



CSR Report 2022



at the heart of healthcare



Introduction

At Mediq, Corporate Social Responsibility (CSR) is embedded in everything we do. Doing our business responsibly impacts our stakeholders, patients, healthcare providers, insurers, vendors, and, of course, our employees. That is the reason we are committed and why, in 2023, we will embark on a comprehensive review of our CSR strategy. This next step will strengthen our commitments to environmental stewardship, social responsibility, and corporate governance. We believe that this process will enable us to build a stronger, more resilient business that is well-positioned to navigate the complex challenges ahead of us. Until then, we will keep CSR reference in our communications, case studies, and reports. This report provides an overview of CSR highlights and achievements of 2022 as we evolve to strengthen the healthcare systems and empower patients while simultaneously minimizing our environmental impact.



Executive summary

In 2022 we continued operationalizing our CSR strategy and building on the factual foundation for our societal contribution and environmental and social impact. We have performed a case study about our Nutrition Denmark service, which showed that patients and healthcare professionals benefit from this service.

Furthermore, we started measuring our environmental and social impact within the fields where we have the biggest impact: waste, packaging material, transportation, energy consumption, employee engagement, employee well-being, and diversity. 2022 was the year when we translated our CSR strategy to tangible KPIs. We are maturing in gathering, and publishing consistent and reliable data, publishing results of Q3 and Q4 of 2022 in this report. During 2022 we have also set improvement targets for each KPI.

As we evolve our CSR strategy, we want to ensure that our sustainable procurement practices meet global standards. Therefore we have published a new Supplier Code of Conduct that is being used throughout all our entities. With the Supplier Code of Conduct, we expect our suppliers to live up to specific requirements with regard to labor & human rights, ethics, environment, health & safety, and privacy and security. As a next step, we are currently preparing a responsible sourcing program. This program aims to assess supplier due diligence utilizing several different types of assessments: risk assessment by region or type of product, self-assessment questionnaires, or on-site audits. Based on supplier assessments' results, we will proactively communicate with our suppliers on the next steps where required.

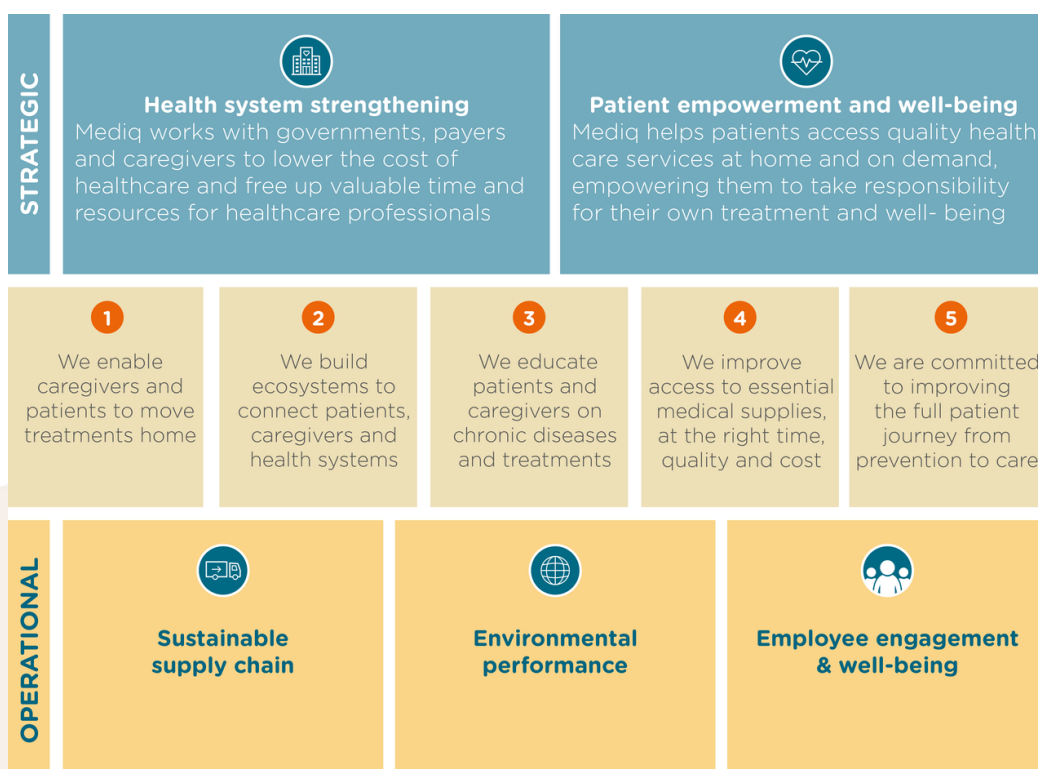
Last year we decided to explore what diversity, equity, and inclusion mean for our people and Mediq as a whole. To do so, we invited all our people to join our DE&I workgroup. With the colleagues who volunteered to join this group, we have drafted definitions of DE&I and our Mediq DE&I policy. The policy promotes an open and inclusive culture, free from discrimination and (unconscious) bias.

All these evolving insights into our environmental and social impact further indicate our responsibility and impact. This has motivated us to redefine and reshape our CSR approach with a new ESG (Environmental, Social and Governance) strategy. The new ESG strategy will enable us to strengthen our commitments to environmental stewardship, social responsibility, and corporate governance.

CSR at Mediq

In 2020, we aligned as a group and built a foundation for our Corporate Social Responsibility agenda. 2021 was the year we started operationalizing our CSR strategy, which we continued in 2022. The Mediq CSR strategy comprises of five pillars – two strategic pillars, supported by five main transformations, and three operational pillars. “Health system strengthening” and “Patient empowerment and well-being” are our two leading pillars with the corresponding transformations to accelerate across markets and therapy areas. The strategic pillars are aligned with the UN Sustainable Development Goals – SDG 3: ‘Ensure healthy lives and promote well-being for people for all, at all ages.’

This is where Mediq can make the most significant positive impact to build a sustainable future. In addition, Mediq has three operational pillars in which we are aware of our business’ inevitable environmental and social impact and strive for optimal processes to minimize our impact. We take responsibility for our impact on our employees, the environment, and society. Not just for today but into the future. This report provides an overview of CSR highlights and achievements of 2022.





About Mediq

At Mediq, our mission is to deliver the right and most efficient outcomes to European healthcare by providing products, services, and solutions. Contributing to the healthcare system and, subsequently, to our customers' health and well-being is at the heart of everything we do. At the heart of healthcare, we always operate with our values in mind:



Caring heart

Care sits at the heart of our business and is the true driver of our people. We put our patients first and always strive to make a difference. Because what we do matters. We care about improving lives, one person at a time.



Customer drive

Our customers always come first, whether it is the patient, payors, or healthcare professional. We create client-focused solutions and take ownership of their needs. Customer drive is about delivering excellent value with enthusiasm and ambition.



Champion spirit

We need to act as one because together we can achieve so much more. Champion spirit is about believing in unlimited possibilities. But it is also about adapting to new challenges and being eager to be better every day. With integrity and respect, we strive to create a winning team.

These values are at the heart of everything we do. They are lived with pride by our colleagues and our teams across Europe. We are an international healthcare company with leading market positions in 14 countries: Belgium, Denmark, the UK, Ireland, Finland, Estonia, Germany, Hungary, Latvia, Lithuania, Netherlands, Norway, Sweden, and Switzerland. The head office is located just outside Utrecht, the Netherlands. We have more than 3,000 employees and are committed to improving healthcare outcomes and the affordability of care.

Message from our CEO



Looking back at 2022, it is clear that it has been a time of great turbulence and challenge, not just for Mediq but for the entire healthcare industry and European society as a whole. The impact of the pandemic has been unprecedented, affecting our people, communities, and economies in ways that we could never have predicted. Despite this, I am proud to say that our colleagues have risen to the occasion with exceptional commitment to our customers, going above and beyond to manage the challenges that have come our way.

As we move forward, I want to reaffirm our commitment to protecting the environment by limiting our impact. Last year, we set CSR KPIs and targets to continuously push ourselves to do more, and I am excited about the positive changes that we will achieve in the coming years.

Another issue that is particularly close to my heart is the creation of a psychologically safe environment for our employees. I am delighted to see that we have taken our first steps in raising awareness about Diversity, Equity, and Inclusion. Going forward, I will ensure full commitment to install our DE&I principles and promote education and storytelling around this topic.

Together, we can work towards creating a healthy and sustainable future for all. I am confident that we can overcome the challenges that come our way and continue to make a positive impact on society and the environment.

Thomas Hinnerskov
CEO Mediq



Health system strengthening and patient empowerment and well-being

At Mediq, we continuously look for solutions to meet the rising need for care and service while helping reduce healthcare costs. We develop efficient healthcare ecosystems and/or reduce administrative time for healthcare providers. With these activities, we are constantly contributing to the health system's strengthening. Furthermore, we aim to improve patients' disease management and health conditions.

Through responsible innovation, we deliver more personalized care and drive improved patient outcomes while lowering healthcare costs. Many of our services and care concepts strengthen the health system, patient empowerment, and well-being. We are working on expanding the factual foundation of our societal contribution by performing case studies on our services. In 2022 we performed a case study on our Nutrition Denmark service.

Summary Nutrition Denmark case study

Malnutrition of patients is a common phenomenon in hospitals, nursing homes, and home care. To prevent this from happening, Mediq developed the Nutrition Denmark service, providing medical nutrition training to healthcare professionals and bedside training of the patients at the patient's homes.

To study the societal contribution of Nutrition Denmark service, we have asked healthcare professionals and patients (or in the case of a young patient - the parent, or in the case of an incapable patient - the caregiver) to answer questions after receiving the training.

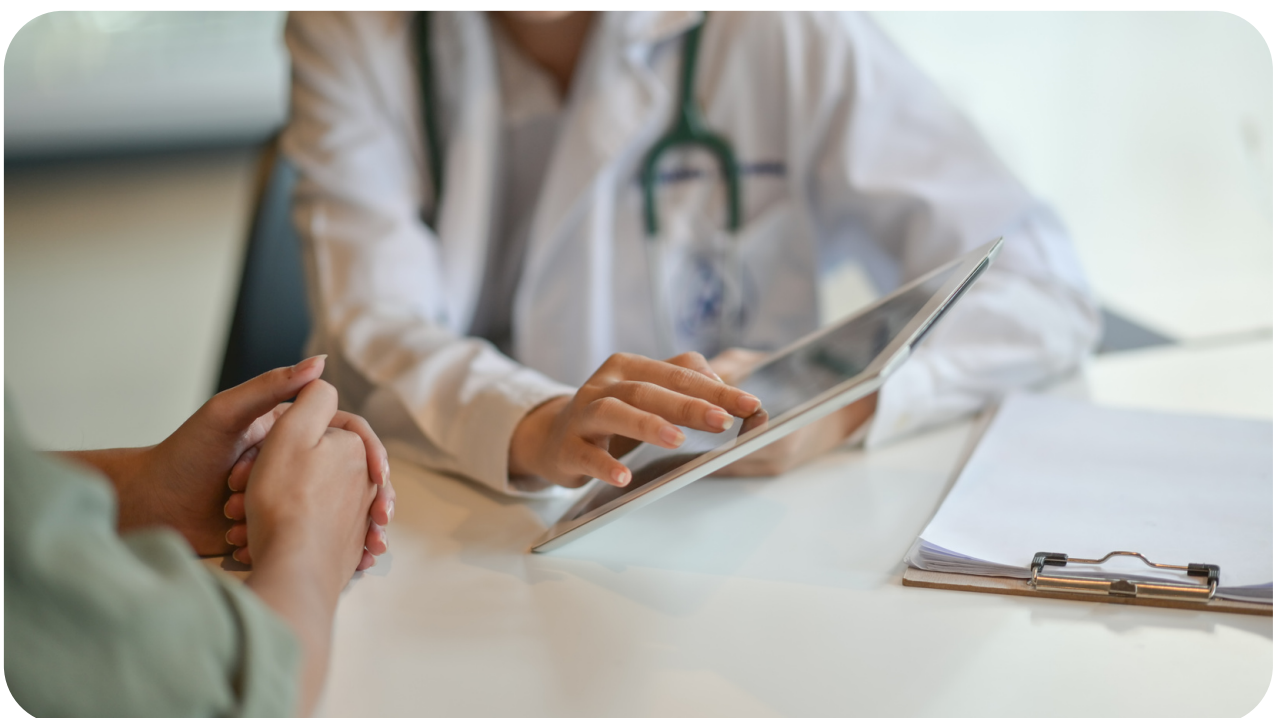
We have found that the majority of healthcare professionals believe Nutrition Denmark decreases the risk of therapy failure and risk of readmission. Furthermore, healthcare professionals indicate that they can provide better care and have increased confidence and competence after the training, while stress decreases. Also, they indicate being better aware of patients' needs.



Overall, healthcare professionals would recommend the Nutrition Denmark service to colleagues.

Most patients indicate that the Nutrition Denmark service supports them in reaching their nutrition goals and following their nutrition plan.

Furthermore, most patients report that the service contributes to their independence, increased confidence, and decreased insecurities about medical nutrition. Additionally, Nutrition Denmark enables them to perform activities that matter to them, helps them regain freedom, and contributes to their quality of life (the full report will be published on our website soon).





Sustainable supply chain and environmental performance

At Mediq, we strive to provide safe, high-quality, effective products and services to customers across the business, from supply chain through delivery. We select and closely cooperate with suppliers to ensure ethical production processes and seek innovation to reduce the environmental impact. In our daily operations, we are committed to reducing the use of resources and the carbon footprint of our operations. We aim to reduce our environmental impact in the fields where we have the greatest influence: waste, packaging material, and transportation.

Environmental and Social impact measurements by CSR KPIs

Mediq, as a healthcare distribution company, has always been aware of its social and environmental responsibility. In 2022 we started measuring our environmental and social impact by tracking 15 CSR KPIs within the fields we believe we can achieve the biggest impact: waste, packaging material, transportation, energy consumption, employee engagement, employee well-being, and gender diversity.

Data for waste, packaging material, transportation, and energy consumption have historically been prepared quarterly. Since this data was not recorded for this specific KPI purpose, the Q1 and Q2 of 2022 are considered pilot data. Because we value transparency regarding our environmental and social impact, we intend to have Q3 and Q4 data of 2022 be suitable for measurement for our CSR purpose, including some general and KPI specific notes and remarks.

Our internal audit department is currently auditing this data to assess and help us ensure the data quality.

Data for employee engagement, employee well-being, and gender diversity are being generated yearly.

General remarks to the waste, packaging material, transportation, and energy consumption data presented in this report are as follows: the data covers 85% of our revenue but only 50% of our physical locations because we only included warehouses that Mediq fully uses; shared warehouses are not in scope.

With respect to Norway: this country is serviced through our Swedish warehouse. Therefore, residual waste and electricity consumption for Norway cannot be determined. See the table footnotes for KPI-specific remarks.

We consider this a good approach to tracking CSR KPIs, and we intend to continue to monitor and analyze our methods over time to seek further improvement. Insights into our environmental and social footprint will help us to even further limit our impact.



Environmental and Social Impact Measurements

Field	KPI	Definition	Q3+Q4	Target
Waste	¹ Residual waste (%)	All waste that is not separated (plastic, cardboard, etc.) to be recycled (KG) / total amount of waste (KG) *100	16,88%	year-by-year reduction of 5%
	Scrap waste (%)	Costs of all products that are destroyed because of due dates or breakage (KG) / total costs of goods sold *100	0,40%	year-by-year reduction of 5%
Packaging material	Carton consumption (KG/order)	All cardboard that is purchased as packaging material (this includes –but is not limited to – cardboard boxes for customer orders, paper filling material, etc.) (KG) / number of orders	1,22KG/order	year-by-year reduction of 2%
	Plastic consumption (KG/order)	All plastic that is purchased as packaging material (this includes – but is not limited to – wrapping film, bubble plastic, plastic filling material) (KG) / number of orders	0,05KG/order	year-by-year reduction of 2%
Transportation	CO2 emission per parcel (KG CO2/parcel)	Average CO2 emission from all parcels that are being shipped from the warehouse (outbound) / number of parcels	0,43 KG/parcel	year-by-year reduction of 5%
	CO2 emission ³ per pallet (KG CO2/pallet)	Average CO2 emission from all pallets that are being shipped from the warehouse (outbound) / number of parcels	5,07 KG/pallet	year-by-year reduction of 5%
Energy consumption	Electricity consumption (kWh)	The total amount (kWh) of electricity that is being used by warehouses	2.155.869 kWh	year-by-year reduction of 2%
	Gas ⁵ consumption (m3)	The total amount (m3) of gas that is being used by warehouses	30.522 m3	year-by-year reduction of 5%

Field	KPI	Definition	Q3+Q4	Target
Employee engagement	Employee engagement (%)	Employee engagement score as measured per survey	72%	on par, or better than, the benchmark
	Turnover rate (%)	Number of employees that voluntary leave Mediq / average number of employees *100	11%	no more than 10%
Employee well-being	Short & Long term absence (%) ⁶	Percentage of employees registered with short (<6 weeks) and long (>6 weeks) term absence / average number of employees *100	NA	on par, or better than, the country specific benchmark
	Work life-balance	Self-reported (0-100) work-life balance as measured per engagement survey	40.4	on par, or better than, the benchmark
Gender diversity	Gender ratio in general, management and higher management population (%)	Number of men working in general (or management or higher management) population / total number of employees in general (or management or higher management) population * 100 : number of women working in general (or management or higher management) population / total number of employees in general (or management or higher management) population * 100	General: 36,94%: 63,06%	40% representation of one gender (especially in management and higher management population)
			Management: 55%: 45% Higher management: 71%: 29%	

¹Not available for Baltics.

²Not available for Baltics. Sweden is excluded due to the calculation problems at transport supplier. Overall: reliability issue due to inconsistency in measurement methods (caused by dependency on different transport partners).

³Not available for the Netherlands and the Baltics. Sweden is excluded due to calculation problems at the transport supplier. Overall: reliability issue due to inconsistency in measurement methods (caused by dependency of different transport partners).

⁴Interpretation up for debate because data is not relative (yet). Additionally, this KPI is very sensitive to weather conditions and does not distinguish between renewable and non-renewable energy.

⁵Interpretation up for debate because data is not relative (yet). The Nordics are not included because no gas is being used (in some countries district heating is used). Additionally, this KPI is very sensitive to weather conditions.

⁶This data is not yet available on a group level. There are improvement projects undergoing to improve the process.

Bearing the above explanations in mind, we provide this report with the following disclaimer: no claims as to the accuracy are made, and no rights or obligations can be derived from the contents of this report.



Responsible sourcing

We believe that while we grow our business, we should commit to minimizing our impact on the environment, society, and planet. As a large organization, we recognize that our operations and purchasing decisions impact social, environmental, and economic conditions in our industry, the countries we operate in, and across the global supply chains. As we evolve our CSR strategy, we want to ensure that our sustainable procurement practices are up to global standards.

The foundation of responsible procurement is the Supplier Code of Conduct. The Supplier Code of Conduct is a part of the agreement between Mediq and our suppliers. With the Supplier Code of Conduct, we expect our suppliers to live up to specific requirements regarding labor & human rights, ethics, environment, health & safety, and privacy and security. All these requirements are based on the guidelines set by the United Nations Declaration of human rights and the ILO conventions.

We are proud to announce that we launched a new Supplier Code of Conduct in 2022 that is being used throughout all Mediq clusters. By signing the supplier code of conduct, our suppliers declare to commit to the requirements.

[Download Mediq's SCC](#)

As a next step, we are preparing a responsible sourcing program and policy. This program aims to assess supplier due diligence, utilizing several different types of assessments: risk assessment by region or type of product, self-assessment questionnaires, or on-site audits. We intend to select and invite suppliers within this specific topic to complete their assessment with a Mediq preferred risk assessment tool. Based on supplier assessments' results, we will proactively communicate with our suppliers on the next steps where required. Together with our suppliers, we will work on corrective action plans that need to be executed within a certain amount of time. The responsible sourcing policy will be published on our website soon.



Employee engagement and well-being

At Mediq, we develop and foster an inclusive, healthy, and engaged workforce. Mediq offers a stimulating and safe work environment where management and people together build a culture of engagement and high performance.

Employee engagement

Every autumn, we measure employee engagement across Mediq. Scores of 2022's questionnaire are comparable to last year's. We have a solid foundation. Our people are proud to work for Mediq and feel their work is meaningful. The work environment is experienced as safe, people feel supported by the management, and our teams are dynamic, collaborative, and customer-focused. At the same time, our people indicate that some of our work processes could be more optimally organized, which causes work not always to feel energizing. Furthermore, we still see signs of high perceived workloads.

We will continue working on decreasing perceived workload by optimizing work processes and building an environment where our people are empowered to thrive.

Diversity, Equity, and Inclusion policy

At Mediq, we believe that listening to our people and customers is what makes us unique and positions us right at the heart of healthcare. When we listen with our hearts – we are able to hear more. In the engagement survey, most of our people indicate that Diversity, Equity & Inclusion (DE&I) is encouraged at all levels and that individuals of all backgrounds can succeed in Mediq. Though this is promising, we believe we can do more. Therefore, we decided to start exploring what diversity, equity and inclusion mean for our people and for Mediq as a whole. To do so, we have invited all our people to join in our DE&I workgroup. With the colleagues who volunteered to join this group, we have drafted definitions of DE&I and our Mediq DE&I policy.

[Download our DE&I Policy](#)



With this policy, we aim to promote an open and inclusive culture free from discrimination and (unconscious) bias. Making DE&I more tangible and explicit in our way of working creates connections and serves our people, our organization, and the healthcare industry as a whole. With these principles, we want to ensure we promote justice, fairness, and impartiality throughout the entire company. This ensures an inclusive and safe culture where all forms of diversity are welcome and celebrated.

Remuneration

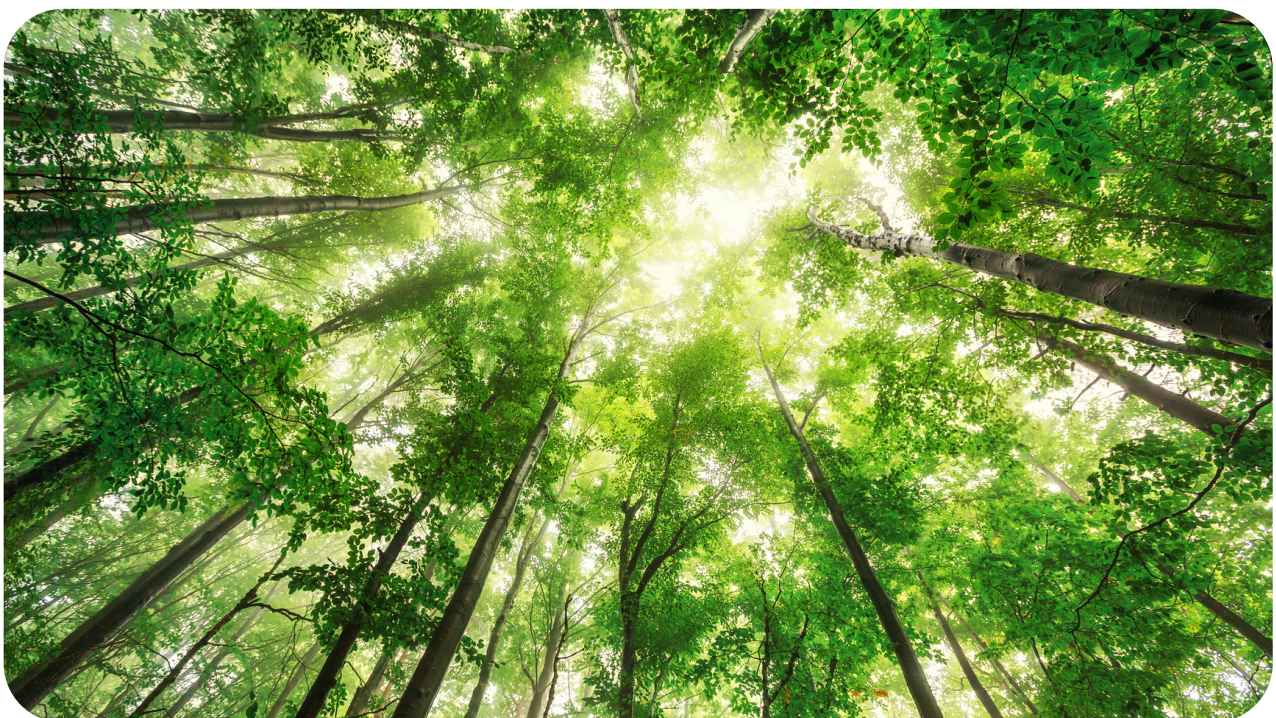
CSR targets are included in the objectives and short-term incentive plans of all members of the Executive Committee. Where applicable, these targets are cascaded into the organization.



Future directions

This year we will keep working on expanding the factual foundation of our societal contribution by publishing case studies on the services that we offer. Besides, we will perform several supply chain improvement projects this year to decrease our negative environmental impact. Furthermore, we will work on our DE&I program by creating awareness for the topic, sharing our stories, and celebrating diversity.

In addition, we aim to redefine and reshape our CSR approach with the new ESG (Environmental, Social and Governance) strategy. The new ESG strategy will aim to align our business practices with sustainable and responsible principles. Through this strategy, we will prioritize reducing our environmental impact, fostering a diverse and inclusive workplace, and promoting ethical governance. By integrating the ESG framework into our decision-making processes and operations, we strive to create long-term value for all our stakeholders and contribute to a better world.





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