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CEO WELCOMING WORDS

Sustainability is a key issue for Rossmann Hungary therefore we consider our second sustainability report a major milestone in the life of our company. While our first sustainability report published in 2021 was more like a progress report, describing the environmental, economic and social dimensions of our efforts, this year's report is specifically focused on the year 2021, in line with the financial reporting period and annual reporting practice.

In our reporting practice we aim to adopt the same kind of progressivity as we do with our sustainability efforts. This time we have prepared our report based on the criteria set out by the Global Reporting Initiative (GRI), while still learning the methodology and approach. The process helped us assess what we still need to do within our company to make our data collection practices smoother. Our aim is to produce a fully GRI-compliant report for the coming year, as we believe it is important that sustainability reporting is transparent and internationally comparable.



INTRODUCTION

ABOUT OUR REPORT

New GRI standards will come into force as of 1 January 2023. In line with the GRI recommendations our report for 2021 is in line with this new upcoming version.

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We recognise that reporting according to international standards requires a new approach as well as advanced data collection practices within our company. This needs to be recognised and embedded into our corporate approach and practices. For us, this year's reporting process has been about just that. This year, we have familiarized ourselves with the GRI reporting methodology and approach, and collected the needed data and information.

Last but not least, in parallel, we assessed the gaps and further steps needed for a complete GRI report in order to have a clear, complete list of tasks for next year's documentation.

We are aware that the present sustainability report does not meet all the GRI standard requirements. However we have a clear understanding of the road we are following. Our goal is to present a fully GRI compliant report next year.

In this year's report, we present the material issues, programmes and initiatives relating to Rossmann's operations.



ROSSMANN IN NUMBERS



HUNGARIAN LEADERSHIP



18 000 PRODUCTS





28
OWN BRANDS





130 CITIES



2148 EMPLOYEES

470 SUPPLIERS



14%
HUNGARIAN PRODUCT
ASSORTMENT



The report covers all functional areas of the company.

HISTORY OF ROSSMANN

ABOUT OUR COMPANY

Rossmann Hungary Trading Ltd. (from now on Rossmann or Rossmann Hungary) is one of the most successful retail drugstore chains in the country. Our headquarters and logistics center are located in Üllő, but we have nationwide presence due to our extensive network of stores. Our products include our ownbrands and branded products as well.

COMPANY OWNERSHIP STRUCTURE

The parent company of Rossmann Hungary is Dirk Rossmann GmbH, one of Europe's largest drugstore chains, based in Germany. The majority ownership of the company is with the Rossmann family. The founder of the company, Dirk Rossmann opened his first store in Hanover in 1972. The headquarters have been located in Burgwedel, near Hannover since then.

Dirk Rossmann GmbH has 56 300 employees and 4 244 stores in Europe, including 2 233 in Germany. Today, Rossmann is present in eight European countries, with subsidiaries in Poland (1993), Hungary (1993), the Czech Republic (1994), Albania (2009) and Turkey (2009).

The brand has been present in Kosovo since 2018 and in Spain since 2020.

The A.S. Watson Group, the world's largest international health and beauty retailer, owns 40% of Dirk Rossmann GmbH. The A.S. Watson Group has 16,000 stores in 27 markets, 140,000 employees and over 5.9 billion customers per year across 12 retail networks. Their motto: "put a smile on our customers' faces".

RESPONSIBLE CORPORATE GOVERNANCE

Our management team consists of 12 people: two chief executive officers and 10 managers. There are no sub-committees within the management, questions and issues for decision are referred to the full board.

SELECTION OF THE HIGHEST GOVERNING BODY

At Rossmann both the CEOs and the members of the management are appointed for an indefinite period. The selection process for the chief executive officers position happens on an international level in line with market practices. The most important aspect of the selection process is to ensure that the candidate has the competencies relevant to the tasks and objectives of the position. Members of the management team do not hold other significant positions in other organizations.

OUR MOTTO: BRINGING A SMILE TO OUR CUSTOMERS' FACES!

LEADERSHIP STYLE

Development is important for us and as a part of that process resetting, replanning and rethinking practices as well. For all of us. Every day. In every segment. Throughout this process we rely on our tested and proven principles: clear, decentralized structures, short decision-making paths.

In this way, we ensure that we can respond quickly and flexibly to new requirements. We do have guidelines and written codes of conduct, but our decision making processes are also based on our own responsible leadership values 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.

OUR SUPPLY CHAIN





"We don't have one big decision that changes the world, but rather we add something every day, but really, 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 CEO of Rossmann Hungary

RESPONSIBLES FOR SUSTAINABILITY

Within our management the marketing manager is responsible for sustainability. However, the whole management has a significant role in sustainability reporting. The initiative itself to start the reporting process comes from the highest governing body.

In addition, all relevant managers and employees are involved in the reporting process in order to incorporate all departments and to collect the relevant information.

Management is the driving force behind the sustainability efforts, not only because the process is initiated by them, but also because the validation process and report evaluation is their responsibility. They draw conclusions and set the objectives together. In addition, the preparation and presentation of the sustainability report is also an opportunity to further develop the management's knowledge, skills and experiences on sustainability.

DIRECT AND INDIRECT ECONOMIC IMPACTS

As one of the largest employers in Hungary, Rossmann provides stable and predictable jobs for more than 2000 employees nationwide. Our impact is felt not only in the capital city of Budapest, but also in the larger, more developed cities as well as in less developed rural regions.

For Rossmann Hungary, 2021 was the most successful year ever in terms of turnover and revenues due to the fact that we increased our sales by 9%. The growth is apparent both online and offline. We believe that our economic success is due to the fact that we have been able to prove to our employees, partners and consumers that we are a stable, reliable and value-creating company, even in the last - more difficult - years.

We work every day to achieve dynamic growth. We are improving processes, expanding and changing our product range, innovating both internally and externally.

DIRECT ECONOMIC VALUE GENERATED	108.308.979.000 HUF
REVENUE	108.308.979.000 HUF
ECONOMIC VALUE DISTRIBUTED	106.067.072.000 HUF
OPERATING COSTS	94.868.126.000 HUF
EMPLOYEE WAGES	10.636.969.000 HUF
PAYMENTS TO CAPITAL PROVIDERS	73.780.000 HUF
CORPORATE TAX	554.607.000 HUF
ECONOMIC VALUE RETAINED	7.387.910.000 HUF

We are also aware of the challenges posed by changing market conditions, and we pay particular attention to mitigating risks. Keeping our costs low is essential for sustainable management.

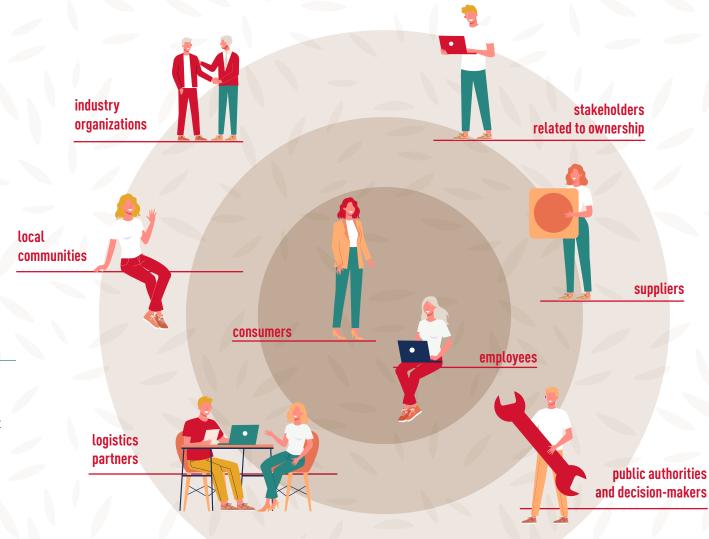
From an economic point of view, one of our main objectives is to support our business processes as best we can in an ever-changing market environment. We do this by fully complying with national financial and accounting legislation, which is the responsibility of our Chief Financial Officer.

Stakeholders

Our report focuses on the stakeholders who are most affected by our activities.

First and foremost we focus on our consumers, our most important stakeholders, whose needs and desires we strive to fulfill. On the other end, there are the expectations of our shareholders. Between these two touchpoints, the engine of our daily activity is our employees, our suppliers and our partners in the retail network.

It is therefore of the utmost importance that we are in regular contact with each of these stakeholder groups. Our business would be meaningless without our stakeholders. Rossmann has identified the following stakeholder groups:



MEMBERSHIPS

- >>> Hungarian Trade Association
- >>> Business Council for Sustainable Development in Hungary
- >>> German Chamber of Commerce
- >>> Dutch Chamber of Commerce
- >>> Hungarian Marketing Association
- >>> Hungarian Advertising Self-Regulatory Board

SUSTAINABILITY

OUR THINKING ON SUSTAINABILITY

Our thinking on sustainable development is naturally based and connected to the policies and directions of our parent company. This is particularly true regarding our products, as the Rossmann own brand products are developed and manufactured in Germany.

We are in agreement with our parent company that our primary goal in terms of sustainability is our economic sustainability. We are convinced that we can only achieve all elements of sustainability if our company performs well and is able to provide the financial resources necessary to achieve environmental and social sustainability.

Our continuous positive business development, operational efficiency and, among other things, the cost-effective way in which we run our business processes are the means to operate in an environmentally sustainable way and to place a strong emphasis on social issues.

This kind of sustainable approach has been an integral part of Rossmann's corporate culture since the company was founded. We do not consider sustainable development as a one-off action, but as a process of constant learning and improvement.

Sustainability for
us is a process - we must
not stop working
towards sustainability and becoming
better! We don't do this for our own
conscience but for ourselves, for our
planet and for the future generations,
for whom we leave the
result of our work.



Dirk Rossmann about sustainability

OUR IMPACTS

As an industry leading company, we have a major role and responsibility in setting an example for our stakeholders and other market players, competitors. We believe that this is part of responsible corporate governance.

An important element of our sustainable development and responsible business conduct is to see clearly the negative and positive impacts of our operations and activities from an environmental, economic and social perspective. Every company has an impact on the environment, society and the economy. Due to the company operations of course it is not only in a positive sense. The key question is what we do about the - negative - impacts that result from our company's activities.

Rossmann's management thinks responsibly about what our products contain and how much resource we use to produce and package them.

However, the impact of Rossmann Hungary is partly different from the parent company, as we do not have product manufacturing processes. Our negative impacts are therefore mostly related to logistics processes and the maintenance of the national chain of our stores, namely from our energy consumtion and emissions. Our impacts are not only negative. In fact, we are very proud of the many positive impacts we have, directly or indirectly, on our employees, consumers and partners, just to highlight the most important stakeholders.

At Rossmann, we place great emphasis on long-term job security, stable and long-term cooperation, raising awareness and promoting environmentally friendly products, among other things.

The economic impact of Rossmann's operations is also felt by our domestic supplier network, for whom we ensure stable demand. Through our suppliers, we also contribute to employment, the willingness to invest, and to increasing the revenues of the Hungarian state budget through the payment of taxes and contributions.



At Rossmann, we believe it is important to be aware of our impacts and to be increasingly conscious of reducing them as much as possible. This approach is fully in line with the thinking of our parent company. In Germany, this approach is the starting point for intensive and innovative product development.



THE LINK BETWEEN OUR STRATEGY AND THE SDGS:

Our targets contribute to SDG target 7.3, thus to doubling the global rate of improvement in energy efficiency.

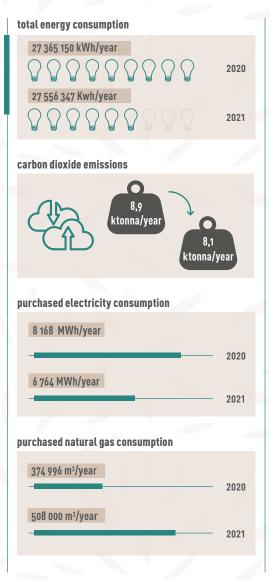


ENERGY

Our energy use is noticeable due to our logistics center and our extensive network of stores.

The energy consumption of our activities is continuously monitored and we make every effort to increase our energy efficiency. The energy management system ISO 50001:2012, supports the management and improvement of our energy performance in all activities of the organization. It also provides a framework for our investments, decisions and employee education on energy savings.

Since the use of ISO 50001, we have met the annual m² of consumption reductions committed.



ENERGY USE REDUCTION

We are taking continuous steps to reduce specific energy consumption. We promote the purchase of energy efficient products and services. Replacement of air conditioners in stores with more efficient units is ongoing. The replacement of basic lighting with LED systems has been fully implemented, also the majority of the accent lighting in the shops is now LED. Thermometers have been installed to monitor the internal temperature of our headquarters. Our future goals include further reducing our environmental impact, so we are exploring more options for energy efficient operations.

We attach great importance to the continuous sensitisation of our staff therefore we regularly organize training sessions for them. The trainings are e-learning based with knowledge checks. We encourage our staff to follow market trends, therefore they frequently participate in professional trainings and conferences on energy awareness.

We have further increased the share of hybrid cars in our fleet. As a result of earlier steps taken all our vehicles are now Euro 6 compliant. With these measures we have been able to reduce our emissions from vehicle use.

We pay particular attention to ensure that the stores under renovation and the new stores meet with the most up-to-date technological requirements and result in energy savings. The comfort of our customers is significantly improved as a result of energy retrofits. The improvements to the leaseholds are well received by landlords as well.

We communicate about our energy related dispositions to our stakeholders on the Rossmann website. All the energy related measures taken in the previous year are recorded in the annual energy report.

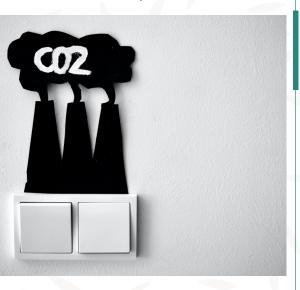
THE LINK BETWEEN OUR STRATEGY AND THE SDGS:

The introduction of emissions measurements and associated action plans integrate our climate change measures into our strategy and planning.



EMISSION

At Rossmann we have decided to engage an external expert to measure our carbon footprint.



Our aim was to assess and quantify our organization's direct (Scope 1) and from purchased energy consumption related indirect (Scope 2) carbon footprint.

Accordingly, we are also addressing where and how we can meaningfully reduce our greenhouse gas emissions, thereby reducing the environmental footprint of our operations.

The survey shows that our most significant emission comes from our energy consumption (Scope 2).

80%

It accounts for almost 80% of total carbon emissions.

Within this, our electricity consumption is the most significant (two thirds of total carbon emissions). The importance of footprint calculation is of course to continuously monitor its change and reduce it.

We have started to think together with experts on reduction and offsetting options, and the options are being assessed.

WASTE MANAGEMENT

Waste is generated in many areas of the value chain, but most of it comes from product packaging waste, including bulk packaging and the individual packaging of the product purchased by the consumer. Some of the former ones piles up in the logistics center from the incoming own and branded products, and some accumulates in the store. The packaging waste collected in the stores is returned to the center and treated there.

Waste is collected separately by type of material. Paper, plastic and aluminum are baled on site and foil is compressed.

PACKAGING WASTE

Waste generated in 2021



paper packaging 1 645 583 KG



wood packaging **8 325 KG**



plastic packaging **96 703 KG**



mixed packaging waste 113 129 KG

ANY OTHER WASTE



electronic waste



iron waste



mixed paper waste 64 470 KG



waste



miscellaneous waste

PAPER USE

We took the first big step to radically reduce paper use in 2019.

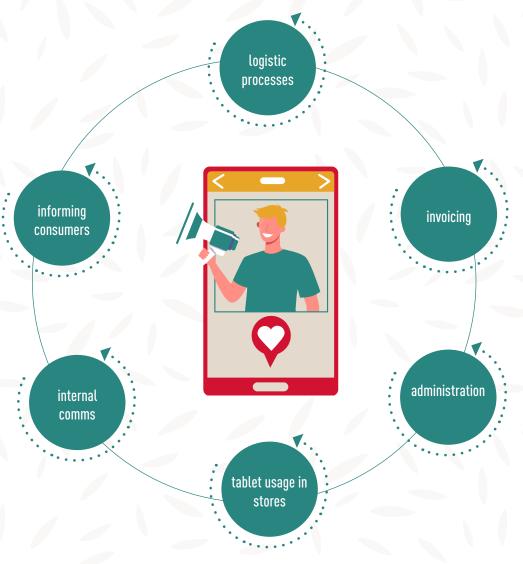


70%

Compared to five years ago, at Rossmann we use almost 70 percent less paper to print the special offer magazines and leaflets.

We did not only reduce paper use in our external communication towards our customers.

Paper reduction is a company-wide trend that is very apparent in the everyday administration. The communication among Rossmann employees is largely done on digital platforms, and as a



result we have not only used less paper but also less energy. In line with the company-wide trend we have also digitized control processes in the logistics area and switched to e-invoicing.

We have introduced the use of tablets in the entire store network to go paperless.

CONTRACTED PARTNERS

The waste generated by the organization's activities are taken over by our contracted partner Fe-Group Invest Zrt. and the hazardous waste by Trans Global Kft. They carry out their activities with valid official permits.



Startup Plastic Surgery

LINK BETWEEN OUR STRATEGY AND THE SDO

Our waste management practices and goals contribute to target 12.4, i.e. the environmentally sound management of all wastes. The increase in our sustainability assortment, particularly related to packaging, supports the reduction, prevention, recycling and reuse of waste generation, which contributes to the achievement of target 12.5.



"It's fantastic that
we are able to achieve real
results through this collaboration, by helping greentech
start-ups
market access in a way that also
addresses Rossmann's
challenges."

Alexandra VÉGH founder of Startup Plastic Surgery Rossmann aims to contribute to the preservation of environmental values not only through its operations, but also through providing solutions to sustainability challenges through its product range.

This is why we joined the Startup Plastic Surgery programme, the first startup programme in Hungary to address the issue of plastic. The programme supports startup ideas that offer solu-

tions to the environmental and health challenges caused by plastic. In addition to the financial support, we offered a special prize at the end of the competition to teams that best fit our profile, with a free shelf space.

Skoonex's - won the special prize this year - with its eco-friendly toothbrush (made of a recycled aluminum frame and a 100% recyclable, replaceable plastic head) will soon be part of the drugstore chain's product range.



"Sustainability is a high priority for Rossmann. Our cooperation with Startup Plastic Surgery is just one example of this. We believe that sometimes all it takes is a good idea, perseverance and a supportive environment to start change. In this equation, we want to be that supportive environment for ambitious idea creators who are willing to make a difference.."

László FLÓRIÁN, CEO of Rossmann Hungary

Suppliers

WORKING TOGETHER RESPECTABLY, ALWAYS AND EVERYWHERE

OUR SUPPLIERS ARE KEY PLAYERS

As part of our business partnership, we strive to build long-term, fair and reliable relationships with our suppliers. The fact that most of our 470 suppliers have been our partners since the beginning is a testament to our success. Our suppliers are key to our operations, without them we would not be able to meet our customers' needs.

Meeting the ever-changing market environment and customer needs is key to high customer satisfaction and value creation, and can only be ensured through long-term partnerships. That is why it is important for us to maintain transparent, reliable and fair business relationships in both directions.

PRODUCT SAFETY

We attach importance to building quality relationships with our supplier partners and to maintain and continuously improve the quality of our product range. Although Rossmann Hungary is not directly involved in raw materials and manufacturing, product safety is a key focus for us. Product quality is therefore of paramount importance when selecting suppliers.

Advantage_



FIRST PLACE

Rossmann has been ranked number one in the Advantage Report ® survey by supplier partners for many years. The supplier partnerships are characterized by fairness, transparency, availability, reliability, fair business relationships and consistency even in an ever-changing market environment.

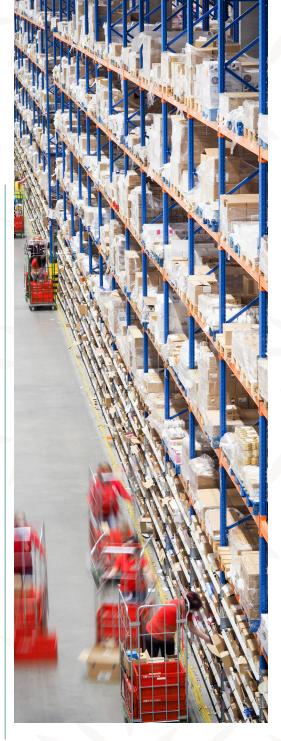
Advantage Group is a B2B market research company that developed the concept of business relationship evaluation. A key feature of the company is the Advantage Report®, which measures collaboration between supply partners and retail chains.

SUPPORTING LOCAL SMES

We consciously pay special attention to helping small and medium-sized enterprises enter the market. This is closely linked to our objective of replacing products that are too expensive, take too long to transport and take too long to deliver.

We wanted to bridge these two ambitions when we launched our supplier partner sub-page to receive product offers. We believe that this has made it easier for Hungarian products to be included in our selection and we can better promote Hungarian manufactured products as well as.

The platform also provides transparency to the supplier side as the status of the received offers can be easily tracked. Typically, we establish agreements to minimize service and condition dependencies.



Our products

In our purchasing department, changing consumer needs and responsive manufacturer solutions can be traced very well. We see the demand for sustainable products growing steadily, so their share on the shelves is increasing. We are consciously seeking to expand supplier market development for sustainable products, particularly in the areas of packaging, recyclability and products from sustainable manufacturing.

The product selection is based on the following primary criteria: market demand, niche, high potential. Once selected, the terms and conditions of listing a product is important. Lately, when two products are identical, we consciously favour those that have an additional message: sustainable packaging or production, vegan products, reusable products, and product content that is free of substances that are harmful to the environment or the human body.

THE LINK BETWEEN OUR STRATEGY AND THE SDGS:

Our cooperation with our suppliers supports target 17.17 on effective partnerships between stakeholders. Rossmann with its product selection also contributes to promoting product activities, entrepreneurship, creativity and encourages the growth of micro-, small- and medium-sized enterprises, thus contributing to the achievement of





Customer health and safety

DETAILED PRODUCT INFORMATION

At Rossmann we handle more than 18,000 products. The assortment is not permanent, as it is constantly updated with changes in consumer needs and as new products are launched by brands. Out of all the products on the shelves, 2,100 are own-brand products.

We are also aware of, monitor and react to market trends and changing consumer expectations in relation to sustainability.

25%

25 percent of our product range is already sustainability-related.

Whether in terms of packaging, presentation, refillability or raw materials, Rossmann offers its customers 40 to 50 different labeled products - within ownbrands labels alone. We have differentiated 22 sustainability sub-categories, with more than 110 brands clearly linked (10% of all active brands) to them.

The above explained approach led to a steady increase in the proportion of eco-friendly products in our range. Wit-



40-50 different labeled products



22 differentiated sustainability sub-categoris



more than 110 brands clearly linked to sustainability

hin our own-brand label products, we are continuously expanding our assortment of microplastics-free and climate-neutral products. Within our recycled packaging products the so called mono-material is increasingly present, which, being made from a single material, further promotes recycling.

We also feel that the pressure is not only on us, but also on the major manufacturers to meet consumer and market expectations and therefore to focus on, for example, recycled products and products with lower CO2 emissions. In our view small- and medium sized manufacturers are responding most innovatively, namely by the use of paper, bamboo, recycled plastics and other alternative materials.

We are also seeing a growing share of refillable products, especially in soaps, shampoos and shower gels. Solid products such as solid shampoo are also becoming more common. Similarly, innovations in the reusable product area, such as facial wipes and face wash discs are becoming more common.

PRODUCT SAFETY

Our customers can be confident that the quality of our products is of a consistently high standard, because we work with fully developed and reliable technologies.

In Germany, where our own-branded label products are manufactured, a so-called "Rossmann risk matrix" was

introduced in 2011 to ensure product safety. The aim of the system is to guarantee the safety of Rossmann own-branded products and compliance with legal regulations, involving independent, accredited institutes and laboratories. In addition to the legal parameters and those set by Rossmann, environmental aspects are also taken into account.

Rossmann is committed to producing safe and high quality products for its customers, taking into account environmental aspects.

Our basic requirement for both our ownbrand and branded products is that, in addition to mandatory legal compliance and labeling, the packaging and content of products should be increasingly adapted to social and customer expectations related to sustainability, thereby reducing their negative impact on the environment.

AWARD WINNING PRODUCTS:

In line with our sustainability ambitions, we aim to reduce our negative impact on the environment in our product development practices and packaging design.

To ensure product safety, we have also incorporated a number of measures in our processes and in our supplier cooperations. Detailed listing and more product attributes at the time of listing also helps suppliers be more aware of the environmental impact of the products they distribute.

LOCAL SUPPLIERS, HUNGARIAN PRODUCTS

We monitor the turnover of Hungarian products. We consider local products to be those that are produced in Hungary even if they are partly made from foreign raw materials. Today, 14% of our total assortment consists of domestic products, which is a 2% increase compared to our previous report. Our aim is to maintain this trend and reach an increase of up to 1-2% per year.



PRODUCTS WINNING HUNGARIAN GREENBRANDS AWARD:



14% of our total product assortment is domestic products



this is a 2% increase compared to previous year 2%

our aim is to maintain this trend

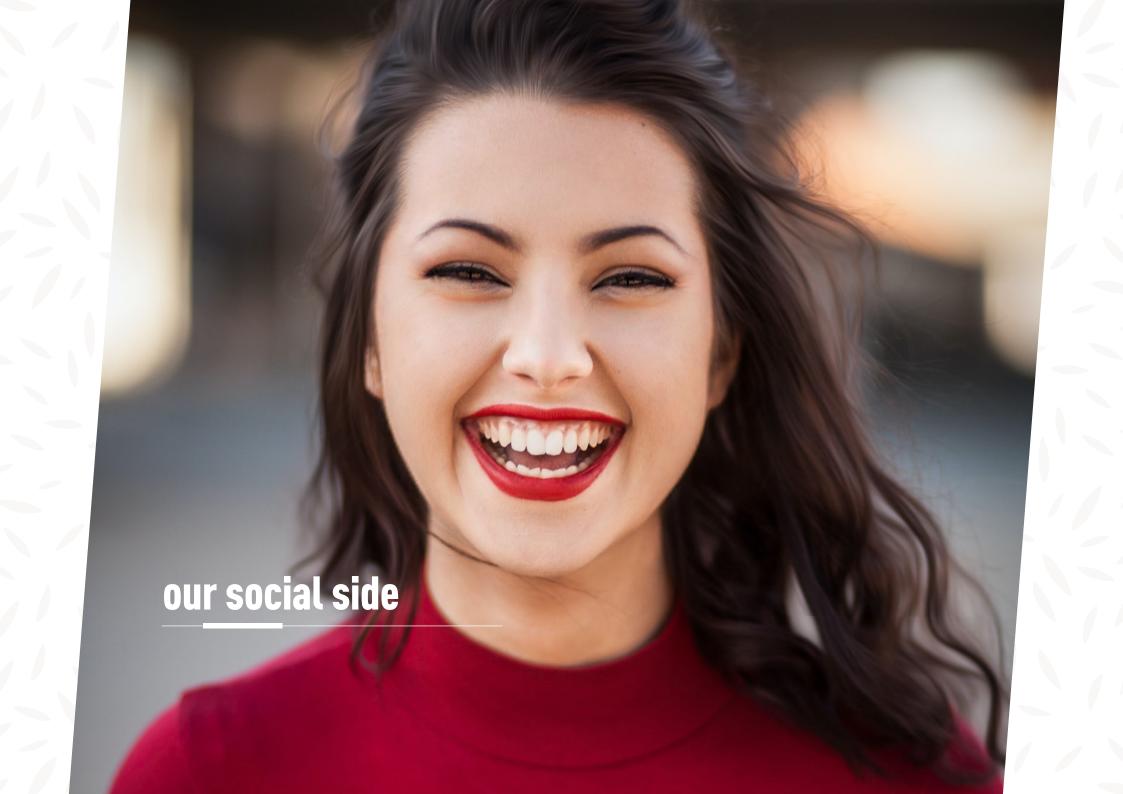
We support products from smaller, mainly local suppliers and give them the opportunity to enter our network.

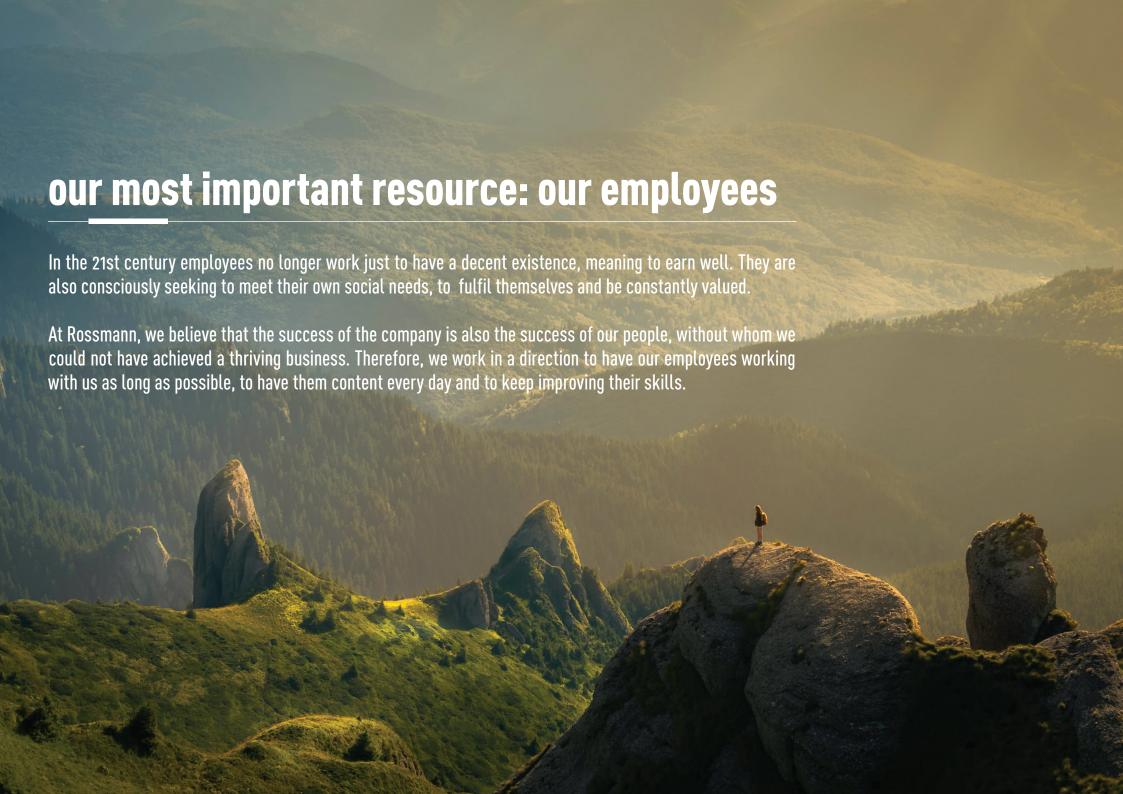
Depending on the size and capacity of the manufacturer, they can enter the webshop with as little as 1-2 products or at a limited number of shops to help them gain market access.

GERMAN ÖKOTEST "SEHR GUT" CERTIFIED PRODUCTS:



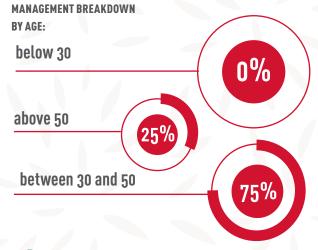
- >>> Facelle normal tampon,
- >>> Facelle menstrual cup,
- >>> Alterra hyaluron textile mask,
- >>> Alterra hand cream with sea buckthorn,
- >>> Alterra orange oil soap,
- >>> ISANA 3in1 micellar cleansing water.





Employment

At Rossmann women are in the focus and this is also true of our employees, with 94.7% of the workforce being women.



A STABLE EMPLOYER

We want to be a versatile, appealing and 100% stable workplace for our employees - as we have stated earlier, they are our most important asset. We have a special responsibility towards them. In our fast-changing and increasingly unpredictable world, our top priority is to be a reliable employer they can count on. Therefore we constantly monitor their needs and respond to them as far as we can.

women in mid-management: 62% women MID-MANAGEMENT BREAKDOWN BY AGE AMONG WOMEN: in management 25% **MANAGEMENT BREAKDOWN** BY GENDER: above 50 7% between 30 and 50 83% under 30 10%

"Our employees appreciate the stable support they receive from the company, even during the epidemic. We annually assess the satisfaction rate of our employees, and the results of the last two years have been outstanding. The company's performance was above the industry average again this year, according to our colleagues' opinions."

László FLÓRIÁN, CEO of Rossmann Hungary

Rossmann ranked 44th in World's Best Employers' list

Rossmann is one of the world's best employers according to US Forbes. The business magazine, in collaboration with market research firm Statista, has compiled its annual list of the world's best employers, which includes 750 companies.

Rossmann came 44th on the list, ahead of companies such as Facebook, Netflix and Douglas. While the drugstore chain was ranked seventh in the ,small and wholesale' category internationally, it was the best-ranked German retailer.

The pandemic has once again highlighted the social importance within the retail industry worldwide. Rossmann's parent company has awarded its employees for their commitment to the company's success in challenging and difficult times with a €34 million bonus in 2021.

We have done the same in Hungary.



Forbes

To determine the ,World's best employer' list, 150,000 full- and part-time employees from 58 countries were inquired. Respondents to the anonymous survey were asked to share their views on whether they would recommend their employer to family and friends. In addition, respondents rated other companies on criteria such as image, economic footprint, talent management, gender equality and social responsibility. The 750 companies with the highest scores were shortlisted.

"Rossmann Hungary employs nearly 2,000 people and has delivered wage increases above inflation rate in the first and second years of the pandemic. In 2021, we rewarded our employees with a Christmas bonus of HUF 80 million in recognition of their work and dedication throughout the year. We are proud that anonymously measured employee engagement is above the industry average and we are working to ensure that we can continue to provide a stable background for our employees in the future."

Kornél NÉMETH, CEO of Rossmann Hungary

STRATÉGIÁNK ÉS A FENNTARTHATÓ FEJLŐDÉSI CÉLOK KAPCSOLÓDÁSA:

Szemléletünk és hozzáállásunk ezen belül kiemelten hozzájárul a teljes és termelékeny foglalkoztatás és méltányos munka biztosításához minden férfi és nő számára, beleértve a fiatalokat és a fogyatékkal élőket is. Az egyenlő értékű munkáért egyenlő bér biztosítása mellett, a munkavállalói jogok védelme, a biztonságos és veszélytelen munkakörnyezet elősegítése kiemelt célunk.



WE TAKE RESPONSIBILITY FOR OUR EMPLOYEES

We feel it is our duty to support our employees in special or difficult life situations, according to their needs and requirements. Rossmann supports them in many ways, whether it is childbirth or temporary financial difficulties. Our employees can apply for a baby birth grant, a salary advance and a funeral grant.

We also provide our colleagues in difficult circumstances with a free monthly package of products from our drugstore. During the COVID epidemic, we provided our employees with medical masks and fully covered the cost of testing.

RESULTS OF COVID INITIATIVES

The pandemic has had a major impact not only on the personal lives of our employees, but also on our business processes and economic operations. In adapting to the new situation, we have also built a number of good practices that have stayed with us even after the pandemic wasn't so much in the forefront any more. For instance during the pandemic, we took a number of measures that benefited the health of our employees. In addition to basic health reg-

ulations implemented (e.g. continuous testing, provision of protective equipment, limiting the number of staff in an office, etc.), we have continued to provide our employees with the opportunity to work from home. We have further increased the number of home office days, which are now available three times a week for employees in jobs where this is possible.

EMPLOYEE TURNOVER

We aim to retain our employees for the long term and keep turnover as low as possible through people-centered management, employee engagement, understanding individual needs, finding common solutions, continuous improvement of wages and supporting work-life balance.

EMPLOYEE ENGAGEMENT AND PERFORMANCE REVIEW

Feedback from our employees is important to us, and we encourage them to share their ideas and opinions with us through various platforms (satisfaction surveys, idea boxes, employee forums). They receive regular feedback on their performance and opportunities for improvement in the form of informal conversations.

We use a performance review system to ensure that pay is not subjective and is predictable for all parties. Annual reviews by managers are recorded in the company system and, depending on the results, colleagues are offered training.



EMPLOYEE SATISFACTION

Dolgozóink elégedettsége kiemelt prioEmployee satisfaction is a top priority for us. But to learn what our employees want, we need to know how they feel about our company. That's why we have been measuring employee satisfaction since 2013 with the help of an external partner company.

Based on the key messages of our employees and the areas for improvement, we outline what Rossmann will do to increase employee satisfaction.

We are pleased to see that the satisfaction indicator has improved again, from 67% last year to 72% this year.

HEALTH AND SAFETY AT WORK

We pay special attention to keeping our employees healthy and safe at work. At Rossman, we believe that only a physically healthy and mentally balanced employee can perform well, work efficiently and in a happy manner. Taking care of our employees will pay off and, in addition to them being more healthy will also result in more commitment towards our company.

SAFE WORKPLACE

Given the current labour market situation, it is important to us that our employees work in a safe and secure environment and feel that as an employer we are taking care of their safety and health.

In our 28,500 m2 logistics warehouse at the Üllő, we operate forklift trucks and also store products classified as risky, therefore it is considered a hazardous site

In order to ensure the health and safety of our employees, it is essential that we comply with all legal obligations relating to occupational health and safety and that we observe the regulations on the handling of hazardous materials.

We review and, if necessary, amend our Severe Damage Recovery Plan annually. We also conduct regular fire drills with the local fire brigade. Our aim is to prevent and minimize work-related injuries and accidents.

At Rossman, the most common occupational accidents are mostly various hand and leg injuries (strains, sprains).

A workplace risk assessment is prepared for potential occupational hazards that may result in serious injury. This assesses both qualitatively and quantitatively the potential hazards and risks.

We raise awareness of the need for careful and safe working practices through training and constantly monitor the correct use of personal protective equipment.

As a result, there were no serious accidents or occupational illnesses during the period under review.



no serious
accidents or
occupational
illnesses during
the period under
review



THE LINK BETWEEN OUR STRATEGY AND THE SDGS:





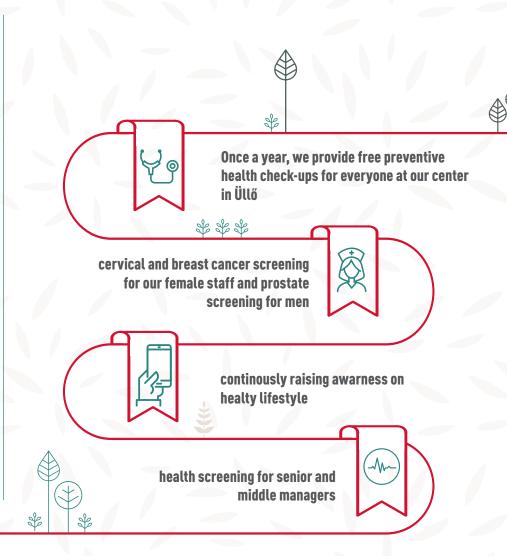
To ensure and maintain continued health and safety, our related processes are continuously improved. Our employees receive regular and mandatory health and safety training every year for different job roles. The importance of training is increasingly emphasized, both in terms of quality and frequency. We ask our staff for feedback on our existing occupational health and safety practices and incorporate them into our processes where possible. In our experience, continuous and personal communication has a return and the results speak for themselves.

We carry out our occupational health and safety tasks in accordance with the requirements of current related legislation. Thus, in accordance with the legal requirements, we carry out a workplace risk assessment, which both qualitatively and quantitatively assesses the risks to the health and safety of workers. Employees also elect safety representatives, who receive professional training and are provided with annual refresher training as well.

ENSURING THE HEALTH OF OUR STAFF

In addition to physical safety, we also look after the general health and mental wellbeing of our employees. Once a year, we provide free preventive health check-ups for everyone at our center in Üllő, which we particularly emphasized during the epidemic season, when many people were unable to get routine check-ups at the doctors' clinics and at hospitals.

We provided cervical and breast cancer screening for our female staff and prostate screening for men. In addition to the health check-ups, our employees can also attend various health-related lectures and our mid- and senior managers can attend a manager health screening.



BREAKDOWN OF TRAININGS: softal staff Store managers and deputies: 2 days per year average of 3 on average days training per year Rew employees integration training 2 days team leaders/ TRAINING AND EDUCATION managers: 3 At Rossmann, we don't deny that our days per year successful and long-term sustainable on average business depends on our ability to SUPPORTING CHANGE retain, motivate and equip our employees with the skills and abilities to perform confidently in a dynamic FMCG SKILLS DEVELOPMENT We offer a range of practical training Our aim is to create a working

environment where they have the opportunity to continuously develop and expand their competences. From language development to retraining and executive coaching, we have a wide range of training courses that

environment.

all our employees can participate in, depending on their area of expertise and role.

to support skills development within our organization - our colleagues can enhance their IT skills, language skills and have the opportunity to strengthen their collaboration skills through individual and group coaching sessions. Professional and competency development training is also available for our store staff, with store managers and deputies having the opportunity to participate in leadership development once a year.

We know that change has become a constant in our lives, both at organizational and individual levels. We help our colleagues deal with these experiences and adapt to new situations. We offer retraining for emplovees in closed shops and home office support for our customer service staff. We do not let go of retired staff permanently, we offer the possibility of continued employment in the same job when requested. We also support the reintegration of a particularly important group of employees, namely, mothers.

LEADERSHIP DEVELOPMENT

To develop their leadership skills, we provide our mid- and senior managers with the opportunity to participate in individual and group coaching, training and workshops using self-mapping methodology. In 2021, 11 people participated in such programmes.



ROSSMANN ACADEMY

The Rossmann Academy plays a central role in building and developing knowledge in the sales area and has been hosting our sales management training for many years. The programme is run on the recommendation of our managers and is open to new recruits to store manager positions and talented candidates who may be considered for such positions in the future. For open positions, we select our managers primarily from among our graduates. 2021 was a special year in the life of the Academy, as we launched online groups after

several years of in-person academies. A total of 63 people participated and completed the 2020/2021 academic year.

sales managers graduated from the Rossmann Academy







63

DIVERSITY AND EQUAL OPPORTUNITIES

Our membership of the Diversity
Charter demonstrates our fundamental commitment to the economic and social benefits of diversity, tolerance, fairness and respect in the world of work and society. The initiative also promotes the exchange of knowledge and experience between signatories and supports us in the implementation of diversity management.



DIVERSITY

Our commitment to diversity supports equal opportunities. Our focus is on groups who, for one reason or another, find it harder to enter the labour market.

As a socially responsible company, we pay special attention to the employment of people with disabilities. We employ 33 people with a disability per year in the logistics area.

33



number people living with a disability employed in the logistics area

We have made a conscious decision not to automate the work processes that are currently carried out by people with a disability in the logistics area, thus ensuring that they have the opportunity of stable employment.



THE LINK BETWEEN OUR STRATEGY AND THE SDGS:

At Rossman, we believe in providing inclusive, equitable and quality education and promoting lifelong learning opportunities for all. We also provide an increasing number of learning opportunities - in line with target 4.7 - that support the acquisition of the knowledge and skills needed to promote sustainable development.

DISCRIMINATION

Rossmann takes the principle of equal treatment into account in all its decisions. We are committed to creating and supporting an inclusive workforce. We do not tolerate discrimination and do not permit exclusion on the basis of religion, belief, disability, age, sexual orientation, race or ethnic origin. To date, no incidents of discrimination have been reported by our employees.

MATERNITY

Due to our drugstore nature, one of our most endearing features is that more than 90 percent of our employees are women. As a result we employ nearly 300 mothers.

We know that it can often be a challenge to return to work after 1-2 years away with young children. It is our responsibility to support their return to work, so we offer them the opportunity to work part-time for 4 or 6 hours or to work from home. If they return to us after years at home and start a new position, we help them reintegrate by retraining them for the new job.



SUPPORTING COMMUNITIES

Our aim is to pass over values, knowledge and information that will have a long-term impact on society or a section of society through our corporate social responsibility activities.

We are not an isolated entity in the life of local communities. We are aware that the environmental, economic and social impact of our activities can be felt by those around us, and we have a responsibility and an obligation to give back to them from the value we produce. Our longstanding commitment to society, projects and initiatives that benefit our communities are at the heart of our support activities.

We provide focused help: we believe that our support should primarily be delivered over the long term to a specific target group or specific problem area. Our priority is to support children and families.

We also like to think in terms of longterm partnerships in this area, and in this spirit we have been supporting the ÁGOTA Foundation - a foundation for the support of young people in state care and at risk - with own-brand products every Christmas for almost 10 years.

At the same time, we can say from experience that we are typically dynamic in our response to the needs of our environment. Therefore, we can also donate money and other goods even in the event of a disaster.

To help
the needy that is the
word of the
times



Üllő

IN PARTNERSHIP WITH ÜLLŐ

We regularly provide educational and product support to nurseries, kindergartens and children's homes in Üllő and the surrounding municipalities, where our headquarter is located.











We support sports clubs in Üllő, paying the oneyear club membership fee for each student athlete - thus supporting around 250 local families.





WE LOVE TO HELP

We also follow the principles of our CSR strategy when it comes to sponsorship requests.

The focus in this area is also on mothers, mothers with young children, healthy lifestyles and equal opportunities. In most cases, our company provides sponsorship support through ownbrand products.

Sponsorship applications are assessed on an individual basis, but within a regulated framework.

We believe in partnerships, together we can achieve much more. Many of our CSR programmes are organized with partner companies to achieve greater social impact.





THE CONSUMER

WE KNOW WHAT OUR CUSTOMERS WANT

Our mission is to make our customers feel better, healthier and more beautiful. and to make their homes cleaner. It is important to us to offer the best choice to meet our customers' needs, competitive prices, high quality and courteous service. In all areas of Rossmann. we work to provide our customers with the most comprehensive and authentic information. We use our YouTube channel and blog to give shoppers more information - on issues related to sustainability, mother and child questions and healthy eating - with the help of experts in our priority product categories. Labeling and trademarks on

our products help give extra help in this.

WE KNOW THE DIFFICULTIES OF SUSTAINABLE LIVING

We know that more and more of our customers want to live more sustainably, and that this not only brings pleasure and satisfaction, but also requires a strong commitment. Conscious living, and with it, shopping, is time-consuming, as you need to learn about alternative products, new ingredients and discover where to find them. Customers may experience that eco-friendly products are often more expensive than

their conventional counterparts.

Conscious or responsible shoppers are known to incorporate ethical and environmental awareness into their purchasing habits.

They care about what they buy, how much and at what price

They prefer products that meet their criteria either through their ingredients or, for example, waste reduction through their packaging or animal welfare issues.

They are also the ones who like to inform themselves about products and only decide to buy a product when they have the right information.

OUR RESPONSIBILITY TO THE CONSUMER

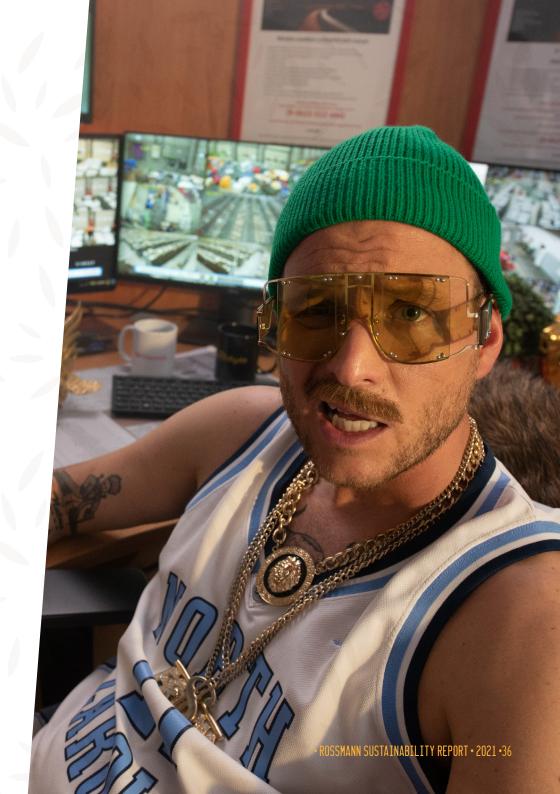
We see that consumers experience a lot of frustration in their everyday shopping. They have to choose from a wealth of information and products that best support their health, do no harm to the planet and don't put too much strain on their wallets.

At Rossmann, we wantto help them not to add to this frustration, but to provide them with effective, usable information to help them make their purchases. We use humour, but with science-based educational content to help them understand sustainability issues and find the products that support them.

SUSTAINABILITY IN COMMUNICATION

As a responsible corporate, we do our utmost to encourage our customers to make informed choices. We place strong emphasis on education, so our communication platforms offer a range of content and information to help our customers navigate the mass of information they are presented with.

We also use our influencers on social media to help us in this endevour. Together with them we can show you small steps that we can take individually to help our environment. We do so without adding to climate change fears and without raising new unrealistic expectations. Meanwhile we are providing you with opportunities to buy sustainably.



CONSUMER EDUCATION

With innovative own-brand products, we offer a range of environmentally friendly alternatives for conscious consumers. We are constantly working to increase our eco-friendly offer, to make consumers aware of sustainable products and to offer them the opportunity to buy sustainably at affordable prices.

GREEN BOOK

We have a responsibility not only to our customers, but also to our employees when it comes to raising awareness. In 2021, we produced an interactive handout that we called, the Green Book that explains the basics of sustainability in a clear way and illustrates how our products support sustainability of everyday activities. Within the booklet we have provided our colleagues with useful tips and practical knowledge that they can use to easily calculate their ecological footprint and learn about our brands. We believe that by empowering our employees with knowledge, they will be more confident in answering consumer questions on this topic.

LIVE GREEN YOUTUBE CHANNEL

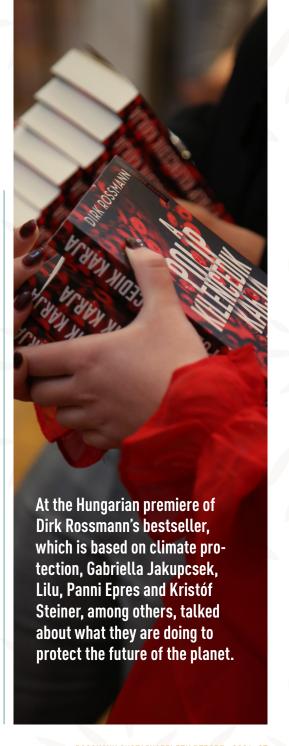
This year we continued our series on our YouTube channel, Live Green, where Judit Stahl gives useful tips on sustainability. The well-known presenter talks to special and interesting guests and explores topics that can be used in everyday life, such as knowing about environmental labels on products, sustainability in beauty care and food.

THE NINTH ARM OF THE OCTOPUS

In 2021, our founder and owner Dirk Rossmann's first book, an eco-thriller entitled The Ninth Arm of the Octopus was published that explores the environmental problems of our time.. The book depicts a near future in which China, Russia and America join forces to avoid the extinction of mankind through joint action.



WE GIVE USEFUL TIP AND PRACTICAL INFORMATION TO OUR COLLEAGUES



ROSSMANN+ PROGRAM

The Rossmann+ programme is our VIP programme, launched in 2019 to reward our loyal customers and help them with their everyday shopping. We send our dedicated customers who join the programme personalized newsletters when a new product or new content is launched.

R@SSMANN+

The Rossmann+ programme has 1,300,000 members in 2021.



WEBSHOP

The 249% increase in webshop turnover from 2019 to 2020 was largely due to the fact that many people preferred to shop online when COVID-19 pandemic hit

The use of the webshop continued to grow in 2021 - by 7,3 percent - which to us shows that this shopping option that was tried and tested during the pandemic is one that our consumers love and continue to use. Currently 4-5% of total Rossmann sales are realized online.

The webshop grew by

7,3%

In 2021 total
4-5 %
of total Rossmman
sales realized online

In response to increased demand, we have completely rebuilt our webshop and logistics ecosystem to increase efficiency and reduce costs. Changes include the introduction of a customer service chatbot, increased opening hours of our customer service and the introduction of courier delivery windows.

1095



products available in our webshop that can be described as environmentally friendly and sustainable

Nearly 16 000 products are available in our Online Drugstore.

In April 2021, we launched a new flagship category on the webshop, called Shop Consciously. Here, visitors to the website can choose from a total of 1,095 products that can be described as environmentally friendly and sustainable. The category was created primarily for educational purposes, to show our customers that they can also search for these types of products.

COURIER SERVICE

From our own research, we have seen that there is a real need for time-critical home delivery services in the drugstore segment, which, when you think about it, is understandable: many of us still work from home, but we don't have the time to wait all day for a courier. To make life easier for our customers.

we have launched our time-slot based courier service in Budapest and in its suburbs. With this new service, we can deliver orders placed on the same day, safely and contactlessly. We are constantly working to develop this service to the highest possible level, and we will do our utmost to support our colleagues.

The introduction of the Rossmann courier service has also had an impact on our environmental footprint - as a result we no longer use space-fillers for 30% of our orders.

we no longer use space-fillers for

30 % of our products

密广

In addition, we have introduced paper bag recycling, meaning in practice we encourage our customers to return on their next delivery the used bags for recycling.

CLIENT DATA PRIVACY AND PROTECTION

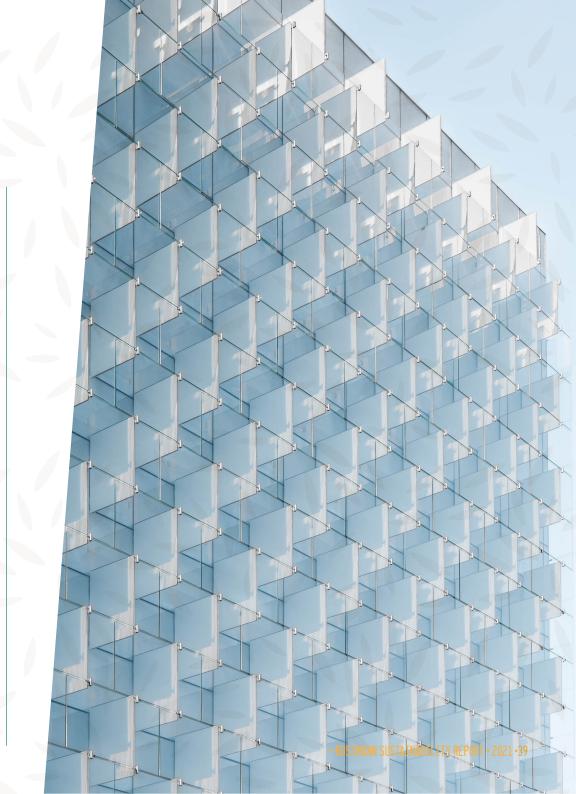
In the Rossmann+ program and in all other cases involving customer data, we exercise the utmost care in all data protection issues affecting customers. We believe it is key that our customers are given appropriate and easy to understand information about the need for data. For example, if we ask for their date of birth, they know when and for what purpose it will be used. Our experience is that more information than is required by law should be provided to the consumer to ensure that all relevant circumstances are understood before giving consent to the processing of their data and/or its use for advertising purposes. In our wording, we therefore always aim to ensure that both the information and the questions are comprehensible to everyone.

Fortunately, we have not had any data leaks to unauthorized third parties. However, the additional security protocol introduced as a result of the data leakage in the mobile application of the Czech subsidiary has been integrated into the Hungarian mobile application as a preventive measure.

To prevent similar incidents and other negative impacts, training of data handling colleagues is ongoing. We consider it important to act promptly and transparently in case of any possible incident, even if it is only an unsuccessful attack. All data protection issues are audited annually by our consultant partner, our data protection officer, who is also an employee of our company.

We have also expanded our customer service to ensure that consumers receive relevant answers to all their questions in a timely manner. We have extended the "opening hours" of the customer service to 7 days a week and 12 hours a day, and improved our attainability with new channels such as chatbot messenger and live agent.

During the period under review, we received one complaint from a regulatory body regarding data protection and data loss.



SUSTAINABLE DEVELOPMENT GOALS

In September 2015, the United Nations adopted the Sustainable Development Goals (SDGs), a set of 17 goals, which serve as an international compass for sustainability.

2 ZERO HUNGER

QUALITY Education











Our report closely supports the realization of target 12.6, which encourages companies, especially large and transnational corporations, to adopt sustainable practices and include sustainability information in their reporting.

In addition to the issues identified in the text, our activities also have a direct and indirect impact on the achievement of the goals and targets of the international framework.

Directly, we contribute to the following objectives:

- >>> Our products support better nutrition and health and well-being (Goals 2 and 3),
- >>> We support decent work and economic growth through our activities, industrial innovation and infrastructure, and responsible consumption and production (Goals 8, 9 and 12),

>>> Through our sustainability objectives and social responsibility, we contribute to quality education and gender equality (Goals 4 and 5).

We aim to play an increasingly important role in achieving the SDGs and to contribute to as many of them as possible. Building partnerships with our suppliers plays a key role in these efforts.

