



PRIME
THERAPEUTICS®

MagellanRx
MANAGEMENT™

the next step in our journey

DIVERSITY, EQUITY AND INCLUSION (DEI)
2022 ANNUAL TRANSPARENCY REPORT

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BUILDING OUR FUTURE

Our Values

EMBARKING ON OUR JOURNEY

In 2018, Prime Therapeutics (Prime) set out to better understand and incorporate more diverse, equitable and inclusive ways of collaborating with our clients, partners and employees.

NAVIGATING NEW TERRAIN

As we move ahead, we understand the path requires us to continue embracing uncomfortable truths and discussions. We're committed to this journey through all its ups and downs, twists and turns—because creating a radically welcoming space for everyone is worth it.

FINDING OUR STRIDE

Our journey hasn't always been direct or easy. But by having challenging conversations, seeking and listening to diverse perspectives and continually correcting course, we've made progress in infusing our diversity, equity and inclusion (DEI) values into who we are as a business, from high-level initiatives to our everyday work.

“Diversity, Equity and Inclusion (DEI) is the responsibility of all employees at Prime and needs to be something that everyone has a stake in. It is a necessity to create an environment that allows the opportunity for everyone to succeed and grow.

The DEI work that we do at Prime is an extension of our values, and it shows that we are being intentional about striving for better outcomes. We are publishing this updated report to show our commitment to transparency and to hold ourselves accountable for the work that we have done and the journey still ahead of us.

Now that we have laid the groundwork, as shown in our inaugural transparency report, the most critical work still lies ahead. We now have the opportunity to capitalize on our new hybrid workforce by focusing on developing employees' talents at all levels, providing access to meaningful opportunities and creating a diverse and welcoming environment in which everyone can thrive personally and professionally.

There is no doubt that this is a long journey, but we are taking steps in the right direction to achieve a more diverse and inclusive workplace where our employees feel comfortable being their authentic selves. This transparency report is a critical milestone in that journey, and I look forward to working together as a unified team to find our path, continue to evolve and strengthen our culture.”

ZABRINA WATKINS

Director, Diversity, Equity and Inclusion



thriving through transformation

FROM OUR SPONSORS



This year was one of exciting growth as two organizations dedicated to helping people live better lives, Prime Therapeutics and Magellan Rx, joined together in that pursuit.

With this change comes a chance to renew our dedication to fostering radical welcomeness for the people of our organization, both seasoned and new. We strive to honor all the ways we differ and how those differences bring the insights we need to serve people best.

At the start of this transformation, our two cultures — already aligned in a deep commitment to diversity, equity and inclusion — joined on a path to grow and deepen as one, unified culture. As executive sponsors, we're dedicated to guiding our culture along our path to more diversity, equity and inclusion. We pledge to do so by delivering the highest levels of ethics and integrity, leaning into hard conversations and listening to your voices. We are excited to create a brighter future with you all.

ERIN FEIGAL

Sr. Vice President, Chief Human Resources Officer

MIKE KOLAR

Sr. Vice President, General Counsel and Secretary to Board of Directors

MOSTAFA KAMAL

President, Prime Therapeutics, and Chief Executive Officer, Magellan Rx

anchoring to our values

OUR DEI MISSION AND VISION

MISSION

Champion diversity and inclusion awareness, initiatives, communication, outreach and events at Prime Therapeutics to foster strong employee engagement and business success and reflect the communities in which we live and the people we serve.

VISION

Diversity and inclusion efforts are seen, heard and felt throughout Prime, and these positive outward actions become part of our DNA as an organization.

“At Prime, we’re committed to creating an open, inclusive culture that’s mission-oriented and focused on providing meaningful work for our employees. To do this, we needed to weave our DEI commitments into the fabric of our culture, creating guideposts as we individually strive each day to shape, nurture and sustain our culture.

One challenge for us today is reimagining the future of work in a permanently hybrid environment. What we call radical welcomeness at Prime looks different in a hybrid environment than it does in the office, so we have an opportunity to rethink that while listening to what our employees need.

We are also dedicated to thinking big and being bold with our allyship, in words and actions. Our next bold goal is to make our DEI strategy commitments central to our business, prioritizing these commitments and integrating them into our work approach.”



ASHLEY BLOCK

Vice President, Human Resources Business Partnership

using words with care

Whether through an email, on a call or in person, how we communicate with people each day makes a profound impact on how welcome, seen and heard they feel. We continuously examine how we talk about our DEI efforts and the words we use to move toward transparency, honesty and clarity in where we are and where we're going.

DIVERSITY AND INCLUSION DEFINITIONS

Diversity at Prime means giving respect, fairness and acceptance to all individuals whose qualities, backgrounds and/or experiences may be different from your own.

Inclusion at Prime is about creating radical welcomeness, where every day you can be your authentic self and achieve your highest potential.

RADICAL WELCOMENESS

The D&I Council's aim is to create a culture of inclusion by embracing radical welcomeness. What is radical welcomeness? Let's break down the words:

Radical: At all costs, prominent, life changing

Welcomeness: To receive others gladly into one's presence

Embracing radical welcomeness means gladly, completely and earnestly receiving colleagues of all backgrounds, races, ethnicities, abilities, gender identities, sexual orientations and religions.

EMBODYING OUR VALUES: EMPLOYEE EXPECTATIONS

We embrace radical welcomeness through each of the Employee Expectations at Prime:

Act with courage

Recognize and acknowledge our own biases. Respectfully foster open and safe dialogue to help eliminate bias, microaggressions, prejudice, racism and intolerance in the workplace and in our communities.

Be transformative

Work to open the hearts, minds and skills of Prime's workforce to build a diverse and inclusive workplace culture.

Elevate knowledge

Seek out opportunities to learn and openly share our knowledge with others. Provide educational diversity and inclusion opportunities to all Prime employees. Improve awareness and drive action on a path to radical welcomeness.

Advance our purpose

Foster a workplace culture that aligns with the communities and members we serve by empowering every employee to be their truest, most authentic self.

“I'm excited that Prime is actively working to create an environment for employees to come together and create personal connections by sharing their backgrounds and experiences, and by opening doors for greater collaboration and understanding.”



MIKEY KROEGER

Co-chair, Diversity and Inclusion Council

addressing health equity

“ Prime recognizes the increasing importance of addressing issues related to health equity and social determinants of health for our members. We have a very passionate and talented group of leaders who have come together as the Health Equity Connections group. Acknowledging the multidisciplinary nature of this work, this group includes diverse representation from the Health Outcomes, Clinical Programs, Networks, Government Programs and other teams to understand gaps and opportunities related to health equity.

We are working to advance a comprehensive organizational strategy that builds on work underway and positions Prime as a partner in ensuring members have equitable access to the medications they need to feel better and live well.”



LINDSEY NISWANGER

Vice President, Digital Experience

HEALTH EQUITY DEFINITIONS

It's important that we all align on the language we're using to best understand the progress we've made and the ways we can still improve.

Health equity: Everyone has a fair and just opportunity to be as healthy as possible. This requires removing obstacles to health (e.g., poverty and discrimination) and their consequences (e.g., lack of power, access to good jobs with fair pay, quality education and housing, safe environments and health care).¹

Social Determinants of Health (SDOH): Conditions in the environments where people are born, live, learn, work, play, worship and age that affect a wide range of health, functioning and quality-of-life outcomes and risks.²



“ Health equity is embedded into Prime's mission to reimagine pharmacy management and provide the same care we would want for our loved ones. I am grateful that Prime sees employee resource groups (ERGs) as partners in fulfilling the company's mission. The APIDA ERG is proud to continue the conversation on health equity in 2022, such as discussing cancer prevalence among people of color with Chief Medical Officer Joseph Leach and working with Black Professionals + Allies to address the stigma of mental health among people of color.”



RICHARDSON HANDJAJA

Co-chair, Asian, Pacific Islander, Desi + Allies (APIDA) ERG

growing
together

CHARTING A PATH TO A BRIGHTER FUTURE

Growth is never linear. Our path will be long, winding and difficult at times, and yet full of brilliant moments of insight, inspiration and progress. Through it all, we'll maintain a steady course by keeping sight of our goal: giving our employees the tools to learn from one other, have courageous conversations and manifest understanding into action.

“Over the past year, Prime and Magellan Rx have worked thoughtfully to bring our two complementary organizations together. We have navigated this transformation thanks to the incredible people at our organizations, people with the highest levels of integrity who have come together with a common purpose and a common heart.

When Magellan Rx employees transitioned to Prime in 2022, we felt the radical welcomeness that is foundational to building an inclusive environment. Our teams began unifying under one joint culture, learning one another's strengths and providing a space for everyone to share their authentic selves.

As we continue to grow together, we'll stay committed to creating an even more inclusive, equitable culture as we chart a course to that brighter future we envision.”

MOSTAFA KAMAL

President, Prime Therapeutics, and
Chief Executive Officer, Magellan Rx



paving the way for progress

Prime's Talent Acquisition team has remained steadfast in their commitment to increasing diversity and inclusion recruitment at Prime. Prime continues to incorporate our Talent Acquisition Diversity Action Guide into our daily interactions with candidates, employees and hiring leaders.

We're also proud to offer to recruiters additional training on reducing bias in the interview process.

In the upcoming year, we look forward to taking additional steps to attract and hire diverse candidates, building upon existing relationships with Prime's D&I Council, various employee resource groups (ERGs) and vendors.

“Diversity and inclusion is a journey that individuals and companies embark on. Creating spaces for tough and candid conversations and allowing diversity, equity and inclusion to be at the forefront of our business decisions will only continue to make Prime a welcoming place and employer of choice.”



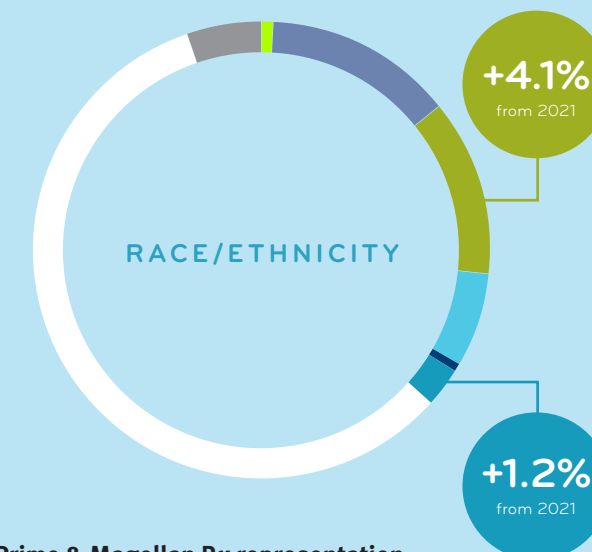
CJ THOMPSON AND
MIKEY KROEGER

Co-chairs, Diversity and Inclusion Council

illustrating where we are

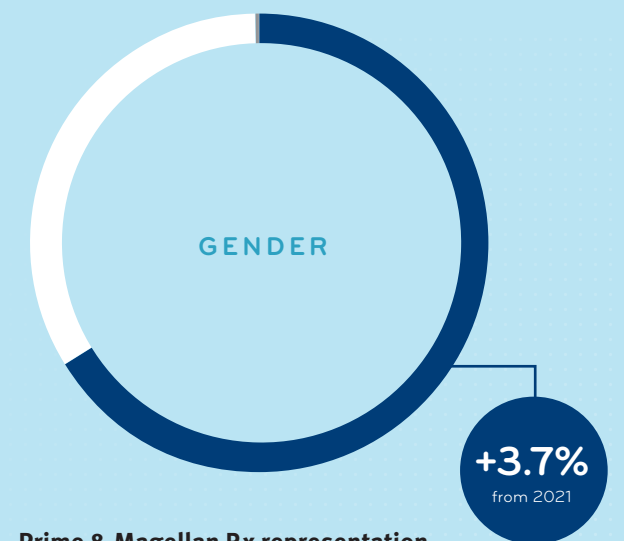
OUR PEOPLE

Our goal is for Prime's workforce to represent the communities where we live and the people we serve. We are making progress, although we still have a long way to go. We want to share our current employee demographics to be fully transparent as we continue this journey.



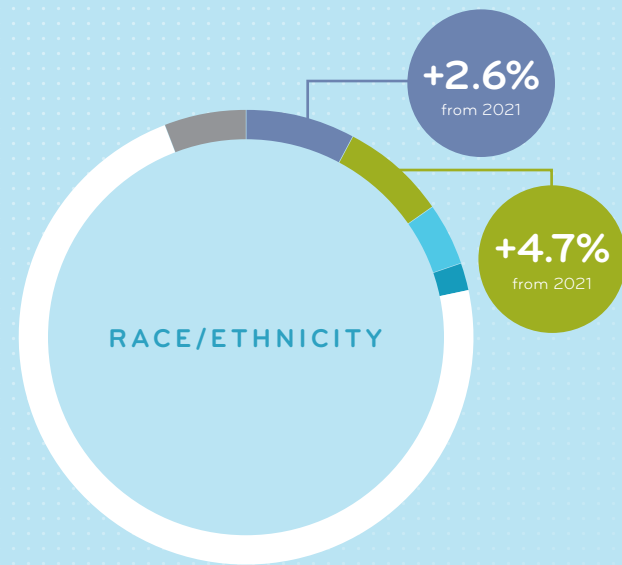
Prime & Magellan Rx representation
% of population (6,420 employees)

- 0.9% American Indian or Alaska Native
- 13.3% Asian
- 12.5% Black or African American
- 6.8% Hispanic or Latino
- 0.4% Native Hawaiian or Other Pacific Islander
- 3.0% Two or More Races
- 57.9% White
- 5.1% Other



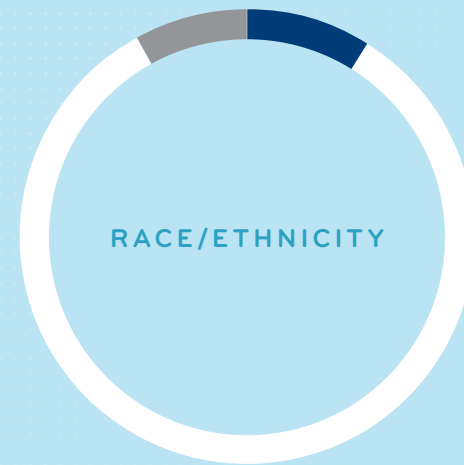
Prime & Magellan Rx representation
% of population (6,420 employees)

- 66.2% Female
- 33.5% Male
- 0.3% Other



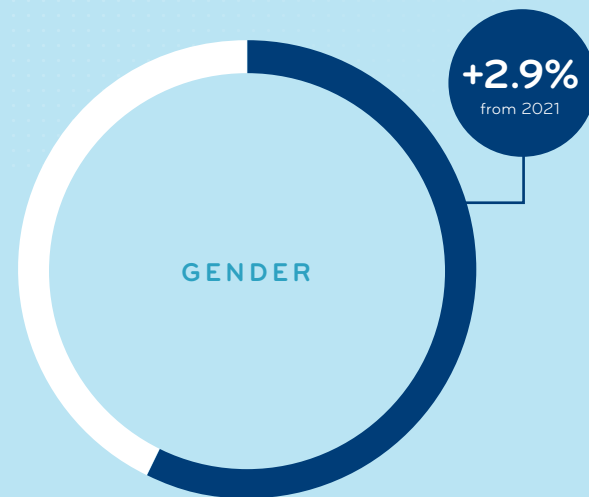
Prime and Magellan Rx leadership representation
% of population (1,015 leaders)

- 7.8% Asian
- 7.6% Black or African American
- 4.4% Hispanic or Latino
- 2.1% Two or More Races
- 72.4% White
- 5.7% Other



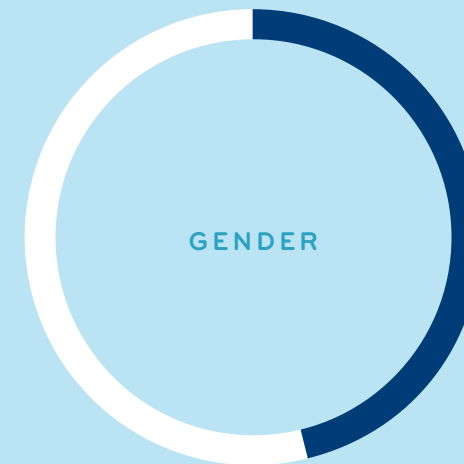
Prime and Magellan Rx senior leadership representation
% of population (180 senior leaders)

- 83.3% White
- 9.0% Non-White
- 7.8% Other



Prime and Magellan Rx leadership representation
% of population (1,015 leaders)

- 57.3% Female
- 42.6% Male



Prime and Magellan Rx senior leadership representation
% of population (180 leaders)

- 46.1% Female
- 53.9% Male

SELF-IDENTIFICATION

46.0%

of employees have responded to one or more self-identification questions about sexual orientation, gender identity and personal pronouns

Disability

3.1%

Employees identifying as disabled or previously disabled

Veteran Status

2.4%

Employees with veteran status

Sexual Orientation

4.0%

Employees identifying as LGBTQIA+

Gender Identity

0.4%

Employees identifying outside of gender binary

Pronouns

30.2%

Employees who have added personal pronouns to their Workday profiles

In 2022, we added pronouns to brand email signature templates for our employees to use.



OUR PAY EQUITY COMMITMENT

Prime is committed to fair and equitable pay. Our goal is to attract, select, develop and retain high-performing talent to drive critical priorities. This includes identifying and promoting best and fair practices in compensation, hiring, promotion and career development.

“ I am so thankful to work for a company that recognizes and embraces our differences. Prime encourages us to strive for greater unity as we foster a culture of inclusion and respect for diversity.”



DENISE BACHMAN

Leadership team member,
Women + Allies ERG



Click to watch a video about our collaboration with Jeremiah Program

SERVING OUR COMMUNITIES

In the wake of ongoing social injustices, Prime employees and leadership accelerated much-needed conversations about how to create change in our communities. This resulted in us establishing the Prime Together Foundation in 2020.

The Foundation's mission is to work together with our communities to address inequality and injustice in all forms, particularly racism, poverty, health and hunger. Through donations from employees and other stakeholders, the foundation distributed \$320,000 in grants to nonprofit organizations throughout 2021 and 2022 to advance that mission. Additionally, employees began volunteering with these organizations in 2022, further increasing our impact.

“It has been truly amazing to see the evolution of the Prime Together Foundation. What started as conversations about how to make a meaningful difference in the community has turned into a fully functioning organization that has distributed \$320,000 in grants to 15 deserving nonprofits that align with our mission. I am proud of where we have come in just three short years and look forward to continuing to expand our impact.”

KERRY FLORIAN

Vice President, Total Rewards, and
Vice Chair, Prime Together Foundation Board of Directors

“For youth experiencing homelessness, the Prime Together Foundation's donation helps The Bridge for Youth go beyond meeting basic needs to create joy through simple acts.”

LISA MEARS

Executive Director, The Bridge for Youth

HONORING OUR SERVICE MEMBERS

In 2021, the Minnesota Department of Military Affairs named Prime a Yellow Ribbon company, a distinction officially celebrated in a fall 2022 ceremony. This recognition marks our long-term commitment to military personnel and their families through tailored human resources recruiting, policies and procedures, training and development, leadership commitment, community and employee outreach and more.

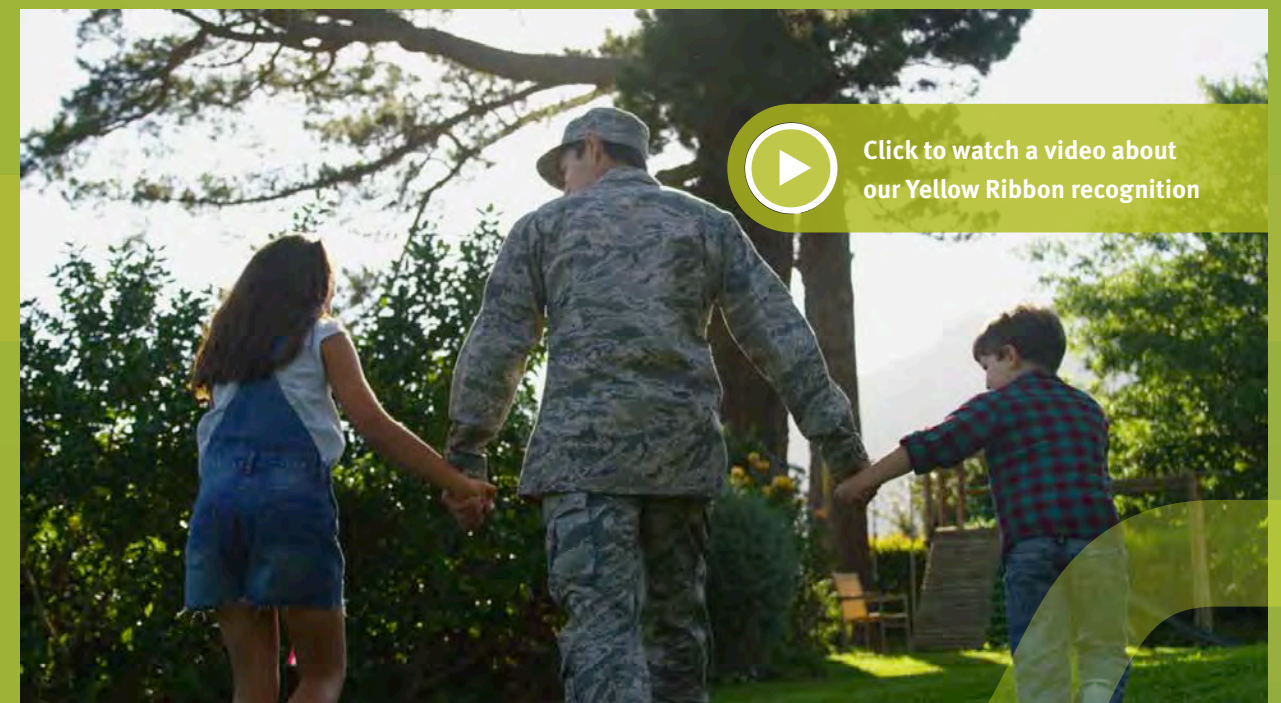
One of the changes Prime's steering committee helped implement was an improved military leave policy, which provides 10 days of pay (in an annual period) during an approved military leave.

“It's gratifying to be part of an organization that puts action behind intention. Each of us has a role to play to ensure Prime is a place where everyone knows they can bring their authentic selves to work every day, and that they are valued and appreciated for doing so.”



CJ THOMPSON

Co-chair, Diversity and
Inclusion Council



Click to watch a video about our Yellow Ribbon recognition

our 2022 milestones

DIVERSITY AND INCLUSION (D&I) COUNCIL SUCCESSES

- Signed the “CEOs are IN” commitment for disability inclusion
- Scored 90 out of 100 on the Disability Equality Index
- Published our inaugural DEI Transparency Report
- Reviewed and updated internal policies, required trainings and copy style guidelines with inclusive language
- Trained nearly 300 employees in our Ignite Inclusion training
- Engaged external speakers and subject-matter experts to share insights with our employees
- Implemented a process to acknowledge and honor heritage months
- Expanded learning experiences and courageous conversations among employees
- Sponsored and participated in the Twin Cities Pride Festival for the third year and the Heartland Pride Festival in Omaha, NE for the second year

AWARDS

In 2022, we were honored to receive three awards, signifying the strides we’ve made in building a more diverse and inclusive organization.



EMPLOYEE RESOURCE GROUP (ERG) SUCCESSES

Elevating voices of those who are often underheard or underrepresented is our priority, and doing so is essential for us to build an inclusive space within our organization. One of these efforts is creating and promoting ERGs, each of which is focused on a specific demographic and championed by our employees.

“Diversity and inclusion means seeing one’s humanity first, acknowledging differences (race, gender, culture, ethnicity, beliefs, experiences, etc.) and being open to learn about, learn from and celebrate said differences. Diversity and inclusion is feeling represented in spaces that have not historically included you or people that look like you.

As Prime continues to weave DEI into the DNA and fabric of the company, I am proud to participate in an ERG, Black Professionals + Allies, representing a thread within those efforts. Prime’s commitment to DEI has created space and access for individuals traditionally underrepresented in a corporate setting and who have faced barriers in career progression and networking opportunities.”



NATASHA GRAHAM

Leadership team member,
Black Professionals + Allies ERG

BLACK PROFESSIONALS + ALLIES ERG

- Purchased tickets for members to attend the United Negro College Fund’s 33rd Annual Dr. Martin Luther King, Jr. Holiday Breakfast
- Held several Black History Month program activities, including a Frederick Douglass virtual History Tour by KB Tours, a courageous conversation session on microaggressions hosted by Catch Your Dream Consulting and a movie club series kickoff
- Hosted a lunch-and-learn webinar on the history and significance of Juneteenth with guest speaker James Burroughs
- Facilitated several movie discussions, including on *February One: The Story of the Greensboro Four* and *True Justice: Bryan Stevenson’s Fight for Equality*

PRIME PRIDE ERG

- Partnered with the Diversity and Inclusion Council to create and publish gender transition resources for leaders and transitioning employees
- Hosted a drag makeup tutorial session

ASIAN, PACIFIC ISLANDER, DESI + ALLIES (APIDA) ERG

- Partnered with Prime's Welcome Ambassadors for a new-employee orientation presentation on Lunar New Year and shared across internal and external social media channels
- Worked with Prime's Creative Services team and others to design and distribute T-shirts for ERG members and allies
- Interviewed Prime employees who identify as Asian, Pacific Islander, Desi or an ally to be featured on Prime social media channels during Asian Pacific American Heritage Month in May
- Hosted a lunch-and-learn virtual event with Chief Medical Officer Joseph Leach to discuss his experience as a medical professional of Asian descent, new research in oncology, Prime's efforts to advance health equity and more
- Brainstormed ideas with Prime's Customer and Marketing Insights team on how to improve the experience of Asian, Pacific Islander and Desi members when communicating with Prime
- Created and shared an educational presentation about Asian festivals occurring during the fall with other Prime ERGs

VETERANS, FAMILIES, AND ALLIES NETWORK ERG

- Expanded membership by about 25%
- Partnered with Prime's Talent Acquisition team to attend the MN DEED Veteran's Career Fair
- Worked with Prime's Creative Services team and others to design and distribute T-shirts for ERG members and allies
- Sponsored the Salute Our Troops Golf Tournament in Cannon Falls, MN
- Attended the fall Beyond the Yellow Ribbon conference at Thomson Reuters in Eagan, MN
- Hosted an in-person workout with a virtual speaker, Jill Stephenson, for Veterans Day

WOMEN + ALLIES ERG

- Hosted a vision boarding session where colleagues made collages using images and affirmations representing their dreams, designed to inspire and motivate
- Coordinated volunteers for a Habitat for Humanity build
- Held a courageous conversation around holistic wellness with a focus on mental health
- Presented a non-violent communications session with Michele Rae, RPh, MA, NBC-HWC
- Held a workshop on retirement income planning for women in partnership with Fidelity
- Hosted a workshop on decision making to build personal confidence with Leah Wiseman Fink
- Hosted monthly employee goal setting sessions
- Made a financial donation to I Support the Girls, a 501(c)(3) nonprofit that collects and distributes essential items, including bras, underwear and menstrual hygiene products

CO-HOSTED EVENTS

- D&I Council and Prime Pride developed and published gender transition resources for leaders and transitioning employees
- D&I Council and Women + Allies facilitated a listening session following the overturning of Roe v. Wade, holding space for all who were impacted by that decision
- Women + Allies and Black Professionals + Allies held a courageous conversation around challenges black women faced in the 1960s and still today
- Women + Allies and Black Professionals + Allies hosted a discussion on the movie *Hidden Figures*
- Black Professionals + Allies and APIDA hosted a presentation and discussion on mental health for black, indigenous and people of color (BIPOC) during National Minority Mental Health Awareness Month

Our future

As we continue our journey, we plan to provide updates on the progress we've made and the values we remain rooted in. We will continue to infuse radical welcomeness into every interaction. We will keep striving to weave advocacy and understanding into all work we do, big and small. And we will keep listening and learning as we walk this path toward becoming an ever more diverse, inclusive and equitable organization.

FOR MORE INFORMATION, VISIT
PRIMETHERAPEUTICS.COM

1 Braveman, P., Arkin, E., Orleans, T., Proctor, D., & Plough, A. (May 1, 2017). *What is health equity?* Robert Wood Johnson Foundation. <https://www.rwjf.org/en/library/research/2017/05/what-is-health-equity-.html>

2 Office of Disease Prevention and Health Promotion (OASH). (n.d.). *Social determinants of health*. Retrieved January 19, 2023, from <https://health.gov/healthypeople/priority-areas/social-determinants-health>

Data notes

1. Employee numbers are based on Prime Therapeutics employee population as of January 12, 2023. Seasonal employees are excluded.
2. “Hispanic or Latino” data represents the percent of population identifying their race and/or ethnicity as Hispanic or Latino.
3. “Other” includes any of the following: 1) Employees who indicated they wish to not disclose self-identification data; 2) There are not enough respondents of a particular category to meet confidentiality criteria; or 3) Self-Identification data is not available.
4. “Leader” is defined by position/management level and includes the following titles: Supervisor, Manager, MRx Manager, Director, MRx Director, Senior Director, Assistant Vice President, Vice President, MRx Vice President, Senior Vice President, MRx Senior Vice President, Executive Vice President and MRx Executive Vice President.
5. “Senior Leader” is defined by position/management level and includes the following titles: Assistant Vice President, Vice President, MRx Vice President, Senior Vice President, MRx Senior Vice President, Executive Vice President and MRx Executive Vice President.

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