







# TABLE OF CONTENTS

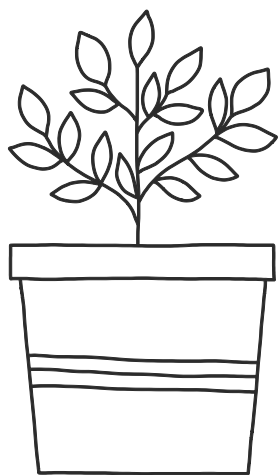
<b>CEO welcome</b>	<b>4</b>
<b>About the report</b>	<b>6</b>
<b>About Rossmann</b>	<b>7</b>
<b>30 years in Hungary</b>	<b>9</b>
Birthday programme	9
<b>Sustainability at Rossmann</b>	<b>12</b>
Materiality issues	12
The role of management in managing impacts	14
<b>GOVERNANCE</b>	<b>16</b>
<b>Economic performance</b>	<b>16</b>
Direct economic value created and distributed	17
Indirect economic impact	17
<b>Corporate governance</b>	<b>18</b>
<b>Suppliers</b>	<b>21</b>
Domestic suppliers	22
Partnerships, collaborations with suppliers	23
<b>Products</b>	<b>26</b>
Ingredient and chemical handling	29
Consumer information	31



# TABLE OF CONTENTS

<b>ENVIRONMENTAL ISSUES</b>	<b>35</b>
<b>Energy</b>	<b>35</b>
<b>Release (placeholder)</b>	<b>38</b>
<b>Logistics</b>	<b>40</b>
Concrete steps in the logistics field	41
New logistics centre	44
Occupational health and safety	46
<b>Waste management</b>	<b>50</b>
<b>Webshop performance and development</b>	<b>55</b>
 <b>SOCIAL ISSUES</b>	 <b>58</b>
<b>Employment</b>	<b>58</b>
<b>Training and education</b>	<b>69</b>
<b>Corporate social responsibility</b>	<b>73</b>
Appendix: List of GRI indicators	77

## CEO WELCOME



**Dear Partners,  
Dear Readers,**

It is our great pleasure to commemorate Rossmann's 30th anniversary in Hungary this year. Over the past three decades, we have experienced numerous changes, constantly striving to adapt to new challenges and seize opportunities.

Sustainability is a core principle that we integrate into every facet of our business operations. We firmly believe that sustainable practices and economic growth can coexist, and we are dedicated to fostering a harmonious relationship between the environment, society, and the economy.

The commitment and leadership of our parent company, particularly under the guidance of our founder Dirk Rossmann, have consistently served as our guiding principles. Their example motivates us to persist on this path and

to make further strides towards sustainability. Their dedication compels us to incorporate sustainability into all our decisions and activities.

As a responsible company, we recognise the necessity of daily actions towards a sustainable future. This is why we collaborate closely with our partners, employees, and communities to achieve our objectives together and effect real change. It is important to us that everyone who interacts with Rossmann recognizes our commitment and contributes to our collective success.

Thank you for accompanying us on this journey. We look forward to building a more sustainable and livable future together.

**Best regards,  
László Flórián and Kornél Németh**  
Managing Directors





# 01 INTRODUCTION



# ABOUT THE REPORT



This Sustainability Report describes the activities and achievements of Rossmann Hungary Trading Ltd (hereinafter Rossmann or Rossmann Hungary) in 2023.

## REPORTING STANDARD

Rossmann's Sustainability Report is based on the Global Reporting Initiative (GRI) standards, which provide an internationally recognised framework for comprehensive and transparent reporting of environmental, economic and social performance. We use the latest version of the GRI Standards to ensure that the data and information presented meet the highest standards and requirements.

## REPORTING PERIOD

This Sustainability Report covers the calendar year 2023, from 1 January to 31 December. The aim of this annual report is to provide a comprehensive overview of the actions taken, achievements and challenges faced during this period.

## SCOPE OF THE REPORT

The scope of the report covers the entire operations of Rossmann Hungary, including our logistics centre and store network. The report covers all activities and initiatives that directly or indirectly affect our sustainability performance. An assessment of the impact on our supply chain, partners and suppliers is included in the report to ensure full and comprehensive reporting.

## AREAS COVERED BY THE REPORT

The following entities were involved in the preparation of the Sustainability Report:



Gathering the information for the sustainability report is the responsibility of the managers who are concerned with the relevant issues, but the information is reviewed and approved at the highest level.



## EXTERNAL ASSURANCE

Although the report has not been externally verified, the utmost care and attention has been taken in its preparation. Data and processes are based on reliable sources and supported by internal control processes.





# ABOUT ROSSMANN

”Our mission is to make our customers feel more beautiful, neat and healthy, and their homes cleaner. Our aim is to be an accessible, friendly, highly professional, yet modern and trendy drugstore for women, young people and families.

## OUR CORE BUSINESS

Rossmann Hungary is one of the most successful drugstore chains in the country. Our main activity is perfume retailing. Our product range includes both private label and branded products. Our main product categories are: baby care, beauty, decorative cosmetics, food, household products, hygiene and pet food. Our customers are private individuals.

## OUR HEADQUARTERS AND STORE NETWORK

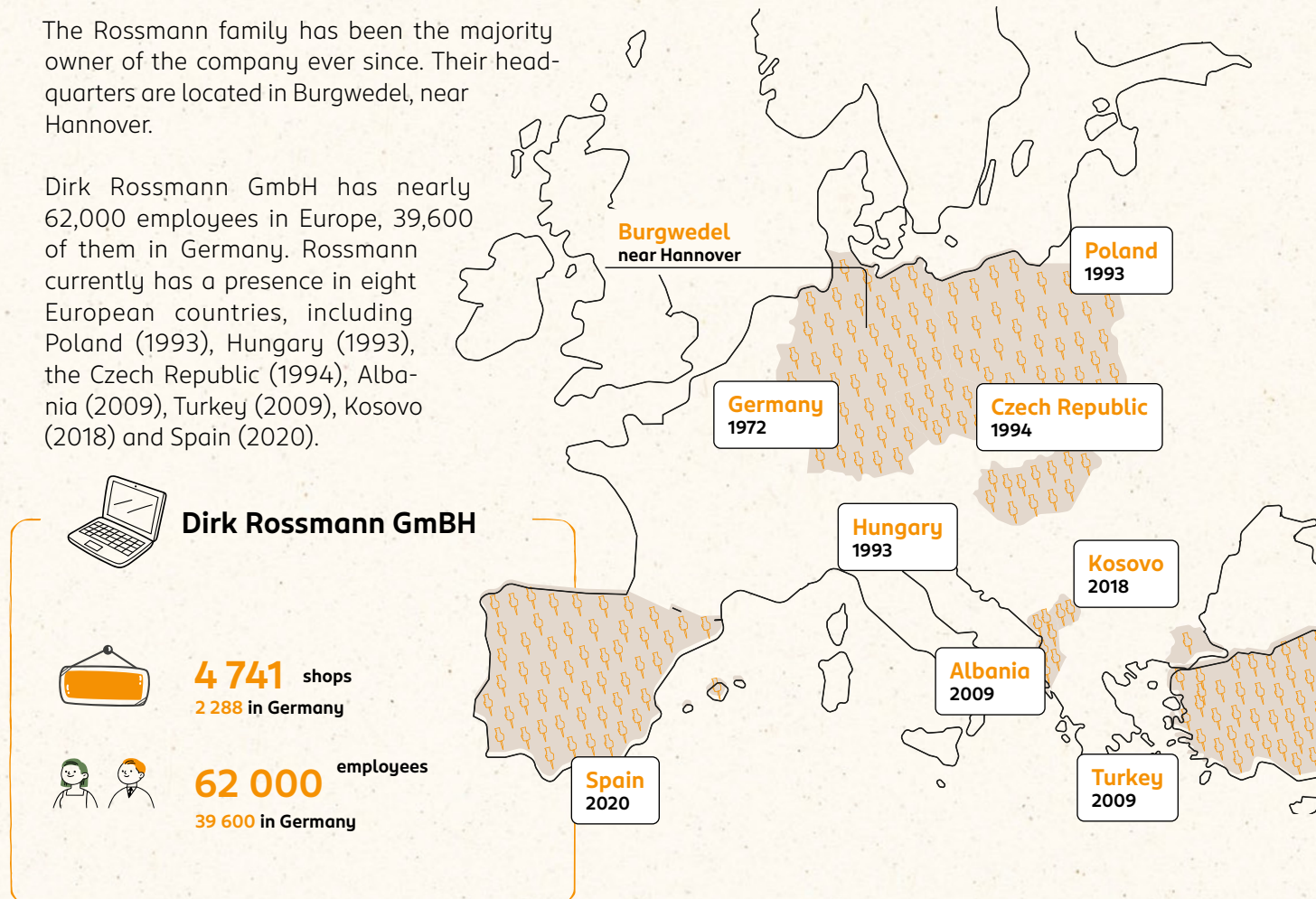
Our head office and logistics centre are located at 8 Zsaróka út, Üllő, Hungary. Our store network covers the entire nation.

## OWNERSHIP BACKGROUND

Rossmann's parent company is Dirk Rossmann GmbH, based in Germany and one of Europe's largest drugstore chains. Rossmann is an international family-owned company founded by Dirk Rossmann in 1972.

The Rossmann family has been the majority owner of the company ever since. Their headquarters are located in Burgwedel, near Hannover.

Dirk Rossmann GmbH has nearly 62,000 employees in Europe, 39,600 of them in Germany. Rossmann currently has a presence in eight European countries, including Poland (1993), Hungary (1993), the Czech Republic (1994), Albania (2009), Turkey (2009), Kosovo (2018) and Spain (2020).





*Our aim is to be an accessible, friendly, highly professional, yet modern and trendy drugstore for women, young people and families.*



## A.S. Watson Group

Our mission is to make our customers feel more beautiful, neat and healthy, and their homes cleaner.



**16 500** shops



**28** markets



**130 000** employees



**5,5** billion customers

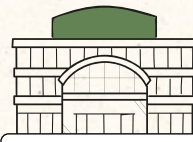
## OUR SUPPLY CHAIN

Our supply partners deliver goods to our central warehouse, from where we supply our stores. Our customers can order products in our stores or via our webshop.

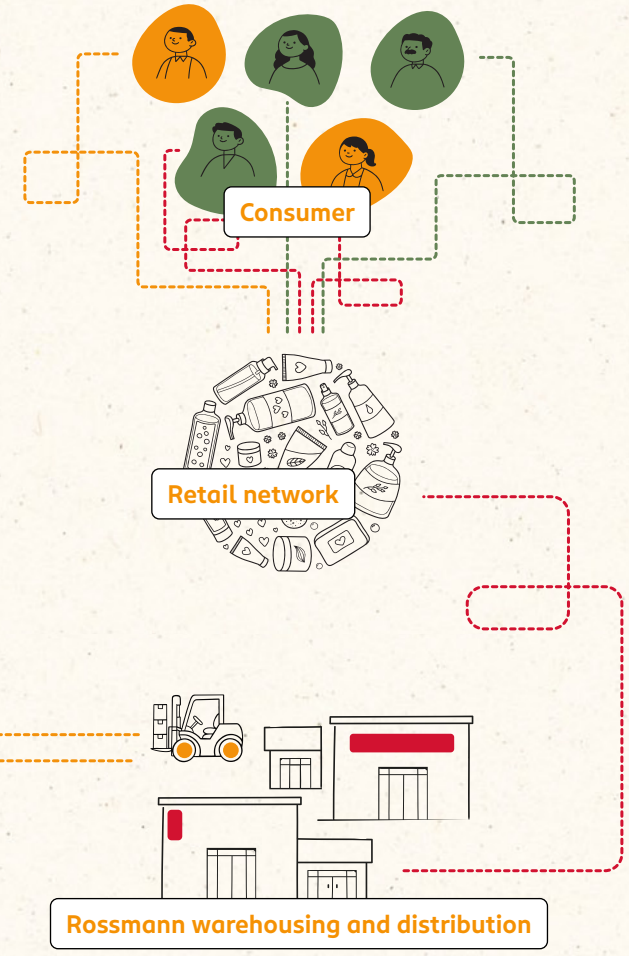
We also have important relationships with banks, warehouse landlords, energy suppliers, equipment manufacturers, contractors, logistics support and leasing companies.



**Rossmann manufacturing suppliers**



**Local suppliers**





# 30 YEARS IN HUNGARY

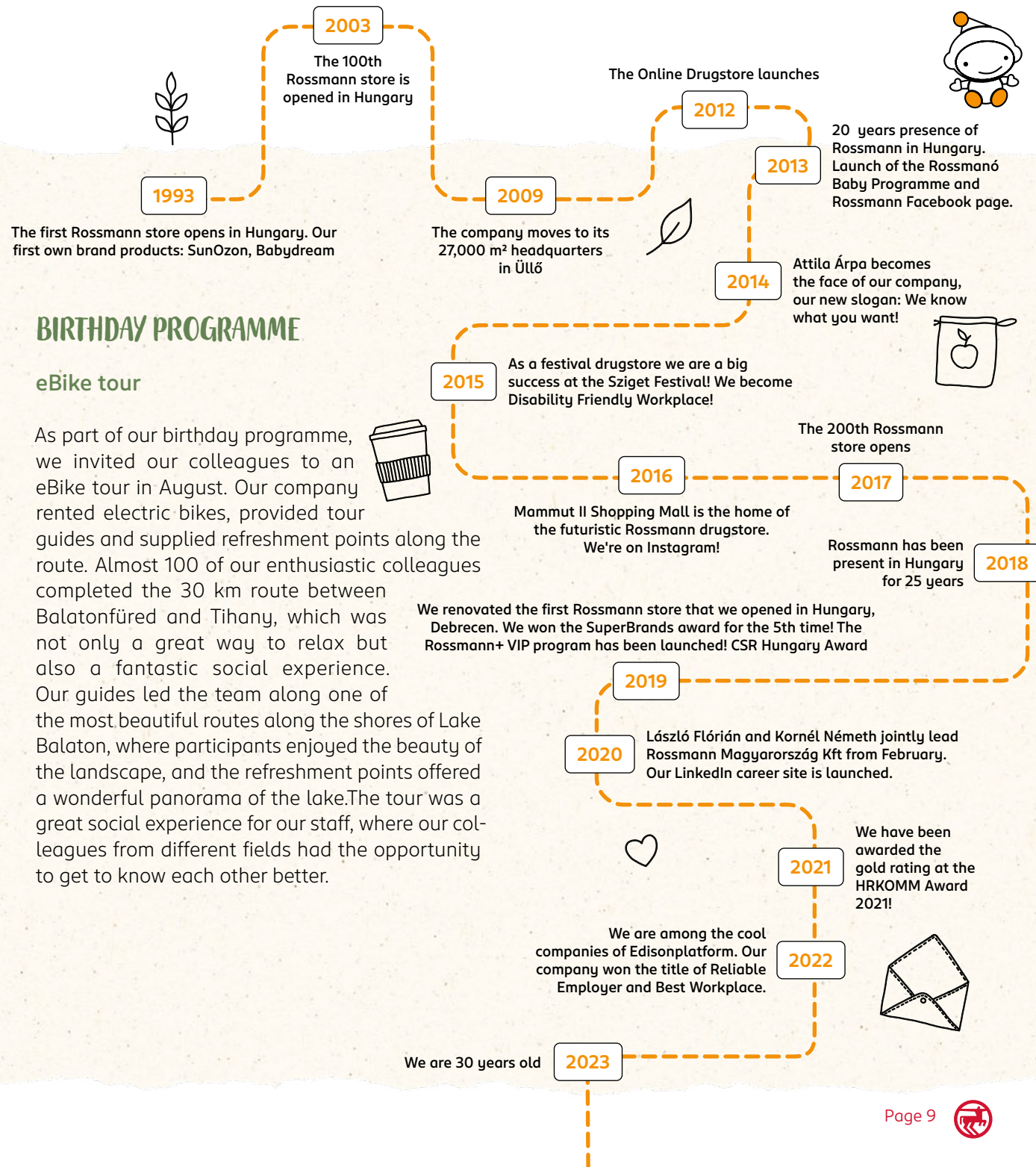
## MILESTONES

Rossmann opened its first store in Hungary 30 years ago, on 17 December 1993, at 3 Jerikó Street in Debrecen. The busy residential environment allowed us to reach a wide range of the population, so after the positive reception we further expanded our presence in Debrecen, in Piac Street. We currently employ 42 people in our Debrecen stores and have employed a total of 230 people in the town over the past 30 years.



The staff of our Debrecen store opened in 1993

The opening of our Debrecen store is a significant milestone and an excellent opportunity to express our gratitude and appreciation to all those who have contributed to this success, especially our staff. Over the past three decades, it is thanks to the hard work and dedication of our employees that we have become the company we are today. It is especially important for us to recognise and celebrate the people who contribute to our company's success every day. We held a series of celebrations to share the anniversary with our employees and customers.



## BIRTHDAY PROGRAMME

### eBike tour

As part of our birthday programme, we invited our colleagues to an eBike tour in August. Our company rented electric bikes, provided tour guides and supplied refreshment points along the route. Almost 100 of our enthusiastic colleagues completed the 30 km route between Balatonfüred and Tihany, which was not only a great way to relax but also a fantastic social experience. Our guides led the team along one of the most beautiful routes along the shores of Lake Balaton, where participants enjoyed the beauty of the landscape, and the refreshment points offered a wonderful panorama of the lake. The tour was a great social experience for our staff, where our colleagues from different fields had the opportunity to get to know each other better.







Animal Cannibals on the main stage of the Rossmann 30 Festival



Our Rossmann 30 Festival event was awarded first place in the Best Event for Employees 2023 category of the UNICEO Live Communication Awards.



### Rossmann 30 Festival

Every year, Rossmann organises a big event for its employees, but in September 2023, we celebrated our 30th anniversary with an extraordinary, huge festival. We thought it was important to celebrate the occasion in a fitting way, with an event that will be remembered by our colleagues for a long time to come. It was one of the biggest events in the history of our company, with the participation of 1,500 employees. We closed our shops for the day so that all our colleagues could attend the event. From Nyugati station, a special Rossmann train departed to the event venue, where a colourful and exciting programme of activities awaited our employees. On stage, the most popular performers and bands took turns, creating a real festival atmosphere. In addition to the spectacular festival elements and the party atmosphere, our anniversary event also paid special attention to sustainability.

*„Words cannot express the feeling and atmosphere that the Rossmann 30 Festival gave to us and our staff. I am sure that we can all draw and recharge from the abundance of positive energy we received here for a long time. Besides the sight of so many happy and liberated colleagues, the feedback I received from our colleagues in the form of or accompanied by very kind words, happy smiles and hugs is also very valuable for me”, said Judit Kiss, HR Manager.*



Crowds at the Rossmann 30 Festival





## Jubilee celebration dinner

In November, we invited 30 of our longest-serving Rossmann employees to a dinner with members of management. To start, our colleagues enjoyed a boat trip on the Danube to admire the evening lights of Budapest. Afterwards, Kornél Németh, Managing Director, welcomed our colleagues by presenting them with a commemorative plaque. During the pleasant dinner, in a nostalgic atmosphere our colleagues recalled their first memories of the company and the important events they had experienced together.



Rossmann management at the Anniversary Dinner

## Christmas market

As the holidays approached, on 18 December we celebrated the birthday with a special Christmas market, where in addition to delicious food and drinks, music and a 15% discount awaited customers in Debrecen, the first Rossmann store in Hungary. The event welcomed nearly 500 participants with hot drinks, festive food and music. Speeches were given by Dr. Lajos Barcsa, Deputy Mayor of Debrecen, and László Flórián, Managing Director.

The birthday celebrations have been extended to 2024 and will be reported in next year's report.

*It was important that such an event should reflect our sustainability goals. For litter picking, we brought in a special team, the Greenbelt Association, who do event greening. We placed educational messages at the selective collection points set up for this purpose.*



The Christmas market in Debrecen, 18 December





# SUSTAINABILITY AT ROSSMANN



Our thinking from a sustainability perspective is naturally informed by the directions taken by the parent company. This is particularly true for our products, as Rossmann's own-brand products are developed in Germany.

As a family-owned business, Rossmann places a high priority on the opportunities for future generations. We are committed to sustainable development that harmonises the interests of the environment, society and the economy. Our sustainability efforts are characterised by continuous learning, development and improvement.

Our approach considers economic sustainability as a cornerstone. We believe that all elements of sustainability can only be achieved if our company performs well and is able to provide the financial resources needed to achieve environmental and social sustainability. Our continuous positive business development, improving operational efficiency, and cost-effective



*Dirk Rossmann on sustainability said:*

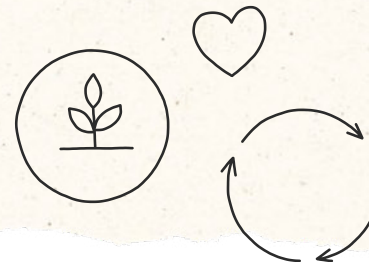
***'Sustainability for us is a process – we must not stop working towards sustainability and becoming better! We do this not to salve our conscience, but for ourselves, for our planet and for the generations to come, for whom we leave the results of our work.'***

management of business processes are essential for managing in an environmentally sustainable way and placing a strong emphasis on social issues.

Experience shows that rules of conduct alone are not sufficient to achieve economic, environmental, and social responsibility. What is needed is a self-image supported by management and actively lived by everyone daily. The personal responsibility of our leaders and employees is an essential part of our sustainability efforts.

## MATERIALITY ISSUES

Rossmann Hungary is committed to continuous improvement. However, to make progress, it is important to identify, understand, and address the relevant issues in the organisation. Through a materiality assessment, we have identified the environmental, social, and economic areas through which Rossmann's operations impact sustainability. We have identified material issues in accordance with the guidelines set out in the GRI standard. This included reviewing Rossmann's operations and processes, assessing and weighing their actual and potential impacts, and considering external and internal stakeholder perspectives. The process resulted in the identification of issues and areas that were considered relevant to Rossmann and its stakeholders. In the prioritisation process, the impacts were assessed in isolation and then reviewed in relation to each other. After ranking, we developed a list of our relevant issues. Our report for 2023 has been prepared based on this assessment.







The thirteen relevant themes, together with the corresponding GRI disclosure standard and the relevant Sustainable Development Goals (SDGs), are set out in the table below.

IMPACT	TOPIC	RELEVANT GRI	RELEVANT SDGS
Positive impact	leadership by example	universal standard	
Environmental pressures	product ingredients, chemicals	301	
Environmental pressures	emission	305	
Environmental pressures	energy, infrastructure energy demand	302	
Environmental pressures	waste, packaging waste	306	
Positive impact	health and well-being of employees	403	
Positive impact	employee education	404	
Positive impact	employment, stability	401	
Positive impact	infrastructure development	203	
Positive impact	support for social groups (equal opportunities, integration)	405, 413	
Positive impact	consumer health	416	
Positive impact	improving purchasing power	417	
Positive impact	consumer education, labelling	417	

## ILLUSTRATIONS

The relevant SDG icons from the report, enlarged





## THE ROLE OF MANAGEMENT IN MANAGING IMPACTS

Rossmann management, as a body, plays a key role in shaping and overseeing the sustainability efforts of the organisation. It is at this level that the company's economic, environmental and social impacts are reviewed and sustainability objectives and future directions are set. The appointment of a marketing manager as the person responsible for managing this issue further strengthens the effectiveness of these efforts. In addition, all area managers are indirectly involved, ensuring broad cooperation. In operations, the day-to-day management of impacts is a matter for managers' areas of expertise, and interdependent decisions help to resolve them.



Stakeholders are also involved to reduce impacts, including employees, customers and suppliers. Annual reporting is a very important part of ensuring the smooth running of the process and the regularity of feedback, with management and other staff reporting on how they are addressing issues related to the organisation's economic, environmental and social impacts.

### The collective knowledge of management

A number of measures to improve the collective knowledge of management were also taken during the reporting period. These are aimed at promoting the knowledge, skills and experience of board members in sustainable development. The workshop to assess the impact of Rossmann is worth highlighting. The workshop, which laid the groundwork for the materiality assessment, focused on deepening the understanding and practical application of sustainability considerations.

In both spring and autumn, we dedicated management meetings specifically to the topic of sustainability, allowing managers to discuss and evaluate the organisation's sustainability efforts in a comprehensive way.







## 02 ECONOMIC SUSTAINABILITY



# GOVERNANCE

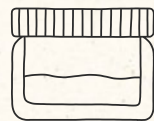
## ECONOMIC PERFORMANCE



**Our economic performance has a significant impact on the environment, society and the economy. Our positive impact on the economy is felt at many levels. First and foremost, Rossmann is a major employer in Hungary, contributing to the economic stability of our employees.**

In addition, we improve the skills and competences of our workforce through training programmes, thus increasing the competitiveness of the local labour market in the long term. Our investments contribute to the sustainability of our buildings, for example through shop refurbishment and upgrading, which also support the development of local infrastructure.

We generate significant tax revenues for the state, including corporate tax (TAO), sales tax (VAT) and income tax paid by our employees, which contribute to stabilising the country's economy. At the same time, we are aware that the size of our commercial network may affect the competitiveness of smaller local businesses. Our business is based on the sale of products



in shops, which has a significant environmental impact. The production of these products is a resource-intensive process, and the logistics operations also generate emissions. Products are transported by trucks, which often deliver goods manufactured abroad to our distribution centres and stores. Customers travel to our stores, or we deliver products to their homes in smaller vehicles. Operating our logistics centre and store network also consumes energy. We also distribute chemicals, and packaging materials and used products generate waste.

We are taking a number of steps to reduce our environmental impact. These include the environmentally friendly design of product ingredients and packaging, and the use of energy-efficient solutions in our stores and logistics. There are many other examples, but more details are provided later in the report in the relevant policy sections.

An important element of our social impact is job creation, but equally important is our impact on consumer awareness, health, and well-being. We support local communities through social responsibility programmes. As an ethical workplace, we ensure equal treatment and non-discrimination. Although there may be a risk of human rights violations down the supply chain, in the fast-moving consumer goods (FMCG) sector we evaluate this to be minimal.

Rossmann may occasionally be affected by other negative economic, environmental or social impacts, particularly along the supply chain. Rossmann seeks to eliminate or mitigate these negative impacts through various measures, such as supplier audits and sustainable practices.





## DIRECT ECONOMIC VALUE CREATED AND DISTRIBUTED

	DATA IN THOUSANDS OF HUF
<b>Direct economic value generated</b>	<b>166 942 126</b>
Revenues	166 942 126
<b>Distributed economic value</b>	<b>161 871 602</b>
Operational costs	146 164 280
Employee wages	15 600 906
Payment to providers of capital	-418 791
Corporate tax	5 252 070
<b>Retained economic value</b>	<b>5 070 524</b>

We continuously monitor our financial performance with various internal and parent company reports: daily, weekly and monthly turnover tracking; weekly and monthly detailed margin reports; monthly profit and loss statements to parent companies detailing our operating costs with plan-to-actual comparisons and commentary; detailed monthly cost control reports by department for internal use.



During the reporting period, we received financial support from the government in the following way: TAO credits for the support of spectator team sports (football, basketball, handball, water polo, hockey, volleyball).

At Rossmann, we have started to assess the financial implications of climate change and other related risks. We identify mainly physical risks, such as windstorms, heavy rainfall, heat waves, and sandstorms. These risks could affect our operations, including transportation, our buildings, our customers, and our suppliers. We will advance our assessment by conducting a double materiality analysis. Simultaneously, we plan to develop and integrate necessary preparation methods into our financial planning.

## INDIRECT ECONOMIC IMPACT

Rossmann is aware that its activities have significant economic consequences, not only directly but also through indirect effects. In the course of our business, many processes and decisions are made that go beyond the immediate business results and have a long-term impact on the wider economic environment. We are committed to ensuring that our indirect economic impacts are positive and are constantly working to contribute to sustainable economic growth and social well-being through our operations. Rossmann's indirect economic impact contributes significantly to the development of the local and international economic environment.



Our impact on our suppliers is substantial: our orders influence their production volumes and revenues, while our quality and sustainability requirements encourage them to improve their production processes and products. Additionally, our payment terms and timely payments contribute to their financial stability. We further strengthen the local economy by sourcing significant volumes of products from local suppliers. With our products and services, we not only meet consumer needs but also help to increase competitiveness, supporting sustainable economic growth.

Through our extensive network of stores, people have easy access to essential hygiene products, helping to keep them healthy. We also place a strong emphasis on the health of our employees: not only do we provide a safe working environment, but we also support them with regular screening programmes. In addition, Rossmann actively supports local communities through various social responsibility programmes.

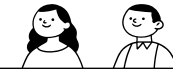




# CORPORATE GOVERNANCE

## The management structure of the Rossmann Group

is organised along the following hierarchy:



Owner representatives



Local managing directors



Company managers, senior managers



Operational managers

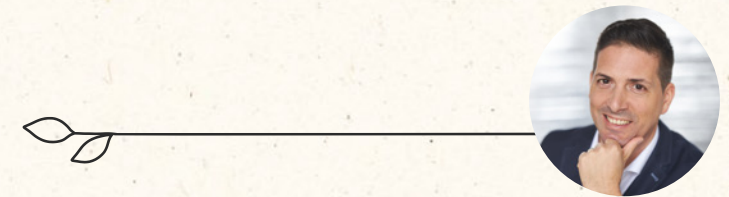
Rossmann Hungary's highest level governing body is made up of the local CEOs and has four other company directors.

The composition of Rossmann Hungary's highest governance body – the management:



Following the principles of the parent company since its foundation in 1993, Rossmann Hungary has operated based on a strategy featuring clear, decentralised structures and short decision-making paths.

In this way, we ensure that we can respond quickly and flexibly to new requirements. We make decisions based on our own responsibility and by actively leading by example. Building on these foundations, we have developed our sustainable management concept and made it an integral part of Rossmann's corporate culture. In order to avoid conflicts of interest, the "four-person minimum principle" applies in all decision-making situations. We have a code of ethics and a conflict of interest policy. Internal controls and audits are in place to identify and detect such situations. Two of the members of the governing board hold other significant positions: the IT Manager is a member of the Supervisory Board and one of the Managing Directors is a member of the BCSDH (Business Council for Sustainable Development in Hungary). The members of the Management Board do not hold other significant positions in other organisations.



*"We don't have one big decision that changes the world, but rather we add something every day, but every day. And that something is of good quality and forward-looking, and if it's not, we're willing to question it, throw it out of the boat if we have to, and rethink the whole thing."*

László Flórián





## LEADERSHIP DIVERSITY

### Nomination and selection of members of the highest governance body

The members of management are appointed for an indefinite period, with an average term of office of 10 years. The selection of directors and management is made in agreement with the German parent company.

During the selection process, the most important criterion is that the candidate possesses the relevant competencies to perform the tasks of the position. Members of the highest governance body should have competencies relevant to the company. These competencies will contribute to achieving positive results and mitigating negative impacts in areas such as sustainable packaging, production and transport methods, waste management, and key social target groups (women, children).

In the year under review, we have formally defined and documented competencies required for Rossmann's senior managers.

The selection process for management members was improved in the reporting year with the introduction of the Development Center

(DC) process. This process involves the identification and assessment of the competencies required to effectively perform a given task. At the end of the process, the candidate is given a development plan.

To better understand the new system, all senior managers were involved in creating a diagnosis underlying the development process. As part of this, everyone gave and received feedback from managers and senior colleagues. We also organised a two-day training-based DC, and everyone completed a personality test. Based on all this feedback, the managers, together with their senior colleagues, formulated individual objectives and areas for improvement. An individual coaching process was provided for managers to achieve the identified development goals.

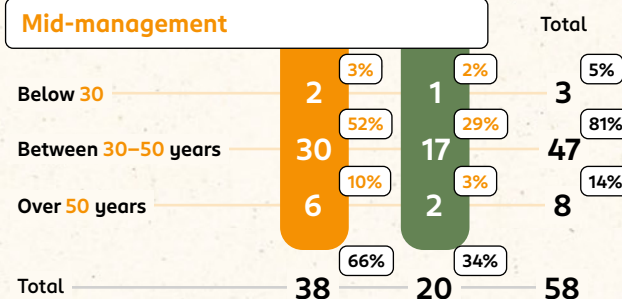
Based on the diagnosis described above, the issues on which both management and middle managers work have been identified. This will form the basis for a four-session middle management development programme in 2024. The management diagnosis will be presented transparently to middle management colleagues during the programme, who can add further value to it.

### Management in 2023

#### Top manager



#### Mid-management







## Remuneration

The remuneration rules for members of Rossmann Hungary's highest governance body and senior executives are transparent and in line with the national labour law. Remuneration consists of two main components: a fixed salary and a variable bonus component. The bonus rate depends on the overall performance of the company. The remuneration of newly appointed members of management is determined after consultation with the parent company. Severance pay and retirement benefits are also determined according to the rules set out in the national labour law, ensuring that managers receive appropriate benefits when they leave employment or retire.





# SUPPLIERS



Our cooperation with the suppliers has a close interaction. On the one hand, our decisions significantly impact them. The way we interact and the financial transactions we engage in can affect their economic stability. Conversely, our suppliers also have a major impact on our operations. Their product range, prices, willingness to innovate and timely delivery of products all determine Rossmann's success and efficiency.

## Economic impacts

Working with our suppliers has many positive economic impacts. By supporting our local suppliers, particularly local small and medium-sized enterprises, we help stimulate the domestic economy and strengthen the labour market. A large, well-capitalised company indirectly supports the sustainability and development of family businesses, facilitating their market expansion through familiarity and recognition.

However, fluctuations in supplier prices can affect our operating costs and competitiveness, and thus our own economic sustainability. The complexity of the supply chain also poses challenges. We strive to develop a robust supply chain that minimises risks and optimises costs.

## Environmental impacts

Our suppliers have a significant environmental footprint, particularly in the production, packaging, and transport of products. Much of the packaging waste originates from our supplier network. Inappropriate waste management practices can increase the amount of waste we must manage and the pollution we cause. Therefore, we work with our suppliers to minimise packaging waste to achieve our sustainability goals. By increasing the proportion of local suppliers, we reduce transport distances and thus our environmental footprint.

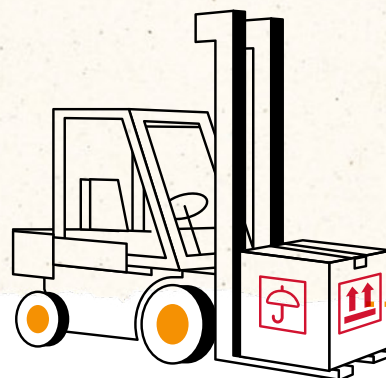
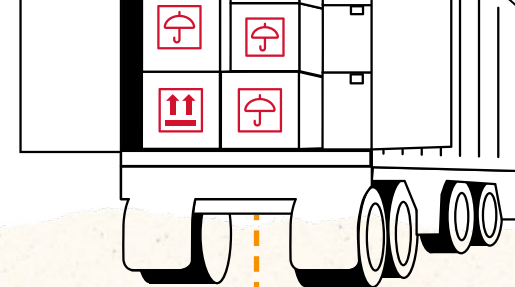
## Social impacts

Hiring local suppliers directly creates jobs for local communities, improving the local economy and reducing social inequalities. This is not only an economic issue but also a social one, as job creation and support directly improve the quality of life of the population.

## Selection of suppliers

Market demand and product diversity are the primary considerations in our sourcing processes. For identical offers, we favour products with a sustainability message, such as environmentally friendly packaging, domestic production, recycled materials, and reusable products. Based on information from suppliers, we avoid products with unidentifiable, unauthorised, or objectionable contents that may be harmful to the environment or human health.

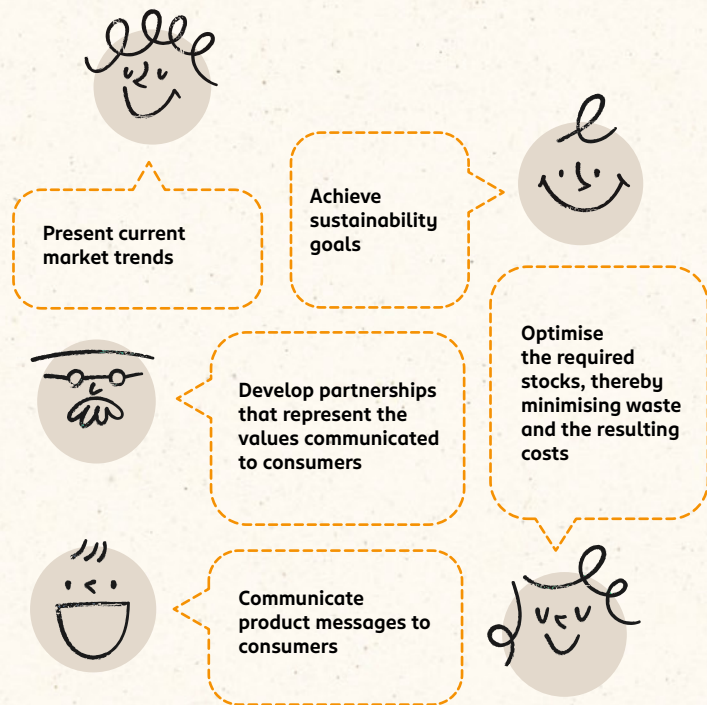
The majority of our suppliers are linked to us on the product side, but we also have business partners who provide products and services in many other areas, such as marketing and HR. We strive for ethical sourcing and choose suppliers who offer fair working conditions. In the coming year, we will place greater emphasis on supplier risk assessment, which is important not only for legal obligations but also from an environmental and social perspective.





## Supplier relations

We work closely with our suppliers. We believe that by collaborating, we can:



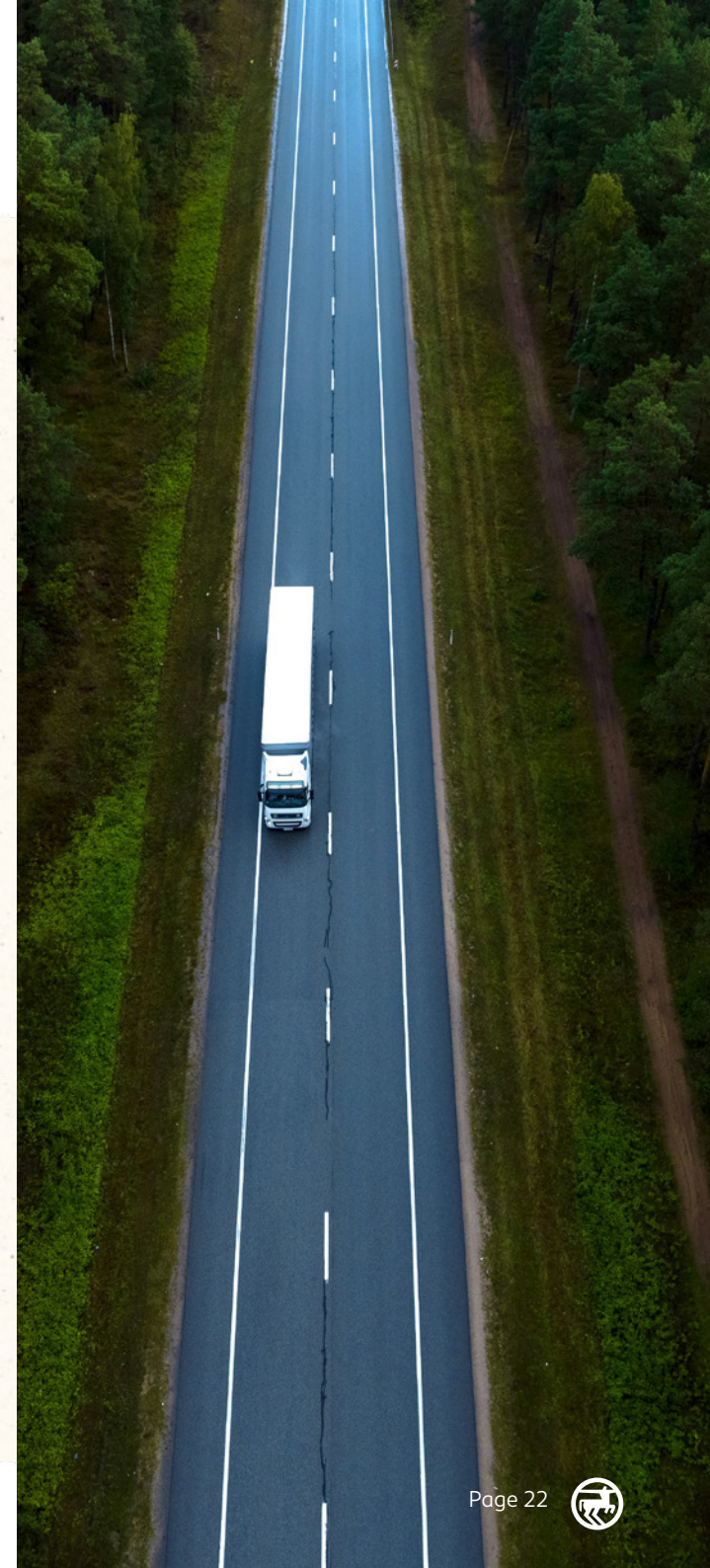
## DOMESTIC SUPPLIERS

Our ongoing goal is to increase the proportion of domestic suppliers. As a result, Hungarian partners now represent 16 percent of our supplier base.

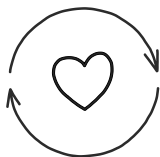
Supporting domestic suppliers is closely linked to our sustainability ambitions. A shorter supply chain reduces emissions from transport distances. In this spirit, we only support products that can be sourced remotely, with long delivery times and at low cost, for necessary reasons.

Local sourcing also has economic benefits, supporting economic development and the long-term sustainability of businesses. By buying local, we not only strengthen the economies of our communities but also help local businesses thrive. Supporting the local economy makes Rossmann a more stable and sustainable company.

Overall, supporting local products and suppliers not only has a positive impact on the environment and the economy but also contributes to social well-being and sustainable development. Rossmann is committed to these goals and will continue to strive to support local communities and offer sustainable solutions to its customers.







*"In Europe alone, people throw away nearly two billion spray deodorant bottles every year. The production of new aluminium is an extremely energy- and cost-intensive process that places a huge burden on our environment. We thought it would be a perfect solution if the customer could use a bottle more than once. This is where the idea of Respray was born," explains Andor Réti, one of the founders of Respray. His partner, Gergely Zámbo, adds, "From the very beginning, our main goal was to achieve the most positive environmental impact in the cosmetics industry. We believe that with Respray's project, environmentally conscious consumers will reuse their bottles up to five times, reducing their carbon footprint by a quarter."*



## PARTNERSHIPS, COLLABORATIONS WITH SUPPLIERS

### Innovative Hungarian brands

We give priority to innovative Hungarian brands developed by local businesses. Examples include chemical products such as Herbow, Souldrops, and Csepke; hygiene start-ups such as "this is Redy"; and beauty products such as MyKind, Nora Beauty, Body+Me, and Shaveology. At Rossmann, we focus on the innovative idea rather than the immediate sales potential of new Hungarian product developments. We believe these products can stand out in the drugstore market.

### Respray

In our 2022 report, we mentioned the collaboration between Respray and Rossmann. Respray's revolutionary green solution for the deodorant market debuted in our Budaörs store earlier this year.

The Respray system, created by young Hungarian engineers, combines an innovative valve and nozzle technology with a proprietary refill machine that allows bottles to be refilled in the customer's environment. This technology is doubly environmentally friendly: a single bottle can replace five packs of deodorant and uses compressed air instead of propane-butane propellant. The main motivation was to reduce plastic waste by allowing packaging to be reused multiple times.

We are working with the Respray team on development, and we are currently collaborating with another Hungarian manufacturer and development team to add a Hungarian brand to the vending range. Additionally, our own brand development is 100% Hungarian-sourced and formulated.





## Beauty Expo

It's important for us to be as close to our customers as possible, not only in our stores but also through our events. We like to achieve this while supporting Hungarian brands. These two goals are combined in the Beauty Expo, which we organised for the first time in 2023 together with Krémánia. The event gave us the opportunity to introduce a wide range of Hungarian beauty products to visitors. The beauty event of the year featured nearly 50 exhibitors, numerous informative presentations, round-table discussions focusing on current topics, valuable prizes, and a wide range of domestic and international brands.



The 2023 Beauty Expo, at Millenáris



*"The atmosphere at our first Beauty Expo was amazing. There was a buzz at the stands at almost every moment, and based on the feedback we received, we managed to give visitors a closer look at the brands and products on Rossmann's shelves. We consider the event an absolute success and thank all the speakers, participants and visitors for their participation and trust," – said Anita Ágnes Varga, Marketing Manager of Rossmann.*






### "Playing for a greener future"

In 2023, we partnered with Henkel for the seventh edition of the popular "Playing for a Greener Future" sustainability promotion, which was created to support nurseries, kindergartens, and primary schools. As part of the promotion, shoppers across the country were able to return their empty Henkel product bottles to nearly 220 Rossmann stores. In return for the empty bottles, they received a code to vote for a nursery, kindergarten, or primary school of their choice. The institution with the most votes received a valuable grant. Since 2016, the promotion has become increasingly popular, with communities of parents joining forces to organise and collect the packaging. In 2023, 10,968 people collected 1,100 kg of plastic bottles.

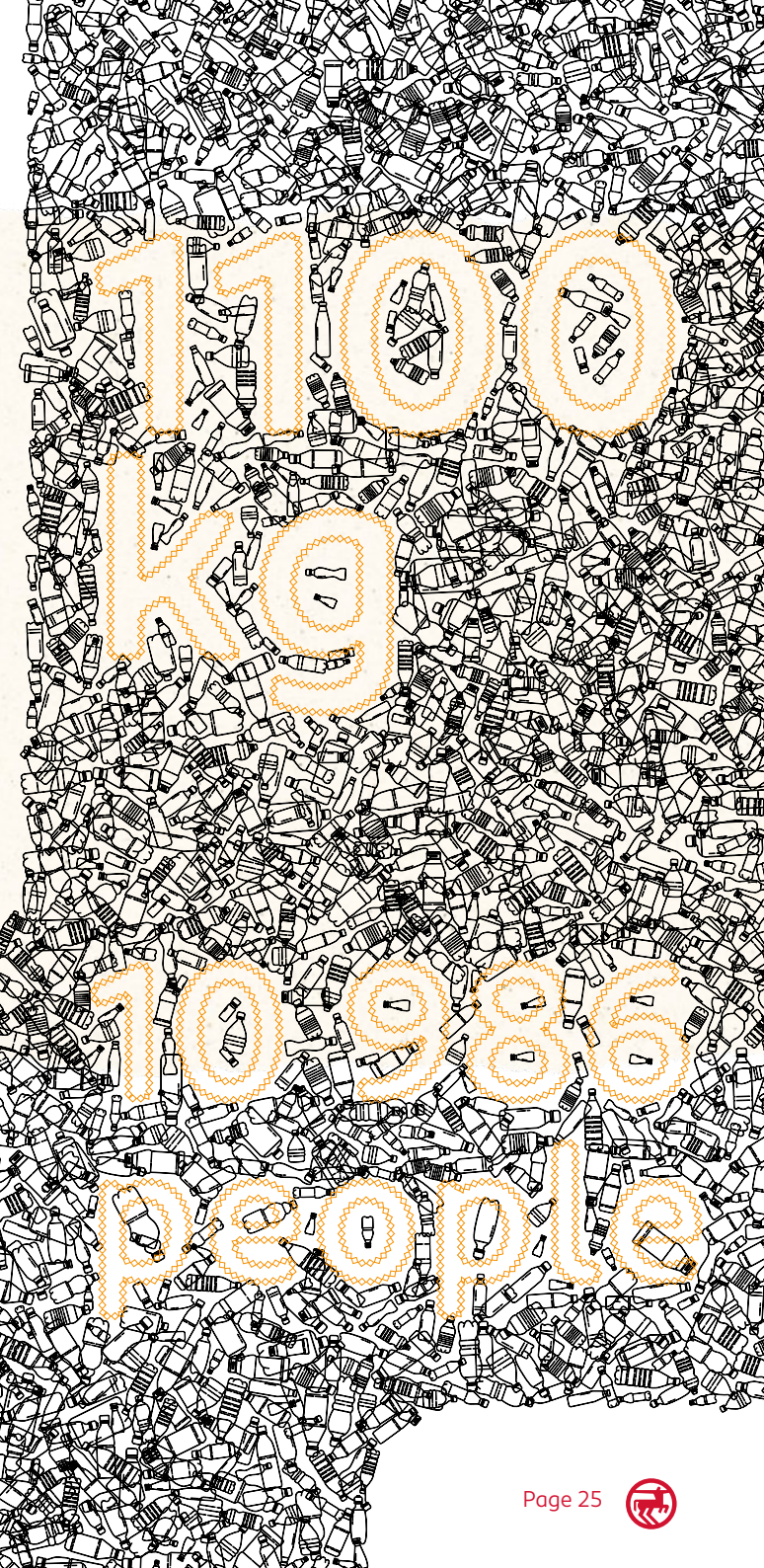

### Civic Centre

For private label products, we have been following market trends for more than a year with our duopack products. Two identical or similar products are packed together by the Civil Centre. At their Üllő site, they employ approximately 150 disabled workers, providing opportunities for disabled people in the area. In one year they pack 200,000 Rossmann duopack products.

We have also supported their company events, which also play a very important role in employee integration, with material donations. Our cooperation is thus also a social and economic issue.



The "Playing for a Greener Future" initiative won second place in the Non-food category of Trade Magazine's Promotion of the Year competition and was also awarded a Special Prize for Sustainability.





# PRODUCTS



Rossmann Hungary currently offers 20,000 different products, including 2,700 own-brand products. An increasing number of these are certified as sustainable and environmentally friendly.

## Sustainability in our products

We are working hard to reduce the negative environmental impacts of our products while enhancing the positive ones. To this end, we are constantly expanding our range of sustainability-compliant products to ensure that our offer meets conscious consumer needs and environmental expectations. We are also gradually expanding our range of microplastic-free products, recycled packaging and vegan products.



## Continuous developments

We develop our products' packaging, presentation, refillability, and raw materials with sustainability in mind.



60%

## Has a sustainability label

Sixty percent of our own-brand products carry various sustainability labels, ensuring that customers can make informed choices to protect their health and the environment.



1500+

At least 1,500 own-brand products have some kind of sustainability attribute, such as eco, organic, or climate-neutral certification.





## Own brand products

Rossmann offers a wide range of own brands that cover various areas of daily life. These products are developed and designed with a high priority on quality and sustainability. Our own-brand products have been key to the company's success in recent years. With these products, we offer a real alternative to well-known branded products. The range includes our brands enerBiO (organic food), Domol (detergents, cleaning, and care products), Alta-pharma (health products), Isana (face, hair, and body care), and Alterra Naturkosmetik (natural cosmetics for decorative and skincare).



## Rossmann own-brand products win International Excellence Award



The Private Label Manufacturers Association (PLMA) has honoured 39 retailers from 20 countries for their private label innovations, new product launches, and the quality of their private label products at this year's International Salute to Excellence Awards. The international jury, comprising former retailers, chefs, marketing and nutrition professionals, and journalists, evaluated 525 products launched in 2022 and entered in the competition, of which 101 food and non-food products were awarded. Rossmann received six awards in the non-food category.



### Babydream

Comb and hairbrush and nail file ring



### Rival Loves Me

Crystal Lip Care Oil



### Isana Men

Premium Beard Shampoo



### Alterra Naturkosmetik

Organic Almond Butter Deodorant Stick



### Facelle Hipster

Menstrual Panties







### Our sustainable product development efforts

Rossmann aims to be at the forefront of sustainable product development, offering environmentally friendly, high-quality alternatives to conventional products. By continuously expanding our sustainable product range, we aim to make it easier for our customers to lead a more sustainable lifestyle in their everyday lives.

For our own-brand products, we have made significant progress in reducing CO<sub>2</sub> emissions, improving product packaging, and enhancing ingredients. These measures result in a range of sustainable product alternatives that we offer to our customers. In recognition of our commitment to sustainability, we have received various awards from official institutes and organisations attesting to our efforts.

Our aim is to offer environmentally friendly, high quality products at low prices. To achieve this, we develop our products in collaboration with more than 350 manufacturing partners, always taking into account the needs of our customers. At our parent company, our own-brand product managers and a dedicated sustainability team are constantly working on the development and sustainable design of our products. They pay particular attention to improving the quality of our existing products, which involves a com-

prehensive review considering the life cycle of a product.

The consistent and comprehensive development of Rossmann brands enables us to achieve our core objectives together with our customers. We strive to continuously expand our range of more sustainable product alternatives, contributing to making an environmentally conscious lifestyle accessible to all.

### Healthy lifestyle

Within sustainability, we pay special attention to healthy living, which is reflected in our product range. In this spirit, we minimise the proportion of classic sweets in our food range and offer products such as oat bars, organic chocolates, and other healthy alternatives. We want to show how to be healthier and more beautiful, both inside and out.

Our range of medical products also offers solutions for external and internal beauty, health maintenance and sports nutrition. Our wide range of dietary supplements supports customers' health and well-being.







### Local products and sustainability

At Rossmann, all goods produced in Hungary, including those made partly from foreign raw materials, are considered local products. We are proud to have further increased the proportion of domestic products on our shelves in 2023. We have achieved our goal of increasing the proportion of Hungarian products in our total assortment by 1–2% per year, so that now 16% of the products on our shelves are domestic.



**16%** of the products on our shelves are domestic.

### INGREDIENT AND CHEMICAL HANDLING

Rossmann is aware that many of our products contain chemicals, including beauty products, cleaning products, and other household items. These substances can impact both the environment and people's health.

#### Regulations and transparency

All of our products are required to meet legal requirements and support our sustainability ambitions. Compliance with health and safety regulations is also a fundamental requirement for all our products. We provide consumers with accurate information about the ingredients and

raw materials used in our products. We also regularly record safety and health ratings to ensure the highest level of transparency.

The European Union has strict rules on the use of chemicals, which we fully comply with. We are committed to offering products that contain environmentally friendly and health-friendly ingredients.

We report that there have been no cases where our products or services have been fined or penalised for breaching health and safety regulations.





## Transparency and consumer information

We are committed to transparency and customer information. We provide detailed ingredient information on our products so that our customers can make informed choices. We also work continuously with our suppliers to reduce the use of chemicals that are potentially harmful to the environment and health.

## Continuous improvement and sustainability

At Rossmann, we regularly monitor and evaluate the ingredients of our products to improve our offering from a sustainability perspective. Our aim is to offer our customers safe and environmentally friendly products while increasing transparency and information available on chemicals.



### Microplastics free

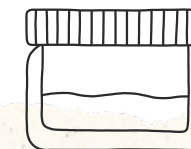
This label goes beyond current legislation in its meaning, as it excludes certain liquid or partially dissolved synthetic polymers.

## Microplastic-free recipes

The environmental impact of plastics is significant, and invisible plastic particles are also harmful to the environment. A large proportion

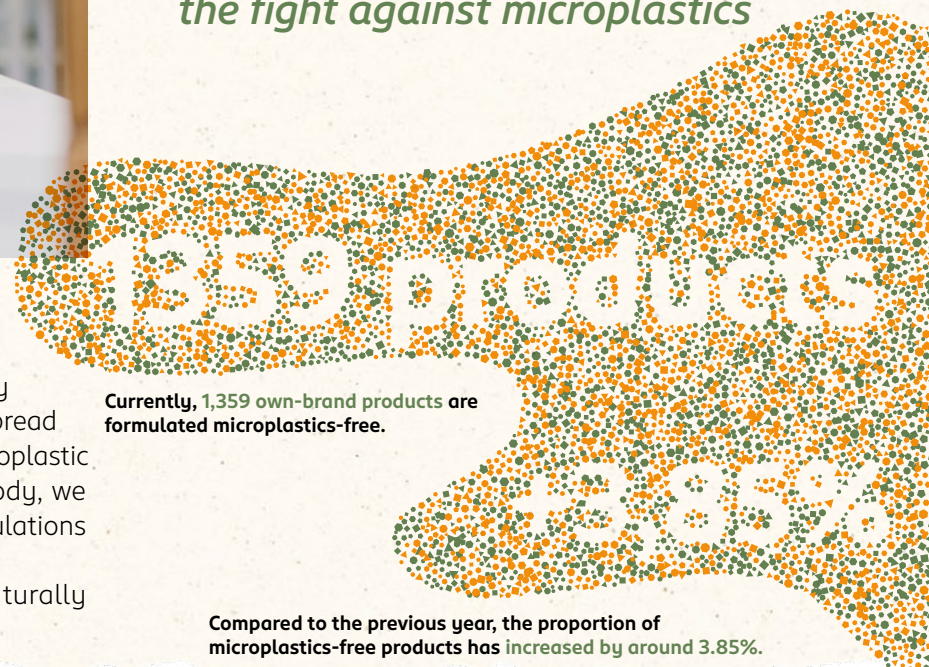


of the plastics released into the environment come from microplastic particles. Due to their small size, these tiny particles can travel long distances and spread rapidly in nature. To avoid releasing microplastic particles into nature and the human body, we avoid microplastics in our product formulations wherever possible. Since 2013, we have been using naturally



derived exfoliants in our exfoliating products. Rossmann products free of microplastics are labelled "Microplastics free". This label goes beyond current legislation in its meaning, as it excludes certain liquid or partially dissolved synthetic polymers. The label helps our customers to make an informed choice. It is important to emphasise that this label applies only to the ingredients of the products, not to the packaging or carrier materials.

*"Rossmann is at the forefront of the fight against microplastics"*



Currently, 1,359 own-brand products are formulated microplastics-free.

Compared to the previous year, the proportion of microplastics-free products has increased by around 3.85%.





*Rossmann places a high priority on providing our customers with as much information as possible through our product descriptions, labelling, and advertising.*

## Responsible palm oil use

Palm oil is a raw material that requires particular care when using. The extensive cultivation of oil palms often involves the felling of rainforests, resulting in significant CO<sub>2</sub> emissions and the loss of habitat for rare species. Environmental organisations and certification bodies are work-

ing to prevent these negative impacts. Rossmann is an active member of the Roundtable for Sustainable Palm Oil (RSPO) and the Forum for Sustainable Palm Oil (FONAP), helping to promote more environmentally friendly practices on plantations and improving the living conditions of local farmers.

## CONSUMER INFORMATION

All our communication material is audited by PwC to ensure that we comply with the law. Our policy is to provide more complete information than is required by law, where possible.

### no to palm oil

#### Avoid the use of palm oil

For Rossmann's own brands, we avoid the use of palm oil wherever possible and reasonable.

**99,44%**

#### Certified source

In 2022, **99.44%** of the palm oil and its derivatives used in Rossmann brand products were certified according to the RSPO supply chain model, so we are close to reaching our 100% target.

### Roundtable on Sustainable Palm Oil

In addition to using certified palm oil, Rossmann also purchases RSPO smallholder certificates to promote the sustainable cultivation of oil palms.

### Global impact

#### Impact on the supply chain

Rossmann also communicates its policies on raw materials to its business partners and works with them to ensure that the standards are applied throughout the supply chain.





## Impacts

Transparency and reliability in product descriptions and labelling increase consumer trust and loyalty, which strengthens the Rossmann brand in the long term. Our innovative campaigns, such as the launch of Dirk Rossmann's children's book and the associated children's drawing competition, contribute to increasing brand equity and awareness. Additionally, we use our YouTube channel and blog to provide more information on sustainability, baby-mom issues, and healthy eating with the help of experts, which has a positive social impact. Economic difficulties, such as inflation and ris-

ing energy prices, are affecting our marketing activities, as we are seeing consumer price sensitivity rise to extreme levels. To counter this, we are supporting our consumers with promotions, noting that discounts of 30–40% are the most attractive to them.

It is also crucial to avoid partial and misleading information in all marketing communications to maintain consumer confidence and protect the company's reputation.

## Our loyalty programme

Rossmann+ VIP loyalty program has nearly 2 million members. In 2023, the number of participants benefiting from the loyalty program grew by almost 200,000. The Rossmann+ app allows users to track the exact amounts saved on both in-store and online purchases. A new feature introduced in 2023 is that customers who achieve gold status can now use their 10% discount coupon, which applies to the total purchase amount, online as well. This program further strengthens customer loyalty and has a positive economic impact on the company.

## Rossmann VIP+

This programme further strengthens customer loyalty and has a positive economic impact on the company.

### Track your savings

The Rossmann+ app allows users to track the exact amounts saved on both in-store and online purchases.

### Coupon

A new feature introduced in 2023 is that customers who achieve gold status can now use their 10% discount coupon, which applies to the total purchase amount, online as well.

### +200k joiners

almost 200,000 more people joining in 2023

### 2 million members

The Rossmann+ VIP loyalty programme has nearly 2 million members.





### Preventive measure

All our marketing communications are strictly controlled to prevent any potential negative effects. Our policy is that partial and misleading information is a "no go zone". Information about the sources of supply of ingredients for our products and services, their ingredients, and their safe use is always fully disclosed where required by law.

### Regulatory compliance

Compliance with the rules on information and labelling of products and services is strictly controlled. In 2023, there were no examples of non-compliance or fines in the area of marketing communications. We comply with all legal requirements and, where possible, include extra information on product data sheets in our web-shop, including video footage and international certifications.

*Our policy is that partial and misleading information is a "no go zone".*







## 03 ENVIRONMENTAL ISSUES

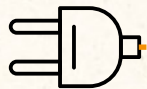


# ENVIRONMENTAL ISSUES

## ENERGY

Energy efficiency, regulatory compliance, consumer and market dynamics, risk management, and innovation are key components of Rossmann's business strategy. Our focus on energy management is crucial for our economic sustainability and contributes to our broader goals. Our holistic approach provides cost savings, regulatory compliance, increased brand value, long-term competitiveness, and reduced energy dependency

### Addressing energy use and its impacts:



### Negative effects

#### High energy use

Running our retail chain, maintaining buildings, operating stores daily, and managing warehousing and transport all consume significant energy.

#### Environmental burden

Our energy consumption, especially from fossil fuels, significantly impacts the environment by increasing carbon emissions.

#### Cost increases

Energy consumption is a major cost factor, influenced by fluctuating energy prices, reducing profits and competitiveness.

#### Technological challenges

Implementing new technologies and systems requires workers to adapt to new processes and technical requirements, necessitating time-consuming and costly training.

### Positive effects

#### Cost savings

Investing in energy efficiency and environmentally friendly energy sources leads to significant cost savings, reducing energy dependency and stabilising our economic situation.

#### Competitive advantage

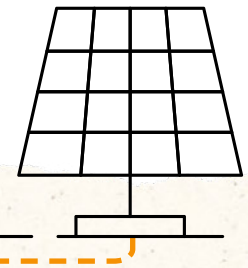
Conscious energy efficiency measures reduce our carbon emissions and conserve natural resources.

#### Environment

Energy efficiency measures reduce our carbon emissions and conserve natural resources.

#### Social benefits

Energy efficiency technologies and systems improve the workplace environment, increasing employee satisfaction and productivity. Sustainable energy management also sets an example for the wider community, promoting environmentally conscious behaviour.





## Policies and Commitments

Rossmann's management is committed to implementing an energy management system (EIR) according to MSZ EN ISO 50001:2019 to support our energy efficiency and sustainability efforts. Annual targets are set, specific actions are assigned, and results are evaluated annually. Progress is measured through energy performance indicators or other metrics.

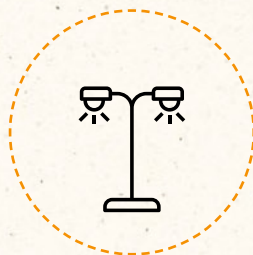
We continuously monitor and assess our energy consumption and its environmental impact, striving to increase energy efficiency and utilise renewable energy sources. Our aim is to continuously reduce our energy consumption and carbon emissions. Energy efficiency programmes and investments are central to our sustainability approach, and we actively work to increase the share of renewables in our energy consumption.

## Measures taken to prevent or mitigate potential negative impacts

In the light of the energy crisis in 2022, we introduced drastic regulations to reduce our energy consumption. Our goal for 2023 was to restore consumption to optimal levels. Measures include:

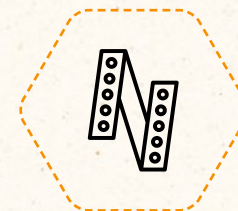
### LED lighting introduction:

In all Budapest stores, LED bulbs have been placed, with rural shops to follow suit. Replacing neon tubes with LED lighting resulted in significant energy savings.



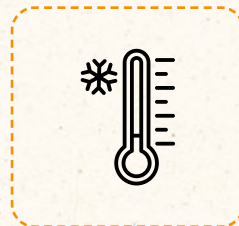
### Optimising outdoor lighting:

Time switches detect sunrise and sunset times, ensuring lighting is only on when needed.



### Installing motion sensors:

In rest rooms and warehouses, motion sensors ensure lights are only on when necessary.



### Upgrading the cooling system:

We spend HUF 40 million annually on upgrading cooling systems. In the year under review, new refrigeration systems were installed in 13 stores.

**HUF 40 million**  
**13 stores**

### Building management system pilot programme:

In one store, we have already introduced a building management system that automatically controls lighting and other energy-consuming equipment based on the number of customers.







**Total energy consumption  
within the organisation:**

**68 524 810 MJ**

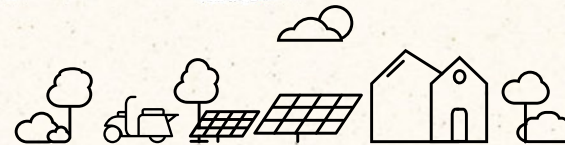
**8231.61 MJ**

Total fuel consumption from non-renewable  
sources within the organisation.

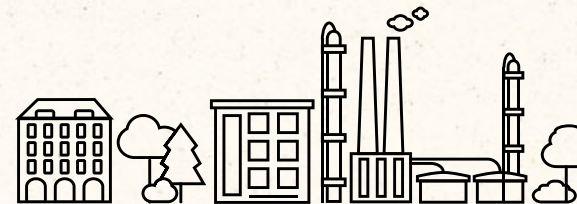


**0 MJ**

No total fuel consumption from renewable  
sources within the organisation.



Electricity consumption: **10 687 MWh**



Heating consumption:

**26 309 200 MJ**

Cooling consumption:

**3 320 MWh**

Steam consumption:

**0 MWh**

*Our company  
does not  
sell energy.*



## EMISSION



One of the greatest and most pressing issues of our time is global warming, which has a severe impact not only on the environment and society but also on the daily operations of organizations. Climate protection is an important element of Rossmann Hungary's sustainability strategy, and accordingly, as in previous years, this year too we monitor our organization's annual carbon emissions.

### Methodology; organizational and operational boundaries

The definition and calculation of emission categories are based on the guidelines of the Greenhouse Gas Protocol developed by the World Resources Institute. The current greenhouse gas (GHG) emissions assessment applies to the Hungarian operational area, where, following our operational control consolidation approach, we assessed all relevant emission sources and activities under our control. For the evaluation of the carbon footprint for the 2023 calendar year, following the approaches of previous years<sup>1</sup>, we measured and compared direct (Scope 1) emissions under the organization's control and indirect emissions from energy purchases (Scope 2) with the base year, which is 2020. Due to the

different global warming potential of GHGs, the total emissions are presented in tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e)<sup>2</sup>. Biogenic emission are not measured and reported separately.

### Emission Factors

For consistent reporting, we updated the assessments from previous years using uniform emission factor sources, and for this purpose, we also partially refined the results from prior years. For Scope 1 emission categories (stationary and mobile combustion), we used the emission factors applied by the EPA<sup>3</sup>. For location-based specific emissions under Scope 2, we used IEA factors<sup>4</sup>, while for market-based emissions, we applied AIB residual mix emission factors<sup>5</sup>

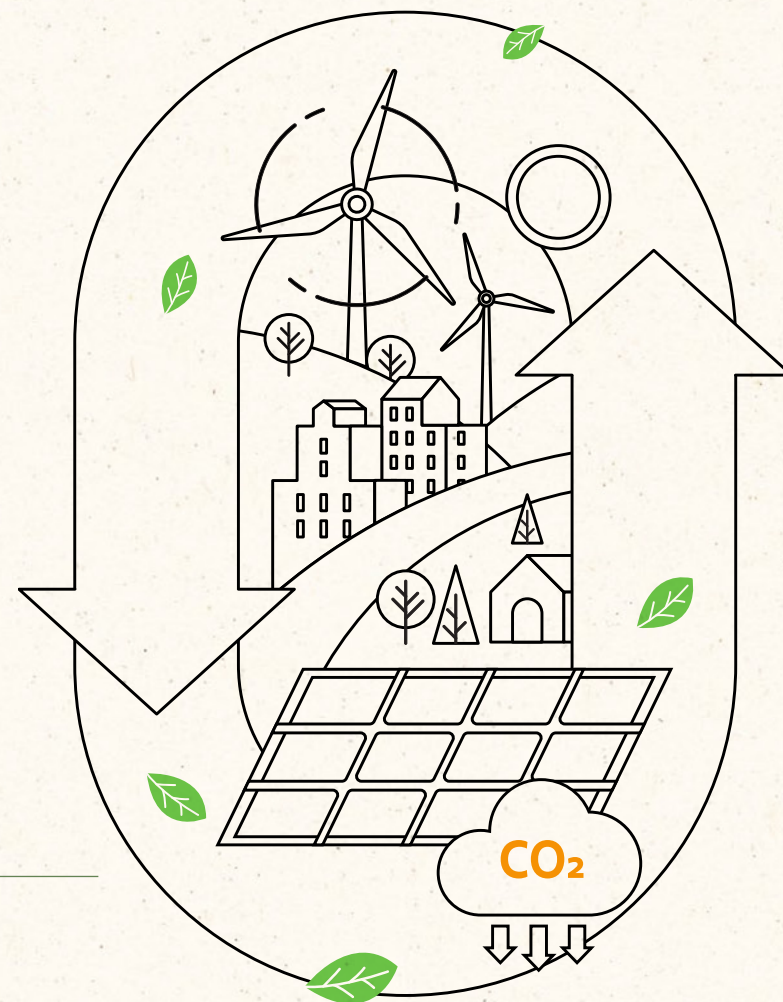
<sup>1</sup> Calendar year 2021 was not assessed

<sup>2</sup> GWP values are based on IPCC AR5

<sup>3</sup> EPA, Emission Factors for Greenhouse Gas Inventories, 2018

<sup>4</sup> IEA Emissions factors 2023

<sup>5</sup> AIB, European Residual Mix, 2023





## Eredmények

In both local-based and market-based approaches, our organization's significant emissions fall under the indirect Scope 2 category, where carbon emissions from purchased electricity are the most substantial. Within the direct (Scope 1) category, two sources of similar magnitude can be observed: stationary combustion (such as natural gas usage) and mobile combustion (fuel consumption by the organization's fleet).

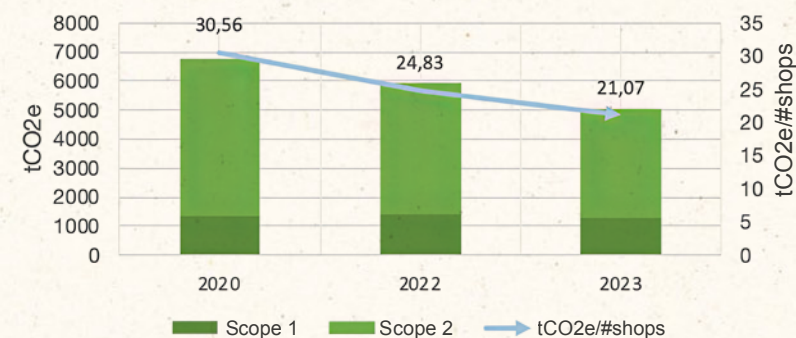
## Rossmann's total market-based emissions for the year 2023 amounted to 5 057.15 tCO<sub>2</sub>e

		2020 tCO <sub>2</sub> e	2022 tCO <sub>2</sub> e	2023 tCO <sub>2</sub> e
Scope 1	Stationary combustion	969.71	799.21	674.11
	Mobil combustion	409.00	607.64	623.53
Scope 2	Purchased district heating	1041.55	386.10	311.52
	Purchased electricity (local-based)	3482.37	2389.46	1972.82
	Purchased electricity (market -based)	4364.66	4141.56	3447.99
Total market-based emissions		6784.92	5934.51	5057.15

The results clearly show that thanks to Rossmann's more conscious energy use and implemented energy efficiency measures, the market-based absolute emissions decreased by 25 percent by 2023 compared to the 2020 base year. In addition to the change in absolute emissions, the organization's GHG intensity (tCO<sub>2</sub>e/store) also decreased by a greater extent—30 percent—indicating a reduction in emissions per store. The table below presents this downward trend, alongside the absolute emissions:

:

## Total absolute market-based emission (tCO<sub>2</sub>e) v. GHG intensity (tCO<sub>2</sub>e/number of shops)



## Future Plans

Rossmann remains committed to supporting global and local climate protection efforts. Accordingly, our organization will (1) continue to monitor its emissions; (2) plan to implement additional measures to improve energy efficiency and promote more conscious energy consumption, further reducing its environmental impact; (3) as a key element of its sustainability strategy, introduce both short- and long-term carbon reduction plans and timelines; and (4) in the future, assess relevant emissions across its value chain (Scope 3), which will become part of the reduction strategy.







## LOGISTICS

Rossmann's logistics activities are integral to our sustainability efforts, ensuring that goods are available at the right time and place, which is essential for customer satisfaction and the company's success. We acknowledge that logistics has significant economic, environmental, and social impacts, which we manage responsibly.

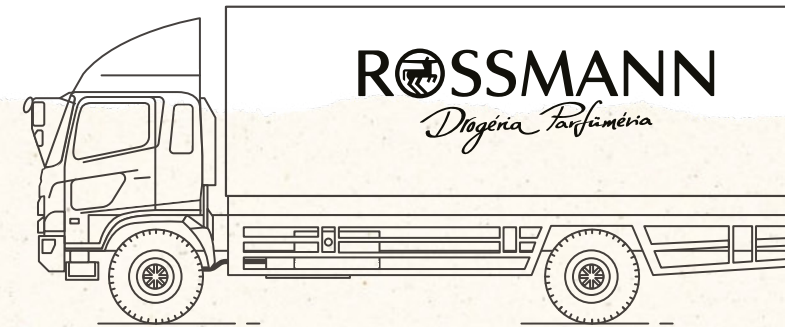
### Economic impacts

Logistics significantly enhances Rossmann's operational efficiency and economic performance. By optimising logistics processes, we effectively reduce operating costs, boost transport efficiency, and refine inventory management. The implementation of automated warehousing systems and just-in-time logistics approaches minimises unnecessary stock-outs, thereby improving the company's liquidity and financial stability. Moreover, our efficient logistics systems facilitate faster and more accurate deliveries, which in turn elevates customer satisfaction and loyalty. This efficiency not only strengthens our existing market presence but also supports our efforts to penetrate new markets, driving growth and expanding our customer base. Through these strategies, logistics plays a crucial role in sustaining and advancing Rossmann's economic success.

However, logistics disruptions, such as delivery delays or warehouse capacity issues, can directly impact operating costs and revenues. Therefore, we continually monitor and optimise our logistics systems to minimise economic risks.

### Environmental impacts

Rossmann is committed to environmentally friendly logistics solutions, such as using electric vehicles and public transport to reduce emissions. We also utilise recyclable and reusable containers and develop waste management systems. However, the energy used in transporting products and emissions from vehicles have significant environmental impacts, increasing greenhouse gas emissions and resource use.



To enhance energy efficiency, we continuously optimise routes and warehouse capacity, minimising idling and delivery distances. We employ innovative solutions to develop environmentally friendly transport modes and technologies in our logistics processes, reducing energy consumption and emissions.

### Social impacts

Rossmann's logistics activities significantly contribute to local economic development by creating numerous jobs. We prioritise ensuring that our logistics workforce enjoys excellent working conditions, characterised by safety and fairness. It is crucial to us that the rights of our employees in transport and warehousing are upheld. We support their well-being through various social benefits and comprehensive programs aimed at enhancing their quality of life. Despite our efforts, we acknowledge that workplace accidents can occur within the logistics sector. To address this, we are committed to continuously improving our health and safety systems and providing ongoing training. These measures are designed to safeguard the health and safety of our logistics





workers. We actively support initiatives aimed at improving working conditions and promoting decent work standards across our operations. Rossmann is committed to respecting the impact on human rights. We take particular care not to violate human rights in our logistics activities and expect our partners to do the same. We require our suppliers to respect human rights standards and workers' rights, ensuring fair working conditions.

## CONCRETE STEPS IN THE LOGISTICS FIELD

### Waste reduction

Reducing waste is a key priority for Rossmann. In the past, our products accumulated a large amount of unsaleable goods, which caused a significant economic and environmental bur-

den. We have introduced a scrap reduction programme, which is integrated into our quarterly bonus scheme to motivate our employees. We have also made significant progress in our warehouses to reduce the amount of scrap and generate less hazardous waste.

*Rossmann is dedicated to the continuous improvement and sustainability of its logistics processes. Our goal is to minimise negative impacts and maximise positive outcomes across economic, environmental, and social dimensions.*

### Results:

Our stocks are down by almost **2.8 million pieces** **-8%** year-on-year.

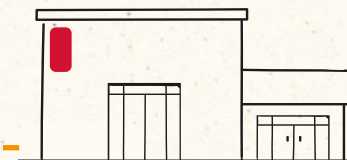
A **+6.25%** change in turnover.

**0** The number of zero-rated products in shops did not increase despite falling stock and rising sales.

The stock value gap decreased by **7%**

The number of spare spaces in the central warehouse has reached a record high of nearly **5500**.

The rotation speed of the central warehouse significantly improved.







### Stock optimisation software

By implementing Relex inventory optimisation software, we have significantly reduced our inventories, which not only provides economic benefits, but also reduces negative environmental impacts. The software allows us to more accurately forecast and optimise our inventories, thereby minimising unnecessary stockpiling and the resulting waste.

### Delivery gates

To increase the efficiency and sustainability of the logistics process, we installed plastic strip curtains on the delivery gates. This measure contributes to temperature control, reducing energy consumption and improving working conditions. Thermal insulation reduces cooling and heating needs, resulting in energy savings in the long term.

### CHEP system

To reduce the use of single-use pallets, we introduced the use of CHEP wooden pallets, which allows recycling and reduces wood consumption and waste by applying a circular economy approach. We encourage our partners to join this sustainable initiative, which contributes to reducing the ecological footprint of the logistics chain.





### Reducing emissions

Rossmann is constantly striving to reduce the emissions of its logistics processes. As a part of this, we are continuously modernising our truck fleet, replacing 8 Euro 4 trucks with Euro 6 trucks. An important part of our contracts is to continuously replace trucks, ensuring that the latest technologies are used and emissions are minimised.

### Logistics hubs and overnight delivery

To increase logistical efficiency, we are carrying out studies on how to develop transshipment hubs. Our aim is to reduce the number of kilometres travelled and optimise transport processes. We have also introduced night-time deliveries, particularly on the M1 motorway, to reduce the number of vehicles used during busy periods, thereby reducing congestion and emissions.

### Innovative ideas

As in previous years, we thank our employees for their innovative ideas and projects to support the efficiency of our logistics operations and the development of our company.

*We think it is important that our employees feel that their ideas are important to us, so we have given out awards in the following categories at the annual logistics project wrap-up event:*

Logistics project of the year

Project leaders with the most points

Colleague with the most ideas

Highest added value idea

Most cooperative colleague

These measures contribute to Rossmann's efforts to operate sustainable and efficient logistics processes, reducing environmental impact and mitigating negative economic and social impacts.







## NEW LOGISTICS CENTRE

Efficient logistics are pivotal in enhancing a company's competitiveness. Companies with streamlined logistics systems can respond more swiftly to market fluctuations and customer demands. Fast and timely deliveries not only enhance the customer experience but also foster customer loyalty. Moreover, superior logistics capabilities enable companies to enter new markets ahead of their competitors and facilitate international expansion.

At Rossmann, we are committed to long-term planning, exemplified by our project to launch a 28,000-square-metre logistics centre, complemented by a 4,000-square-metre office, by the end of 2025. This project, resulting from several years of meticulous planning and preparation, involves a semi-automated warehouse—a pioneering development in the Hungarian retail sector. This warehouse, part of a 20 billion euro investment, will feature a blend of proven conveyor, PickByLight, and Voice Picking technologies supplied by SSI Schaefer. The design focuses on scalability to support the future growth of our stores and webshop.

The new facility will be located in Üllő, near our current logistics centre. This site was selected due to the high concentration of employees living nearby and our strong relationship with the local government. To minimise disruption to Üllő

residents, we incorporated their feedback into the construction plan. For example by reducing the building height from the permitted 20 metres to less than 14 metres. Additionally, there will be no truck gates or vehicular traffic on the side facing residential areas, in order to reduce noise. A 4-metre-high noise barrier with three levels of vegetation will be erected to further shield the neighbourhood from construction noise. To facilitate access for the approximately 100 local residents working at the new centre, a pedestrian access road from the railway crossing will be constructed.



*“For Rossmann, preserving green space on the site was a priority during the planning process. We plan to plant over 100 trees and 5,000 shrubs. The new centre will meet the latest sustainability standards, featuring solar panels on the roof, heat pump systems in the office and part of the warehouse, and electric car charging stations in the car parks.”* stated András Farkas, project manager of the building investment.





The 32,000-square-metre complex will house a nationwide warehouse and a modern office, including a spacious kitchen and dining area to meet all needs. This setup will allow logistics and office staff to dine together, fostering a cohesive company culture.

This technological investment, valued at approximately HUF 6 billion, will be financed from Rossmann's own financial resources. Panattoni Hungary Development Kft. is the project developer, and OTP Real Estate Investment Fund will own the complex.

Earthworks began in January 2024, with the handover scheduled for the end of 2025 and the move-in planned for early 2026.

Start of earthworks

Facility handover

Moving in

2024

end of 2025

start of 2026



### Development numbers

**32 000 m<sup>2</sup>**  
28 000 m<sup>2</sup> logistics centre  
4 000 m<sup>2</sup> offices



**28 mrd HUF**  
development budget



**14 meters**  
building height



**4 meters**  
noise barrier with three levels of vegetation







## HEALTH AND SAFETY AT WORK

Protecting the health and safety of our workers remains one of our top priorities. Our actions and efforts in this area are aimed at ensuring the well-being and safety of our employees in their daily work. We believe that only employees who are physically and mentally fit can be productive and well-balanced, and that attention to the well-being and health of our employees pays off. For us, promoting employee health and safety is not just about meeting legal and regulatory requirements, but also about ethical behaviour and corporate social responsibility.

Our logistics warehouse in Üllő is classified as a hazardous plant, as we use forklift trucks and store hazardous materials. Therefore, it is

essential that we strictly comply with all health and safety and disaster prevention regulations, as well as all rules concerning the handling of hazardous materials.

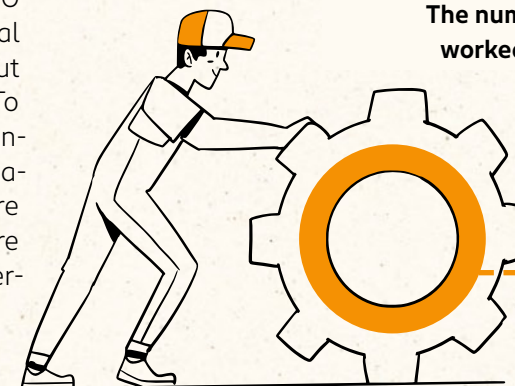
### Occupational health and safety management system

Although the organisation does not have an ISO 45001 management system, our occupational health and safety (OHS) tasks are carried out in accordance with current OHS legislation. To ensure a healthy and safe working environment, our employees receive regular mandatory training, and we conduct SKET and fire drills annually with the involvement of the fire brigade. We believe that continuous and personal communication with our employees is

crucial, as it significantly enhances our health and safety performance. We solicit feedback from our employees after training sessions and incorporate their suggestions to reduce and prevent work-related injuries and accidents.

**976 752**

The number of hours worked in logistics.





## Impact on health and safety at work



### Positive effects

#### Employee wellbeing and health:

A healthy working environment and employee well-being are essential for workplace productivity, engagement, and retention, contributing to the company's performance and long-term success.

#### Compliance with the law:

By adhering to all legal obligations related to occupational safety, health, and disaster prevention, Rossmann ensures a safe working environment, thereby contributing to the safety and health of its employees.

#### Commitment and loyalty:

Demonstrating care for employees and striving to maintain their health increases their commitment and loyalty to the company.



### Negative effects

#### Occupational injuries:

Hand and foot injuries at work are potential negative effects that require constant attention to manage and prevent

#### Workplace stress:

The intense working environment of the FMCG market can contribute to employee stress and high turnover, especially in sales.



## Impact on health and safety at work



### Preventive measures:

#### Regular education and training:

Our employees receive regular training in occupational safety, disaster prevention, and fire safety, conducted with the involvement of the fire brigade.

#### Risk assessment:

We perform regular workplace risk assessments to qualitatively and quantitatively evaluate risks to workers' health and safety.

#### Feedback integration:

We regularly solicit feedback from employees post-training and use it to enhance our health and safety measures.

#### Handling of hazardous materials:

In our logistics warehouse in Üllő, we strictly adhere to regulations for handling hazardous materials, ensuring employee safety.



### Managing positive impacts:

#### Ensuring a Safe Working Environment:

We continually monitor the use of personal protective equipment and remind our staff to work carefully.





### Hazard identification, risk analysis and incident investigation

We perform occupational safety and health tasks in accordance with current legislation. This includes an annual workplace risk assessment to qualitatively and quantitatively assess risks to worker health and safety. No accidents with serious consequences occurred during the reporting period. Continuous training is provided to minimise work-related hazards and risks. If any danger or hazardous situation is detected, employees can immediately report it to their immediate superior, who will then take the necessary measures. Employees have the right to refuse work that directly and seriously endangers their life, health, or physical integrity, and must refuse to follow instructions that would endanger others.

### Accidents at work

In 2022, we introduced the 6S quarterly bonus, a financial reward for colleagues for minimising the number of workplace accidents. This initiative has proven effective, leading to a steady decrease in accidents in the logistics area.

### Occupational injuries

The most frequent work-related accidents at Rossmann involve hand and foot injuries, such as sprains and strains.

There were no work-related fatalities, accidents with serious consequences, or other accidents that need to be recorded in 2023.

### Accident statistics

Work-related fatalities — 0

Accidents with serious consequences — 0

Other recordable accidents — 0

### Occupational diseases

Number of deaths from occupational diseases — 0

Number of occupational diseases recorded in the report — 0

Main types of occupational diseases — not relevant





# WASTE MANAGEMENT



Rossmann is committed to minimising the environmental impact of its operations, with a particular focus on waste management. In recent years, we have introduced several measures to reduce waste, increase recycling, and promote a circular economy. Below, we outline how we are addressing waste management and the impact we are having in this area.

## IMPACTS

### Environmental impacts

The environmental impact of waste management is assessed from two perspectives: resource use at the source and waste at the end of the life cycle. As a significant portion of the waste generated by the company is packaging waste, this is the primary focus of our impact analysis.

The production of packaging involves substantial material input, contributing to the depletion of natural resources. After use, product packaging often ends up as waste. While much of this packaging ideally ends up in recycling bins, some inevitably escapes proper disposal and can cause long-term environmental damage. Hard-to-degrade packaging materials can persist in the environment for centuries. Improperly treated plastic packaging can break down into



microplastics, contaminating soil and water resources and posing severe health and environmental risks.

### Economic impacts

From an economic standpoint, waste collection, transport, and processing represent significant costs for a company. Consequently, waste reduction and recycling can yield both environmental and economic benefits by decreasing the volume of waste generated and, in turn, reducing waste treatment costs. Optimised packaging solutions and sustainable logistics processes can further enhance economic efficiency.

### Social impacts

Waste management failures also create serious social issues. Illegal dumping and the emergence of rubbish dumps cause aesthetic and health problems in local communities. Rossmann is dedicated to raising awareness about the importance of waste reduction and encouraging environmentally responsible behaviour.



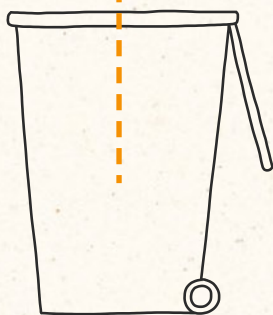


## Waste management

Most of the waste generated in our operations comes from transport-related packaging. Our waste management activities are centralised in our logistics centre. Products arrive from suppliers and are delivered to stores, with paper and plastic waste from our shops also sent to Üllő for sorting by material type. The waste generated by our domestic operations is collected, processed, weighed, recorded, and analysed selectively. We also compact and bale paper and plastic at the centre, performing industrial baling that requires no further processing. We aim to obtain a processing licence for paper in the future.

One of the significant challenges for our future is managing the packaging waste of products purchased by consumers in Rossmann stores, such as shampoos and shower gels. The management of waste from consumer products, including the recycling of packaging and disposal of empty bottles, has a substantial environmental impact. This type of waste is particularly challenging to manage because it is generated in consumers' homes.

*“For a sustainable future, it is crucial to collaborate with consumers on the sustainability of the life cycle of these products to find effective solutions.”*





## Waste management

Although Rossmann Hungary does not manufacture its own brand products, which are produced in Germany, we are aware that our parent company continuously takes steps to reduce packaging waste. This includes increasing the proportion of recycled plastics in the packaging of own-brand products and introducing innovative solutions to reduce packaging waste.

At Rossmann Hungary, we are constantly working to implement sustainable waste manage-

ment solutions and reduce packaging waste. This is not only an environmental obligation but also an integral part of our business strategy. By using recycled materials and increasing the recycling rate, we can reduce the demand for raw materials and the associated costs.

Our goal is to reintegrate recycled materials back into the production process, thereby reducing the demand for raw materials and costs. We actively engage our customers and collaborate with our partners to achieve waste reduction targets, contributing to a greener future.

Rossmann employs a variety of innovative solutions to reduce waste. By introducing packaging-free solutions, we have significantly reduced the use of paper-based packaging materials. We also encourage our customers to choose recyclable packaging and durable products, thereby reducing waste. Utilizing recycled materials in our product packaging further underscores our commitment to sustainability.





## Breakdown of waste generated by composition

### COMPOSITION

material unfit for consumption or processing

paper and cardboard packaging waste

plastic packaging waste

wood packaging waste

other mixed packaging waste

iron and steel

paper and cardboard/office not handled

discarded electrical and electronic equipment

metals

municipal waste

metal packaging waste containing a hazardous solid porous matrix (e.g. asbestos), including empty propellant cylinders

inorganic waste containing hazardous substances

organic waste containing hazardous substances

### QUANTITY / TONNE

5,280
1 860,272
118,073
12,489
104,141
29,330
30,591
4,355
1,250
2,070
0,712
25,171
4,760

The table shows the data retrieved from the waste registration system, broken down by EWC code and by balance sheet item.

## The waste generated by our activities is managed by the following contracted partners

These partners conduct their activities with valid official permits

**Fe-Group  
Invest Zrt.**

**MOHU**

**Trans  
Global Ltd.**





## Waste diverted from disposal

## COMPOSITION

## QUANTITY / TONNE

paper and cardboard packaging waste

1 860,272

plastic packaging waste

118,073

wood packaging waste

12,489

iron and steel

29,330

paper and cardboard/office not handled

30,591

discarded electrical and electronic equipment

4,355

metals

1,250

The total weight of non-hazardous waste diverted from disposal was 2 056,360 tonnes, all of which was recycled off-site.

**2 065,360 tonnes**

## Waste for disposal

## COMPOSITION

## QUANTITY / TONNE

material unfit for consumption or processing

5,280

metal packaging waste containing a hazardous solid porous matrix (e.g. asbestos), including empty propellant cylinders

0,712

inorganic waste containing hazardous substances

25,171

organic waste containing hazardous substances

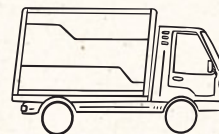
4,760

municipal waste

2,070

Of the hazardous waste disposed of, 5,280 tonnes were incinerated for energy recovery, 2,070 tonnes were landfilled, and 30,643 tonnes were managed through other off-site disposal methods.

The total hazardous waste disposed of was:



**104,141 tonnes**

Our data collection process is based on balance sheets, minutes, reporting and data analysis.



# WEBSHOP PERFORMANCE AND DEVELOPMENT



The Rossmann webshop experienced remarkable growth in 2023. Turnover soared to nearly HUF 9.6 billion, marking a 57.3% increase from the previous year. Over 7.2 million products were shipped, representing a 35% rise. The number of customers also surged significantly, with 465,000 purchases, reflecting a 39% increase. The Rossmann delivery team excelled, handling 151,000 orders.



## Cost optimisation and green solutions

In our ongoing efforts towards cost optimisation and sustainability, we have implemented several innovations.

### Expanded pick-up points and parcel machines

We have significantly increased the number of pick-up points and parcel machines, now collaborating with four partners (Foxpost, Easybox, GLS, MPL). This expansion has brought the total number of pick-up points to over 7,000 nationwide, and this number is continually growing. Centralised parcel deliveries reduce individual deliveries, thereby minimising environmental impact.

### Packaging-free transport and environmentally friendly packaging materials

Packaging-free delivery is gaining popularity among our customers, with more than 17,000 opting for this eco-friendly option on our webshop. This initiative saved approximately 42,000 paper bags, equating to about 3 tonnes of paper. We plan to further innovate by creating courier bags from recycled materials, such as building mesh and molinos.



*„Currently, we deliver 35–40% of our orders packaging-free on a monthly basis, which is a significant achievement, especially since this option is currently available only through our Rossmann Courier service in Budapest and surrounding areas. Our customers are enthusiastic about sustainability and are happy to choose this free, environmentally friendly option. Our goal is to help them adopt more environmentally conscious consumption habits with minimal changes,” – said Ádám Fürjes, Head of Rossmann Webshop.*





Despite the growing popularity of packaging-free shipping, a significant portion of our orders is still shipped in paper bags and cardboard. In 2023, we planned to use 377,000 paper bags, but this number decreased as the packaging-free option expanded. We use brown packaging made from recycled paper, weighing 65 grams, and printed with only 40% ink, further reducing environmental impact. This initiative supports waste reduction, sustainable material use, and the circular economy.

### Adhesive tape and space-filling materials

We seal around 300,000 orders annually with adhesive tape. Previously, we used fully printed tapes, but we have now switched to simple, unprinted, transparent tapes to save significant amounts of ink. Additionally, we used 1,500 rolls of Ripac Blue Ocean space filler, introduced in 2023, made from 100% recycled materials.

### Improving the quality of boxes

We have optimised the quality of our boxes to reduce environmental impact while increasing packaging efficiency. The new boxes, unchanged in size, are made from 100% recycled paper and are lighter than the previous versions. Our packaging system suggests the correct box size, reducing material use and waste.



*Our packaging system suggests the correct box size, reducing material use and waste.*

**Rossmann**  
Online Store of the Year

**Rossmann**  
Innovative Retailer  
of the Year

Store Insider's publisher PPH Media announced this year's Store of the Year competition, where Rossmann Hungary won the Online Store of the Year and Innovative Retailer of the Year awards.

The Store of the Year competition, launched in 2015, aims to recognize the best FMCG shops in Hungary and highlight the strengths of retail chains that make them stand out in their market category.







## 04 SOCIAL SUSTAINABILITY



# SOCIAL ISSUES

## EMPLOYMENT

### The impact of employment

Rossmann is dedicated to sustainable development and social responsibility, with a particular emphasis on employment. Here we outline how our employment practices contribute to sustainability.

### Economic impacts

The earnings of our employees not only support their families' well-being but also stimulate the local economy.

### Environmental impacts

We prioritise environmental awareness among our employees, providing sustainability training to foster eco-friendly practices. While our business operations and employees' daily commutes do have environmental impacts, we are continually seeking ways to minimise our ecological footprint.

### Social impacts

Our employees are our top priority, and their health and well-being are paramount. We offer health and wellness programs, such as health insurance and workplace wellness initiatives, to enhance our employees' quality of life. Our aim is to positively impact the communities where we operate and improve the lives of our employees. Social responsibility is a core part of our corporate strategy, and Rossmann employees actively participate in local community programs and initiatives, fostering community cohesion and cooperation.

We also recognize that the retail sector's intense environment can negatively affect workers' mental and physical well-being. To address this, we continuously seek solutions to reduce both physical and mental strain.

**Rossmann employs over 2,000 people in Hungary, significantly contributing to the stability of the local labour market and economic growth.**

### Human rights impacts

Rossmann is committed to protecting workers' rights and ensuring a non-discriminatory workplace. We have implemented several measures to promote fair and equitable working conditions and to minimise the potential for labour conflicts. In our business relations, we rigorously monitor compliance with labour and human rights standards.

The employment impacts described above are generated by Rossmann's activities, reflecting our commitment to sustainability and social responsibility.





*More than 90% of our staff are women: girls, women, mothers, expectant mothers, and grandmothers. The sensitivity and love that emanate from them make our Rossmann community truly special.*

Number of employees, by sex  
and county;

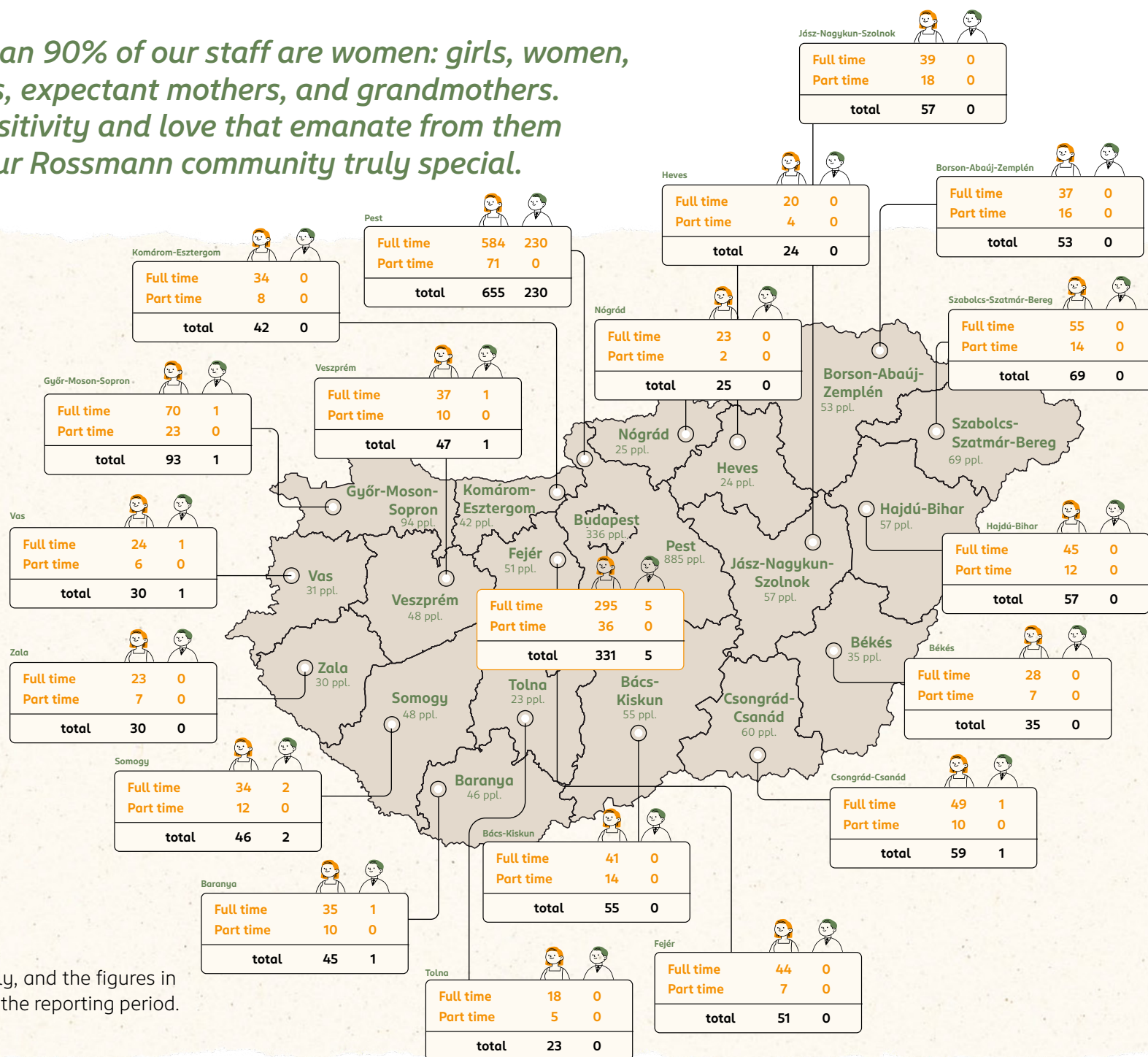
We are immensely grateful every day of the year for the feminine energy, empathy, attention, and kindness that our women colleagues contribute to our community.

## Temporary and seasonal employment

Rossmann maintains a minimum number of external non-employees on a regular basis, typically around 10–15 people. However, during the spring and autumn Glamour Days, this number increases to 60–70 people. These temporary workers are primarily involved in labelling and packaging tasks. We have established good relationships and contractual cooperation with several temporary employment agencies to accommodate these seasonal demands.

## Reporting methodology

We report employment data numerically, and the figures in the table reflect the average stock over the reporting period.





## Workforce distribution by department and location

In 2023, Rossmann employed a total of 2,069 people. Among these, 211 were based in the head office, 437 in logistics, and 1,421 in sales. Given our nationwide presence, a smaller proportion of sales employees, 328, worked in stores in Budapest, while the majority, 1,093, were employed in our rural stores.

COUNTIES	NEW ENTREE	BREAKDOWN BY COUNTY	WOMEN			MEN		
			Over 30 years	Between 30–50 years	Over 50 years	Over 30 years	Between 30–50 years	Over 50 years
Bács-Kiskun	16	2%	8	8				
Baranya	12	2%	9	3				
Békés	6	1%	5	1				
Borsod-Abaúj-Zemplén	8	1%	1	3	3		1	
Budapest	134	20%	67	57	8	2		
Csongrád	10	2%	7	2	1			
Fejér	30	5%	13	11	5	1		
Győr-Moson-Sopron	46	7%	32	13		1		
Hajdú-Bihar	15	2%	11	3	1			
Heves	15	2%	3	8	4			
Jász-Nagykun-Szolnok	20	3%	14	5	1			
Komárom-Esztergom	16	2%	12	4				
Nógrád	7	1%	1	2	3	1		
Pest	235	36%	65	90	25	29	23	3
Somogy	20	3%	11	5	2	2		
Szabolcs-Szatmár-Bereg	4	1%	2	2				
Tolna	24	4%	13	9	1	1		
Veszprém	22	3%	13	6	2	1		
Zala	10	2%	5	4	1			
All tickets:	660		296	240	59	38	24	3





## Workforce distribution by department and location

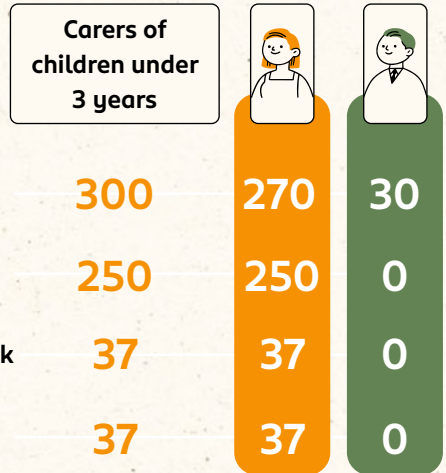
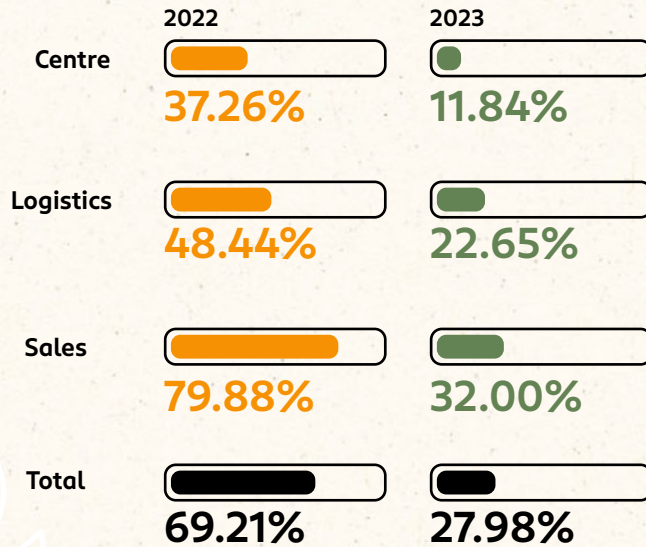


### BREAKDOWN OF EMPLOYEES IN 2023

Top manager  
Top manager  
Other employees  
Other employees  
Total

SEX	OVER 30 YEARS	% OF TOTAL STAFF	BETWEEN 30-50 YEARS	% OF TOTAL STAFF	OVER 50 YEARS	% OF TOTAL STAFF	
Male			9	0%	4	0%	13
Female			2	0%	1	0%	3
Male	82	4%	122	6%	35	2%	239
Female	423	20%	1045	51%	346	17%	1814
	505	24%	1178	57%	386	19%	2069

## Employee turnover rate



## Workers entitled to parental leave



## STEPS

### Steps we are taking to reduce staff turnover

Rossmann is constantly working to reduce the turnover rate, which can only be achieved if we know and understand the causes and make our decisions based on them. We conduct exit interviews with employees who leave the company. We also have an employee engagement survey every year. The feedback from these is processed, action plans are drawn up and implemented. These cover, among other things, working conditions, benefits, work processes and other organisational phenomena.

### Real wages

Employees in the retail sector are very sensitive to the development of real wages. From an employment point of view, it is good for us if employees stay with Rossmann for the long term. We have a fixed salary structure, with salaries adjusted to positions. There is no difference between male and female employees within a position.

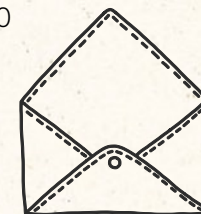
We have increased wages twice in 2023 to take account of the impact of double-digit inflation. At the beginning of the year, we increased by 15 percent, followed by a further 4 percent in October, giving our staff a total increase of 19

*„At Rossmann, we continue to have a strong focus on our employees, working to provide a complex social safety net for our colleagues in addition to salary-related benefits. We believe that these measures, alongside a people-oriented organisational culture, will help us to maintain our position as one of the leading drugstore chains. As well as reducing the financial burden, the pay increase is an important message to our employees that they can rely on Rossmann in difficult times. Rossmann continues to set an example of responsible and sustainable business practices,”*  
- said Kornél Németh, Managing Director.



social safety net that takes into account the different challenges and needs of life, in addition to their daily work. With this in mind, we have designed our benefits system to combine different forms of support to ensure that everyone finds the most appropriate one.

At Rossmann, there is a universal fringe benefit. We top up our employees' Multipay cards with HUF 7,500 every month. In addition, they are automatically Rossmann+VIP members, so they can shop at the stores with the biggest discounts.



percent. We hope that we have been able to offset the burden on our employees accordingly.

### Benefits

In addition to financial benefits, Rossmann is committed to providing its employees with broad and comprehensive support. We believe that fringe benefits are as important as competitive salaries, as they contribute to employee well-being, motivation and engagement. Our aim is to provide our colleagues with a complex





Some of our benefits are available to a narrower group, such as health insurance. There are also benefits and bonuses linked to individual or company performance.

We have benefits that are applied in accordance with the law, such as pension benefits and maternity leave.

## WORKERS' HEALTH

### Health Day

The health of our employees is important across all areas, including logistics. We emphasize the importance of prevention and early illness detection to increase the chances of quick and complete recovery. Annually, we organise a Health Day and Rossmann Day, alternating between central logistics and sales colleagues, offering a complex screening program of 32 tests. Our 2023 event saw 347 examinations

attended by our central and logistics area colleagues.

Each Health Day and Rossmann Day includes abdominal and thyroid ultrasounds, mammograms, melanoma screening, chiropractic care, and office massages. We collaborate with the Hungarian Red Cross to offer blood donation opportunities on these days. Suppliers provide vitamins and healthy lifestyle products to our colleagues during these events.

### Introduction of health insurance

Prioritising prevention, last year we expanded health insurance coverage, replacing the manager screening previously available only to central managers. Now, 500 employees receive regular medical check-ups and an annual comprehensive screening, compared to the previous ~90. We aim to further increase the number of employees covered by health insurance.





## Measures to support physical and mental health

We focus on maintaining physical and mental health through various measures:

### Free Covid tests

Free Covid tests are available to staff in case of suspected infection.

### Facilitate employees with reduced working capacity

We facilitate the working conditions of employees with reduced working capacity with height-adjustable tables and chairs, footrests, standing-use tables, and standing mats.

### Chair massages

Weekly office chair massages are available for central colleagues.

### Support programmes

Regular online presentations on mental well-being and healthy living partly through the You Can Count on Us! Programme and other external partners.

The Employee Assistance Program (EAP) offers all employees and their families legal, economic, personal/mental, and lifestyle advice through the Rely on Us! programme, helping to reduce stress.

### Fruits, coffee and tea

Fresh fruit is provided daily at the centre, with tea, coffee, and vitamins available in canteens.

Logistics staff have access to hot tea during the autumn-winter period, fresh fruit weekly, and free use of the coffee machine on Mondays.

We also provide coffee, tea and vitamin tablets for our shop staff.





### Social safety net

In addition to providing financial support for employees, Rossmann places significant emphasis on creating a comprehensive social safety net. In response to recent challenges, we have introduced several measures to enhance this support.

#### „You can count on us!“

Effective from 1 February 2023, the "You Can Count on Us!" Programme offers our staff access to advice from experienced professionals on personal (psychological), legal, financial, and lifestyle issues. This programme provides free counselling to employees and their families, available anonymously online, by phone, or in person. In addition to counselling, the programme offers regular online presentations on mental well-being and healthy lifestyle topics. Our partner for this programme is CGP Europe Ltd., which specialises in personal, financial, legal, and health-related issues.

### Social Fund

In addition to the "You Can Count on Us!" Programme, we also operate a Social Fund. Launched in December 2022, the Rossmann Social Fund provides quick and easy financial support to employees facing extraordinary life situations. The management aims to assist employees who encounter crises through no fault of their own, such as serious illness, accidents, or natural disasters. A crisis situation (e.g. serious illness, accident, natural disaster, etc.) is an event beyond the control of the employee or a relative which has a direct impact on the employee's life and financial situation. Applications for assistance are assessed anonymously to protect the privacy of our staff. The process ensures that no one other than the staff member in contact knows the applicant's identity, thus safeguarding their dignity and confidentiality. This mutual trust is fundamental to the effectiveness of our support system. In the reporting period, we have supported 44 requests with a total of 33 million forints.





## Relaxation and recharging outside working hours

In compliance with legal requirements, Rossmann offers numerous opportunities for employees to recharge and socialise outside working hours.



### Christmas dinner End-of-year party

Annually, we organise a Christmas dinner or end-of-year party for 450 logistics and 220 head office employees, usually in a high quality venue with renowned speakers.

**450** logistics employees

**220** office employees



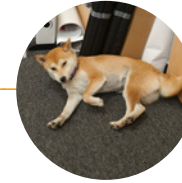
### Children's Day

Our Children's Day programme is an opportunity for our colleagues to get to know each other's families better.



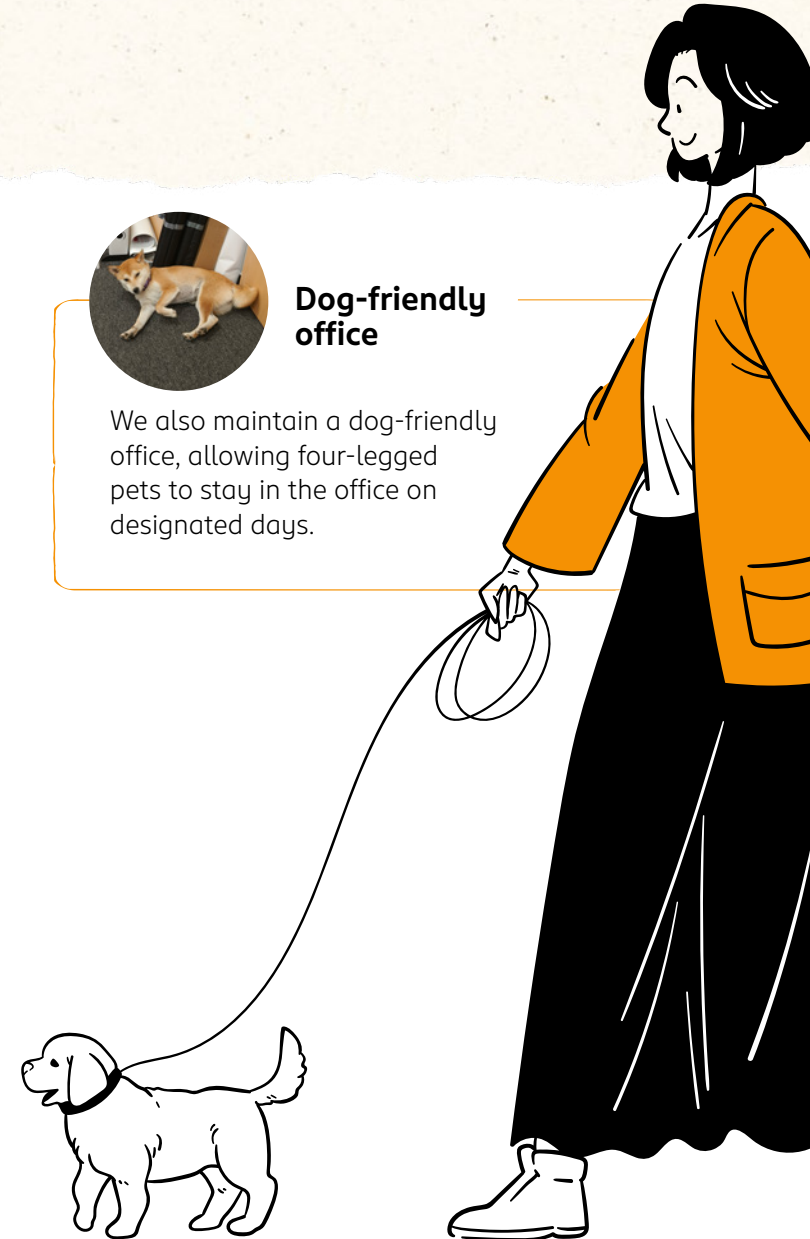
### Company breakfast

Every six months, we host a company breakfast at our centre, where managers review the past period and discuss future goals over a delicious breakfast.



### Dog-friendly office

We also maintain a dog-friendly office, allowing four-legged pets to stay in the office on designated days.





## Relaxation and recharging outside working hours



### High-quality venues

Our face-to-face trainings and workshops are held in high-quality venues.



### Designated funds for team-building

Our sales network has designated funds for team-building activities at store level.



### Rest options

In the building at Üllő, we have a table soccer room for our staff, where they can relax and recharge their batteries during or after work (2 ping pong tables, darts, table soccer, Flabelos).

table soccer darts  
ping pong Flabelos



### Team-building programmes

We offer our central departments the opportunity to participate in a two-day team-building programme once a year.



### Online presentations

At the company level, we offer online presentations focused on work-life balance and health promotion.





### Internal communication

We keep our employees regularly informed about matters that concern them, including current company affairs, strategic directions, personnel changes, programs, events, and awards. Employees are also kept up to date on company achievements and successful campaigns, receiving recognition and thanks from company leaders.

In March, we launched our new internal communication platform, kAppocs, a Blue Colibri service. Through the app, employees can access the latest news and events, participate in quizzes, browse the gallery, chat with each other, join communities, and create their own interest-based communities.

The adoption rate of the app among our colleagues is close to 90%. Additionally, information is communicated through traditional channels: emails to office colleagues, bulletin boards, a digital notice board in the logistics staff canteen, and an intranet site updated twice daily for our store network.

*The app aims to provide employees with quick and easy access to all relevant content in one place.*





# TRAINING AND EDUCATION

*For Rossmann, training and educating employees not only makes the company more competitive, but also benefits the economy, the environment, and society.*



Rossmann is committed to the continuous development and training of its employees to enhance workplace safety, increase employee satisfaction, and improve overall company performance. Our training programs include regular professional and safety education to ensure employees stay updated on the latest industry trends and requirements. We believe that our training makes a significant contribution to preparing our employees for future challenges, as well as helping them overcome the obstacles they may face. Building this resilience also positively impacts the future sustainability of the organisation.



## Positive Effects

From an economic point of view, well-educated workers increase productivity and efficiency, leading to a stronger market position for the company. In addition, continuous training contributes to employee satisfaction and engagement, reducing turnover and thus lowering recruitment costs. Training programmes pay off in the long run, as well-trained, satisfied employees are more loyal to the company and perform better.

We implement and maintain environmentally friendly practices in our training programs to promote environmental awareness, supporting our sustainability goals. From a societal perspective, employee training contributes to the development of individuals and communities, as new knowledge and skills foster new abilities and competencies. This is why we also offer a wide range of self-learning training opportunities. An employee with strong self-awareness is more stable not only at work, but also in their personal relationships, creating more positive impact. In addition, the training provides employees with an understanding of their rights and obligations, which helps to promote respect for human rights and reduce discrimination in the workplace.



## Negative Effects

However, training and education can also have negative effects. From an economic point of view, training programmes can represent a significant cost, placing a short-term burden on the company's budget. From an environmental perspective, organising in-person training sessions requires resources, such as energy consumption and paper usage. From a social perspective, training is time-consuming, which can take time away from other activities such as work, family, or leisure, potentially leading to stress.







### Measures to Manage Impacts

Rossmann has implemented a number of measures to prevent or mitigate potential negative impacts. For example, by introducing digital training, we are reducing paper consumption and travel costs, thereby minimising our environmental impact. We also develop and implement cost-effective training methods to optimise training costs. Wherever possible, training materials are not delivered in printed form but are provided through various online platforms.

We regularly collect and analyse feedback after training sessions to address any actual negative impacts, allowing us to respond quickly to any issues.

To maximise potential positive impacts, we continuously improve and expand our training programmes to ensure they remain aligned with the latest industry trends and requirements.

Rossmann may be indirectly affected by negative impacts through its activities and business relationships. For example, if training partners fail to comply with relevant environmental or health and safety regulations, it could negatively affect the company's reputation and operations. Therefore, the training companies we work with undergo a multi-stage selection process to ensure they comply with legal and ethical standards, as well as quality expectations.

### Efficiency Monitoring

The best measure of the effectiveness of our actions is the satisfaction of our employees. We assess the effectiveness of our training programmes not only through employee performance, satisfaction, and a reduction in workplace accidents, but also via direct feedback. The goal of the training is to develop and motivate employees, preparing them for future challenges. Our priority is to ensure that employees find value in attending the training and that the new knowledge they acquire is both engaging and useful.



## TRAINING SYSTEM

Every year, all staff receive a performance and career development review, during which they receive detailed feedback on their work. At this time, development points are identified. Feedback is part of our culture, and it is not just one-way; our staff also provide feedback to their line managers.

### Number of training hours



#### Sales

Total participant  
**1869**

Number of hours  
**890**

#### Headquarters

Total participant  
**361**  
with coaching  
**388**

Number of hours  
**388**  
with coaching  
**510**

#### Összesen

Total participant  
**2247**

Number of hours  
**1400**

#### gender distribution



**2146** **101**

## Rossmann Talent Development Programme

In 2023, we launched the Rossmann Talent Development Programme, offering employees the opportunity to enhance their leadership skills. The aim of the programme is to support participants' individual development through a comprehensive process combining theoretical and practical elements, helping them deepen self-awareness, gain a thorough understanding of both horizontal and vertical career paths, and learn about international best practices.

Applicants to the programme are divided into two groups:

- The Master Class, which is open to those already in leadership roles seeking further development and empowerment.
- The Talent Class, aimed at individuals who have not yet taken on leadership roles but feel the ambition to do so.

The programme focuses on developing the 'people of the future' so that by the end of the process, management can identify who may be potential candidates for future positions. However, successful completion of the programme does not guarantee an automatic promotion.

## Training Catalogue

In today's rapidly changing market environment and world, we view continuous professional and personal development as a key element of success and believe that lifelong learning is essential. Beyond expanding our knowledge and developing our skills, in an era of complex expectations and multiple roles, it is crucial to adapt flexibly to challenges while maintaining internal balance.

All our staff at the headquarters have access to a training catalogue, offering three programmes each, tailored to their individual needs. Mixed training groups are deliberately created from different units within the organisation, which significantly fosters connections and interdepartmental cooperation.





## Training is provided on the following topics:

1. Self-awareness and self-development
2. Communication
3. Developing cooperation
4. Resilience and stress management
5. Professional training
6. Office training
7. Language training

## Coaching



Coaching is available for all senior and mid-level managers, as well as for employees participating in development programmes (such as the talent management programme and logistics leadership development programme). The company provides team and individual coaching sessions with the support of external independent experts on a group or individual basis in case of operational challenges. If employees experience personal stagnation, they also have the option to request an external coach with management support.

## Targeted professional and development programmes

In addition to the above, we have launched targeted development programmes for management, mid-level managers, and logistics managers (warehouse managers and team leaders).

### Group language training



Our central staff and logistics managers can participate in group language training (English or German, depending on their choice).

## Rossmann Academy



We believe it is important to develop not only our office staff but also our sales employees. To this end, we have been running the Rossmann Academy for several years, where newly appointed managers, as well as promising and high-potential managers, receive comprehensive, company-specific professional training over several weeks.

## Professional training

Depending on the job role and specific needs, we offer opportunities for staff to participate in specialised professional training (e.g., SQL database queries).



Among the training courses listed, there are currently no specific programmes dedicated to supporting career changes. However, we believe that our sales onboarding training equips employees with the necessary skills for sales work, even for those without prior qualifications or experience.

We continuously integrate the lessons and experiences from our training programmes into the company's operating principles and processes to enhance the quality and effectiveness of our training. Rossmann is committed to providing its employees with high-quality training that supports sustainable development and the long-term success of the company.

## Leadership training



We also initiated a development process for our central managers in 2023 to enhance their leadership competencies. This process consists of five sessions.





# SOCIAL RESPONSIBILITY



Rossmann Hungary places great importance on actively contributing to social well-being and environmental protection. We are involved in various initiatives, supporting NGOs, people in need, and environmentally conscious projects. Below, we present our CSR activities and their impact.



## SUPPORTING PEOPLE IN NEED THROUGH NGOs

Rossmann regularly supports NGOs that help people in need, especially children and families. Key partners include:

- **ÁGOTA Foundation:**  
Assisting orphans and disadvantaged children.
- **National Association for Premature Infants:**  
Supporting the care of newborns and premature babies.
- **Gyöngyöstarján Flood victims:**  
Providing assistance to flood victims.
- **Baptist Charityt:**  
Support for various aid programmes.

To celebrate our 30th anniversary, the ÁGOTA Foundation received a special grant in 2023. In addition to regular donations, they received an additional HUF 4.5 million to purchase a new container house, expanding summer camping opportunities for children. In total, we supported the Foundation with HUF 6 million during the year.

## Selected beneficiary: Sályi Hétszínvirág Óvoda

Rossmann pays particular attention to the Sályi Hétszínvirág Kindergarten, which we have "adopted". We supply the kindergarten with the necessary hygiene and cleanliness products and fruit on a monthly basis. At Easter, we provide the kindergarten with chocolate eggs, developmental toys and craft supplies so that the children can experience the joy of preparing for the holiday. On Children's Day, we organised a festive show and at Christmas, the children's personal wishes were granted by colleagues in the form of shoebox gifts. Our employees are regularly involved in the life of the nursery, not only through financial support, but also through their personal presence, where they can see the smiling faces of children and experience the joy of giving.





*„We believe that it is advisable to familiarise children with these topics as early as possible, even in kindergarten, in a form appropriate to their age, as we can do a lot for a more sustainable future by educating the youngest children” – said László Flórián, Managing Director of Rossmann.*



## COMMUNITY PROJECTS

### Péter Merő and the Magic Lantern Foundation:

in the course of our cooperation, Péter Merő designed bags for the Magic Lantern Foundation. Designed bags to help grant the wishes of sick children.

### Henkel bottle collection:

to promote selective waste collection, we participated in Henkel's bottle collection campaign, to promote selective waste collection and recycling.

### Storybook for kindergartens:

donated Dirk Rossmann's book "Tintoretto and Friends" to nearly 3,000 preschools to raise awareness about sustainability, the environment, and climate change.

### Drawing competition:

we organised a creative competition for children to create drawings related to sustainability and the environment.

### Edisonplatform:

as last year, we distributed the Edisonplatform maps to all our staff, so that they can easily find their places to support their children and grandchildren as parents and grandparents in acquiring the skills they will need in the future. We sent 50–50 additional maps to our 60 busiest shops to make them available to our customers.





## FUNDRAISING CAMPAIGN

### #nemluxustaska:

Rossmann 2023 has joined the #nemluxustaska campaign, where our staff donated bags in good condition full of hygiene products to ladies in need. As a result, 137 bags were delivered to the Hungarian Maltese Charity Service collection point.

## IMPACTS

Rossmann Hungary's CSR activities have several positive impacts:

### Environmental impact:

by promoting selective waste collection and recycling, we reduce waste and promote a more sustainable future. The use of recycled materials reduces the demand on natural resources and minimises environmental impact. In addition, through storybooks for children and educational initiatives, we teach children about the importance of the environment from a young age, promoting sustainable lifestyles in the long term.

### Economic impact:

through education and development programmes, we contribute to the training of future generations, thus supporting the development of the labour market in the long term. Such programmes help to develop the skills and abilities of children, which can later have a positive impact on the economy. We also strengthen the economy by supporting local communities and directly contribute to the development of local businesses and services.

### Social impact:

by supporting people in need and community initiatives, we improve social cohesion and promote social justice. We contribute to reducing social inequalities by supporting various aid programmes, such as the ÁGOTA Foundation or the Baptist Relief Service. By supporting the "adopted" Sályi Hétszínvirág Kindergarten, we directly improve the quality of life and educational environment of children, which has a positive long-term impact on the community as a whole.

Rossmann is committed to continuing and expanding its CSR activities, contributing to a more sustainable and just world.







**APPENDIX** **LIST OF GRI INDICATORS**



UNIVERSAL STANDARDS			
	Reason for disclosure	Where to find it	Comments
2-1	Organizational details	7,8	
2-2	Entities included in the organization's sustainability reporting	6	
2-3	Reporting period, frequency and contact point	6, 77	
2-4	Restatements of information		Information from previous reporting periods has not been repeated in the report
2-5	External assurance	6	
2-6	Activities, value chain and other business relationships	7,8	
2-7	Employees	58, 59	
2-8	Workers who are not employees	58	
2-9	Governance structure and composition	18	
2-10	Nomination and selection of the highest governance body	19	
2-11	Chair of the highest governance body	18	
2-12	Role of the highest governance body in overseeing the management of impacts	14	
2-13	Delegation of responsibility for managing impacts	14	
2-14	Role of the highest governance body in sustainability reporting	4	
2-15	Conflicts of interest	18	
2-16	Communication of critical concerns		Confidential information
2-17	Collective knowledge of the highest governance body	14	
2-18	Evaluation of the performance of the highest governance body		The current performance rating system does not include sustainability directly
2-19	Remuneration policies	20	
2-20	Process to determine remuneration	20	



UNIVERSAL STANDARDS			
2-21	Annual total compensation ratio		Confidential information
2-22	Statement on sustainable development strategy	4	
2-23	Policy commitments		Operating in decentralised structures
2-24	Embedding policy commitments		Policies are being embedded
2-25	Processes to remediate negative impacts		Breakdown by reporting chapter
2-26	Mechanisms for seeking advice and raising concerns	-	
2-27	Compliance with laws and regulations	30, 31	
2-28	Membership associations		Hungarian Trade Association, Business Council on Sustainable Development Hungary, German and Dutch Chamber of Commerce, Hungarian Marketing Association, Hungarian Advertising Self-Regulatory Board, Edisonplatform
2-29	Approach to stakeholder engagement	23, 24,	
2-30	Collective bargaining agreements		No collective bargaining agreement
ECONOMIC PERFORMANCE			
3-3	Management of material topics	12,13	
201-1	Direct economic value generated and distributed	17	
201-2	Financial implications and other risks and opportunities due to climate change	17	
201-3	Defined benefit plan obligations and other retirement plans		N/A
201-4	Financial assistance received from government		N/A
INDIRECT ECONOMIC IMPACT			
3-3		16, 17	
203-1	"Infrastructure investments and services supported"	44,45	
203-2	Significant indirect economic impacts	17	



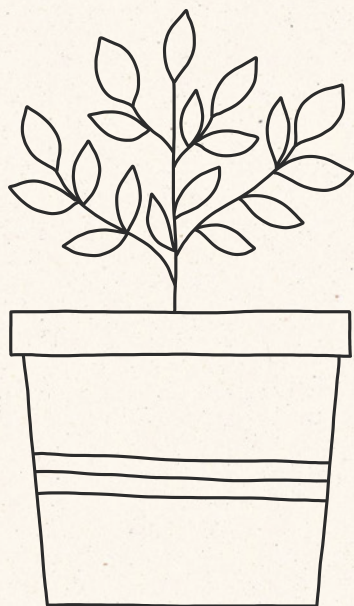
PROCUREMENT PRACTICES			
3-3	Management of material topics	21, 22	
204-1	Proportion of spending on local suppliers	16	
ENERGY			
3-3	Management of material topics	35, 36	
302-1	Energy consumption within the organization	37	
302-2	Energy consumption outside of the organization	-	
302-3	Energy intensity	-	
302-4	Reduction of energy consumption	36	
302-5	Reductions in energy requirements of products and services		N/A
EMISSION			
3-3	Management of material topics	38	
305-1	Direct (Scope 1) GHG emissions	39	
305-2	Energy indirect (Scope 2) GHG emissions	39	
305-3	Other indirect (Scope 3) GHG emissions		We do not measure Scope3 emissions yet
305-4	GHG emissions intensity	39	
305-5	Reduction of GHG emissions	39	
305-6	Emissions of ozone-depleting substances (ODS)		N/A
WASTE			
3-3	Management of material topics	50	
306-1	Waste generation and significant waste-related impacts	50,51	
306-2	Management of significant waste- related impacts	52	
306-3	Waste generated	53	
306-4	Waste diverted from disposal	54	
306-5	Waste directed to disposal	54	

EMPLOYMENT			
3-3	Management of material topics	58	
401-1	New employee hires and employee turnover	60,61	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		Benefits provided are segmented along different categories
401-3	Parental leave	61	
OCCUPATIONAL HEALTH AND SAFETY			
3-3	Management of material topics	47,48	
403-1	Occupational health and safety management system	46	
403-2	Hazard identification, risk assessment, and incident investigation	47, 48, 49	
403-3	Occupational health services	63, 64	
403-4	Worker participation, consultation, and communication on occupational health and safety	47, 48	
403-5	Worker training on occupational health and safety	47, 48	
403-6	Promotion of worker health	63, 64	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	47, 48, 64	
403-8	Workers covered by an occupational health and safety management system	46	
403-9	Work-related injuries	49	
403-10	Work-related ill health	49	
TRAINING AND EDUCATION			
3-3	Management of material topics	69	
404-1	Average hours of training per year per employee	71	
404-2	Programs for upgrading employee skills and transition assistance programs	72	
404-3	Percentage of employees receiving regular performance and career development reviews	71	



CUSTOMER HEALTH AND SAFETY			
3-3	Management of material topics	26	
416-1	Assessment of the health and safety impacts of product and service categories	28,29,30	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	29	





## IMPRESSUM

**Date of publication:** September 2024

**Contact person:** Adél Sifter (sifter.adel@rossmann.hu)

**Professional content:** Zsófi Tomaj, sustainability advisor

**Publication design and illustrations:** Dolphin Ganz – freelance designer

**Sources of some of the images and graphics in this publication:**

Unsplash+, Envato Elements, Shutterstock, Freepik Premium, Flaticon

**Sustainability information:**

<https://www.rossmann.hu/a-rossmannrol/egy-zoldebb-vilagert>





**ROSSMANN**  
*Drogeria Parfümeria*