work commutes). In consequence, at the Technopôle of NANCY-BRABOIS where many employees are based and the site of the Group headquarters, PHARMAGEST Group has adhered to a multi-company mobility plan designed to encourage carpooling and improve public transit.

● Building-related energy consumption

Energy consumption associated with the heating and cooling buildings is one of the Group's main indirect sources of greenhouse gas emissions. Also in accordance with French legislation (ELAN Law), PHARMAGEST Group seeks to reduce energy consumption for all buildings of more than 1,000 sq. m. in which it has premises. The reduction targets defined by the law in relative terms are 40% by 2030, 50% by 2040 and 60% by 2050. Targets can also be based on the energy consumption of new buildings in their respective categories.

● Carriers

At the heart of the management of logistics flows between its sites, its logistics platforms and customers, the transportation of products represents a strategic factor for the quality of the Group's services.

Fully aware that transportation is an important source of greenhouse gas emissions and pollutants, PHARMAGEST Group is pursuing an approach to contain the environmental impact of its activities and combat climate change through the following measures:

- Giving preference to national suppliers to reduce the number of intermediaries for its imports;
- Adopting a CSR approach for transport tenders;
- Giving preference to maritime transport for direct imports from Asia and rail transport for its logistics platforms;
- Optimising deliveries to or from the agencies and logistics platforms.

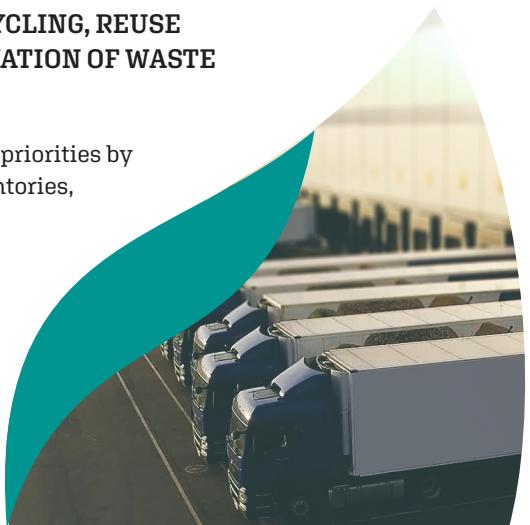
However, since the beginning of the pandemic, many of these action plans were disrupted by the brutality and the urgent nature of the health crisis, and subsequently the strength of the economic recovery, which had an impact on the availability and choice of transport.

● PROMOTING THE CIRCULAR ECONOMY AND RECYCLING

● APPLYING MEASURES FOR THE PREVENTION, RECYCLING, REUSE AND OTHER TYPES OF RECOVERY AND THE ELIMINATION OF WASTE

The principles of the circular economy

Circular economy combines environmental and economic priorities by proposing a new societal model using and optimising inventories, energy and material inputs and waste to achieve resource efficiencies.



Circular economy is based upon several principles:

- Eco-design: consider and integrates in its conception the environmental impacts throughout the life cycle of a product.
- Industrial and territorial ecology: establishment of an industrial organisational method in a territory characterised by an optimised management of stocks and flows of materials, energy and services.
- "Functionality" economy: favour the use versus possession, the sale of a service versus a good.
- Second use: reintroduce in the economic circuit those products that no longer correspond to the initial consumer needs.
- Reuse: reuse certain products or parts of those products that still work to elaborate new products.
- Reparation: find damaged products a second life.
- Recycle: make use of materials founded in waste.

PHARMAGEST Group applies a circular economy approach

The Group has implemented a process to recover computer hardware from customers at the end of their contracts. As a result, the main category of waste generated by PHARMAGEST Group's activity, besides ordinary industrial waste is IT equipment.

A portion of the equipment recovered can be repaired in the after-sale services phase, be reused by the Group's factory partners or sold to brokers for reuse.

The portion that is not fed into the recycling sector is earmarked for destruction by service providers specialising in the disposal of WEEE (Waste Electronic and Electronic Equipment). Quantity of WEEE:

| In tonnes | 2021 | 2020 | 2019 | Change 2020-2021 |
|---------------|-------|-------|-------|------------------|
| Recycled WEEE | 25.85 | 23.25 | 27.72 | 11.22% |



GREEN TAXONOMY



REGULATORY FRAMEWORK

On 18 January 2020, the European Union (EU) published the European Regulation 2020/852 of June 18, 2020 (the "Taxonomy" Regulation) on the establishment of a framework to facilitate sustainable investment in the EU.

By the end of 2021, only those activities likely to make a substantial contribution to the environmental objectives in relation to the first two objectives of climate change mitigation and adaptation are described. They will be extended to the other four environmental objectives (i.e. sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems) in the course of 2022 with a requirement for operations in 2023.

Annexes I and II of the Climate Delegated Acts provide the definitions of eligible activities, including the corresponding Statistical Classification of Economic Activities in the European Community (NACE) codes, as well as the technical criteria for qualifying them as effectively sustainable. On that basis, activities not meeting these definitions are considered as not defined in this framework (and as such "not eligible").

The requirements for publication of the key performance indicators for fiscal 2021 concern only the "eligibility" of all or part of the PHARMAGEST Group's activities in order to highlight the proportion of its eligible revenue, capital expenditure (CAPEX) and



operating expenditure (OPEX) resulting from products and/or services associated with economic activities defined as sustainable in Annexes I & II of the Climate Delegated Acts.

MAIN ASSUMPTIONS

With regard to the regulatory framework, the PHARMAGEST Group conducted a review of all activities of its Divisions, subsidiary by subsidiary, on the basis of NACE codes and descriptions of eligible activities.

Consequently, PHARMAGEST Group considers that its activities as a software publisher and health data hosting services provider may fall under categories 8.1 "Data processing, hosting and related activities" of Annexes I and II of the Climate Delegated Acts, as well as category 8.2 "Computer programming, consultancy and related activities" of Annex II. The financial information used for this analysis originates from PHARMAGEST Group's information systems (for monitoring investments and general expenses, consolidation).

Revenue

PHARMAGEST Group includes in its analysis all types of revenue related to its activities as a software publisher and data hosting service provider. This covers the distribution of software and related offers, IT maintenance and software subscriptions, the production of statistical data, as well as the use of financing platforms developed by PHARMAGEST Group to facilitate multi-lessor management. Due to lack of eligibility, revenue from the distribution of computer equipment, installation and user training is excluded.

Under Appendix A of Annex II on adapting to climate change, only those entities that demonstrate that a climate risk and vulnerability assessment has been carried out and an investment plan has been established to implement adaptation solutions that reduce the most significant physical climate risks of the activity may be considered as enabling and included in the eligible revenue. In the absence of such assessment and insofar as the PHARMAGEST Group's revenue is exclusively related to category 8.2 of Annex II (non-enabling and non-eligible), the Group's activities are not concerned and the percentage of eligible revenue is zero.

Capital expenditures (CAPEX)

The CAPEX denominator includes the acquisition of property, plant and equipment (IAS 16) and intangible assets (IAS 38), leases (IFRS 16), and acquisitions related to business combinations (IFRS 3). The total of these investments amounts to €10,424 thousand.

The numerator for eligible investments corresponds to:

- vehicle rental (activity 6.5 - Transport by motorbikes, passenger cars and commercial vehicles) for an amount of €751 thousand;
- new building leases (activity 7.7 - Acquisition and ownership of buildings) for an amount of €2,380 thousand.

On that basis, for 2021, the percentage of eligible CAPEX is 30%.

Operating expenses (OPEX)

The denominator includes uncapitalised direct costs for research and development, building refurbishments, short-term leases, maintenance and repair, and any other direct expenditures for the routine maintenance of property, plant and equipment by the company or by the third party to whom these activities are outsourced that are necessary to keep the assets functioning properly. These costs for the denominator amount to €1,954 thousand.

The Group considers that the latest commitments in terms of expenses from investments prior to the financial year meet the definition of economic activity eligible for the taxonomy (activities 6.5 - Transport by motorbikes, passenger cars and commercial

III. Our non-financial objectives and indicators

vehicles, 7.3 - Installation, maintenance and repair of energy efficiency equipment). They mainly represent maintenance costs for the Group's vehicle fleet and all Group sites for an amount totalling €1,042 thousand, i.e. approximately 53% of OPEX.

The eligibility ratios for 2021 are not indicative of the alignment ratios to be published for 2022.



III. Our non-financial objectives and indicators

3.3 Social: a group committed to supporting healthcare systems and territories

PHARMAGEST Group is engaged in regular dialogue with all stakeholders which, in addition to employees and customers, includes its "shareholders", suppliers and subcontractors, patients and voluntary sector organisations, with the ongoing objective of supporting fair practices and continuing improvements in healthcare systems.



SECURING THE DATA OF THE COMPANY'S CLIENTS AND THEIR PATIENTS



THE MAIN NETWORK SECURITY MEASURES

As a digital company, PHARMAGEST Group collects and holds a large volume of sensitive data.

Intrusions by third parties into the Group's computer systems could adversely affect its operations. For that reason, to protect itself from any form of system disruption, theft or loss of data, exposure to blackmail (ransomware, etc.), reputational damage or commercial prejudice, PHARMAGEST Group has a system based on 3 totally compartmentalised architectures:

- one for its internal needs,
- one for its customer offerings (management activities),
- and one for its customers for the personal health data hosting service.

Each architecture has its own proven security features. Services are hosted on two sites in separate locations and on servers with redundancy.

PHARMAGEST Group is equipped with a business continuity plan, a data backup and storage plan, as well as a business recovery plan for critical services.

These risks are monitored monthly by Group Executive Management through a dedicated Cyber Security Committee.



SERVER ROOMS

PHARMAGEST Group possesses two data centres. The purpose of these data centres is to host customer data and a portion of the services necessary for the proper functioning of Group's operations. The total area of these server rooms does not exceed than 165 m².

Different ideas are under study to better evaluate and reduce the electricity consumption of these data centres. By way of example, the installation of sensors, server virtualisation and/or the renewal of a portion of the infrastructure could partially reduce GHG emissions per server.





GDPR

In response to the challenges of protecting personal data, PHARMAGEST Group has established a data protection compliance system, managed by the DPO (Data Protection Officer). As part of his or her responsibilities, the DPO has access to resources such as specialised lawyers or information provided by the AFCDP, the French Association of Data Protection Officers, of which PHARMAGEST INTERACTIVE is a member.

In addition to ensuring compliance with regulatory requirements, PHARMAGEST Group's data protection approach seeks to ensure that data complaints are effectively handled, guarantee the quality of the processing of these complaints and report incidents of personal data breaches to a relevant supervisory body such as the CNIL in France.

Any person who provides the Group with his or her contact information may contact the DPO using the e-mail address provided on the company's website.



DEVELOPING A CULTURE OF COOPERATION



COOPERATIVE CULTURE

As a subsidiary of WELCOOP Group, PHARMAGEST Group is fully a committed stakeholder in promoting the social solidarity economy whose internal operations and activities are based on the principle of social solidarity and usefulness.

This social priority is an integral part of the cooperative's DNA which through its principles and values unites the cooperative members and employees in a common goal in the interest of the patient and the future of healthcare.

LA COOPERATIVE WELCOOP's governance is based on the principle of a democratic and participative management with an Executive Board representing the operating functions and a Supervisory Board made up of cooperative members.

Fairness is also a strong value among cooperative members, with each possessing a right to vote, regardless of the percentage of capital they hold. The right to vote is based on the principle of one person, one vote.

While the activity of cooperative is exercised directly and indirectly through its subsidiaries that have an independent legal status, the entire entity constitutes a "cooperative group", which even without legal personality as such, constitutes a common entity promoting and sharing the values of the cooperative.

In this way, by owning its own production tools, by participating in the Group's decisions, in developing tomorrow's products and services and by benefiting from the cooperative's results (in the form of a cooperative dividend calculated in relation to the activity realised directly and/or indirectly with the group), the cooperative system as a whole benefits the cooperative member.

Numerous examples illustrate this cooperative spirit:

- As a partner and in a spirit of solidarity with its cooperative members, but more generally with all health professionals. In 2020, in the midst of a health crisis, LA COOPERATIVE WELCOOP set up a chain of solidarity (after French government announced that the provision of surgical face masks to non-hospital healthcare professionals was discontinued) by providing health professionals IIR surgical masks at cost price supplied by LA COOPERATIVE WELCOOP and its subsidiaries and distributed by pharmacists. And again in 2021, by supporting pharmacists from the very outset of the COVID vaccination campaign by deploying the pandaLAB appointment application, provided free of charge in 2021.
- By acting as a local stakeholder when defining its strategic priorities by integrating its cooperative members but also, and increasingly, all healthcare professionals. After organizing for a number of years a WELCOOP Days forum for pharmacists (both members and non-members of the cooperative to discuss current and strategic issues, since 2020, LA COOPERATIVE WELCOOP has been broadcasting a monthly programme,

WELCOOP CHANNEL covering a variety of news subject, interviews and developments in the field of health and innovation for the general public, and in particular for the cooperative's health professionals and employees. Each programme offers a wide range of content, including interviews with experts who share their views on strategic issues in the world of health and first-hand accounts of the cooperative's activities and LA COOPERATIVE WELCOOP's goals for addressing the challenges of the health sector of tomorrow. Each subject brings a genuine human dimension to medical information and promotes the notion of the Citizen in the Service of Health and Well-being which is so important to LA COOPERATIVE WELCOOP.

LA COOPERATIVE WELCOOP's new partners: An expanding network with 1 pharmacy joining the everyday!

| Year | 2021 | 2020 | 2019 |
|-----------------------------------|------------|------------|------------|
| Number of new cooperative members | 252 | 297 | 275 |



IMPROVING THE EFFICACY OF THE HEALTHCARE SYSTEM

PROPOSING PRODUCTS AND SERVICES FOR THE BENEFIT OF THE HEALTHCARE SYSTEM AND PATIENTS

Based on its different business lines and its distinctive business model, PHARMAGEST Group can legitimately claim to be one of the few organisations possessing a global vision of the real-life world of health. That is why, with its long-term vision, its goal is to positively contribute to increasing efficiencies and sustainability for the entire healthcare ecosystem. The sustainability of its strategy is based on its commitment to positively answer these two questions for everything it undertakes:



Does this provide benefits for the patient?

Does this increase the efficiency of the healthcare system?

"Being a Corporate Citizen in the Service of Health and Well-Being" means acting in the interest of patients and the future of healthcare, for which the activities of our different businesses already offer the first illustrations:

- As a software vendor of specialised solutions for pharmacies, we provide pharmacists and their teams:
 - A software suite that is maintained and regularly updated, as well as services designed to ensure dispensing to the highest safety standards;
 - Databases to draw on for advisory services (travel, vaccinations, etc.);
 - Training tools (e-learning).
- The Health and Social Care Facilities Solutions Division develops software designed to improve the care of dependent or frail persons.
- Developing IT solutions for general practitioners and specialists with applications to efficiently manage patient medical records and assist in issuing and managing prescriptions.



- The e-Health Solutions Division contributes to improvements in healthcare systems:
 - By establishing health observatories or prevention and screening surveys. All content made available to pharmacists and patients by PHARMAGEST INTERACTIVE is checked by a qualified pharmacist;
 - Through its software and products helping to maintain the elderly and chronically ill in their home and improve outcomes by increasing compliance.
- PHARMAGEST Group's development of Digital Health Platform to facilitate the flow of information between the various business information systems of independent health professionals and health establishments, in this way of optimizing the care offering by coordinating its delivery across the office-based private practice and hospital pathways.

And more generally, by successfully leveraging technology and people across all its business lines to create the first European healthcare platform for optimal patient benefits.



PROMOTING SHORT SUPPLY CHAINS, LOCAL OPERATIONS AND MINIMISING THE USE OF INTERMEDIARIES

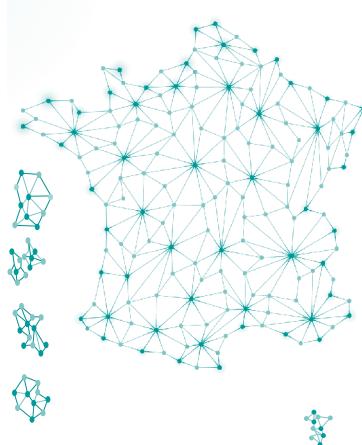


TERRITORIAL, ECONOMIC AND SOCIAL IMPACT OF OUR BUSINESS ON EMPLOYMENT AND REGIONAL DEVELOPMENT

Through its focus on developing close relations with its customers, healthcare professionals and patients, PHARMAGEST Group seeks to ensure an optimal coverage of its territories. This strategy is largely based on the development of agencies, its logistics network and commercial presence.

Therefore, the Group's regional economic and social impact is multiple:

- PHARMAGEST Group gives preference to local recruitment;
- PHARMAGEST Group gives preference to regional companies when selecting its different service providers;
- PHARMAGEST Group is an engaged stakeholder seeking to reduce low physician density through its different solutions (including teleconsultation and teleassistance) and by promoting the role of pharmacist as the healthcare coordinator.



Geographical coverage: a significant local network in France

The breakdown of the workforce by region was as follows:

| COUNTRY | 2021 | 2020 |
|----------------|--------------|--------------|
| France | 89.1% | 89.1% |
| Italy | 5.7% | 4.9% |
| Belgium | 3.3% | 3.6% |
| Mauritius | 0.9% | 1.4% |
| United Kingdom | 0.5% | 0.5% |
| Luxembourg | 0.2% | 0.3% |
| Germany | 0.2% | 0.2% |

BEING A RESPONSIBLE PARTNER

SUPPLIER AND SUBCONTRACTORS

For the selection of its partners, suppliers and service providers, PHARMAGEST Group is increasingly integrating selection criteria based on shared engagements in addressing environmental, social and ethical challenges.

These actions are defined mainly by:

- Reducing the number of intermediaries with the goal of increasing transparency and traceability;
- Contractual clauses (example: Protecting personal data and anticorruption provisions and internal on-site audits of our suppliers);
- Regular reporting by our third parties on CSR policies.

To strengthen this positioning, PHARMAGEST Group, in line with its CSR approach per activity, will work on implementing a Group Purchasing Charter to provide a basis for a profitable and responsible customer-supplier relationship.

DONATIONS AND SPONSORSHIP

Through its actions and goals to support the healthcare system, PHARMAGEST Group is seeking to strengthen its relations with voluntary sector organisations and patients.

In addition, PHARMAGEST Group is a stakeholder determined to play an important local role by supporting the voluntary sector through actions for heritage preservation and developing cultural, sports and humanitarian actions.

By way of example, PHARMAGEST INTERACTIVE is a founding member of the "Meurthe-et-Moselle heritage preservation sponsors" club. The French Heritage Foundation Foundation (*La Fondation du patrimoine œuvre à la sauvegarde et la valorisation du patrimoine français*). Through this label, public donations and corporate patronage, it supports individuals, regional governments and voluntary sector organisations in heritage restoration projects.

In 2021, PHARMAGEST INTERACTIVE enabled all its employees to take part in a blood drive, either through the drive organised on-site at the Group's headquarters or at an EFS centre for employees in the regions.



More recently, in response to the tragic suffering of the Ukrainians, WELCOOP COOPERATIVE has been contributing since the beginning of the conflict in the international movement of solidarity and aid.

All the cooperative's laboratories have contributed and WELCOOP LOGISTIQUE prepared around twenty pallets and 6 tonnes of products transported to the Ukrainian border in collaboration with the Meurthe-et-Moselle Civil Protection. CRISTERS prepared antibiotics and analgesics, LABORATOIRE MARQUE VERTE, compresses, compression bandages, dermocosmetics, D'MEDICA first aid kits, medical devices, OBJECTIF PHARMA baby bottles, OTC medicines, baby products, PHARMALAB originator medicines.

COMBATING FOOD WASTAGE

Even though it is not active in the food industry and distribution sector, PHARMAGEST Group is very attentive to the importance of combating food waste. In consequence, by way of illustration, in 2014 PHARMAGEST INTERACTIVE, in partnership with other companies in the Lorraine region established an endowment fund ("MESA Mirabelle") to facilitate donations by companies of all sizes to the food bank.

ASSISTING START-UPS

Reflecting its own history and ambitions, PHARMAGEST Group has always promoted entrepreneurship and creativity by supporting start-ups.

This collaboration takes several forms:

- Sponsoring and mentoring with an approach placing an emphasis on dialogue and understanding for the management of the start-ups;
- Forming partnerships and even acquiring controlling interests in start-ups to accelerate their development, while at the same time respecting the identity and spirit of independence specific to the start-up;
- Promoting employee intrapreneurship.



III. Our non-financial objectives and indicators

3.4 Human Rights



RESPECTING AND ENSURING THE RESPECT OF HUMAN RIGHTS AND THE ILO'S CORE CONVENTIONS WITHIN THE GROUP



IMPLEMENTING THE PRINCIPLES OF HUMAN RIGHTS AND ILO'S CORE CONVENTIONS

PHARMAGEST Group is largely present exclusively in France and Europe and applies the applicable laws and regulations of these different countries.

Nonetheless, the Group acknowledges and reaffirms its strong commitment to the values of the Universal Declaration of Human Rights, the principles of the ILO's core conventions, as well as its commitment to respecting national and international laws, principles, standards and regulations.

In consequence, PHARMAGEST Group forbids all the seeking to limit freedom of opinion, expression, association, collective negotiation, demonstration or thought. PHARMAGEST Group does not apply any form of discrimination including with respect to employment, occupation, religion or gender. No Group subsidiary has recourse to forced or compulsory labour or child labour.



FOCUS OF ENTITIES OUTSIDE THE EU: MAURITIUS

The nature of this subsidiary's business as an independent software vendor requires highly trained personnel and excludes all forms of child labour. In addition, fully associated with the IT development activities of the Group, this company is fully integrated in the operating procedures of the French entities, regardless of the aspects of personal, legal, financial or strategic management.





III. Our non-financial objectives and indicators

3.5 Combating corruption and tax avoidance



PREVENTING THE RISKS OF CORRUPTION AND TAX AVOIDANCE IN THE GROUP



IMPLEMENTING MEASURES TO COMBAT CORRUPTION

PHARMAGEST Group is equipped with an anti-corruption system in accordance with French legislative provisions ("Sapin II" law). This system provides for the implementation of:

- A code of conduct, which can be consulted on LA COOPERATIVE WELCOOP's website;
- A whistleblowing procedure which can be consulted on LA COOPERATIVE WELCOOP's website;
- Risk mapping which analyses and prioritises risks to which the company is exposed;
- Risk assessment procedures for customers, major suppliers and intermediaries;
- Procedures for accounting control, internal or external, to prevent the concealment of acts of corruption or influence peddling;
- A training procedure for those managers and personnel most exposed to the risk of corruption and influence peddling;
- A sanctions framework for cases of violations in the company's code of conduct;
- A system for the monitoring and internal assessment of measures implemented.



PHARMAGEST Group is attentive to this issue and integrating the provisions of the French anticorruption law ("Sapin II" law) at all its subsidiaries. The Group regularly monitors the country rankings by transparency.org of the perceived level of public-sector corruption (Corruption Perceptions Index). The results of the countries in which the Group or significant partners operate are as follows:

| | SCORE* | | WORLD RANKING | |
|------------------|--------|------|---------------|--------|
| | 2021 | 2020 | 2021 | 2020 |
| France | 71 | 69 | 22/180 | 23/180 |
| Belgium | 73 | 76 | 18/180 | 15/180 |
| Luxembourg | 81 | 80 | 9/180 | 9/180 |
| Italy | 56 | 53 | 42/180 | 52/180 |
| Ireland | 74 | 72 | 13/180 | 20/180 |
| United Kingdom | 78 | 77 | 11/180 | 11/180 |
| Germany | 80 | 80 | 10/180 | 9/180 |
| Mauritius | 54 | 53 | 49/180 | 52/180 |
| China, Hong Kong | 45 | 42 | 66/180 | 78/180 |

*Score from 0 (a very high level of corruption) to 100 (a very low level of corruption)



**PHARMAGEST Group's main activities
are located in France and Europe and in consequence
its exposure to the risk of corruption is more limited.**



IMPLEMENTING MEASURES TO COMBAT TAX AVOIDANCE

The Group ensures compliance with the applicable regulations in all countries where it operates, including those designed to combat tax avoidance.

No Group entity is situated in a country included in the French list or the European lists of non-cooperative tax jurisdictions (i.e. the blacklist published by the Council of the European Union).



IV. Methodology, scope and definition of indicators

In accordance with the recommendations of the AMF report on social and environmental responsibility information published by listed companies, dated 5 November 2013, PHARMAGEST Group presents information to facilitate understanding of the information reported.

4.1 Methodology note

General management, and particularly the Human Resources Department and Administration and Finance Department, have specific responsibility for oversight of the process of gathering, validating and consolidating CSR information in the Group. This review helps to continuously improve internal data collection procedures.

To the extent possible, parties responsible for each data perform the verifications. Such verifications may take different forms: consistency checks, request for supporting data for qualitative information, internal audits, detailed testing. More comprehensive controls are performed when data is consolidated.

4.2 Scope

Quantitative or qualitative data disclosed in the Non-Financial Statement are largely defined in reference to the following two reporting boundaries:

PHARMAGEST Group which includes the following entities:

**PHARMAGEST INTERACTIVE, EUROPEAN HEALTH LOGISTIC SOURCING (EHLS),
APPLICATIONS ET DEVELOPPEMENTS INFORMATIQUES (ADI), AXIGATE, DICSI INFORMATIQUE,
HEALTHLEASE, KAPELSE, MALTA INFORMATIQUE, NANCEO, NOVIA SEARCH, NOVIATEK,
SCI HUROBREGA, CAREMEDS, HDM, MULTIMEDS, PHARMAGEST LUXEMBOURG,
PHARMAGEST BELGIUM, PHARMAGEST ITALIA, I-MEDS, INTERNATIONAL CROSS TALK (ICT),
MALTA BELGIUM, SVEMU INFORMATICA FARMACEUTICA, PHARMAGEST SERVIZI,
BGM INFORMATIQUE, PROKOV EDITIONS.**

WELCOOP Group includes the entities of PHARMAGEST Group as well as:

**LA COOPERATIVE WELCOOP, CRISTERS, D'MEDICA, DMS, WELCOOP LOGISTIQUE, GLOBAL SANTE,
INVESTIPHARM BELGIUM, INVESTIPHARM FRANCE, LABORATOIRE MARQUE VERTE,
MARQUE VERTE SANTE, OBJECTIF PHARMA, PHARMA LAB, PHARMA LAB INTERNATIONAL,
PHARNAT CREATIONS, WELCOOP SOLUTION PRODUITS.**

The following entities are not consolidated by PHARMAGEST Group:

- Companies accounted for by the equity method (GROUP DOMEDIC, PHARMATHEK) or companies not consolidated by PHARMAGEST Group (EMBLEEMA) less than 50%-held.

If no information is available for one or more of these entities, the reduction of the scope is specified in consequence (e.g. PHARMAGEST Group excluding ADI).

Companies consolidated for the first time or deconsolidated in 2020:

- Newly consolidated companies: PHARMAGEST SERVIZI, BGM INFORMATIQUE, PROKOV EDITIONS, ASCA INFORMATIQUE, SEAA and PANDALAB.
- Deconsolidated companies:
 - Within PHARMAGEST Group: SAILENDRA, DIATELIC,
 - Within WELCOOP Group: ALPHA FINANCE REPARTITION, SOFAREX.

When new companies are integrated into the DPEF reporting scope in year 1, the reported in N-1 remains unchanged. In the specific case of new companies having an impact of more than 20% on the indicators produced, pro forma information is provided for the year N-1.



IV. Methodology, scope and definition of indicators

4.3 Indicators

Data displayed in ***boldface, italics and in purple*** correspond to Key Performance Indicators (KPI) verified by the Independent Third-Party.

Specific definitions and calculations have been used to construct PHARMAGEST Group's indicators. The following covers only those indicators for which information is required in addition to that provided by the Non-Financial Statement:



CVs received

Total number of CVs transmitted by employees of WELCOOP Group in relation to the total number of job openings in WELCOOP Group;



CVs recruited

Total number of actual employees were recruited (for all types of contracts) following recruitment referral;



Training hours

This indicator covers all training hours relating to a training plan and used in the period, whether through an internal or external training programme.

Training is considered provided the following criteria are included for external training and when two of the criteria listed are included in the case of internal training:

- Training organisation with an authorisation number,
- Training organisation providing a training convention,
- Training organisation providing a training programme,
- Organisation providing a document certifying the employee's presence.



Total workforce

All employees with permanent and fixed-term employment contracts, temporary employees, skills-acquisition and apprenticeship contracts, i.e. the total number of persons physically present at 31 December. Other types of contracts (interns, temporary employees) and corporate officers are excluded;



Total workforce by type of employment contract, status and gender

Breakdown of total workforce by gender and status. Two categories (or the equivalent) are used within PHARMAGEST Group: non-management (Employees, Technicians, Supervisors and Senior Technicians) and management employees;



Percentage of women in the Group

Ratio of the percentage of women employees to the total workforce (all statuses and contracts combined);



Circular economy

Economy founded on reduced and responsible consumption of natural resources and primary raw materials and, in order of priority, on preventing waste generation, especially by reusing products, and, in accordance with the hierarchy of waste processing methods, on recycling or energy recovery from waste (Article L. 110-1-1 of the French Energy Code (Code de l'Énergie), based on the law of 17-8-2015);



Average seniority

Seniority is calculated from the date of the first contract, restated to eliminate periods of absence between contracts.

Periods of internships, work-study programmes and fixed-term contracts leading to a permanent employment contract are included in the calculation of seniority. Average seniority equals the average seniority of each employee included in the number of employees at 31 December.



Percentage of permanent employees

Ratios at December 31:

- Employees with permanent contracts divided by the total number of employees;

- Number of women with permanent contracts divided by the total number of women employees;

- Number of men with permanent contracts divided by the total number of male employees.



Number of new cooperative members

Total number of new associated cooperative members having joined LA COOPERATIVE WELCOOP in the period;



FTE

Full Time Equivalent, as at 31 December;



Geographical breakdown of total workforce

Breakdown of the total workforce by country. PHARMAGEST Group's workforce is present in seven countries: France, Italy, Belgium, Mauritius, Luxembourg, Germany and the United Kingdom



Calculation of GHG emissions

SCOPE 1

Direct GHG emissions generated by fixed or mobile facilities inside the scope of the organisation including:

- Greenhouse gas emissions for PHARMAGEST Group's vehicle fleet are calculated on the basis of an ADEME (French Environment and Energy Management Agency) factor for company vehicles - diesel of 0.15 kgCO₂ / km;
- Greenhouse definitions for sales-related transport are calculated according to the monetary ratio method using the ADEME assumption of 560 kgCO₂ / € thousand euros before tax.

SCOPE 2

Indirect energy emissions associated with the purchase or generation of electricity, heating and cooling, or steam generated off site for the organisation's activities:

- Electricity consumption in kWh of PHARMAGEST Group. This data does not include branch offices or subsidiaries when their electricity consumption is included in the charges and not communicated by the owner (i.e. less than 10% of the total surface area occupied by PHARMAGEST Group). Kilowatt hours are converted by a conversion factor (ADEME) of 0.041 kgCO₂ / kWh;
- Gas consumption in kilowatt hours of PHARMAGEST Group multiplied by the ADEME factor of 0.214 kgCO₂ / kWh. Where this data has been provided in m³ the conversion factor of 10 kWh / m³ is applied.

SCOPE 3

Other indirect emissions produced indirectly by the organisation's activities.

The calculation of SCOPE 3 emissions is by nature uncertain and not intended to be exhaustive. This indicator includes employee travel by train or air, upstream and downstream freight transport, and rented vehicles, for which the sources, processing methods and assumptions used are as follows:

- Greenhouse gas emissions for PHARMAGEST Group's fleet of leased vehicles are calculated on the basis of an ADEME factor for company vehicles - diesel of 0.15 kgCO₂ / km;
- Greenhouse definitions for transport related to purchase are calculated according to the monetary ratio method using the ADEME assumption of 560 kgCO₂ / € thousand euros before tax.
- Greenhouse gas emission data for train and air travel are transmitted directly by PHARMAGEST INTERACTIVE's travel service providers.
- All data is expressed in Tonnes of CO₂ equivalent.



Kilometres travelled by car

The number of kilometres travelled by staff using a company car on a quarterly basis; Data expressed in millions of kilometres;



Number of vehicles

Total number of company vehicles leased belonging to one of the PHARMAGEST Group's subsidiaries.

Private vehicles for which Group employees receive kilometric allowances are excluded.

Data rounded up to the nearest ten;



Transport

Deliveries of goods and merchandise from the logistics platforms and/or agencies to end-users. The company uses specialised carrier service providers;



WEEE

Quantity of Waste from Electrical And Electronic Equipment collected or retrieved by specialised service providers for destruction;

In light of the absence of risks with respect to PHARMAGEST Group's activities, no policy has been implemented for the purpose to:

- combat food insecurity, respecting animal well-being, sustainable and fair practices;
- combat tax evasion.



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