

# Sustainability Report 2018

of the Galenica Group and Galenica Ltd.



 **GALENICA**

Galenica – the first choice for health, beauty and wellbeing

# Galenica Sustainability Report 2018

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# Foreword



Jean-Claude Cléménçon, CEO,  
Felix Burkhard, CFO and member  
of the Sustainability Committee  
of the Galenica Group

Dear Shareholders,  
Ladies and Gentlemen,

Sustainability is an integral part of Galenica's corporate management, based on the belief that proactive and responsible actions contribute substantially to the company's long-term success and have an impact on the company, internally and externally.

Based on the relevance matrix developed in 2017, our Sustainability Committee has defined our ambitions on core topics and drawn up an internal roadmap. The roadmap contains responsibilities, objectives and concrete actions that are central to achieving the ambitions set.

It is a matter of importance to us that our staff are increasingly informed and made aware of sustainability topics. In 2018, the Sustainability Committee therefore devised objectives for internal communications on sustainability. The actions will be drawn up and implemented in 2019.

We have integrated sustainability into the existing controlling processes at Galenica in order to make sustainability management and reporting more systematic. We will continue to drive these efforts ahead in future. We plan to review how sustainability is embedded in risk management in 2019, so as to ensure that sustainability topics, especially climate-related opportunities and risks, are systematically included in risk assessment.

Our Sustainability Report for 2018 illustrates how we are dealing with our core topics and what we achieved during the course of the year.

Bern, May 2019

A handwritten signature in black ink, appearing to read 'JC Cléménçon'.

Jean-Claude Cléménçon  
CEO

A handwritten signature in black ink, appearing to read 'F. Burkhard'.

Felix Burkhard  
CFO and member of the  
Sustainability Committee  
of the Galenica Group



# Sustainability at Galenica



## Impact throughout the value chain

The Galenica Group's business activities have an economic, social and ecological impact throughout the entire value chain of the healthcare market. Even up- and downstream areas that are not directly influenced by Galenica, such as the manufacturing and use of traded pharmaceuticals, affect the environment and society. This impact can be positive as well as negative. The temperature-controlled transport of pharmaceutical products requiring refrigeration, for example, improves patient safety but also increases greenhouse gas emissions. Galenica endeavours to strengthen the positive impact throughout its value chain while continuously minimising any negative effects.



### Production

The medications sold by Galenica are mostly produced by third parties, though its own pharmacies also manufacture a small proportion for their patients. The quality of the medications as well as patients' safety and health are crucial. Furthermore, the manufacturing of medicines has an impact on people and the environment. Galenica ensures that its business partners meet their social and ecological responsibilities, and has therefore developed a [Supplier Code of Conduct](#) that encompasses aspects related to ethics, labour law, health, safety, quality and the environment. Producers are also regularly assessed with regard to quality.



### Packaging

Galenica predominantly distributes and sells pre-packaged third-party medications. An exception is the packaging of medicines manufactured by pharmacies themselves as well as drug blister packaging by **Medifilm**. Medifilm is the Swiss pioneer in the customised packaging of medicines and food supplements, which it carries out on behalf of pharmacies and according to the treatment plans for chronic and long-term patients. The work requires a high level of precision and the efficient use of resources (materials and energy), both of which are optimised by Medifilm through its quality and environmental management system.

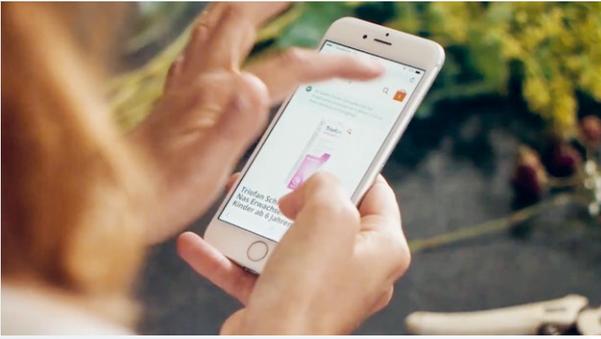


### Logistics

Pre-wholesaler **Alloga** provides warehousing, logistics and distribution services on behalf of its industrial customers. The company primarily serves wholesalers, including the wholesale businesses of Galexis, Unione Farmaceutica Distribuzione (UFD) and Pharmapool, as well as pharmacies, physicians, hospitals and care homes throughout Switzerland. Alloga works with around 80 pharmaceutical and healthcare companies, many of which are leading multinational enterprises. **Galexis** is the leading wholesaler in the Swiss healthcare market and supplies pharmacies, medical practices, drugstores, care homes and hospitals. From its two distribution centres in Niederbipp and Lausanne-Ecublens, the company delivers over 85,000 referenced healthcare products to customers. **Unione Farmaceutica Distribuzione (UFD)**, meanwhile, is the most important and only full-range healthcare logistics company in Ticino. Finally, physicians wholesaler **Pharmapool** supplies and supports medical practices with medicines, consumables, laboratory products and furnishings.

All four companies ensure that medications and healthcare products reach pharmacies, physicians, drugstores and other medical institutions quickly and safely. Patient safety is also guaranteed for temperature-sensitive medications thanks to an uninterrupted cold chain. Distribution requires a large amount of fuel and emits greenhouse gases, pollutants and noise. Customer returns also create waste, while inventory management and motorised logistics entail an increased risk of accident. The companies mentioned therefore not only comply with Good Distribution Practice (GDP) guidelines, but also ensure a systematic approach to safety and environmental management.

## Sustainability at Galenica



### Marketing and information

The Galenica Group markets and distributes own and partner brands via **Verfora** and **G-Pharma**. The portfolio includes brands such as **Perskindol®**, **Anti-Brumm®**, **Algifor®** and **Merfen®**. Verfora also distributes in-licensed products from international partner companies, sometimes on an exclusive basis. The main societal implications at this level of the value chain concern patient safety and legally compliant product promotion. For this reason, the effects and any side effects of own medications on the market (pharmacovigilance) as well as the accuracy of product characteristic summaries are continuously monitored.

**HCI Solutions** develops software solutions for pharmacy management as well as tools to securely handle, communicate and distribute sensitive health and medication data. Its databases include over 200,000 products and enable healthcare providers, authorities and insurers to exchange information via a single platform. With these innovative, digital solutions, Galenica is making an important contribution to promoting a safer, more efficient healthcare sector in Switzerland. Here, too, patient safety and the protection of sensitive data are critical. HCI Solutions therefore conforms to the highest security standards in software development as well as the Swiss Data Protection Act.



### Retail – pharmacies

Galenica operates Switzerland's largest pharmacy network, with over 500 own, joint venture and partner pharmacies. These include the **Amavita** and **Sun Store** pharmacies as well as the **Coop Vitality** pharmacies, which are operated under a joint venture. In addition, the company **Winconcept**

supports independent pharmacies operating under the **Feelgood's** brand. Together they serve around 100,000 customers daily, offering them a wide range of medications, toiletries and beauty products as well as various on-site healthcare services and tests. The range of services is complemented by specialty pharmacy **Mediservice**, which specialises in dealing with people suffering from chronic and rare illnesses, the **Bichsel Group** with strong focus on home care services in the field of home dialysis and home nutrition, and by **Careproduct**, a company focusing its operations on the provision of mobility aids such as wheelchairs as well as incontinence products for the elderly and people with a disability.

The safety of patients is also given top priority in Retail, and employees' professional competence is nurtured on an ongoing basis to ensure this. In addition, pharmacies require energy and produce waste, for example as a result of old and unused medicines being returned (see "Use of medicines") and disposed of as hazardous waste in accordance with regulations.



### Use of medicines

Galenica has only a limited influence on consumer behaviour and patients' correct use of medicines. However, all Galenica Group companies ensure that patients receive flawless products and accurate summaries of product characteristics, whether through advice in pharmacies or through package leaflets. Expired or unused medicines are an environmental and safety risk, thus cannot be disposed of with conventional industrial waste. Wholesale companies (pre-wholesalers and wholesalers) and pharmacies are therefore taking back unused medications and raising customer awareness of this special form of disposal.

## Goals

Galenica firmly believes that the Group can only achieve commercial success by shouldering social responsibility and using natural resources efficiently and respectfully.

This conviction is reflected in the three key sustainability goals of the Galenica Group. Supported by the Corporate Executive Committee, they form an essential part of the Group's corporate culture:

- Continual increase of stakeholder value through sustainable practices;
- Encouragement of staff to act in a responsible, entrepreneurial way;
- Increase of efficiency of resource management, particularly in energy use.

These goals enable Galenica to increase its efficiency and its capacity for innovation, and therefore its competitiveness, by motivating and raising employee awareness. Regular, ongoing exchange with various stakeholders also helps maintain the Group's strong reputation.

## Stakeholder groups

The stakeholders of the Galenica Group include interest groups and organisations that directly or indirectly affect – or are affected by – the company's values, actions and performance. Galenica maintains relationships with its direct stakeholders – customers, shareholders, suppliers, scientific institutions, current and potential employees, authorities, non-governmental organisations and others – that are characterised by transparency, honesty and mutual respect.

Customers of the Galenica Group include patients, pharmacies, drugstores, physicians, hospitals, care homes, health insurers and pharmaceutical companies. To assess customer satisfaction and identify potential improvements, Galenica uses internal performance indicators and the findings of independently managed target group surveys. Each year, specific insights – and the measures taken in consequence – help generate added value for customers.

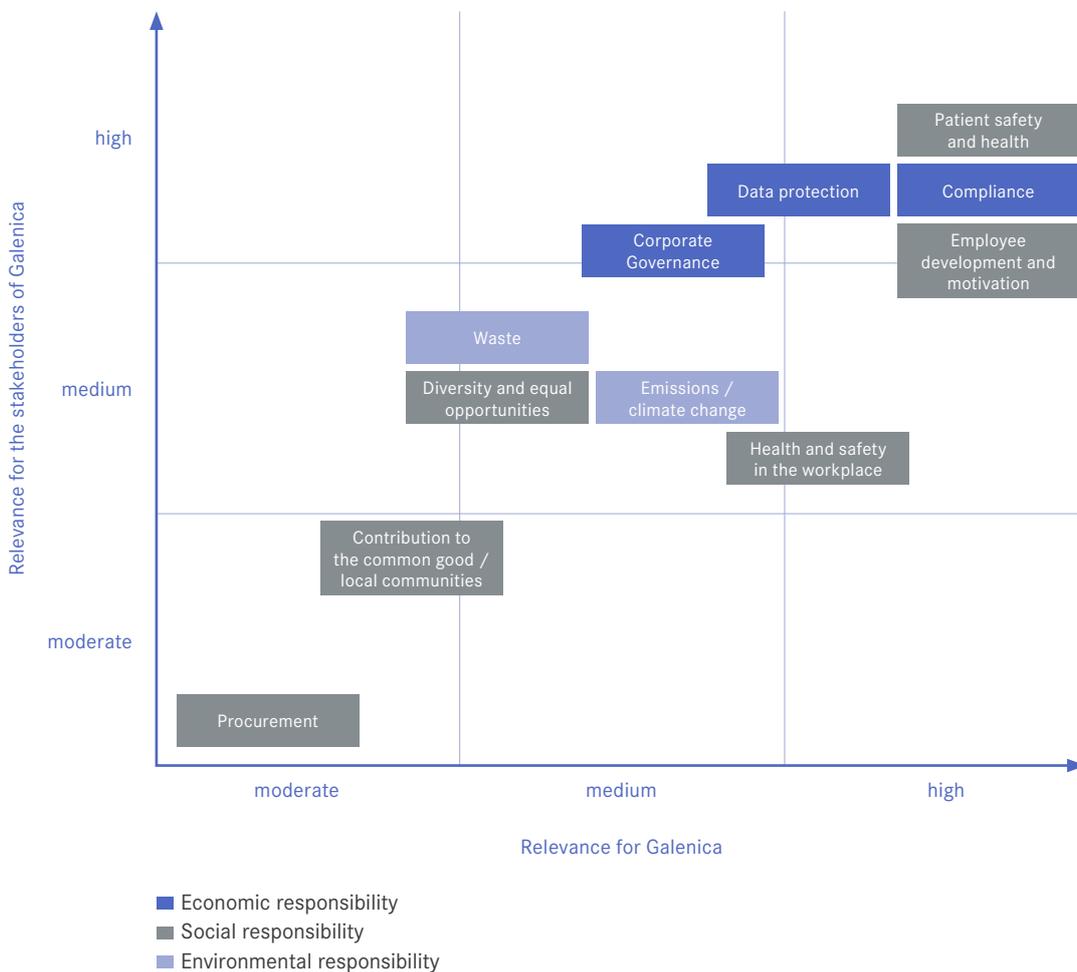
Collaboration with suppliers is characterised by a continuous process of improvement and is integral to quality management in the three Business sectors Retail, Products & Brands and Services. Quality, costs and prices, as well as potential innovations, are regularly discussed with suppliers and business partners. These types of interaction create transparency and ensure that services are provided as smoothly as possible.

The Galenica Group updates stakeholders about its sustainability plans and activities on a yearly basis in the Sustainability Report. In addition, Galenica updates the CDP questionnaire on climate change and greenhouse emissions every autumn for release on [www.cdp.net](http://www.cdp.net).

### Sustainability Committee and relevance matrix

The Galenica Group has formalised its commitment in the area of social responsibility with the creation of its Sustainability Committee. This assumes an advisory and coordinating role. It is composed of one representative from each of the Retail, Products & Brands and Services Business sectors, an additional representative from HCI Solutions (Services Business sector), three representatives from Galenica Ltd. (Legal Department, Corporate Communications and Human Resources) and a member of the Corporate Executive Committee (CFO). The Committee is chaired by the Head Pharmacy Services Retail. The relevance matrix drawn up in 2017 serves as the basis for the commitment and orientation of the Galenica Group as regards sustainability. Nine of the eleven topics identified were categorised as essential. These core topics are also the focus of this Sustainability Report.

The Committee met three times in the year under review in order to further systematise internal sustainability management and external reporting. The Committee used a benchmark analysis to identify the positioning of Galenica within the sector, and based on this set ambitions for all core topics. Specific actions and an internal roadmap were then drawn up. In order to embed sustainability in the Galenica Group the Committee has ensured it is integrated in the existing corporate controlling processes and produced objectives for internal sustainability communications.



# Economic responsibility

## Economic performance

In a challenging market environment, the Galenica Group increased its consolidated net sales by 0.8% to CHF 3,165.0 million in 2018. Both organic growth in all Business sectors and the expansion of the pharmacy network contributed to this solid performance. However, growth was hampered significantly by additional and higher than originally announced price reduction measures for medications by the authorities.

Thanks to targeted acquisitions, new products and sustainable measures to improve efficiency, Galenica was able to surpass its results guidance for 2018: The operating result (EBIT) excluding the effects of IAS 19 rose by 3.9% to CHF 154.1 million.

Excluding one-off effects from 2017 (CHF 7.0 million), EBIT even rose by 9.1% on a comparable basis. Return on sales (ROS) improved from 4.7% to 4.9%. The reported net profit of the Galenica Group was CHF 147.7 million, an increase of 24.2%. This includes two one-off, non-cash effects

in connection with the new Galenica Pension Fund and the release of provisions for deferred taxes that are no longer required. Excluding these one-off effects, net profit would be CHF 124.7 million, corresponding to an increase of 0.2%. On a comparable basis, i.e. excluding the one-off effects in the previous year (CHF 10.6 million), the increase would even be 9.5%. Further information can be found in the Annual Report 2018.

### Outlook for 2019

Despite the further significant price reductions on medications that have been announced, Galenica expects consolidated net sales to be slightly higher than in the previous year in 2019, with sales growth of 3% to 6% in the Health & Beauty segment and sales at around prior-year-level in the Services segment. At the same time, Galenica aims to further increase comparable EBIT (excluding the effects of IAS 19 and IFRS 16) by between 4% and 7%, and expects to propose a dividend of at least the prior-year level to the 2020 Annual General Meeting.

## Compliance

Galenica attaches considerable value to ethically and legally correct business conduct. For the business activities of the Galenica Group, the provisions of therapeutic product law and data protection legislation are particularly important. Due to its market position as leading fully integrated health-care provider, competition law also plays an important role. Galenica Group Legal Services bears overall legal responsibility, supports the Business sectors in interpreting and applying legislation, and ensures that new legal regulations

are implemented in the company. Current challenges concern the implementation of new regulations based on the revised Therapeutic Products Act and the forthcoming amendment of the Swiss Data Protection Act.

The [Code of Conduct of the Galenica Group](#) defines the legal regulations as well as ethical rules and standards that must be followed by all employees. Conflictual situations in daily business are examined and reviewed as part of the management process. Key findings from these reviews are discussed at senior management meetings within the Business sectors, and processes or directives adapted, as necessary.

## Facts and figures

### Legal compliance again upheld in 2018

All Galenica Group companies once again operated in compliance with the law in 2018. No fines were imposed for failing to comply with statutory regulations.

### COMCO fine referred to the Federal Administrative Court

In a ruling dated 20 March 2017, the Swiss Competition Commission (COMCO) imposed a fine of CHF 4.5 million on HCI Solutions. This relates to an investigation from 2012 in which COMCO's main allegations could not be substantiated. Of the six allegations investigated, two subordinate issues remained open. Galenica and HCI Solutions regard the ruling issued by COMCO in relation to these remaining issues as incorrect in fact and in law. Galenica and HCI Solutions referred the decision to the Federal Administrative Court on 4 May 2017. The proceedings are now pending before the Federal Administrative Court.

### Web-based training tool enhanced

Employees of Galenica are given regular training on key compliance topics. A web-based tool launched with a new partner in 2017 is one of the methods being used for this. The aim of the Legal Department of the Galenica Group is to work together with the IT Department on extending the online library of training sessions on various compliance issues. New sessions were held in 2018 on protecting personal integrity and on the Code of Conduct. In addition to online training, personalised (face-to-face) sessions are organised as necessary. An initial series of training on antitrust law was held in 2018 for employees affected and executive management, with the content adapted each time to the company in question.



### Galenica Group compliance programme renewed

The Galenica Group revised its compliance programme in 2018 following the IPO in 2017. It contains a clear commitment to observing laws and guidelines and to behaving with integrity. The programme shows how the Galenica Group deals with compliance within the three areas of prevention, discovery and reaction, acting as a framework for all central compliance measures and processes. The focus in 2019 is now on communicating the programme to employees and implementing the points it addresses.

Additionally, Galenica ensures that not only the Group and its companies but also its business partners comply with international and national laws and standards, industry-specific standards and good practices in relation to social and environmental responsibility. With this in mind, all suppliers, service providers and consultants of the Galenica Group are required to comply with a [Supplier Code of Conduct](#), covering aspects related to ethics, labour law, health, safety, quality and the environment. To ensure compliance with the Supplier Code of Conduct, employees in the Purchasing department receive training, and Legal Services is involved in all Group-wide agreements. The contract templates of the Galenica Group are regularly assessed for compliance risks.

A specific Code of Conduct is also in place for the Retail Business sector. This serves as a binding internal operating procedure to ensure that pharmacists have full pharmaceutical independence at all times and stipulates that the health and wishes of patients should always be afforded top priority. It also addresses topics such as conduct vis-à-vis third parties, Retail-internal collaboration and advertising.

All Galenica Group companies have comprehensive quality management systems at their disposal. Alloga, Medifilm, Mediservice, UFD and all HCI Solutions locations are certified according to ISO 9001; Verfora is certified to ISO 13485. The process management systems at Galexis and the companies in the Retail Business sector are also fully compliant with ISO 9001, but are not currently certified. Alloga, Galexis, G-Pharma, Mediservice and Verfora are periodically inspected by the Regional Medicines Inspectorates as part of checks for compliance with Good Distribution Practice (GDP) guidelines.

In the Retail Business sector, all Amavita, Sun Store and Coop Vitality pharmacies have established a quality management system (QMS) that covers all essential processes in retail pharmacies as well as environmental issues. Compliance with internal and external standards is monitored with regular quality audits, inspections by cantonal pharmacists and mystery shopper programmes.

The QMS of the specialty pharmacy Mediservice fulfils a wide range of requirements due to the company's wide range of tasks.

### Outlook for 2019

Web-based training on anti-corruption and IT security are planned for 2019 and the antitrust law training sessions will be continued. The renewed compliance programme will also be communicated to employees.

We further plan to review how sustainability is embedded in risk management in 2019, so as to ensure that sustainability topics, especially climate-related opportunities and risks, are systematically included in risk assessment.

### Data protection

As the Swiss healthcare system becomes increasingly digitised, the importance of data protection and the legal requirements for data processing are growing. The ongoing revision of the Swiss Data Protection Act in line with the EU General Data Protection Regulation (GDPR) will probably entail a broader obligation for transparency when processing personal data and, for the first time, the risk of fines in the event of an infringement of data protection principles. As a healthcare provider, the protection of patient data is of the highest priority for Galenica. In the Retail Business sector and at HCI Solutions in particular, data protection plays a central role.

Galenica is being assisted in this important area by an external independent data protection officer. Furthermore, all of its employment contracts for staff who are in contact with personal data contain a data protection clause. Galenica keeps up to date with the ongoing amendments to data protection legislation and conducts regular reviews, thus ensuring that legal regulations are observed and a high standard is maintained in relation to the handling of personal data.

### Outlook for 2019

The focus in 2019 will be on establishing the Data Protection Circle (see box). The Group Legal Department will also monitor how the new EU GDPR works in practice and the ongoing revision to the Swiss Data Protection Act.

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## Facts and figures

### Positive results from data protection assessment

Galenica has expanded its data protection expertise with a new external data protection officer. This officer audited the entire Galenica Group in 2018 with respect to the new EU GDPR. The result of the assessment was positive and showed that the current arrangements at Galenica Group can ensure data protection. According to the analysis Galenica is only tangentially affected by the EU GDPR, being focused on the Swiss market, and already satisfied the relevant requirements in the year under review.

### Galenica Group Data Protection Circle formalised

2018 witnessed the creation of the Data Protection Circle, which is intended to act as a platform dealing with and coordinating data protection issues for members of the Legal Department, IT and the operating Business sectors, hence making a major contribution to complying with data protection legislation. Chaired by the Group Legal Department, representatives from all Business sectors and IT specialists exchange information on data protection matters. The Data Protection Circle provides a platform for sharing information on current and forthcoming changes in data protection across the Group and planning and implementing preventive measures at an early stage.



## Corporate governance

Good, transparent corporate governance is essential to the effective and efficient management of the Galenica Group. To this end, the Group follows the recommendations of the Swiss Code of Best Practice for Corporate Governance of Economiesuisse. As a listed Swiss company, Galenica is also required to publish information on corporate governance, including aspects such as shareholders' and employees' rights to participate, the remuneration and profit-sharing for top management, and the information and monitoring tools of the Board of Directors vis-à-vis the Executive Committee. Galenica meets the requirements of Swiss law and those stated in the SIX Swiss Exchange Directive on Information Relating to Corporate Governance. Detailed information on corporate governance can be found in the Annual Report 2018 (from page 48).



# Social responsibility

## Patient safety and health

The safety and health of patients takes top priority at Galenica. Medication errors or losses of quality can have serious consequences for patient health and risk damaging Galenica's reputation. Digitisation offers new opportunities for innovative solutions to increase patient safety. Galenica undertakes to ensure drug quality throughout its value chain by taking appropriate measures concerning infrastructure, processes, and employee training and development.

Alloga, Galexis, UFD and Pharmapool adhere to the EU Guidelines on Good Distribution Practice of Medicinal Products for Human Use. The aim of the guidelines is to prevent counterfeit drugs from entering the legal supply chain, while also guaranteeing control over the distribution chain to ensure product quality and integrity. Drug temperature is recorded and analysed in real time throughout the entire life cycle, from production through to delivery to the customer. If temperature deviations are detected, the causes are clarified and the correct measures according

to the GDP guidelines are introduced. Compliance with the guidelines is assessed periodically by the regional agencies for therapeutic products. Alongside GDP guidelines, the companies above also rely on their own standards and processes to ensure patient safety.

To guarantee the quality of medication data, HCl Solutions carries out process-integrated checks. The recording of medication data is checked using the four-eye principle as a minimum, and the six-eye principle for complex active ingredients (such as blood thinners). Spot checks to assess quality are conducted on a daily basis, with a more exhaustive inspection carried out every two weeks. Any errors detected are documented and their cause is examined.

The quality management system (QMS) of the Retail Business sector contains standard operating procedures (SOPs) for all relevant pharmacy processes, including the production and dispensing of drugs, data protection, confidentiality, hygiene and the disposal of medication. Galenicare regularly reviews compliance with the SOPs in the individual pharmacies. In addition to

## Facts and figures

### Nurturing employees' professional competence

Around 60 pharmacists attended courses on quality management in 2018. Quality management and patient safety are also key components of basic training for pharmacy assistants working towards their Federal Proficiency Certificate. Each year, around 230 apprentices successfully complete their training as pharmacy assistants, with or without a Federal Proficiency Certificate. For pharmacists with the title FPH (Foederatio Pharmaceutica Helvetiae) in Retail Pharmacy, annual attendance of further training is obligatory. Verfora also holds training sessions in pharmacies for new medications and, where required, to promote staff skills and ensure patient safety and health. 675 sessions were held in 2018 and 4,208 pharmacy assistant and pharmacists were trained.



### Outstanding quality at pharmacies

Together with health insurer CSS, Galenica has developed a quality label that recognises pharmacies offering particularly good patient service and professional advice. The label is aimed at noticeably improving quality for customers. Around 85% of all Galenica pharmacies delivered an exceptionally good performance in the year under review and were thus able to obtain the quality label either for the first time or after successful re-auditing. This is equivalent to an increase of 5% over the prior year.



### All vehicles GDP-compliant

Galexix, Alloga, UFD and Pharmapool each operate their own fleet, which together comprise 154 delivery vans (up to 3.5 tonnes). All vehicles are GDP-compliant and are fitted with an air conditioning system in the loading space, which is mandatory for the transport of pharmaceutical products.

### Employees adhering to pharmacovigilance

At Verfora, all employees have a duty to forward reports of side effects from specialists and patients to the responsible internal department punctually and exhaustively. Relevant information in this regard includes the duration, progression and outcome of the side effect, as well as the dosage and duration of use of the product. Verfora documents and investigates each report, and takes appropriate measures where necessary. Furthermore, 99% of reports of side effects were forwarded in due time by employees, while the authorities or contractual partners were notified within the required period in 100% of cases (target: >90%). Completeness of information was achieved in 96% (target: >80%) of cases.

### Improving patient safety through innovation

The Documedis® process-integrated solution developed by HCI Solutions was included in the proprietary pharma4 and Triapharm® software and rolled out in all Galenica Group pharmacies in 2018. Documedis® increases drug safety when dispensing medications and improves collaboration between the various service providers. HCI Solutions will also further enhance

the functionality of Documedis® with additional elements in the coming years. A new Diabetes Check is planned for 2019.

HCI Solutions and Galenicare also integrated the first nationally established E-Mediplan in the new Amavita app during the year under review. E-Mediplan not only sends automated messages reminding customers to take their medication, it also offers product information such as dosage, when to start and finish taking it, remarks, instructions and images. It has the unique feature that medication-related data can be scanned directly in the pharmacy from a QR code. E-Mediplan will also be offered on apps from Sun Store and Coop Vitality in 2019.



### Improved access to medication

The changes from the ordinary revision of the TPA came into force on 1 January 2019. The aim of the revision is to improve the population's access to medication. The revision to the TPA has resulted in drugs being reclassified within the different categories and reinforces the role of pharmacists. Drugs in category B can now in justified cases also be dispensed by a pharmacist without a prescription, but this has to be documented. HCO Solutions is developing algorithms as part of Documedis® that use specific information on the patient and their current medication to make recommendations to the pharmacist about dispensing. This ensures that the necessary documentation is in place and category B drugs are dispensed safely. The first algorithm for allergic rhinitis will be implemented in 2019 and oth-

ers are already planned. Pharmacists can also go on a training course to obtain the Certificate of Competence in Medical History in Basic Health-care Provision. These training courses will start in 2019.



#### Active against counterfeit drugs

From February 2019, all prescription medication packaging in the European Union (EU) must have certain security features to protect against falsifications.

Although it is not mandatory in Switzerland, Galenica is gradually implementing the EU's Falsified Medicines Directive and is actively involved throughout the supply chain in protection against falsified medicines. For instance, in 2018 Alloga and Galexis updated their software system and introduced new scanners capable of reading the two-dimensional data matrix code. New scan-

ners were also installed in pharmacies, the quality management system was adjusted and staff training sessions were held. HCI Solutions has also integrated new functionalities into the Tri-pharm® pharmacy software to ensure technical communication with the national database. Further information can be found in the Annual Report 2018 (from page 32).

#### Uninterrupted cold chain for medications

Alloga and Galexis ensure an uninterrupted cold chain for the storage and transportation of temperature-sensitive medications. At Alloga this also applies to so-called ultra-deep-freeze logistics, in other words, storage and dispatch at  $-80^{\circ}\text{C}$ , the required temperature for a new generation of cancer drugs. The temperature is ensured by means of special containers filled with dry ice. The proportion of transported products that are refrigerated is currently around 32% (2017: 21%). Alloga put a new ramp to the cold room into operation in early 2018, allowing direct docking, so lorries can now deliver and collect their goods via direct access to the refrigerated zone. Alloga and Galexis also now use new paraffin cooling elements, which unlike the previous water ones provide a more stable temperature for drugs.

the aforementioned audit, mystery shopper programmes and calls as well as inspections by cantonal pharmacists are organised three to four times a year. Courses on the QMS and statutory provisions are also held several times a year for pharmacy employees.

For specific services such as the Cardio Test® (Herz Check®), Allergy Check, Diabetes Check and vaccinations, employees complete certified courses with certificates of competence.

The specialty pharmacy Mediservice offers support for patients with chronic and rare illnesses, with complementary services such as Home Care services or patients events. In addition, Mediservice has a license as a public pharmacy and a wholesale trade license. Accordingly, Mediservice's QMS fulfils a broad range of requirements.

At Verfora efforts to maintain security are centred around pharmacovigilance, i.e. the continual monitoring of the safety of all Verfora products on the market. All new Verfora employees are trained in pharmacovigilance and receive a checklist of steps to be taken in the event of side effects. The pharmacovigilance sessions are also repeated annually for all employees. Advertisements and posters for products are also examined for accuracy. The specialist unit for the approval and handling of medications is responsible for generally monitoring their safety. Quality checks are not only performed on new products brought to market, but also on an ongoing basis for existing products.

#### Outlook for 2019

HCI Solutions is further extending the functionality of Documedis® and has a new function planned for 2019, the Diabetes-Check. E-Mediplan will

also be offered on apps from Sun Store and Coop Vitality in 2019. Since the revisions to the Therapeutic Products Act and the Therapeutic Products Ordinance came into effect on 1 January 2019, pharmacists have been able to dispense some prescription medicines without a doctor's prescription, subject to certain conditions. HCI Solutions is developing certified algorithms for this that can be integrated into pharmacy software. Commissioning of the new Medifilm blistering machines has been delayed and a pilot phase is now scheduled during the course of 2019. The new generation of machines can double output and further increase accuracy.

## Employees

Employees and their specialised knowledge play a key role in the distribution and sale of pharmaceuticals. A sign of a successful company is its continuing development in line with the market while also setting trends. The adaptability of the Galenica Group is founded on the commitment and team spirit of its entire workforce. In order to maintain this, Galenica is committed to encouraging the development of its employees. 6,580 employees at Galenica are involved in providing professional services to ensure the satisfaction of a broad range of customers. The workforce brings together individuals of all ages and from 83 countries. More than two-thirds of employees are women. Further information about human resources can be found in the Annual Report 2018 (from page 36).

The five key values of the Galenica Group form the basis for the actions and decisions of all employees:

We participate with **passion** and act as **entrepreneurs**.

We build **trust** through credibility and competence.

We show **respect** and know that **together,**

**we are stronger.**

Galenica puts in place measures to protect employee health and maintain safety in the workplace in line with the directives of the Federal Coordination Commission for Occupational Safety (FCOS). Given the risk of accidents in the Services Business sector (warehousing and logistics) in particular, health and safety in the workplace plays a central role. Furthermore, all Business sectors have their own occupational health management systems in place. Galenica also uses a preventive case management tool to identify potential risks to employees' health at an early stage and initiate appropriate measures. This tool is deployed within the first 30 days of absence. Additionally, the Retail Business sector as well as Alloga and Galexis have introduced an absence management system. The Services Business sector has appointed a safety officer who is responsible for safety at work. All Galenica Group locations have a fire protection officer in charge of fire protection and evacuation, as well as a first aid team. To prevent occupational accidents, Galexis and Alloga hold regular training courses in collaboration with the Swiss National Accident Insurance Fund (Suva). In 2018, for example, an ergonomics course was held for staff in Alloga offices. Regular safety audits are also carried out at all locations by external safety advisers.

To promote knowledge exchange among employees and members of Senior Management and Management, Galenica has a Group-wide staff development programme in place. Known as Corporate Management Development (UME), it comprises events (EVE), special staff training (SAM) and management training (FAB). Furthermore, a Group-wide Talent Management Programme is designed to identify key positions and strengthen internal succession planning in the medium to long term, as well as boost internal recruitment.

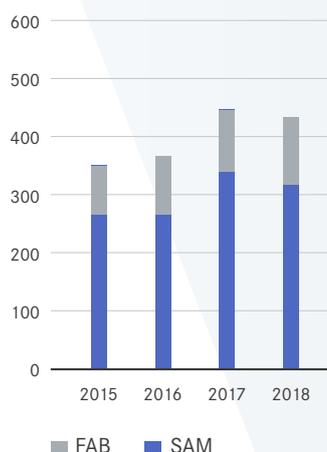
Galenica encourages exchanges of views between staff and corporate management in the "Comité de Réflexion," so that ideas can be considered and discussed from a full range of perspectives across generations. Twice a year, an exchange also takes place between the works committee, the Group-wide employee representatives and a representative from the Corporate Executive Committee and HR management. The works committee is made up of the chairs of all local staff committees.

## Facts and figures

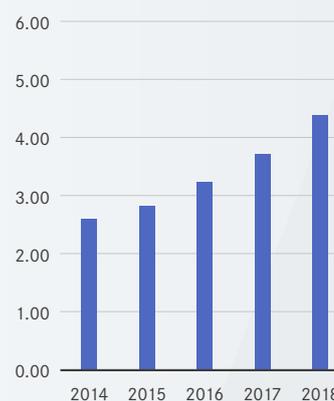
### Increasing investment in employee development

In 2018, 317 people took part in SAM courses, and 116 in FAB courses. 14 people were added to the Talent Management Programme. In total, Galenica invested CHF 4.38 million in employee training in the year under review, 17% more than the previous year. Galenica also supports external training for employees financially and/or via a time allowance, as long as the training is related to the employee's current role and offers added value to both the company and the individual.

Number of participants in FAB and SAM courses



Investment in training in CHF million

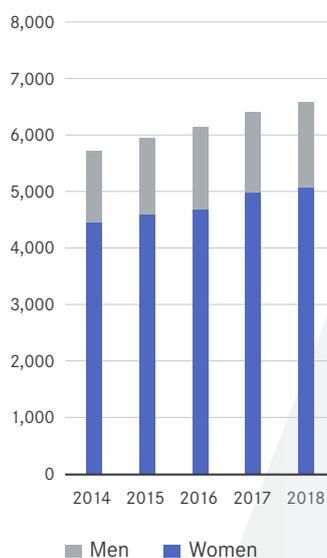


The number of participants in FAB and SAM courses for 2014 is not available, since it is not possible to allocate the course participants of the former Galenica Group to the Business units Galenica Santé (now the Galenica Group) and Vifor Pharma for the respective years.

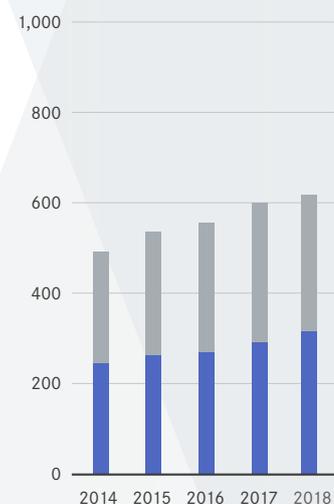
### Galenica continues to grow

Galenica continued to grow in 2018. At the end of 2018, the Galenica Group had 6,580 employees, corresponding to an increase of 4% over the previous year. This can partly be attributed to the acquisition of the company Careproduct by Galenica and the addition of a net eight locations to the pharmacy network. The proportion of women is 77% and has remained relatively constant over the past five years. Around 40% of employees work part-time, i.e. with a workload below 90%. This figure is also more or less unchanged since 2014.

Number of Galenica Group employees



Number of Galenica Group managers



### Half of managers are women

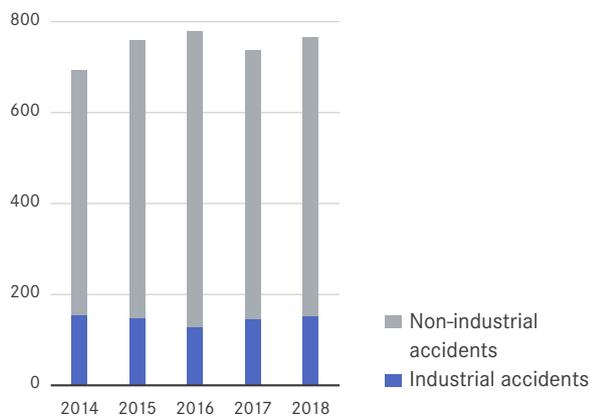
The proportion of managers to all staff has remained unchanged since 2014 at 9%. From 2014 to 2018, the proportion of female managers rose from 50% to 51%.

Galenica offers flexible working hours in order to enable a better balance between family and career. The Retail and Services Business sectors offer the possibility of working from home (home office), for example. Part-time work is also common, particularly in the Retail Business sector, and employees have the option of extending maternity leave with unpaid vacation. The Galenica Group uses benchmarks to review salaries and ensure pay parity between men and women.

Finally, the Galenica Group carries out its Opinio employee survey every three years, which asks staff about their satisfaction, motivation and commitment. On the basis of the last survey in 2017 (response rate: 64%), employees are generally satisfied with their working conditions (75 out of 100 possible points, +3 points compared with the previous survey). Following the insights gained, improvement measures were worked out and implemented by each Business sector and company in 2018.

## Facts and figures

### Number of industrial and non-industrial accidents



### Increase in the number of industrial accidents compared to the previous year

The number of industrial accidents increased by 5% compared to the previous year, and the number of non-industrial accidents rose by 4%. In 2018, a total of 153 industrial accidents and 613 non-industrial accidents were reported. These figures also include minor accidents, which did not result in an absence of more than three working days. The proportion of all industrial and non-industrial accidents that were minor in 2018 was 60%. Over the last five years, industrial and non-industrial accidents have increased by 35%. Given that the number of employees has increased over the same period by 15%, the frequency of accidents in relation to employee numbers has risen.

### Fall in the number of industrial illnesses compared to the previous year

There were 20% fewer new cases of illness in 2018 compared to 2017, despite more employees. In 2018, Galenica Case Management provided assistance to 78 employees at risk of illness or who had already fallen ill, thus helping to prevent or reduce absences where possible. Of the 54 cases closed in 2018, 20 employees were able to return to work thanks to Case Management, corresponding to a proportion of around 37%. A further nine employees were supported with preventive case management, all of whom were able to return to work.

### Fall in employee turnover

Staff turnover at Galenica was 12.4% in 2018, 3% down on the previous year (the year of the IPO).



## Facts and figures

### Promoting young talents' self-initiative in pharmacies

As part of the Junior Talent Mentoring Programme in the Retail Business sector, pharmacy assistants are given the opportunity to develop their own project for a year under the guidance of a mentor. A total of eight pharmacy assistants successfully completed the programme in 2018. One participant, for example, examined the introduction of kinesiology tapes at pharmacies. This is a treatment method that uses elastic tapes to improve muscle activity, tone and function, relieving the tissue. The assistant implemented targeted advertising measures and trained employees, after which the kinesiology tapes were offered for three months in a Coop Vitality pilot pharmacy. The pilot project revealed that there is high demand among customers. This treatment method is now being offered at Coop Vitality pharmacies across Switzerland. Another participant developed study cards to help apprentices in pharmacies, and a study box with lots of practical tasks. 12 apprentices tested the study cards and practical tasks over a six-month period and have improved their exam results thanks to the new study method. The offer is now available to all apprentices.



### Preserving jobs thanks to absence management

In recent years, long-term absences among employees at Alloga and Galexis have increased. As well as the individual suffering caused by illness and accidents, they also create both direct and indirect costs for Galenica as a result of their colleagues having to work overtime, diminished quality or loss of knowledge. Furthermore, the longer the sick leave taken by employees, the more difficult and unlikely it is that they will return to the workplace. For this reason, Alloga introduced an absence management system in 2017 and Galexis in 2018 to preserve employees' capacity to work in the long term, recognise problems at an early stage and minimise extended absences. Discussions are held with employees in the event of prolonged or frequent absences, and contact is maintained in the case of a return to work after a long absence. Depending on the circumstances, the possibility of sheltered workplaces is also clarified. If a warehouse employee can no longer lift or carry heavy loads due to an accident, for example, but is still able to work, an assessment is performed to see whether they could take on a new role, perhaps in administration. Training sessions with managers and heads of HR were held in 2017 and 2018 in coordination with the absence management introduction. At the end of 2019 the initial experiences of the absence management system will be assessed to review whether it should be implemented across the entire Services Business sector.

## Facts and figures

### Measures from the Opinio survey

Based on the insights from the 2017 Opinio survey, improvement measures were worked out and in some cases already implemented by the Galenica Group as well as by each Business sector and company in 2018. Employees rated their personal perspectives and development options within Galenica at 61 out of 100 points. For this reason the personnel development measures on offer were analysed in 2018. Based on these findings a comprehensive new personnel development programme will be developed for all Business sectors and levels in 2019. The launch is planned for 2020. In Retail, team workshops were held in all pharmacies to define concrete measures in management, organisation and team atmosphere. Where necessary, specific rules were defined for collaboration. The Services and Products & Brands Business sectors as well as Galenica Ltd. also held workshops at department or team level to identify measures. Examples of such measures include more frequent but efficient team meetings or additional internal events to encourage the exchange of information between the individual companies and Business sectors.



### Outlook for 2019

In 2019 the focus will be on designing a new, comprehensive staff development programme to be introduced in 2020. HR and working time regulations will also be harmonised across the Group and rolled out in January 2020. Efforts to promote women will continue in 2019, and the Group will develop a concept with potential measures based on an assessment of the current position.

### Social commitment

As a leading player in the Swiss healthcare market, Galenica is committed at all levels to the welfare of patients. The company is also committed to supporting various social projects and charitable organisations.

Since 2018, the Galenica Group has been the main partner of the "I care for you" crowdfunding platform. Galenica can now contribute, through a focused commitment, to ensuring that numerous different projects have a facility through which to raise funds. The Swiss-based foundation was founded in 2015 and is the first Swiss crowdfunding platform for purely social and humanitarian projects. The platform enables non-profit organisations and individuals to raise funds online for a specific project in a simple, inexpensive way. Donors can see exactly how their donations are used. Each project is checked carefully by the foundation in advance for reliability and integrity. The project initiators receive professional advice and support during implementation. In addition, the foundation requires evidence that successful projects have actually been implemented.

In addition to this main commitment, Galenica also selectively supports other projects in the healthcare sector. Galenica Group companies also support social projects. Further information on the topic of social commitment can be found in the Annual Report 2018 (from page 44).

# Environmental responsibility



## Emissions and climate change

The business activities of the Galenica Group have various effects on the environment and climate. In order to provide their services, Galenica Group companies consume renewable as well as non-renewable resources. These processes generate gaseous, liquid and solid waste products as well as greenhouse gases. Galenica therefore endeavours to take economically appropriate measures to use resources as efficiently as possible and reduce environmental impact as far as possible. To reduce CO<sub>2</sub> emissions and increase energy efficiency, binding targets have been agreed with the Federal Office for the Environment (FOEN) for the Alloga site in Burgdorf and the Galexis sites in Ecublens and Niederbipp. In return for this commitment and if the agreed targets are met, an application can be made for a refund of the CO<sub>2</sub> levy on fossil fuels or a subsidy for implementing the related measures. The

targets are agreed individually based on the existing potential at each site. Together with the Energy Agency for Industry (EnAW), Galenica is compiling an efficiency path with various, commercially viable measures.

To lower fuel consumption, energy efficiency measures are regularly evaluated and implemented in both pre-wholesale and wholesale business. Mandatory driver safety training is organised for Galexis, UFD and Alloga drivers every two years which aims, among other things, to ensure drivers have an environmentally friendly, fuel-efficient driving style. The last driver training took place in 2018. All Alloga, Galexis and UFD vehicles comply with the Euro emission standards. When purchasing new vehicles, only those vehicles with the latest emission control technologies are considered. In addition, external contracted drivers are required to use only vehicles that meet at least the Euro 5 standard.

**Facts and figures**

**Slight increase in energy consumption**

Galenica Group total energy consumption in 2018 was 50,730 MWh, representing an increase of 4% compared to the previous year. One reason for this is the increase in the number of third-party drivers by Alloga and Galexis as postal delivery was discontinued. The increase in the number of pharmacies by 1.2% also contributed. Energy consumption at Galenica Group has risen by 28% since 2014 as a result of growth.

**Electricity the most important source of energy**

Electricity is by far the most important energy source for Galenica, accounting for 50% of total energy consumption. In 2014, this figure was 53%.

Total electricity consumption in 2018 was 25,523 MWh, which corresponds to a rise of 1% year-on-year. The Services Business sector uses solely hydropower electricity.

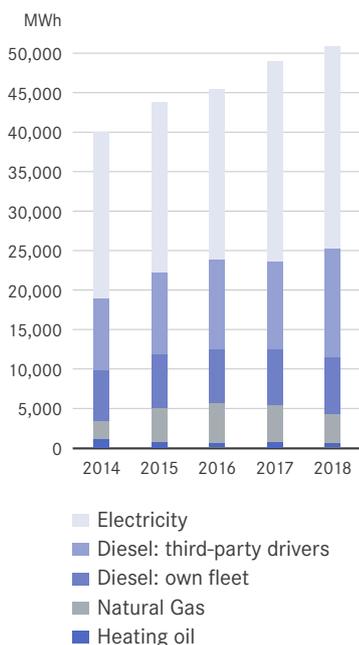
Fuel for vehicles accounted for 41% of the energy used in 2018. Most of this was consumed in the Services Business sector by company vehicles and contracted drivers. Consumption by the company's own vehicles fell in 2018 by 2%, while that of third-party vehicles rose by 25% compared to 2017.

Galenica covers approximately 9% of its energy needs with the fossil fuels heating oil and natural gas. Absolute consumption of heating oil decreased by 16% and of gas by 17% over the previous year.

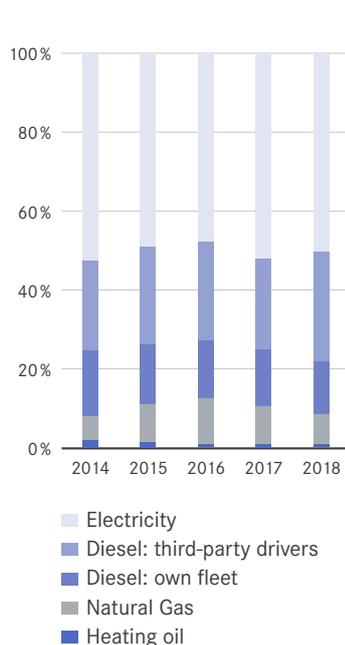
**Higher CO<sub>2</sub> emissions**

CO<sub>2</sub> emissions from the use of energy are calculated using scientifically based emission parameters (Swiss greenhouse gas inventory of the Federal Office for the Environment). In 2018, the Galenica Group's CO<sub>2</sub> emissions amounted to 8,988 tonnes, a 15% increase over the prior year. Since 2014, absolute emissions have risen by 13%. The reason for the increase is primarily the rise in goods transport. This is the main cause of direct and indirect CO<sub>2</sub> emissions at Galenica (including contracted drivers). 6,194 tonnes of CO<sub>2</sub> were released as a result in 2018, corresponding to 69% of Galenica's total CO<sub>2</sub> emissions. Compared with the previous year, diesel emissions rose by 28%. Diesel use by Pharmapool has also been included from 2018 onwards.

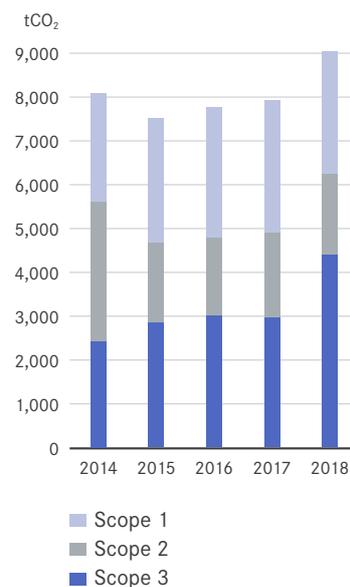
Energy consumption 2014–2018



Energy mix 2014–2018



CO<sub>2</sub> emissions by scope 2014–2018



Scope 1 and Scope 3 include diesel CO<sub>2</sub> emissions for Galexis, Alloga, UFD and Pharmapool (only from 2018 onwards).

The Environmental Code of Conduct applies to all employees of the Galenica Group. This provides guidance on energy saving and the protection of natural resources in the workplace and during transport.

### Outlook for 2019

The refurbishment of Galexis at the Lausanne-Ecublens site will start in 2019. This should make it possible to save 231 MWh of energy or 47 tonnes of CO<sub>2</sub> a year. Investigation at the Niederbipp site into connecting to a planned district heating network showed that the temperature level of the district heating would be too low and that Galenica would use more energy. Installation of a groundwater heat pump is therefore planned for 2019. The groundwater heat pump could potentially save 227 MWh of energy or 68 tonnes of CO<sub>2</sub> a year.

### Waste

Besides traditional domestic waste (mainly packaging materials), the Galenica Group also produces medical and chemical waste. Expired or unused medicines are classified as hazardous waste in Switzerland and cannot be disposed of with conventional industrial waste. Hazardous waste entails disposal costs and ecological risks. The pharmacies as well as distribution and logistics companies of Galenica take back old and unused medicines from customers and ensure their proper disposal. In pharmacies, the medicines are disposed of according to internal quality management processes. Returned drugs undergo an initial disposal triage by pharmacists, who use their specialist knowledge to sort products according to specific criteria. They focus on critical ingredients (such as heavy metals, solvents and highly active ingredients), as well as dosage form, particularly in the case of pressurised gas containers. Based on this preselection, the drugs are then dispatched for proper disposal, whether at a regular incineration plant or in a specially designed high-temperature furnace. The disposal of controlled substances such as narcotics must be documented and reported to Swissmedic. The GDP guidelines followed by Alloga and Galexis also provide instructions on dealing with returns. The final disposal of old and unused medicines is carried out by third parties. Medifilm is an exception to this. It is the only company in the Galenica Group that holds a special waste disposal permit.

## Facts and figures



### Solar electricity from the roof of the Alloga building

According to a feasibility study, the renovation of and installation of solar modules on the roof of the Alloga building would save 140 MWh of energy and 30 tonnes of CO<sub>2</sub> emissions a year. The photovoltaic system on the roof of the Alloga building in Burgdorf was completed on schedule in 2018. Providing an average of one megawatt of electricity, it not only generates electricity for the company's own use, but in summer, shade provided by the solar panels will reduce energy consumption for cooling the building. With a surface area of some 10,000 m<sup>2</sup>, it is one of the largest systems in the region and quintuples the production capacity of operator Solarstadt Burgdorf AG.

### Collaboration with the EnAW paying off

As part of their binding target agreement with the Swiss government, the Burgdorf, Ecublens and Niederbipp sites are continuously striving to improve their energy efficiency. The measures implemented at all sites in 2018 have the potential to reduce annual energy consumption by more than 306 MWh or around 39 tonnes of CO<sub>2</sub>.

### Potential savings, particularly in electricity consumption

The Retail Business sector, where nearly all premises are leased, has very limited influence on the choice of energy source for heating and electricity. However, electricity consumption can be influenced, which is why the focus is on consistently installing energy-saving lighting and motion sensors when refurbishing pharmacies. In addition, flyers aim to raise employee awareness of specifically selected sustainability issues. Renovation measures to increase energy efficiency were implemented at around 11% of Sun Store and Amavita pharmacies in 2018, corresponding to a total of 29 pharmacies that were renovated. Around 58% of all pharmacies have now been renovated.

### Use of waste heat at Medifilm

Medifilm installed a new ventilation system in 2018. This uses the warm extracted air from the server room to dry washed machinery parts. The moist air from the server room is released above the roof. It will not be possible to make specific statements about energy savings until 2019.

### CDP assessment remains stable

Galenica completed the CDP questionnaire again in 2018. CDP is an international, non-profit organisation providing the largest and sole global environmental database for companies and cities. The aim of CDP is to encourage as many companies as possible to publish data on their impact on the environment and natural resources. In 2018, this information was collected in the name of 525 institutional investors, together representing more than USD 96 trillion in assets. In 2018, as in the previous year, Galenica ranked C in its level of engagement score. This certifies that the Galenica Group understands how environmental issues affect the business model. The results are published at [www.cdp.net](http://www.cdp.net). The next questionnaire will be submitted in mid-2019 and published in autumn 2019.

For safety reasons, all returned drugs are disposed of – without exception – even if they have not yet expired and/or the packaging is still intact. Controlled disposal prevents people or animals coming into contact with potentially hazardous pharmaceutical waste, e.g. in the case of torn rubbish bags at the roadside, as well as eliminating any risk to collection companies' operatives. The process also ensures that household litter, and wastewater in particular, are not polluted. Medication should never be poured down sinks or lavatories because sewage plants are unable to filter out certain substances in medicinal products during wastewater treatment. As a result, these substances are discharged into the aquatic environment, causing harm to the animals and plants that inhabit it. All Galenica Group pharmacies also provide biodegradable plastic bags for customers. Pharmacies therefore make a valuable contribution towards an environmentally compatible and controlled disposal of hazardous waste.

### Outlook for 2019

The Retail Business sector is introducing electronic expense claims at its head office and in all pharmacies in 2019. In future staff expenses will be entered and processed electronically, with the aim of increasing efficiency and reducing the use of paper. The Services Business sector also investigates further measures on an ongoing basis to reduce waste.

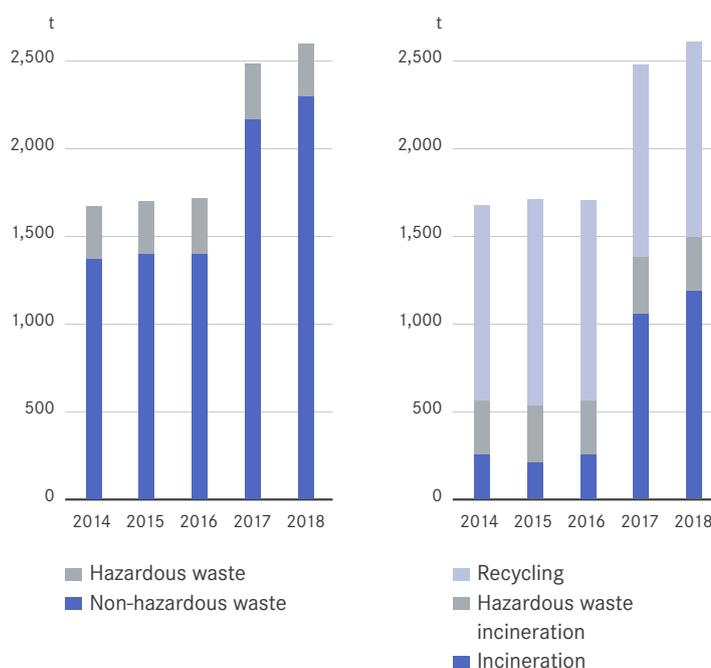
## Facts and figures

### The majority of waste is recycled

The total weight of waste produced in 2018 was 2,613 tonnes, representing an increase of 5% compared to the previous year. Estimates of waste data at pharmacies have only been available since 2017. The volume of waste produced by pharmacies accounts for around 36% of total waste. Eighty-eight per cent of total waste is harmless (largely general waste, cardboard, paper and plastics), with the remaining 12% is classified as hazardous waste (mainly medicines). Forty-three per cent of waste was recycled, 45% was incinerated and 12% destroyed at a specialist facility for hazardous waste.

### Saving paper with digitalisation

Since 2017 all Verfora sales force employees have had a tablet with a specific application that replaces the hard copy catalogue. This application is extended in 2019 and presentations will be individually tailored to the customer, saving around 200 kg of expensive glossy paper annually.



For 2014–2016, only data for Galexis, Alloga, UFD, Galenicare and Medifilm are available. As of 2017, estimates of waste data are available for the pharmacies.

# About this report

This report provides information on the sustainability activities of the Galenica Group and relates to financial year 2018. The report focuses on the nine essential topics defined as part of an internal materiality assessment in 2017.

Due to the IPO of the former Business unit Galenica Santé on 7 April 2017, employee and environmental data were recalculated with retroactive effect from 2014 on the basis of Galenica Santé data.

## Employee data

Employee figures comprise all companies of the Galenica Group. Certain key figures from previous years are missing as a retroactive breakdown between Galenica Santé and Vifor Pharma is not possible. The diagrams in the Employees section show the 2018 financial year and the four preceding years for comparison.

## Environmental data

The Environmental responsibility section contains key figures for the two Business sectors Retail and Services. For the Products & Brands Business sector, only environmental data for G-Pharma are provided. These are included in the calculation for Galexis, as the offices of G-Pharma are located at the Galexis site in Niederbipp. The offices of Verfora are leased, which is why no information or estimates are currently available.

In general, the diagrams in the Environmental responsibility section show the 2018 financial year and the four preceding years for comparison. Given the continuous optimisation of the environmental indicator system and gradual expansion of system limits (due to the primarily inorganic growth of the company), data have only limited comparability from year to year. In 2018 the CO<sub>2</sub> conversion factors from myclimate were reviewed and adjusted for tCO<sub>2</sub>e. From 2018 onwards, only tCO<sub>2</sub>e are used and the preceding years have been restated accordingly.

Consumption data for the Services Business sector include the energy consumption data from all companies, comprising the Burgdorf, Niederbipp, Lausanne-Ecublens and Barbengo-Lugano sites. Diesel consumption by own vehicles and those of contracted drivers (estimated or actual data on tCO<sub>2</sub>e) are included as the most important indirect source of consumption. The electricity consumption of Pharmapool was added in 2017, and its diesel consumption from 2018.

Overall consumption data (electricity, heating and waste) are also estimated for the company HCI Solutions (Services Business sector). The known energy consumption of the Bern site (one of four HCI sites) has been extrapolated to the entire company on the number of employees. This approach is appropriate given that HCI Solutions is a services company that operates in leased offices only and has no significant fluctuations in consumption. HCI Solutions accounts for approximately 2% of the environmental footprint of Galenica.

Only electricity consumption and domestic waste data are available for the Retail Business sector. These are estimates based on a representative sample of 20 Amavita, Sun Store and Coop Vitality pharmacies. Almost all premises are leased, which is why only the annual costs for electricity are provided for each location, and not the actual electricity consumption. Heating energy consumption in pharmacy locations cannot currently be estimated based on the available data from running cost statements. It is therefore not included in the record. The electricity consumption of the Amavita, Sun Store and Coop Vitality pharmacies is estimated based on electricity costs in the year under review and the average electricity prices per region according to the Federal Electricity Commission (ElCom). Estimates for Coop Vitality pharmacies have only been available as of 2017.

The calculated CO<sub>2</sub> emissions data include both direct and indirect energy-related emissions. According to the Greenhouse Gas Protocol, direct sources of emissions include the production of heat for buildings and the operation of the vehicle fleet (= Scope 1). The largest indirect sources of emissions are the production of purchased electricity (= Scope 2) and the logistics services of contracted drivers (= Scope 3).

## GRI index

For a better overview and comparability, this report contains standard disclosures from the GRI Sustainability Reporting Standards. An overview can be found in the GRI index.

## About this report

## GRI index

	Indicator	Unit	2018	2017
<b>General GRI standard disclosures</b>				
<b>Organisational profile</b>				
Employees	GRI 102-8	Number	6,580	6,314
- of which women		Number	5,079	4,997
- of which part-time employees (<90%)		Number	2,603	2,567
<b>Specific standard disclosures</b>				
<b>Society</b>				
<b>Employment</b>				
Employee turnover	GRI 401-1	%	12.4	12.8
Anti-corruption Employees who received anti-corruption training (Training on the Code of Conduct)	GRI 205-2	Number	85	-*
<b>Environment</b>				
<b>Energy</b>				
Energy consumption within the organisation	GRI 302-1	GJ	132,609	136,055
- Non-renewable sources (heating oil, natural gas, diesel, waste)		GJ	40,727	44,642
- Electricity and heating (hydropower and district heating)		GJ	9,1882	91,413
Energy consumption outside of the organisation	GRI 302-2	GJ	50,021	39,966
- Upstream and downstream transport and distribution		GJ		
Reduction of energy consumption	GRI 302-4	GJ	2,744	1,372
- Reduction of heating oil and natural gas consumption as a result of measures implemented in the year under review		GJ	1,372	563
- Reduction of electricity consumption as a result of measures implemented in the year under review		GJ	1,372	809
<b>Emissions</b>				
Direct greenhouse gas emissions (Scope 1)	GRI 305-1	tCO <sub>2</sub>	2,777	3,015
- Fuels and combustibles		tCO <sub>2</sub>		
Indirect energy greenhouse gas emissions (Scope 2)		tCO <sub>2</sub>	1,863	1,926
- Purchased electricity		tCO <sub>2</sub>		
Other indirect energy greenhouse gas emissions (Scope 3)	GRI 305-3	tCO <sub>2</sub>	4,423	2,973
- Upstream and downstream transport and distribution		tCO <sub>2</sub>		
Greenhouse gas emissions intensity	GRI 305-4	gCO <sub>2</sub> /CHF	2.8	2.5
- Total greenhouse gas emissions per CHF net sales		gCO <sub>2</sub> /CHF		
Reduction of greenhouse gas emissions	GRI 305-5	tCO <sub>2</sub>	39	39
<b>Waste</b>				
Total weight of waste	GRI 306-2	t	2,613	2,485
By type:		t	2,303	2,170
- Non-hazardous waste		t	310	315
- Hazardous waste		t		
By disposal method:		t	1,186	1,068
- Incineration		t	310	315
- Hazardous waste incineration		t	1,117	1,102
- Recycling		t		
Total number and volume of significant spills	GRI 306-3	Number	0	0
		t	0	0
<b>Compliance</b>				
Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	GRI 307-1	CHF	0	0

\* As a result of the IPO in 2017, no information is available for 2017.





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