

2024

Report on non-financial matters
pursuant to Art. 964a et seq. of
the Swiss Code of Obligations

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Foreword

Dear Shareholders,



Dr. Markus R. Neuhaus,
Verwaltungsratspräsident

For the 2024 financial year, we are once again publishing a separate report on non-financial matters in accordance with Art. 964a et seq. of the Swiss Code of Obligations (CO).

In this report, we provide information on our performance, due diligence, objectives and risks in the areas of the environment, society, employees, human rights and anti-corruption. We also describe our business model and the impact of our business activities on the environment, people, the economy and corporate governance. Further information on our sustainability activities that do not fall under the statutory provisions of Art. 964 et seq. CO can be found in the sustainability report as part of our Annual Report 2024, which is prepared in accordance with the GRI Sustainability Reporting Standards.

The structure and content of the report on non-financial matters are based on the legal requirements of the Swiss Code of Obligations. The report relates to Galenica Ltd. and includes its controlled subsidiaries, which are listed on page 285 of the Annual Report. The entities included in the non-financial key figures are explained in each case. Further details on the key figures can be found in the annex under Calculation bases.

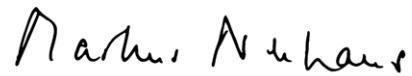
This report covers the period from 1 January 2024 to 31 December 2024. For the first time, we commissioned an external audit of some of the key figures included in this report to add additional weight to the statements made.

Audited key figures are marked accordingly and the independent auditor's report can be found on page 152 of the Annual Report.

The report on non-financial matters was approved by the entire Board of Directors of Galenica Ltd. on 5 March 2025 and will be submitted to the Annual General Meeting on 10 April 2025 for approval.

Taking a responsible approach to society and the environment is the foundation of our economic success. Sustainability is a key component of our business activities, which we have embedded in our Articles of Association. We define our corporate purpose in terms of sustainable and long-term value creation. This is why we are passionate about pursuing our vision of giving our best for health and well-being every day.

We would like to thank you, dear shareholders, for your trust and for supporting our vision and corporate purpose.

A handwritten signature in black ink that reads "Markus Neuhaus". The signature is written in a cursive, slightly slanted style.

Dr Markus R. Neuhaus,
Chairman of the Board of Directors

Business operations



Business model

Business operations

Galenica is active in the healthcare industry and offers healthcare services and products throughout Switzerland. Its customers include patients, pharmacies, drugstores, physicians, hospitals, care homes, home care organisations, health insurers and pharmaceutical companies.

The business activities of the Galenica Group comprise two segments.

“Products & Care” segment

The “Products & Care” segment comprises the “Retail” business area with offerings for patients and end customers (B2C) and the “Professionals” business area with offerings for business customers and partners in the healthcare industry (B2B).

“Logistics & IT” segment

The “Logistics & IT” segment comprises the two sectors “Wholesale” and “Logistics & IT Services”. They operate and develop the logistics and IT platforms of the Galenica Group and offer services to all healthcare providers such as pharmacies, drugstores, physicians, hospitals and care homes.

The value chain of the Galenica network comprises the production, logistics, marketing and sale of products and services in the healthcare market.

Inputs

Financial capital

- Equity/shareholders
- Liabilities

KPIs

1.6x net debt

Produced capital

- Buildings (owned/rented)
- Infrastructure (transport/IT)
- Production equipment (internal/external)
- Vehicle fleet (own/partner)

KPIs

15% vehicles with alternative drive systems

376 pharmacies

CHF 72.8 million investments in property, plant and equipment and intangible assets (capex)

Intellectual/innovation capital

- Brands
- Distribution licences
- Proprietary software
- Investments in digital services
- Specialist staff

KPIs

80 own and partner brands

CHF 4.8 million investments in proprietary software

Human capital

- Number of employees
- Training/further education
- Personnel expenses
- Cultural development

KPIs

7,971 employees

CHF 583.2 million personnel expenses

CHF 5.9 million investments in further education

Social capital

- Strong long-term partnerships
- Regulators
- Suppliers
- Customers

KPIs

>2,500 suppliers

39 memberships in associations

Ecological capital

- Energy use
- Fossil fuels
- Renewable resources
- Water
- Land

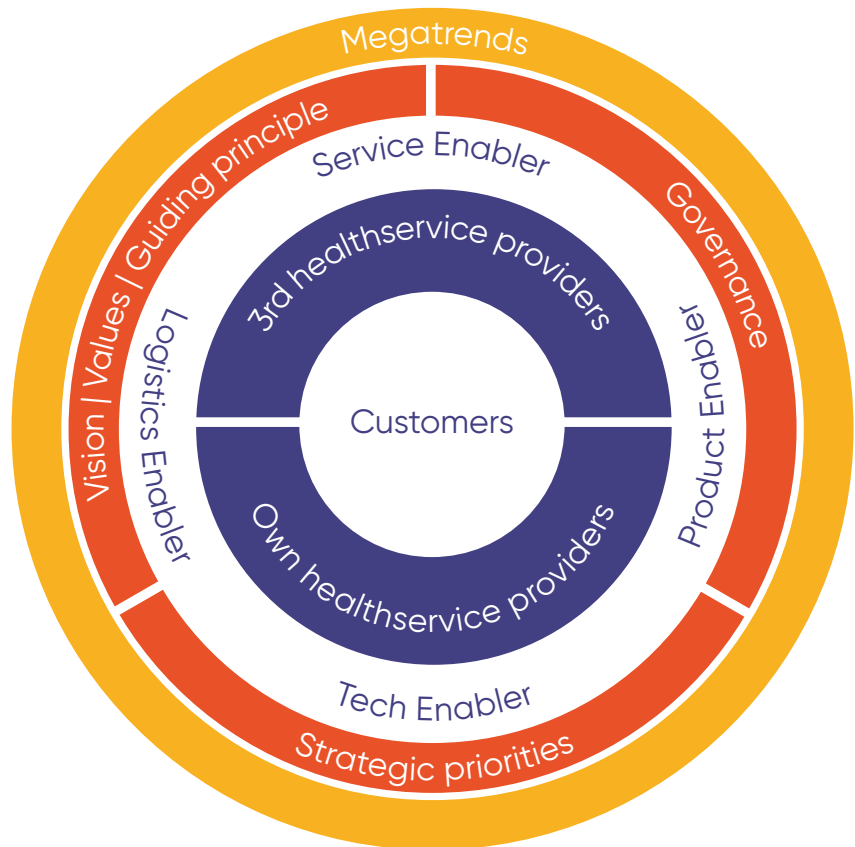
KPIs

100% electricity from renewable sources

15% renewable drives for vehicle fleet

1,419,862 m³ water withdrawal

Business model



Outputs/Impacts

Financial capital

- Sales/profit
- Operating Cash Flow
- Dividend

KPIs

5.4% ROS
3.1% dividend yield

Produced capital

- Pharmacy network
- Products
- Security of supply/procurement

KPIs

99.0% availability of medicinal products

Intellectual/innovation capital

- Healthcare services in pharmacies
- Licensing of own software
- Consistent customer experience
- Efficient processes
- Patient safety
- Prevention
- Generics substitution

KPIs

369 million CDS.CE checks

193,000 health services performed

Human capital

- Employee satisfaction
- Motivation
- Recommendations/employer attractiveness
- Safe working environment

KPIs

10.8% turnover rate

53.6% women in management

0.1% absence rate

76 motivation score

75 recommendation score

Social capital

- Broader product range
- Remuneration of health insurers
- Efficiency gains
- Expansion of expertise
- Representation of interests
- Long-term contracts
- Integrity in supply chains
- Reputation
- Customer satisfaction

KPIs

10 partnerships with health insurers

95.5% net promoter score (degree of target achievement)

Ecological capital

- Emissions
- Water consumption

KPIs

23,938 GJ electricity consumption

11,485 tCO₂e GHG emissions**Outcomes****Contribution to the SDGs**

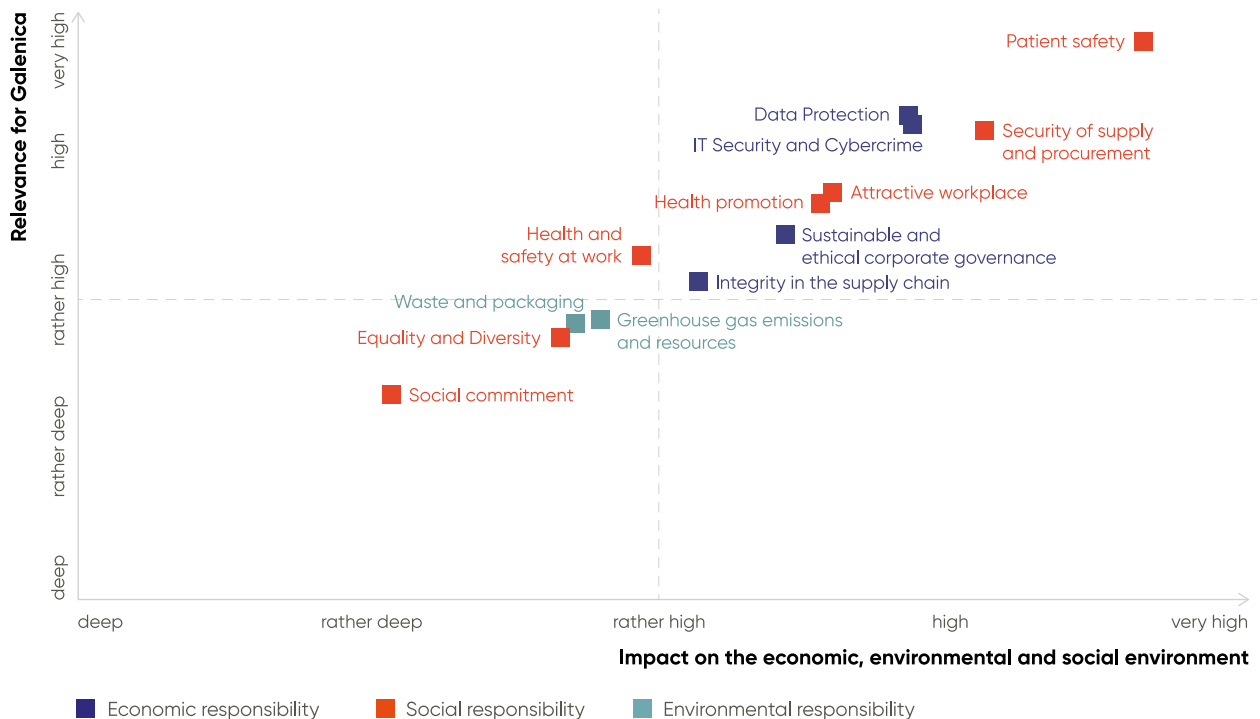
Materiality analysis and matrix

Business operations

Already in 2023, Galenica conducted a materiality analysis based on the dual materiality principle. First, the impact of Galenica’s business activities on its social, environmental and economic environment was assessed through expert interviews with internal and external stakeholder groups relevant to Galenica. This information was combined with legal requirements, ESG standards and ratings as well as comparisons with other companies. The results were summarised thematically and discussed by the Executive Committee and the Board of Directors. Using an online survey, internal and external stakeholder groups – investors, partners, suppliers, customers, associations, employees and authorities – were asked about the key topics. They had to assess each from two perspectives and assign a score from very low to very high:

- Financial relevance for Galenica (outside-in perspective)
- Relevance for the social, environmental and economic environment of Galenica (inside-out perspective)

The evaluated results of the online survey are summarised in the matrix below. As part of the annual review, the materiality matrix was confirmed and acknowledged by the Executive Commitment and the Board of Directors for the year under review.



Risk management

Business operations

Galenica has implemented a comprehensive risk management system that aims to identify and assess potential risks in an early stage. We use a structured risk matrix to identify strategic and operational risks and assess them according to their probability of occurrence and their potential financial and reputational impact. We regularly review and adjust our risk management measures to enable us to respond to changing risks. These measures ensure that we achieve our corporate goals and secure our long-term stability and reputation.



Galenica defines risk as the possibility of an event or action leading to immediate financial loss or other negative consequences. Our risk management process supports the Board of Directors, the Executive Committee and the respective management teams of the Group companies in identifying and assessing potential risks in good time and taking the necessary preventive measures. The goal of this process is to identify, assess and reduce significant risks at all management levels and to manage them while making conscious use of the opportunities the process provides.

A strong risk culture within the company is important to us. To raise awareness of risks, we hold regular training courses and workshops in which employees learn to identify risks at an early stage and take appropriate measures.

Group-wide risk management

Group-wide Galenica Risk Management (GRM) comprises the systematic identification, assessment and management of risks. Regular risk analyses help us to identify potential threats to our business processes in good time. These analyses involve assessing the probability of occurrence and the potential impact of each risk. Based on these assessments, we develop risk mitigation measures, such as implementing control mechanisms and contingency plans. In addition, we continuously monitor our risk landscape and adapt our strategies to respond flexibly to new challenges.

Responsibilities and processes

Our risk managers and the Risk Committee are responsible for the strategic planning and implementation of risk management. Risk management is integrated into Galenica's organisational structure, which means that processes for identifying, assessing and managing risks are defined and integrated into day-to-day operations. The Galenica Board of Directors receives a summary of the most important risks and measures from the Executive Committee at least twice a year and approves the GRM. Suggestions for risk assessments and measures are implemented as part of the subsequent risk management process.

The risk management process is managed centrally by the Controlling unit, while the operational units are responsible for risk management in their respective areas. Specifically, the specialists responsible for each risk area survey, categorise and assess the risks every year in spring and take measures accordingly. This standardised process is based on a risk matrix in order to identify the most important strategic and operational risks as well as their possible financial and reputational effects and assess them according to their probability of occurrence and potential impact.

Most important risk clusters and measures (pursuant to Art. 964a et seq. CO)

Galenica categorises risks into different risk clusters for a structured and targeted analysis. A detailed risk description is prepared for each risk cluster, including the type of the risk, the potential causes and the possible impact on the company. These descriptions are based on predefined criteria and include both qualitative and quantitative evaluations.

Subsequently, specific risk mitigation measures are developed. These measures include preventive strategies to prevent risks, as well as reactive plans to minimise the impact in the event of their occurrence. Examples of such measures include implementing control mechanisms, training employees and developing contingency plans. Regular reviews and adjustments of the measures ensure that they are always up to date and effective.

This systematic approach enables us to ensure that the relevant risks are identified and appropriately addressed to ensure the long-term stability and success of our business.

Risk cluster	Risk description	Measures
Market regulation	Cost-cutting measures by political bodies or regulatory restrictions such as price reductions for medications or other services and products covered by statutory health insurance.	Detailed analysis of the impact of any measures and legislative proposals and development of mitigation measures.
Competitors	Shortage of skilled workers and high staff turnover.	Development of mitigation measures.
Operational infrastructure and IT security	Failure of technical systems and jeopardisation of delivery readiness.	Regular maintenance and adherence to maintenance schedules. Renewal of facilities, control systems and maintenance contracts with key suppliers.
	Cyberattacks on core IT infrastructures and the associated loss of sensitive data and business interruption.	Regular group-wide awareness training programme.
Patient safety	Incorrect delivery/dispensing of medication (incl. blister packaging) to patients (health risk), damage to patient due to an internal process error.	Ongoing development of the quality management system in the pharmacy, including training.
Data protection	Data protection incident due to unauthorised access or unintentional disclosure of personal or sensitive data.	Regular group-wide awareness training programme.
Employees	Lack of development opportunities for employees.	Further development of training and continuing professional development concepts and identification of development opportunities via suitable channels.
Procurement market	Delivery delay/availability of products/raw materials.	Safety Stock initiative in collaboration with pharmaceutical companies to ensure supply. Forward-looking planning and increased inventory coverage for sensitive medicinal products/raw materials.
Climate-related risks	Operational restrictions, including staff shortages, due to rising temperatures and cooling requirements in pharmacies and logistics as well as increasing operating costs due to climate action regulations.	Protective measures, such as cooling, for employees; operational and medication safety measures.

Climate-related risks and measures

In 2024, the "Climate" risk cluster was integrated into the process in accordance with the specifications of the Task Force on Climate-related Financial Disclosures (TCFD). This step was based on a comprehensive analysis involving relevant functions from across the Group. Climate-related risks and opportunities were systematically identified, categorised and assessed. The results were incorporated into a risk matrix, which, like the other 13 risk clusters, served as the basis for approval by the Executive Committee and the Board of Directors in autumn. By integrating climate-related risks and opportunities into the overall risk management process, we ensure that these aspects are continuously monitored and assessed. Additional measures will be defined for the most important risks and opportunities over the course of 2025.

In accordance with the TCFD recommendations, Galenica distinguishes between physical and transition climate-related risks and opportunities. Physical risks arise from direct climate and weather events and thus influence Galenica's operational activities and the supply chain. Transition risks, on the other hand, arise from the decarbonisation of the economy and the resulting legal, social, economic or technological conditions. Galenica has assessed the risks in both categories and categorised them according to their probability of occurrence and financial impact. In addition, the risks and opportunities were classified on a time scale: short-term (1–3 years), medium-term (3–10 years) or long-term (>10 years).

Factoring in different scenarios

In order to better understand the future impact of the identified risks and opportunities on the business strategy, Galenica uses a qualitative scenario analysis. To assess resilience to climate change, Galenica considers two different scenarios based on the IPCC scenarios: The "Less than 2°C scenario", which assumes global warming of less than 2 degrees Celsius and mainly takes into account transition risks, and the "Business as usual" scenario, which assumes global warming of more than 2 degrees Celsius and therefore includes more physical risks.

"Less than 2°C" scenario

- Enhanced international cooperation will drive joint efforts to mitigate climate change and the collective consumption of resources.
- An all-encompassing shift to renewable energy sources reduces dependence on fossil fuels and carbon emissions across all industries.
- The introduction of circular economies reduces dependence on new materials through recycling, reuse and reprocessing.
- Economic systems and social values are oriented towards sustainable practices, while companies align their business models accordingly and influence industry, consumers and politics.

Greenhouse gas emissions are drastically reduced in order to keep global warming below 2°C.

Global warming is kept under control, leading to more stable and predictable climate patterns that increase climate resilience and support ecosystems and communities.

"Business as usual" scenario

- Limited international cooperation, with vulnerable regions facing greater climate impacts.
- Energy systems remain largely dependent on fossil fuels, with the slow adoption of renewable alternatives leading to high carbon emissions.
- Traditional, linear production models remain in use, with a heavy reliance on new materials that are only recycled or reused to a limited extent.
- Economic systems and consumer behaviour continue to follow conventional practices, with only a gradual shift to sustainable choices.

Greenhouse gas emissions remain high and projected global warming is well above 2°C due to limited efforts to contain emissions.

More frequent and severe climate events such as extreme weather, droughts and rising sea levels disrupt ecosystems and communities.

The risks identified in this way and their potential impact on Galenica are summarised in the following table.

Climate-related risks and opportunities

Category	Risk/opportunity	Impact description
Physically acute	Disruptions in the supply chain due to extreme weather events	Upstream supply chain
		Loss of sales or increase in costs due to supply problems with medicines, loss of suppliers, disruption in the supply chain
		1) medium term; 2) medium; 3) medium
Physically chronic	Operating restrictions due to rising temperatures	Own operations
		Lower sales/cost increase due to increasing staff shortages due to heat (in logistics and pharmacies), lower productivity, potential shortening of opening hours
		1) medium term; 2) medium; 3) medium
Physically chronic	Cooling requirements in pharmacies and logistics	Own operations
		Increased energy costs, increased staff costs (skills)
		Requirement for cooling systems (due to rising temperatures)
Physically chronic	Climate-related health and behavioural changes among consumers	Downstream supply chain
		Lower sales: Absence/reduced impact or postponement of allergy or flu season.
		People avoid cities and therefore visit pharmacies less (shift offline > online, resulting in lower margins)
Physically chronic	Increase in manufacturing costs for OTC drugs due to regulation	1) short term; 2) medium; 3) medium
		Upstream supply chain
		Increasing regulation: increasing taxes and prices (certain raw materials or increased transport requirements, ESG EU criteria, electricity prices, CO ₂)
Policy	Rising operating costs due to climate action regulations	1) short term; 2) high; 3) medium
		Own operations
		Higher energy and operating costs
Policy	Deteriorating transport conditions for delivery services due to CO ₂ taxes	Further regulations (CO): corresponding increase in staffing costs
		Downstream supply chain
		CO ₂ tax on transport services could reduce the gross margin for pharmacies.
Market	Increasing sustainability requirements of business customers	1) short term; 2) high; 3) medium
		Downstream supply chain
		Increasing costs due to higher demands from the market and the deployment of staff
Market	Innovation in working models triggered by climate change	1) medium term; 2) high; 3) medium
		Own operations and downstream supply chain
		Changes in working time models required by climate change
Market	Offers in response to changing disease patterns due to climate change	1) long-term; 2) high; 3) medium
		Downstream supply chain
		Higher temperatures lead to new diseases or diseases that were previously unknown within the scope of our preparations or deterioration of health, especially among vulnerable people. This increases the demand for services and products in pharmacies.
Opportunity	Improved reputation due to focus on sustainability	1) medium term; 2) high; 3) medium
		Own operations and downstream supply chain
		Sustainability as part of the value proposition: Galenica is perceived as an attractive employer and business partner

¹⁾ Time horizon: short-term = 1-3 years; medium-term = 3-10 years; long-term = >10 years

²⁾ Probability of occurrence: Low = low probability <30%; Medium = possible 30% to 70%; High = very likely >70%

³⁾ Financial impact (cash-out): Low <1 million; Medium 1-5 million; High >5 million;

Impact of climate-related risks and opportunities

The assessment shows that most risks are of a physical nature, such as flooding or landslides, which can cause acute disruptions in the supply chain. Chronic physical risks due to long-term temperature changes could impact the entire value chain, especially the production of OTC medicines such as phytomedicine, which could necessitate a relocation of production.

In addition, climate-related changes could lead to productivity losses in the company's own operations and have more serious financial consequences, such as changes in disease patterns or climate-related behavioural changes among consumers. This could lead to lower sales or higher costs due to increased staff shortages caused by heat. However, Galenica could also take advantage of opportunities in the long term if it prepared in good time for new patterns of behaviour or disease, such as the spread of the tiger mosquito. This requires timely investment in alternative sales channels, such as an increased focus on online consultations or the manufacturing and distribution of new medicines.

In the transition to a lower-carbon economy, Galenica may also be exposed to political, legal or market economy risks in order to fulfil the requirements to mitigate and adapt to climate change. The most significant risk is increasing regulation, in particular the CO₂ tax and other regulatory requirements, such as ESG reporting. This affects Galenica's entire value chain and could result in higher purchasing and operational costs as well as shrinking margins and service losses right up to the end customers.

Sustainability as a competitive advantage

Opportunities can arise if Galenica takes effective climate action and successfully adapts its business model and strategy to the challenges of climate change. CO₂ taxes could serve as a catalyst for innovative logistics and distribution models. In particular, Galenica could improve its customer service through advanced last-mile concepts that optimise the frequency of deliveries. Electric vehicle fleets and energy-efficient commercial buildings may also increase the attractiveness of the company as a responsible and forward-thinking business partner.

Galenica has embedded sustainability as a core principle in its corporate strategy and is therefore well prepared for future demands from politicians, customers and partners. These efforts could be key to attracting and retaining talented employees and fostering stable long-term business partnerships. Overall, sustainability as part of Galenica's value proposition could become a driver for innovative solutions and offerings in an increasingly environmentally conscious market economy.

Transition plan: Galenica's path to net zero emissions

The identification of climate-related risks and opportunities encourages Galenica to embed sustainability as an integral part of its corporate strategy and to systematically reduce its CO₂ emissions. In line with Switzerland's national climate targets, Galenica has committed to achieving net zero emissions by 2050. A key element of the transition plan are the climate targets, which aim to limit global warming to well below 2°C.

Targets

- We will reduce our operational greenhouse gas emissions (Scope 1+2) by 25% by 2025 and by 50% by 2030 (base year 2021).
- From 2025, we will be sourcing 100% of our electricity from renewable sources at all our locations.

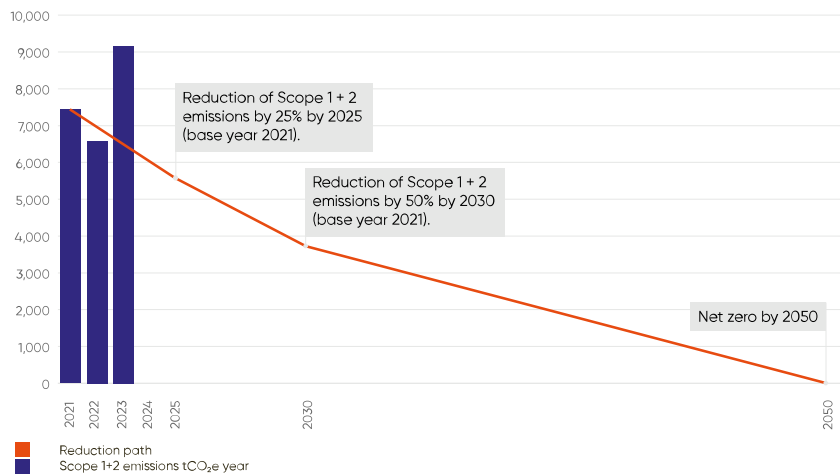
In order to achieve these goals and increase Galenica's resilience to climate-related risks, the Group has addressed sustainability – and therefore also climate-related issues – centrally: Sustainability in all its forms is firmly rooted in the corporate strategy and an integral part of the measures contributing to the decarbonisation of the Group. In 2025, Galenica also plans to develop an in-depth climate strategy that includes the reduction of total greenhouse gas emissions (all scopes) by 2050.

Integration into the corporate strategy: Sustainability is firmly rooted in the corporate strategy, the business model and the strategic areas of action and priorities. The strategic priority of "Efficiency" in particular aims to use resources sustainably and reduce CO₂ emissions. The definition of group-wide objectives and measures forms the framework for resource-conserving and efficient operations.

Initiatives to reduce operational emissions: In order to mitigate potential climate risks and take advantage of the opportunities, Galenica is striving to continuously reduce its operational emissions (Scope 1+2). The activities focus on the following areas:

- Use of renewable energies: From 2025, Galenica is aiming to obtain electricity from renewable sources at all operating sites. To this end, Galenica relies on its own photovoltaic systems and heat pumps, among other things.
- Increased energy efficiency: When undertaking renovations, Galenica focuses on measures to increase energy efficiency, such as the renovation and insulation of roofs.
- Reduction of fuel consumption: In distribution, Galenica is increasingly relying on vehicles with more efficient or renewable drive systems. Vehicle capacity utilisation is also being optimised.

Galenica reduction path (Scope 1+2 emissions)



Reduction of Scope 3 emissions: In 2024, Galenica carried out an initial full screening of its Scope 3 emissions. This shows that Scope 3 accounts for around 98% of all emissions. The vast majority (approx. 94%) falls into category 1 “Purchased Goods and Services”. This initial screening forms the basis for developing a reduction path to net zero, the associated measures and for examining a possible SBTi commitment.

Up to now, the main instrument relied upon in efforts in the supply chain has been the Supplier Code of Conduct for suppliers, which also covers environmental aspects. From 2025, Galenica will carry out random checks to ensure compliance with the Code.

More information on the management of greenhouse gas emissions and the detailed measures and KPIs can be found in the section on greenhouse gas emissions and resources.

Resilience under consideration of scenarios

Galenica acknowledges the importance of sustainability and recognises both the opportunities and risks that climate-related changes entail. By taking a proactive and strategic approach, the company ensures that it is prepared for future challenges while at the same time having the opportunity to seize opportunities as they arise.

The analysis shows that Galenica is exposed to both climate-related risks and opportunities. While the “business as usual” scenario (above 2°C) entails risks for the company’s infrastructure and supply chain security, these impacts are further in the future and allow Galenica to take preventive action. Galenica is focussing on maintaining a financially sound foundation, a diversified supply chain and protecting and upgrading its sites against climate-related physical risks such as flooding.

The “below 2°C” scenario, and thus the decarbonisation of the economy, also involves some risks. However, Galenica estimates that their financial impact will be moderate. In addition, the company is well positioned, having already integrated sustainability and climate considerations into its corporate strategy and implementing measures to increase energy efficiency and reduce operational emissions. This enables Galenica not only to mitigate the transition risks but also lays the foundations for utilising potential climate-related opportunities.

Internal control system

As part of its risk management system, Galenica operates an internal control system (ICS) to ensure reliable internal and external financial reporting and to prevent misstatements and errors about business transactions. The ICS offers the necessary processes and controls to ensure that risks in connection with the quality of the company’s financial reporting can be identified and managed in good time. A thorough review of the existence of the processes and controls of the Galenica ICS is carried out annually by the external auditors at the time of the interim audit. The results of these reviews are reported to the Audit and Risk Committee. Management takes appropriate measures to continuously improve business processes in the areas of purchasing, procurement, investment, sales, human resources, general financial management and reporting, and IT controls.

Internal Audit

Internal Audit carries out audits of operational and strategic risk management and the ICS in accordance with the audit plan determined by the Audit and Risk Committee. It carries out audits, analyses and interviews throughout the Group and supports the Service Units in achieving their objectives by ensuring an independent assessment of the effectiveness of internal control processes. Internal Audit prepares regular reports on the audits carried out and reports directly to the Audit and Risk Committee in writing. The activities of Internal Audit are conducted through contracts issued to external service providers.

Environmental matters



Greenhouse gas emissions and resources

Environmental matters

Galenica endeavours to use resources as efficiently as possible, on the basis of economically viable measures, and to reduce the resulting environmental impact of its activities within the market as much as possible. The strategic priority of Efficiency and its associated initiatives, which focus on the sustainable use of resources throughout the Group with the aim of reducing the CO₂ emissions of the entire Galenica Group, form the main basis for this.



Management of the material topics

The high quality requirements, consistent compliance with good distribution practices (GDP) and good manufacturing practices (GMP) as well as the high availability of medications in the Swiss healthcare system require a considerable amount of infrastructure for the storage and distribution of merchandise. High-frequency distribution ("same-day") to consumers throughout Switzerland is energy- and emissions-intensive. Galenica therefore has an intrinsic interest in implementing measures to optimise the sustainability of its emissions profile as part of its core processes of procurement, storage and distribution of medications. External regulatory requirements are also a relevant driver for increasing the efficiency of the use of resources. In addition, we are seeing growing interest from customers in Galenica's ESG initiatives, meaning that efforts to reduce greenhouse gas emissions can ultimately serve as a competitive advantage in the market.

Electricity and fuels are the main energy sources used by Galenica today. Electricity accounts for 46% of total energy consumption. Transport is the main cause (approx. 60%) of direct and indirect greenhouse gas emissions at Galenica. Greenhouse gases in the atmosphere are primarily responsible for global warming and climate change, with serious consequences for humans, animals and the environment.

Binding targets agreed with the FOEN/SFOE

In order to reduce CO₂ intensity and increase energy efficiency, the major consumers (electricity consumption of at least 500 MWh p.a.) Alloga in Burgdorf, Galexis in Lausanne-Ecublens and Niederbipp as well as the Bichsel Group in Interlaken, have defined binding reduction paths for energy consumption with the Federal Office for the Environment (FOEN). In return for this commitment, the companies can apply for a refund of the CO₂ incentive tax on fossil fuels or a subsidy to implement sustainability measures, provided they comply with the agreements. The binding targets are individually tailored to the potential of the individual sites in collaboration with the Energy Agency of the Swiss Private Sector (Energieagentur der Wirtschaft, EnAW) and the FOEN. A binding energy reduction pathway has already been drawn up and implemented in collaboration with the FOEN as of 2016 for the Galexis sites in Niederbipp and Lausanne-Ecublens as well as Alloga in Burgdorf. As a result of these long-term measures, cumulative energy savings of 2,700 MWh at the Niederbipp site, 670 MWh in Lausanne-Ecublens and 1,050 MWh at Alloga could be realised by 2024.

A new binding reduction pathway for Galenica's major energy consumers is currently being prepared by the SFOE for the years ahead. This is also being developed in collaboration with the EnAW and will be adopted during 2025.

Focus on increasing energy efficiency during renovations

When renovating its infrastructure, Galenica always takes into account potential measures to improve energy efficiency and looks into the feasibility of installing photovoltaic systems.

Thanks to energy-efficient construction, new measurement and control technologies, insulation and the installation of a photovoltaic system during the renovation and new construction of the logistics and administration building at the Lausanne-Ecublens site, annual energy consumption was reduced by 617,695 kWh and 107.4 tCO₂. Furthermore, the site was connected to the local district heating network in addition to the reduction path, resulting in a long-term 80% CO₂ reduction.

At the Galexis site in Niederbipp, a solar installation with around 5,700 solar modules was connected to the grid at the end of 2023. With an output of over 2,100 MWh, this installation covered around one quarter of Galexis' electricity requirements in Niederbipp in 2024. This is enhanced by the heat pump, which was installed previously and has saved 227,360 kWh and 67.9 tCO₂ per year compared with heating with fossil fuels. Furthermore, the introduction of a new measurement and control technology for climate control in 2024 (as well as climatic influences) enabled Galexis to reduce energy consumption for heating requirements by around 47%.

In early 2022, Alloga put a groundwater heat pump into operation, saving 428,245 kWh/126.6 tCO₂ per year, compared to fossil fuels. A further increase in energy efficiency of approx. 10–15% was achieved by installing new thermal insulation in the 25,000m² flat roof in 2023 and replacing the air compressors.

The UFD headquarters in the canton of Ticino was also fully fitted with a solar installation with 1,210 photovoltaic elements in April 2024, which, with an annual output of 43 MWh for 2024, covered around 7% of the company's own electricity requirements.

Finally, Lifestage Solutions moved into a new company building in 2024 that is certified according to the Minergie Eco standard. The heating and hot water requirements are covered exclusively by the use of natural wood waste produced by the landlord. The cooling requirements are covered by surplus solar power generated by the photovoltaic system installed on the roof. In fact, 85% of the electricity is supplied by the company's own photovoltaic system in combination with a storage battery. The remaining 15% is generated from renewable hydropower.

The Galenica Group's own operational and administrative sites obtain electricity from hydropower and photovoltaics. Almost all of the sites in the Pharmacies unit are rented, which makes it more difficult to influence the electricity mix. However, Galenica has set itself the goal of obtaining electricity from renewable sources for the rented premises as far as possible. Since 2023, the electricity consumption of the pharmacies has been recorded centrally on the Swenex platform, which is used to plan further efficiency measures.

Promotion of renewable energies in distribution

Galenica has set itself the goal of promoting the use of renewable energies in distribution logistics and has embedded this as part of its distribution strategy. Galexis has been successfully using its first biogas-powered vehicle since 2021, followed by another vehicle in early 2022.

Galexis started supplying customers in the greater Zurich area with two electric GDP delivery vehicles in early 2023 for the first time. Another electric vehicle has been in use at the Lausanne-Ecublens site since late 2023. GDP-compliant electric delivery vehicles are still little used in Switzerland. The short range and long charging cycles only result in an efficiency of around 50%, compared to the service life. The higher procurement costs (factor 2) also hinder the company-wide roll-out of an electric GDP fleet from an economic point of view.

The potential of hydrogen technology is under consideration. Nationwide deployment of this technology in GDP distribution is not yet realistic due to the current supply situation in Switzerland.

In order to reduce fuel consumption, companies in the Pre-wholesale and Wholesale units regularly implement energy efficiency measures – both internally and with external logistics partners. This includes the use of commercial vehicles that meet the highest emissions standard (currently Euro VI) and the initiation of joint pilot projects for the use of delivery vehicles with alternative drive systems. Since 2020, Galaxis, UFD and Pharmapool have been converting their own fleet of delivery vehicles to more efficient vehicles with a higher load capacity. External logistics service providers are contractually obliged to use only vehicles that meet or exceed the Euro VI standard.

As part of a continuous improvement process, the fixed delivery runs are optimised in order to increase customer service and efficiency in execution. In 2024 alone, Galaxis was able to reduce travel by more than 100,000 km. In addition, all drivers from Galaxis, UFD, Pharmapool, Bichsel and Alloga regularly attend mandatory driver training courses to learn an environmentally friendly, fuel-efficient driving style in addition to safety. Galenica continues to support sustainability initiatives for logistics companies as part of associations (e.g. GS1) and in collaboration with authorities and other public institutions (e.g. hospitals).

Environmental Code of Conduct and mobility concept

There is an Environmental Code of Conduct that applies to all employees of the Galenica Group. This provides guidance on saving energy and making efficient use of natural resources in the workplace and in transport.

Galenica encourages its employees to use public transport and electric vehicles and has implemented specific mobility concepts at some locations, such as the headquarters in Bern. Employees who commute to work by public transport receive a financial contribution towards their travel costs. In January 2022, a further mobility concept was introduced in Lausanne-Ecublens as part of the renovation work at the site. Only limited parking spaces are available for employees. Galaxis encourages employees to organise carpools or use public transport to get to work and provides employees with financial support for the use of public transport. In 2022, Galenica amended its group-wide company vehicle policy in favour of e-mobility. As of late 2024, around 15% of personal company vehicles have electric or hybrid drive systems.

Scope 3 roadmap

In 2024, a Scope 3 screening of Group processes and flows of goods was carried out for the first time as part of Galenica's sustainability strategy. Actual consumption data and activity-based consumption from 2023 as well as estimates based on standards and statistical data were used for the screening, and coverage of more than 80% of emissions relevant to Scope 3 was recorded. Based on this data, a roadmap is to be developed and adopted in 2025. This roadmap aims to establish a net-zero reduction pathway in line with Switzerland's climate targets.

Responsible use of land and water

Galenica strives to use the vital resources of land and water responsibly. The company pays attention to the careful use of water and does not use groundwater, but feeds it back into the groundwater flow. Alloga, Galexis and UFD use the groundwater for the heating and cooling cycle, either extracting heat or using it directly for cooling. Water also plays a key role at Bichsel as a raw material in the production of vital infusion solutions. The water is sourced from the local primary supplier and only the necessary quantity is pharmaceutically treated and processed by Bichsel. After being used, the water required for production purposes is fed into the wastewater treatment plant and returned to the water cycle.

Galenica has no sites in or near protected areas or areas of high biodiversity value outside protected areas. With the construction of a wild bee park at the Galexis site in Niederbipp, Galenica made a small contribution to protecting these endangered animals and conserving biodiversity in 2023.

Objectives greenhouse gas emissions

Goal	Status	Target year	Measurement parameter	2024	2023
From 2025, we will be sourcing 100% of our electricity from renewable sources at all our locations.	↗	2025	% electricity from renewable sources per location	100%	75%
We will reduce the intensity of our operational greenhouse gas emissions (scope 1+2) by 25% by 2025 and 50% by 2030.	↗	2030	tCO ₂ e/FTE	1.13 tCO ₂ e/FTE	1.49 tCO ₂ e/FTE
We will replace 40% of the fossil fuels in our vehicle fleet (in-house and external vehicles contracted by us) with renewable alternatives by 2032.	→	2032	% renewable propulsion in the vehicle fleet	15%	15%

- ↗ Realistic
- Partially delayed/critical
- ↘ Critical
- = Achieved
- × Not achieved

Galenica is pursuing ambitious targets of keeping greenhouse gas emissions from the main sources as low as possible within its own operations. Galenica wants to work exclusively with electricity from renewable sources in its own operations. For this reason, 100% of the electricity purchased from 2025 onwards is to come from renewable sources.

Furthermore, energy from 40% of fossil fuels is to be replaced by renewable sources by 2032, compared to 2021. These and other measures are intended to reduce direct and indirect (Scope 1+2) greenhouse gas emissions by 25% by 2025 and by 50% by 2030 compared to 2021. In order to take better account of the Group's organisational development when setting goals and planning measures, the measurement parameter used to track progress towards target achievement was changed to tCO₂e/FTE (intensity) in the reporting year.

Evaluation of the management approach and measures

- Key figures: Key environmental figures relating to greenhouse gas emissions and energy consumption by the Group are collected at least once a year in order to check whether the environmental targets are being achieved.
- Galenica's sustainability objectives form part of its collaboration with partners (suppliers, logistics service providers, service providers) throughout the supply chain.
- Targets agreed with the FOEN/SFOE: EnAW provides Galenica with annual feedback and recommendations on how to improve energy efficiency and reduce CO₂ intensity.
- ESG topics are part of the contractual agreements in investment planning and the awarding of contracts.
- CDP: Galenica completes the CDP questionnaire once a year. CDP is an international, non-profit organisation that provides the largest and only worldwide environmental database for companies and cities. Its aim is to encourage as many companies as possible to disclose their impact on the environment and natural resources. This information is collected on behalf of more than 680 institutional investors, who together represent more than USD 130 trillion in assets. In 2024, 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.

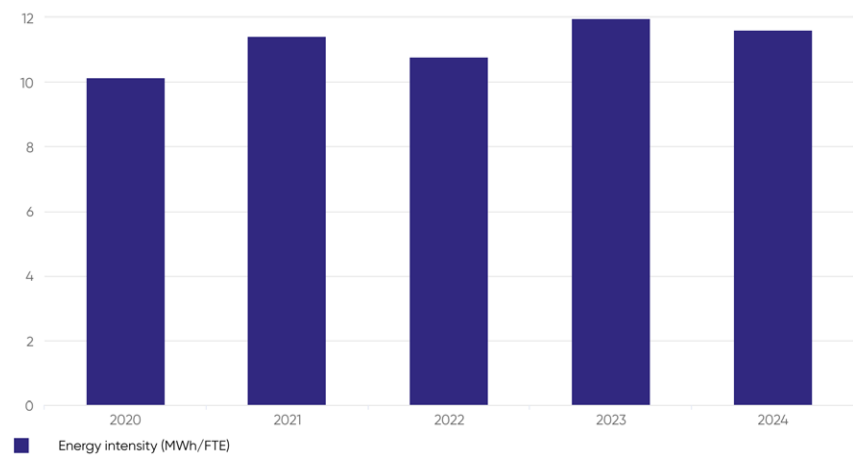
Energy

Aspect	Unit	2024	2023 ¹⁾	2022	2021	2020
Energy consumption (within and outside of the organisation)	MWh	70,914	70,639	57,148	63,437	57,836
Energy consumption within the organisation ▶	MWh	53,845	57,112	44,185	47,074	41,987
- non-renewable sources (heating oil, natural gas, diesel, petrol)	MWh	28,630	37,718	23,727	26,877	21,699
- renewable sources (hydropower, solar energy, district heat)	MWh	25,215	19,394	20,458	20,197	25,022
Electricity consumption within the organisation	MWh	23,938	23,543	24,584	24,587	24,605
Heat energy consumption within the organisation	MWh	14,949	18,732	6,882	6,227	7,014
Energy consumption outside of the organisation	MWh					
- downstream transport and distribution	MWh	17,068	13,528	12,964	16,363	15,848
Energy intensity	MWh/ FTE	11.59	11.96	10.77	11.43	10.12

▶ 2024 Data externally assured (limited assurance)

¹⁾ restated

Energy intensity 2020–2024 (MWh/FTE)



In the reporting year, Galenica adjusted its energy consumption analysis (including retrospective adjustments to the figures already published for 2023). In order to avoid double counting in connection with the purchase of guarantees of origin and certified hydropower, electricity purchased from the grid is sometimes now no longer counted as renewable. In addition, electricity consumption is now recorded, excluding the heat pump and electric vehicles. The energy consumption of the heat pumps is counted as heat consumption. In the reporting year, Galenica recorded the electricity consumption of Padma, which was acquired in 2023, for the first time (536 MWh).

The declared energy consumption outside the organisation is limited to upstream transport. Galenica uses the number of full-time equivalents (FTEs) as the organisation-specific parameter to calculate the energy intensity ratio. The quotient takes into account energy consumption within and outside the organisation.

Reduction of heat requirements in the Group's own operations

In 2024, the Galenica Group's total energy consumption – both within and outside the organisation – amounted to 70,914 MWh (previous year: 70,639 MWh). Total energy consumption per full-time equivalent decreased slightly from 11.96 MWh/FTE to 11.59 MWh/FTE. Heat consumption within the organisation in particular has fallen sharply (approx. 3,800 MWh). This is mainly due to structural measures (use of pellet heating at the temporary site) at the headquarters in Bern (saving approx. 1,400 MWh) and the switch to district heating at the Galaxis Lausanne-Ecublens site (saving approx. 500 MWh). The heat consumption of pharmacies was extrapolated and was lower in the reporting year than in the previous year (minus approx. 1,400 MWh).

In contrast, the fuel consumption of transport service providers has increased compared to the previous year (approx. 3,540 MWh), which is why the energy balance within and outside the organisation has only changed slightly overall.

Stable electricity and fuel consumption despite growth

Electricity is the main energy source used by Galenica. Electricity (excluding heat pump and electric vehicles) accounts for almost 46% of total energy consumption within the organisation. In 2024, Galenica's electricity consumption increased to 23,938 MWh (previous year: 23,543 MWh), which corresponds to an increase of 1.7%. Taking into account the first-time recording of Padma consumption (536 MWh) and the estimate of electricity consumption in pharmacies based on the previous year's figures, Galenica's electricity consumption has largely stagnated. Nevertheless, the Group has taken a major step forward in terms of its goals. Through the expanded purchase of guarantees of origin for electricity from hydropower, Galenica obtains 86% renewable electricity for all operational and administrative sites. Galenica will purchase the missing guarantees of origin for 2024 and, therefore, reports a 100% proportion of electricity from renewable sources. Furthermore, the commissioning of the photovoltaic system in Niederbipp at the end of 2023 enabled almost all remaining electricity requirements to be covered by solar energy in the reporting year (2,242 MWh). Only 0.3% of total electricity consumption in 2024 came from fossil sources such as heating oil and diesel, primarily for emergency power generation.

The fuel and electricity consumption of the Group's own delivery and pool vehicles remained stable in the reporting year (14,958 MWh) compared with the previous year (14,830 MWh). Even if they only still make up a small proportion of overall consumption, the energy requirements of electric vehicles increased significantly in 2024 year-on-year to 122 MWh (previous year: 1 MWh).

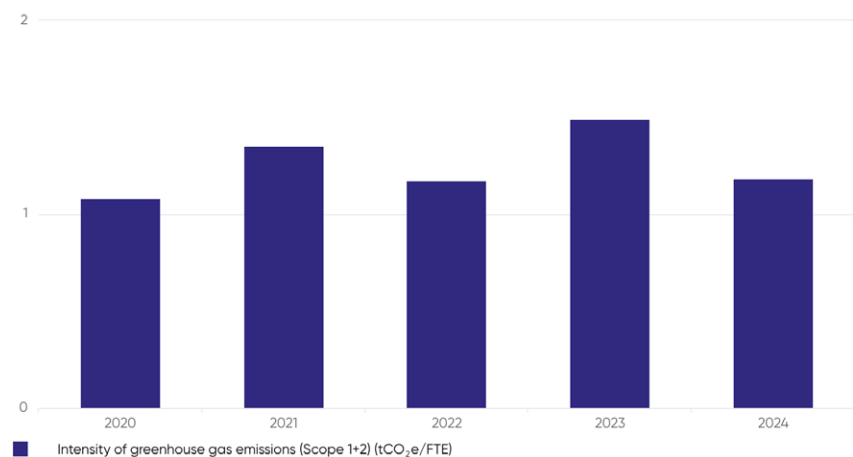
Emissions

Aspect	Unit	2024	2023 ¹⁾	2022	2021	2020
Direct and indirect GHG emissions (Scope 1+2) ▶	tCO ₂ e	7,228	8,774	6,581	7,447	5,964
Direct (Scope 1) GHG emissions: fuels and combustibles	tCO ₂ e	6,546	7,099	4,876	5,708	4,262
Indirect (Scope 2) GHG emissions: purchased electricity and district heat (market-based approach)	tCO ₂ e	682	1,674	1,705	1,738	1,702
Intensity of GHG emissions (Scope 1+2)	tCO ₂ e/ FTE	1.18	1.49	1.17	1.35	1.08

▶ 2024 Data externally assured (limited assurance)

¹⁾ restated

Intensity of greenhouse gas emissions (Scope 1+2) 2020-2024 (tCO₂e/FTE)



In the reporting year, Galenica adjusted the evaluation of greenhouse gas emissions (including subsequent adjustment of the previously published values for 2023). The biogenic share of diesel fuel available in Switzerland is now included in the calculations. In addition, refrigerant losses are now included in Scope 1 emissions. Galenica uses the market-based calculation approach when calculating Scope 2 emissions. An emission factor from the International Energy Agency (IEA) is now used for electricity purchased from the grid. This is significantly lower than the previous emission factor (treeze, 2017). If the emissions are calculated using the location-based approach, which does not take into account the specific electricity production by hydropower for Galenica, this results in Scope 2 emissions of 2,638 tCO₂e.

Successes in reducing greenhouse gas emissions

In the reporting year, the heat consumption of the Galenica Group decreased. In particular, the reduction in heating oil consumption at the headquarters in Bern is making a significant contribution to the reduction in emissions (372 tCO₂e). In addition, indirect greenhouse gas emissions were reduced by around 1,000 tCO₂e according to the market-based calculation method due to the additional purchase of guarantees of origin for hydropower.

Emissions Scope 3

Aspect	Unit	2024	2023 ¹⁾	2022	2021	2020
Direct and indirect GHG emissions	tCO ₂ e	11,485	12,148	10,052	11,828	10,207
Direct and indirect GHG emissions (Scope 1+2) ▶	tCO ₂ e	7,228	8,774	6,581	7,447	5,964
Other indirect (Scope 3) GHG emissions: upstream transport and distribution	tCO ₂ e	4,257	3,375	3,471	4,381	4,244
Intensity of GHG emissions	tCO ₂ e/ FTE	1.88	2.06	1.98	2.13	1.76

▶ 2024 Data externally assured (limited assurance)

¹⁾ restated

The Scope 3 emissions analysis includes the CO₂e emissions caused by the contracted drivers of Galaxis, Alloga and Pharmapool. Of these, 87% relate to transport services provided for Galaxis.

Water and wastewater

Aspect	Unit	2024	2023 ¹⁾
Water withdrawal	m ³	1,419,862	1,149,293
- municipal water supply	m ³	160,627	78,285
- groundwater	m ³	1,259,235	1,071,008

For the first time, data on water use by Padma, which was acquired in 2023, is included.

In 2024, water withdrawal by the Galenica Group amounted to 1,419,862 m³ (previous year: 1,149,293 m³), with 88% coming from groundwater and 12% from the municipal water supply. The increase from the municipal water supply can mainly be explained by the fact that data was collected from Padma for the first time (withdrawal of around 89,000 m³). The sharp increase in groundwater demand compared to the previous year is due to the fact that, depending on the weather, more or less water is used to cool or heat the buildings.

Waste and packaging

Environmental matters

Galenica is committed to using natural resources respectfully and efficiently, and to reducing and disposing of waste safely, among other things. In addition to the professional disposal of waste, Galenica aims to prevent waste from occurring in the first place wherever possible.



Management of the material topic

For Galenica, the proper handling of medical and chemical waste as well as packaging material is crucial. The company focuses on waste management, i.e. the declaration (toxic/non-toxic), collection, sorting, disposal and recycling of waste. In the downstream business, packaging materials are selected in compliance with the principles of the circular economy, unless covered by regulatory requirements.

Proper disposal of returned medicines

The pharmacies and logistics companies in the Galenica Group take back and properly dispose of expired or unused medicines. In pharmacies, this is done in accordance with internal quality management processes. The pharmacist performs an initial disposal triage of the returned drugs and sorts the products according to specific criteria. They focus particularly on critical ingredients (such as heavy metals, solvents, narcotics or highly active substances), but also on the special characteristics of the dosage form (such as gas pressure vessels). After this pre-selection process, the drugs are disposed of properly at a conventional incineration plant or in a specially designed high-temperature furnace. The disposal of controlled substances such as narcotics must be documented by the pharmacists and reported to Swissmedic. The GDP guidelines, which Alloga, UFD, Pharmapool and Galaxis have signed up to, also provide instructions on how to handle returns. The actual disposal of expired and unused medicines is organised centrally by external service providers, depending on cantonal guidelines. An exception is Medifilm, which is the only Galenica company with approval for hazardous waste disposal.

For safety reasons, medicines returned by consumers 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 from coming into contact with potentially hazardous pharmaceutical waste, for example through torn rubbish bags at the roadside or from contamination.

Pharmacies therefore make a valuable contribution to the environmentally friendly and controlled disposal of hazardous waste. In addition, our pharmacies provide only biodegradable plastic bags to their customers. The Wholesale & Logistics unit makes continuous efforts to find additional ways of reducing waste. One of the most important measures in this regard is the use of reusable packaging for the delivery of goods; 94% of deliveries are already made in reusable storage containers in a circular process. The remaining 6% is delivered in recyclable cardboard packaging.

Optimisation of packaging

At Galexis, various initiatives contribute to the optimisation of packaging. This has made it possible to increase the filling level of the delivery containers by 12% by the end of 2024. As a result, fewer containers are being shipped and the transport mass is reduced. Within the scope of the Efficiency priority, a pilot test was carried out in which a printed delivery note was not included in the delivery and a digitally accessible version was made available to the customers instead. This pilot met with a high level of acceptance and will be pursued further in 2025. Due to the planned roll-out of the new SAP operating system at the Lausanne-Ecublens distribution centre, accompanying documents (known as "requisition orders") will no longer be issued from March 2025. This eliminates the need for the corresponding amounts of paper that had previously been included with each container. Furthermore, the process initiated in 2023 with a key supplier to use recyclable packaging instead of cardboard packaging was successfully rolled out at Galexis in Lausanne-Ecublens in 2024.

When shipping goods from the online shops to customers, recyclable packaging material is used wherever possible. And within the Group, such as between Galexis and pharmacies, process improvements are also continuously being worked on to reduce product returns. As a result, returns were reduced by more than 18% in the reporting year. This reduces the transport volume as well as the cost and amount of waste of highly refined products produced when processing the returned goods.

Environmental Code of Conduct

The Environmental Code of Conduct contains guidelines on waste separation for all employees who work in the office. In addition, new employees receive a leaflet on waste management and recycling when they join the Group.

Objective waste and packaging

The previous environmental target "We will reduce our municipal waste by 50% by 2025" was dropped in 2024. The decision was made as municipal waste is of little significance in Galenica's overall waste balance sheet. Due to the high level of fragmentation across the different sales locations with their local waste regimes at the municipal level, a central management approach seemed unlikely to be successful with regard to the original goal.

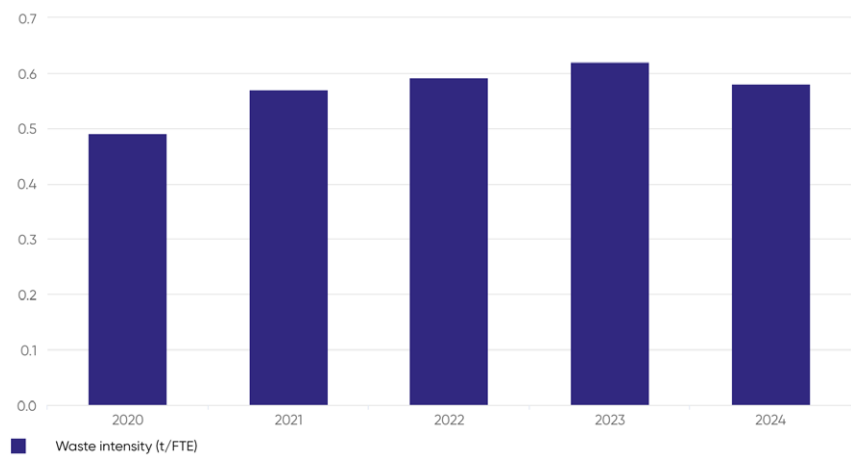
Evaluation of the management approach and measures

- Key figures: Key environmental figures relating to waste are collected at least once a year.
- Quality management: Compliance with quality management processes is monitored on an ongoing basis.

Waste generated and directed to disposal

Aspect	Unit	2024	2023	2022	2021	2020
Total weight of waste generated	t	3,579	3,653	3,228	3,163	2,703
by type:						
- non-hazardous waste	t	3,131	3,153	2,842	2,642	2,368
- hazardous waste	t	448	500	386	521	335
by disposal method:						
- incineration	t	1,617	1,664	1,494	1,274	986
- hazardous waste incineration	t	448	500	386	521	335
- recycling	t	1,513	1,489	1,348	1,368	1,382
Waste intensity	t/FTE	0.58	0.62	0.59	0.57	0.49

Waste intensity 2020-2024



With the inclusion of Padma data, all companies of the Galenica Group are included as of 2024.

Almost half of waste is recycled

In 2024, the total weight of waste for the Galenica Group was 3,579 tonnes, a decrease of 2.0%. The weight of waste per full-time equivalent decreased from 0.62 t/FTE in the previous year to 0.58 t/FTE. 87% of total waste was harmless (mainly general waste, cardboard, paper and plastics), with the remaining 13% classified as hazardous waste (mainly medicines). 42% of waste was recycled, 45% was destroyed at waste incineration plants and 13% at a specialist facility for hazardous waste.

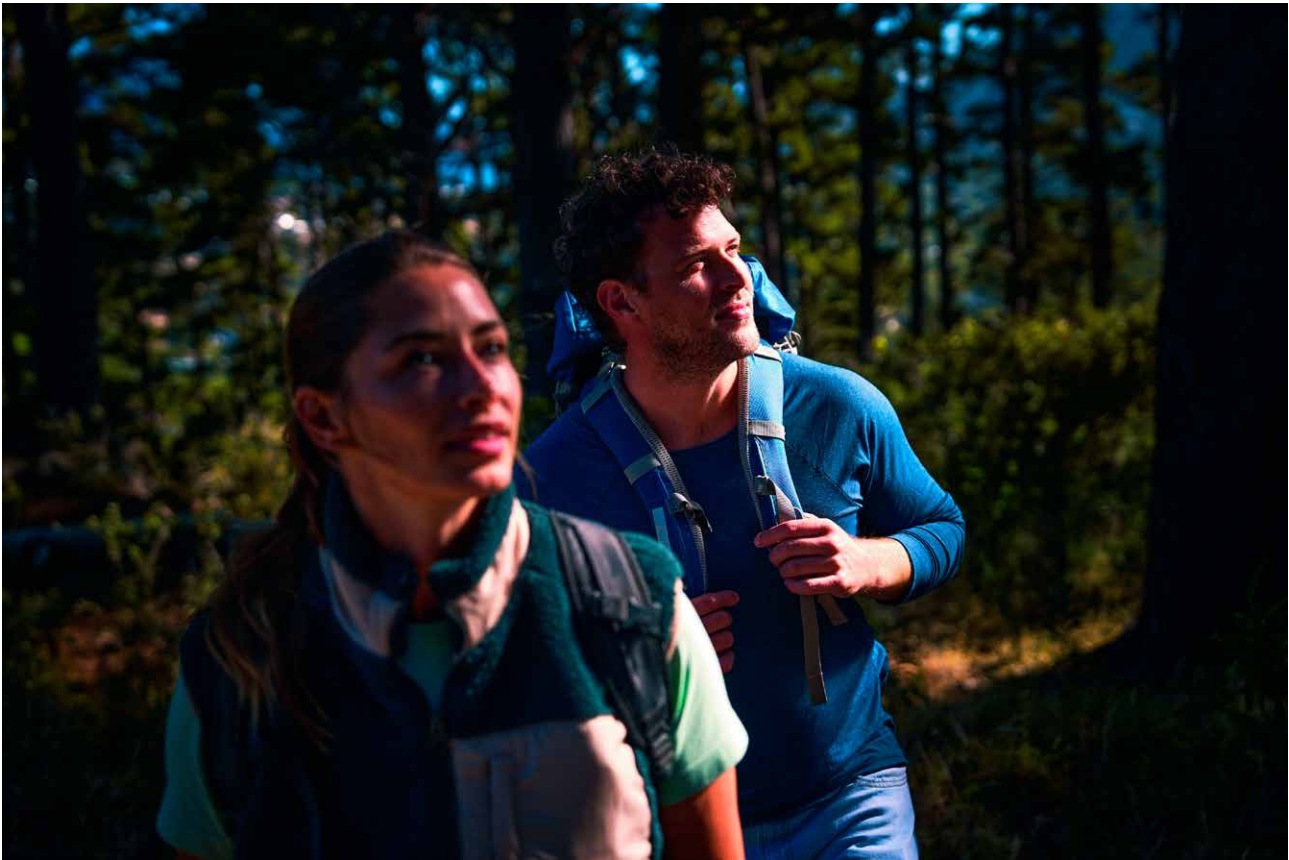
Social issues



Dialogue with stakeholders

Social issues

Meaningful stakeholder engagement is characterised by continuous two-way communication and depends on the goodwill of all parties involved. Galenica strives for successful collaboration by promoting regular exchange through various communication channels.



This allows the various stakeholder groups to proactively voice their concerns and expectations of the company at any time. Galenica is addressing the topics arising from this and shaping further dialogue in accordance with the current challenges and needs of its stakeholders. This ensures that the topics are relevant to the target group and that the dialogue brings added value for both sides. The Executive Committee regularly discusses the concerns and priorities of the various stakeholder groups and reports to the Board of Directors. In this way, stakeholder concerns are incorporated into the decision-making process as far as possible.

Stakeholder group	Why we are committed	How we are committed	Topics discussed in 2024
Customers	<ul style="list-style-type: none"> - Increase customer satisfaction - Determine potential for improvement 	<ul style="list-style-type: none"> - Customer surveys 	<ul style="list-style-type: none"> - Satisfaction with healthcare services - Low-threshold access to healthcare services
Shareholders	<ul style="list-style-type: none"> - Increase trust in the company - Cashflow - Galenica as an attractive and secure investment 	<ul style="list-style-type: none"> - Dialogue at AGM - Annual communication via Annual Report - Investor Day and roadshows - Direct investor dialogue 	<ul style="list-style-type: none"> - Galenica's role in Swiss healthcare - Further development of the company - Innovation and new business areas
Suppliers	<ul style="list-style-type: none"> - Continuous improvement process in quality management - Transparency - Providing a seamless service - Supply chain integrity - Ensuring ability to deliver 	<ul style="list-style-type: none"> - Code of Conduct for Suppliers - Direct dialogue between Purchasing and delivery partners - Satisfaction survey of key suppliers - Safety Stock initiative 	<ul style="list-style-type: none"> - Quality aspects - Costs and prices - Innovations - Supply chain integrity - Product availability
Scientific institutions	<ul style="list-style-type: none"> - Promoting young talent - Training for healthcare professions 	<ul style="list-style-type: none"> - Financing of the Chair of the University of Bern (Pharmacy) - Lectures on vocational training 	<ul style="list-style-type: none"> - Quality of teaching - Attractiveness of healthcare professions (retail pharmacy)
Current and potential employees	<ul style="list-style-type: none"> - Attracting and retaining qualified employees - Employee satisfaction and motivation 	<ul style="list-style-type: none"> - Active recruitment - Fringe benefits - Fair employment conditions - University marketing/events - Position Galenica as an employer of choice 	<ul style="list-style-type: none"> - Galenica as an attractive employer - Attractiveness of healthcare professions
Authorities and associations	<ul style="list-style-type: none"> - Political influence - Ensuring sustainable business operations 	<ul style="list-style-type: none"> - Membership of association boards - Regular dialogue with relevant associations - Meetings with politicians, authorities 	<ul style="list-style-type: none"> - Galenica's role in Swiss healthcare - Opportunities and risks of liberalisation in the healthcare sector - Costs/cost containment

Patient safety

Social issues

Patient safety and health is a top priority for Galenica. With personal and competent advice and a unique range of products and healthcare services, we support our patients in all life situations at every stage of their lives, promote their well-being and enable people of all ages to lead a healthy life. We are committed to ensuring the quality of our products along the entire value chain. Quality management systems and digital solutions help employees increase patient safety.



Management of the material topic

Medication errors or quality issues with medications can have serious consequences for the health of patients. At the same time, they also pose a reputational risk for the companies involved. Digitalisation offers new opportunities for innovative solutions to improve patient safety. Galenica is committed to ensuring the quality of medicines along its entire value chain and takes the appropriate measures along the supply chain in terms of infrastructure, processes, and employee training and education. This helps prevent medication errors, reduce side effects and lower healthcare costs. With personal and competent advice and a unique range of products and services, Galenica supports its patients in all life situations and helps to enable people of all ages to lead a healthy life. Galenica thus makes an important contribution to the well-being and health of the Swiss population.

GDP guidelines for a good distribution practice

Alloga, Galexis, UFD, Pharmapool, Verfora and the Bichsel Group adhere to the GDP (Good Distribution Practice) guidelines for human medicinal products in an exemplary manner. On the one hand, these legal requirements are intended to prevent counterfeit drugs from entering legal supply chains. On the other hand, control measures within the distribution chain ensure the quality and integrity of medicines. Drug temperature is recorded and analysed in real time throughout the entire life cycle, from production through to delivery. If there are deviations in temperature, the causes are investigated and suitable measures are taken in accordance with GDP guidelines. In addition to these guidelines, the aforementioned companies apply their own standards and processes in their day-to-day work to ensure patient safety at all times.

Galexis, UFD, Pharmapool and the Bichsel Group each operate their own fleet comprising 178 delivery vans (up to 3.5 tonnes) and 5 lorries (14 to 22 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.

Uninterrupted cold chain for medicines

All Wholesale & Logistics companies, as well as Medifilm, Mediservice and Bichsel, provide an uninterrupted cold chain for the storage and transport of temperature-sensitive medicines. At Alloga, this also applies to so-called ultra-deep-freeze logistics, in other words, storage and dispatch at -80°C , the required temperature for a new generation of cancer drugs. Temperature control is ensured by using dry ice in special containers. Alloga and Galexis also use paraffin-filled cooling elements, which, in contrast to water-based cooling elements, ensure a more stable temperature for the medicines.

Quality systems

HCI Solutions provides master data for the Swiss healthcare market. The company is also active in the area of e-health with the aim of increasing patient and medication safety in the Swiss healthcare system. With innovative digital solutions such as Documedis®, HCI Solutions makes a significant contribution to safe and efficient healthcare in Switzerland. To guarantee the quality of medication data, HCI Solutions carries out process-integrated checks. The company verifies the recording of pharmaceutical data according to the four-eyes principle, while the six-eyes principle applies to sensitive active substances (such as blood thinners). HCI Solutions conducts random quality checks on a daily basis and a more comprehensive inspection every two weeks. Any error discovered is documented and its cause investigated. HCI Solutions is certified to ISO 9001:2015 and ISO 13485:2016.

The quality management system (QMS) of the Pharmacies has standard operating procedures (SOPs) for all relevant pharmacy processes. These include the manufacturing and dispensing of drugs, data protection, confidentiality, hygiene and the disposal of medicines. Compliance with SOPs in the individual pharmacies is regularly checked. In addition to these announced audits, anonymous test purchases and phone calls and inspections by cantonal pharmacists take place in all pharmacies. Several times a year, Galenica conducts QMS and legal requirements courses for pharmacy employees. Employees complete certified courses and obtain certificates of competence for specific healthcare services including various checks and vaccinations.

As a company specialising in pharmaceutical manufacturing and home care with its own certified general pharmacist, the Bichsel Group places great importance on the quality of its products and services. The company carries out numerous chemical and microbiological analyses on a daily basis to check end products, raw materials and packaging materials and holds manufacturing licenses, EU GMP certificates for medicinal products and EC certificates for medical devices in accordance with Directive 93/42/EEC of the European Council.

Further information on certifications and quality systems can be found in the section Sustainable and ethical corporate governance.

Continuous monitoring of all products

Product safety is checked and safeguarded at Verfora using a variety of approaches. Verfora checks the qualification of contract manufacturers through initial and regularly recurring audits, whereby compliance with the GMP guidelines is assessed and must be adhered to so that safe products can be manufactured for patients at all times. The audits also take into account environmental, health and safety factors within the partner companies. The products are then carefully examined before being placed on the market to ensure that they have been manufactured and tested in accordance with the GMP guidelines and that they meet all applicable specifications. As with all medications, Verfora products undergo preclinical and clinical trial to ensure their safety and efficacy. Once the products are on the market, pharmacovigilance is at the heart of Verfora's safety efforts, i.e. the continuous monitoring of all products. All new Verfora employees are trained in pharmacovigilance and receive a checklist of steps to be taken in the event of side effects. In addition, pharmacovigilance training is held for all employees every year. The company also systematically checks advertisements and advertising posters for products to ensure they are correct. In parallel with pharmacovigilance, the products are regularly analysed in the laboratory until the end of their shelf life so that any deviations in quality can be identified and remedied at an early stage.

Promoting the technical competence of employees

In 2024, 101 pharmacists successfully completed the quality management course. Quality management and patient safety are also key issues in the basic training of pharmacy assistants working towards their Federal Proficiency Certificate.

Where required, Verfora offers training sessions for pharmacies when new medications are launched in order to promote employees' skills and ensure patient safety and health. In 2024, Verfora conducted 126 training sessions for around 11,000 pharmacy assistants and pharmacists.

Increased patient safety using e-medication solution

Digitalisation is leading to new, innovative ways to improve patient safety. Documedis® is a process-integrated solution for increased medication and patient safety in the healthcare system. Documedis® offers specific e-health applications and services relating to the medication process based on INDEX data. Documedis® has already been implemented in pharmacy, medical and hospital software.

Documedis® includes clinical decision support checks (CDS.CE). These checks enable health specialists from medical practices, hospitals, pharmacies, home care organisations and care homes to check the patient's used or planned medication for known risks, duplication or allergies to active substances. There are currently 14 such CDS.CE checks. The CDS.CE Check thus supports service providers when prescribing new medications or when supplementing existing medication. HCI Solutions is constantly expanding the functionality of Documedis®. In 2023, the Documedis® Vaccination module also became available. In the Vaccination module, vaccinations can be documented and checked. The Documedis® module Primary Care Algorithms (PCA.CE) provides the option of offering precise identification of health disorders and illnesses using algorithms. There are 31 algorithms in total.

Objectives patient safety

Goal	Status	Target	Measurement parameter	2024	2023
		year			
We will increase the use of Clinical Decision Support Checks (CDS.CE) to 500 million by 2025 and 1 billion by 2030.	↗	2030	Number of CDS.CE checks (Clinical Decision Support)	369 million ▶	278 million
Customer satisfaction is at the centre of all activities. The willingness to recommend rNPS is used to systematically measure the satisfaction of end customers and determine the gap compared to the average of the competition.	→	Every year	Target achievement rNPS	95.5% ▶	92.5%

▶ 2024 Data externally assured (limited assurance)

- ↗ Realistic
- Partially delayed/critical
- ↘ Critical
- = Achieved
- × Not achieved

In 2024, Galenica was able to further increase patient safety. In the reporting year, 368,813,628 CDS checks¹⁾ were carried out by the service providers, which amounts to an increase of 33% (previous year: 277,609,287). It is realistic to achieve the target by 2025 to 2030.

The satisfaction of our customers is at the heart of all our activities. To measure this, the net promoter score (NPS) of the Amavita, Sun Store and Coop Vitality pharmacies is used and the gap compared to the average of the competition is calculated. The NPS measures the extent to which consumers would recommend a product, a service, a brand or company. Compared to the competition, the ambitious target was not fully achieved at 95.5%¹⁾. For competitive reasons, Galenica does not disclose the actual figure or distance to the best competitor.

¹⁾ ▶ 2024 Data externally assured (limited assurance)

Evaluation of the management approach and measures

- Quality management: The QMS of the Galenica Group companies are regularly and systematically reviewed.
- GDP guidelines: Regional agencies for therapeutic products periodically perform audits to determine GDP compliance.
- Pharmacovigilance: At Verfora, all employees have a duty to submit to the responsible internal department any reports of side effects received from specialists and patients promptly and in full. Information on the duration, progression and impact of the side effect and on the dosage and duration of product use plays a key role in this. Verfora documents and investigates each report, taking appropriate measures where necessary.

Pharmacovigilance: forwarding reports

Aspect	Unit	2024	2023	2022	2021	2020
Pharmacovigilance: forwarding of reports of side effects						
- compliance with deadline for forwarding a report of side effects	%	91	97	98	92	97

In 2024, Verfora employees met the deadline for the internal forwarding of reports of side effects in 91% of cases (target: >90%). At Bichsel, the responsible parties met the deadline for forwarding reports of side effects to the authorities in 100% of cases.

Reliable supply chain and procurement

Social issues

Supply bottlenecks in the pharmaceutical supply chain are becoming more and more frequent worldwide, including in Switzerland. We make every effort to ensure the greatest possible availability of medicines in order to guarantee the reliability of supplies to the population. We work closely with suppliers to ensure the greatest possible availability of medicines. An IT-based scheduling system also helps us to optimise procurement and logistics processes.



Management of the material topic

Causes of the increasing supply bottlenecks include centralised manufacturing at just a few locations in the world as well as outages and quality problems in the value chain. As a leading fully integrated healthcare provider, Galenica depends on the ability of manufacturers to deliver. As a result, the reliable procurement and supply of medicines to the population are becoming increasingly important for Galenica. The challenges posed by the COVID-19 pandemic have further reinforced the relevance of reliable procurement and a reliable supply chain. A reliable supply of medicines is crucial to the health and well-being of the Swiss population.

Scheduling system and cooperation

Galenica works closely with suppliers to ensure the greatest possible availability of medicines. As a result of coordinated processes, the suppliers provide information about possible supply bottlenecks at an early stage. An IT-based scheduling system helps Galenica optimise its procurement and logistics processes.

Responding to critical bottlenecks in good time

The logistics companies of the Galenica Group review the inventory range in the pharmaceutical sector on a daily basis, enabling them to respond in good time to bottlenecks and increased demand. If critical bottlenecks occur or there is an increased demand for specific products, as has been the case time and again due to COVID-19, logistics companies quickly change the way they work. If necessary, the delivery of non-essential products, such as cosmetics or perfumes, is temporarily discontinued in order to guarantee the supply of essential products. In addition, the amount that each customer can order is reduced to prevent stockpiling.

Evaluation of the management approach and measures

- Key figures: Key figures relating to the availability of medicines are collected on a daily basis to allow the Galenica companies to respond in good time to bottlenecks and increased demand.

Availability of medicinal products

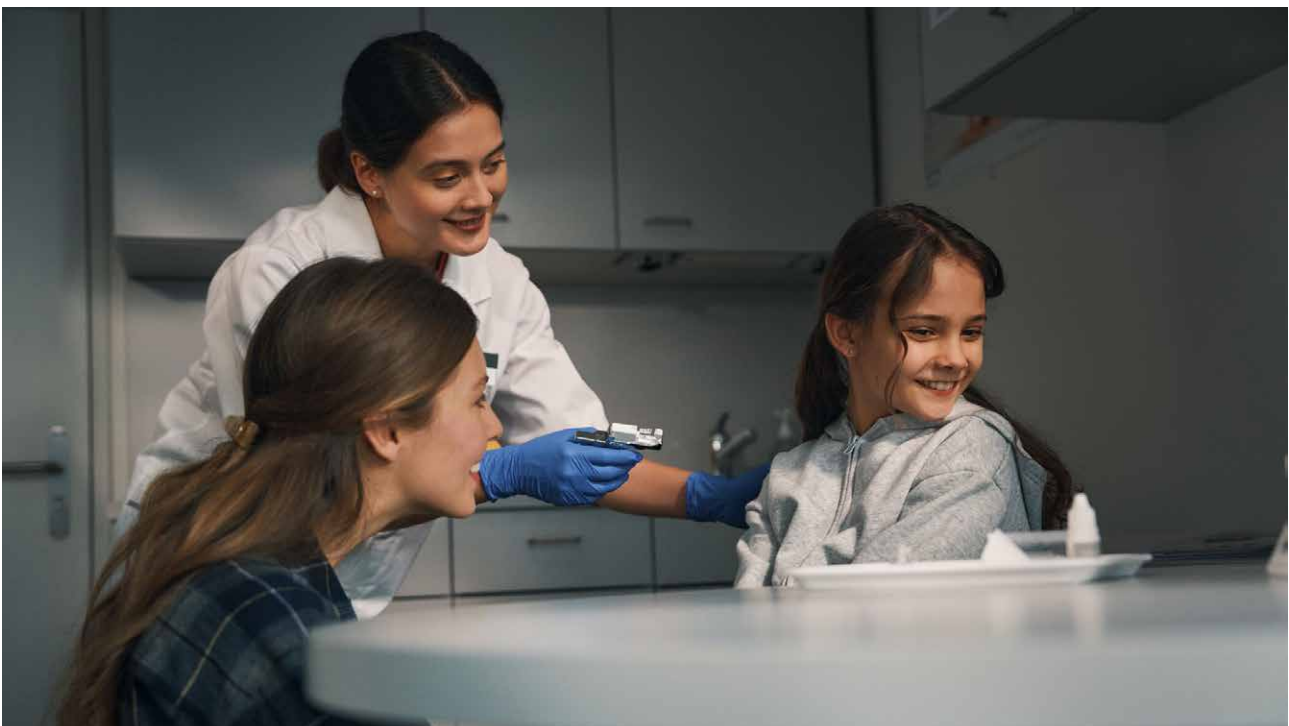
Aspect	Unit	2024	2023	2022	2021
Reliable procurement and supply chain					
Availability of medicinal products on average	%	99.0	98.8	99.0	99.6

The availability of medicines is a major global challenge and naturally also affects the Swiss market. In recent years, COVID-19 has clearly demonstrated how disruptions in global supply chains have a negative impact on local availability. This makes it all the more important that medications that are available in principle or will be available again can be delivered to service providers as quickly as possible. Here, Galenica's logistics operations manage to make and keep over 99% of these medications available throughout Switzerland within 24 hours. The Safety Stock initiative launched at the end of 2022 was continued in the reporting year. This is a joint solution between Galaxis and Sandoz to increase the safety stocks of Sandoz generic medicines for the treatment of chronic diseases in order to bridge short- and medium-term supply bottlenecks in Switzerland as effectively as possible. As part of the Safety Stock initiative, stocks at Galaxis were increased by almost half a million packs.

Health promotion

Social issues

Galenica's aim is to be the first point of contact for people in pharmacies, digitally or at home for healthcare advice, thus guaranteeing nationwide, low-threshold access to healthcare services. This ambition is clearly formulated in the company's vision: "Health and well-being are at the heart of what we do. They are the reason we give our best every day." It summarises what makes our work in the entire Galenica network so meaningful.



Management of the material topic

Particularly in view of the ageing population, preventive health care and prevention are important measures to promote the well-being and health of the Swiss population. Galenica has embedded this approach in its strategy.

Thanks to Galenica's healthcare services, customers receive the necessary advice in the pharmacy in the event of acute ailments and, if necessary, the appropriate medication based on the diagnosis. This may also include prescription medicines. Advice is straightforward and cost-effective and helps patients to recover quickly. To simplify the billing of these services, Galenica cooperates with various health insurers to promote the pharmacy as a location of primary care in alternative health insurance models.

Vaccination is another approach to health promotion. In addition to flu and tick vaccinations, other vaccinations, such as against COVID-19, tetanus, whooping cough and shingles, can also be administered in pharmacies in many cantons. Before a vaccination is given, the suitability is always clarified and advice is provided. Companies are also increasingly interested in the option of having flu vaccines administered in pharmacies. In 2024, we concluded cooperation agreements with almost 100 companies that offer their employees free flu vaccination as part of their health initiatives. Pharmacies can document vaccinations digitally and check vaccination status electronically using Documedis® Vaccination and the Vac Check by HCI Solutions. On this basis, customers can be provided with comprehensive advice and recurring vaccination appointments can be scheduled.

Galenica offers various other check-ups in its pharmacies to prevent diseases. HerzCheck® (CardioTest) is the prevention service offered by the Swiss Heart Foundation and can help to determine the risk of heart attacks and strokes and, if possible, to prevent them. Galenica also offers blood pressure and blood sugar measurements in its pharmacies as well as rapid allergy tests that check the blood for antibodies against allergens. Once the results of these checks are available, customers are advised by trained specialists.

Objective health promotion

Goal	Status	Target		2024	2023
		year	Measurement parameter		
We will increase the number of healthcare services provided by 10% each year until 2027 (base year 2023)	↗	2027	increase in % compared to previous year	39%	14%

- ↗ Realistic
- Partially delayed/critical
- ↘ Critical
- = Achieved
- × Not achieved

The range of healthcare services is continuously being built upon, which comes hand in hand with the further training of specialist staff, measures to promote awareness of the offer and investments in discreet consultation zones.

Evaluation of the management approach and measures

- Targets from the corporate strategy for expanding paid consultations, vaccination and prevention.
- Increasing the number of services and advice used in pharmacies.
- Increasing sales through services and consultations offered in pharmacies.

Healthcare services

Aspect	Unit	2024	2023	2022
Healthcare services				
Number of healthcare services	number	193,000	138,000	121,000
Increase of the number of healthcare services compared to prior year	%	39	14	

Basic care provided by pharmacies is a key pillar of the Swiss healthcare system. Galenica successfully rolled out the "Consultation Plus" concept in 2024, following a successful pilot project at several pharmacies with a view to improving the customer experience in pharmacies and further establishing the pharmacy as the first point of contact for health issues. The concept was developed in collaboration with customers. "Consultation Plus" is not a new service, but a holistic approach to developing and positioning healthcare services in Galenica pharmacies. The figures show that there is strong demand among customers for both consultation and healthcare services. In the 2024 financial year, 193,000 paid advisory and service consultations were conducted in Galenica pharmacies, 39% more than in the previous year. The focus is on consultations for common health problems such as urinary tract infections, skin problems, conjunctivitis and erectile dysfunction.

Social commitment

Social issues

As a corporate group, Galenica aims to live up to its social responsibility. Since January 2022, the focus of our social commitment as the Galenica Group has been on the partnership with the crowd-donating platform “there for you”. This commitment suits Galenica well, as a wide range of projects are supported, digital fundraising is in line with Galenica’s digitalisation strategy and the applicants play an active role. Individual Galenica companies have their own resources and other opportunities to get involved so that regional social initiatives and events can be taken into consideration.



Management of the material topic

As a strong partner in the Swiss healthcare market, Galenica is committed to the well-being of patients at all levels. This is why the company is also involved in various social and humanitarian projects – whether as the Galenica Group or through its individual companies. This also includes donations and sponsoring social initiatives and events. These philanthropic activities contribute to the well-being and cohesion of the communities being assisted.

Main partner of the crowd-donating platform "there for you"

"there for you" is a neutral platform on which social and humanitarian projects as well as initiatives from the fields of climate protection, animal welfare and children's aid are presented. Galenica is focusing its commitment in this area on current social and humanitarian projects. The specific projects that Galenica supports are determined together with the employees of the Galenica Group.

The aim of "there for you" is to enable as many crowd-donating projects as possible to be implemented and thus actively help where help is needed. The platform is committed to the careful and conscientious selection of individual projects. With regular updates and videos at the start and end of the project, "there for you" ensures maximum transparency and shows supporters where and how their money is used. In 2024, several projects were presented on the intranet in both spring and autumn, and employees got the chance to vote on how to distribute the proportion of the total amount donated. The projects also included ones submitted by Galenica employees to "there for you" and which received support from Galenica as a result.

Other commitments

Galexis has been supporting the Sternschnuppe Foundation for many years with an annual contribution of CHF 10,000. The foundation uses this money to make the wishes of children with illnesses or disabilities come true. Alloga has been working with SAZ Burgdorf for several years and employs a small team in our packaging department as part of a social commitment.

The "Social Kilometre" programme designed by Pharmacieplus SA and its partners Galexis Ltd. and UFD counts every kilometre driven during the year by the vehicles of the Pharmacieplus pharmacies that work with us wholesalers. The common goal is to pay a selected association one centime for every kilometre driven.

UFD also supports the Ticino Association of Pharmacy Assistants (ATAF) in a variety of ways to promote professional development and the quality of training. In addition to financial support, this commitment also includes logistical support and the provision of practical training in collaboration with partners.

As the main sponsor, Verfora supported the creation and production of a book for children. Together with children's book author Alexander Volz, the University Children's Hospital Zurich (Kinderspital Zürich; KISPI) has created a "Courage Guide", which they want to distribute to all children admitted to hospital in Switzerland due to serious illness – because a seriously ill child is often cared for in several hospitals.

As a result of the clear-out prior to the relocation of the Galenica headquarters, various items of furniture and works of art were sold to employees. This sale generated proceeds of more than CHF 10,000, which were donated to four organisations in Bern.

Evaluation of the management approach and measures

- Employees decide on specific project participation at "there for you".
- Various companies of the Galenica Group primarily support regional organisations that are relevant to them.

Employee-related issues



Attractive workplace

Employee-related issues

Employees are crucial to the success of the Galenica Group. Therefore, as an attractive employer, Galenica offers its employees modern employment conditions and benefits. Galenica also promotes an open and inclusive corporate culture as well as modern workplaces and forms of collaboration.



Management of the material topic

A total of 7,971 employees work at Galenica providing professional services to meet a wide range of customer requirements. As a key employer in the Swiss healthcare market, Galenica makes an important contribution to the Swiss economy and supports sustainable labour and economic growth. For Galenica, an attractive workplace is about more than just modern workplaces and employment conditions. In particular, it also means open and respectful interaction with one another. This has a positive impact on the well-being, satisfaction and motivation of employees. Motivated and satisfied employees are more loyal and productive. Furthermore, the emphasis on the corporate values – our three key values – an appreciative management culture and flexible working models (life-domain balance) play an important role. Employee motivation is also closely linked to training and continuous education, which enables both professional and personal development. Galenica therefore summarises all issues relating to the employment of competent

and motivated employees under the aspect of employee motivation and development. Other relevant employee topics are listed under "Occupational health" and "Equality and diversity".

The three key values

The three key values provide support for employees in all their work and form the basis for the joint understanding of the way in which they cooperate and interact with one another:

- We delight our customers.
- We act as entrepreneurs.
- We build trust.

Responsibilities and strategy

People & Culture is responsible for HR management and is an important partner for transformation and cultural development within the organisation. Its focal points include advice and coaching for managers, the promotion of young talent, targeted and sustainable personnel development, occupational health and the promotion of an inclusive corporate culture. Positioning Galenica as an attractive and modern employer (employer of choice) is critical in the context of the shortage of skilled workers as well as in terms of attracting young talent. Other relevant topics include promoting and using new forms and methods of work as well as increasing efficiency by digitalising HR processes. The Chief People & Culture has been a member of the Executive Committee since 2023. By making this appointment, Galenica is underlining the strategic relevance of human resources. In the reporting year, People & Culture restructured itself internally and moved forward with the digitalisation of HR processes.

Personnel Policy, Personnel Regulations and Working Time Regulations

The Personnel Policy of the Galenica Group is based on the above-mentioned corporate values and sets out the binding guidelines for human resources management (HRM). These guidelines apply to the entire Group. The Personnel Policy discusses how Galenica, as an employer, wishes to treat its employees and what it expects from its employees. Galenica's Personnel Regulations and Working Time Regulations are aimed at all employees and contain information and rules regarding working hours, salaries and employee insurance.

Collective bargaining agreements

At Galenica, no one is subject to a collective bargaining agreement. Galenica offers all employees fair and attractive employment conditions.

Balancing private life and work

Galenica offers flexible working time models to provide a better work-life balance for its employees. For example, employees are allowed to work from home, depending on their job and in consultation with their manager. Part-time work is particularly common in the area of Pharmacies Sales and it is possible to lead pharmacies as co-managers. Furthermore, female employees can extend their maternity leave with unpaid leave and male employees receive paternity leave of ten days, which is fully paid, in contrast to the statutory obligation.

Opinio employee survey

The "Opinio" employee survey is a permanent fixture at Galenica. Since 2020, it has been held annually rather than every three years, thus enabling Galenica to react more quickly and in a more targeted manner to changes in employee satisfaction and motivation. In 2024, 76% of all employees took part in the survey, meaning the response rate rose by 4% compared to the previous year. With a Group-wide score of 76¹⁾ out of 100 possible points, it is pleasing to see that employee motivation has been maintained and is therefore stable compared to the previous year. At 75 out of 100 points, the employee recommendation score is one point lower than in the previous year. Since 2023, the employee survey has only been conducted online.

¹⁾ ► 2024 data externally assured (limited assurance)

Promote interaction and commitment among employees

The staff committees are important points of contact for the concerns of all employees that are of general interest and are to be discussed with the Executive Committee. Conversely, the Executive Committee consults the staff committee or works committee on relevant personnel matters that concern all or most employees, such as conditions of employment. The works committee is made up of the chairs of all the local staff committees. The operations board and the Chief People & Culture meet twice a year. Depending on the agenda, other members of the Executive Committee may be invited. It addresses topics that go beyond the local concerns of the staff committees in the individual business areas. The staff committees generally meet several times per year and are also informed about the topics and resolutions of the works committee meetings.

Various communication platforms

Direct, personal interaction between employees from all language regions of Switzerland and over 85 countries lies at the heart of Galenica's communication efforts, with the aim of actively promoting knowledge exchange and cooperation. The various physical and digital information events and management meetings within the business sectors and companies are a good way of ensuring that this happens. Information on current topics from all areas of the company is provided at events and via the intranet, G-Net. The employee magazine "Spot" is also published in digital form. It can also be accessed externally and allows partners and family members to keep abreast of developments in the Galenica world.

Promote knowledge and interaction among employees

When it comes to logistics and the sale of pharmaceuticals, employees and their specialist knowledge play a crucial role. As a successful company, Galenica wants to develop with the market and set trends. Galenica's adaptability is based on the commitment and team spirit of all employees. In order to maintain this, Galenica provides continuous support for the personal and professional development of its employees. New employees are invited to an induction day (Discover Galenica) where the history, culture and strategy of the Galenica Group and its companies are explained. Continuous personnel development and the management work of the future are at the heart of the group-wide personnel development programme "Move". It represents agility and flexibility and reflects the range of employee development options available. This comprises modules in the field of professional training as well as leadership and personal development on various levels. In 2024, Galenica conducted 31 modules with 505 employees.

In order to offer a talent management programme across the Group and at all levels, the "Executive Galenica" talent programme was conceived in 2024. This new format will start in 2025 and is aimed at members of the Senior Management. Participants benefit from personal and professional development facilitated by external coaches or training partners. The participants engage in project work to develop strategically relevant business cases. This programme is another important addition to our medium- to long-term internal succession planning.

The "Expert Galenica" talent management programme is for employees at management level and managing directors. The participants design their own personal course of development and are supported by individual workshops along their learning path. In 2024, 22 employees took part in the "Expert Galenica" talent management programme.

Furthermore, the "Explore Galenica" programme gives talented employees the opportunity to develop personally and professionally, get to know the Galenica Group better and thus expand their network. In 2024, 15 employees took part in this new talent management programme.

The creation of the "Pharmacies Academy" in the reporting year marked a major step towards providing centralised continuing education and training opportunities for pharmacy employees. This offer will be available from 2025 via the e-progress learning platform and is supported by revised and harmonised processes. In future, training priorities will be aligned with Galenica's strategic objectives in collaboration with stakeholders.

Galenica also supports employees with external training by giving them financial aid and/or allowing them the time, provided that the training is related to their current role and offers added value for the company. More information on this can be found in the section Training and education.

Retaining qualified employees

In Switzerland, the retention of qualified employees represents a major challenge, particularly in the healthcare professions and IT. In addition to the shortage of employees, the requirements in terms of training and skills are constantly increasing. For Galenica, retaining specialist staff plays a key role, particularly in the Pharmacies unit, as pharmacies need to be managed by good, qualified staff. As the Swiss healthcare system becomes increasingly digitalised, Galenica is becoming more dependent on IT and e-commerce professionals. We are committed to attracting and retaining skilled workers. This includes promoting and retaining them within the company as well as recruiting skilled workers from outside the company. In doing this, Galenica supports sustainable labour and economic growth in Switzerland.

Galenica reviews its recruitment activities on an ongoing basis and adapts to the constantly changing conditions and noticeable advancement of the shortage of skilled workers in the labour market. Galenica's recruitment strategy includes measures relating to the company's image as an employer, its positioning and university marketing for students. Galenica aims to make contact with students while they are still at university and encourage them to pursue a career within the Galenica Group. Recruitment activities have been centralised across the Group since 2023. In addition to positioning itself as a versatile and modern employer, the increased presence on social media will also strengthen community management in particular.

Employee profit-sharing programme

Galenica shares the success of the company with all employees. The bonus is calculated based on the Group result compared with the previous year. Every year, employees of Galenica living in Switzerland have the opportunity to purchase between 20 and 80 Galenica shares at a preferential price, regardless of their employment level. In 2024, 15.0% of employees participated in the programme (previous year: 19.8%). These shares are blocked for three years after the date of purchase.

Members of the Senior Management (SMT) and Management (MT) receive a profit-sharing bonus pro rata to the annual bonus. This is dependent on attaining quantitative and qualitative targets. The share-based remuneration programme LTI (see Remuneration report) for members of the Executive Committee and certain members of the SMT is geared towards long-term performance, whereby remuneration is withheld for a period of three years. Since 2023, Galenica has had joint bonus-related goals for the Executive Committee, members of the Senior Management and Management. As well as financial targets, these also relate to customer and employee satisfaction and are intended to strengthen the concept of networking and the focus on social objectives.

Employee benefit plans

The Galenica Pension Fund, which is independent of Galenica, offers its beneficiaries comprehensive second pillar protection against the economic consequences of old age, disability and death. The benefits are governed by the pension fund regulations and exceed the minimum benefits pursuant to the Federal Act on Occupational Old Age, Survivors' and Disability Pension Plans (OPA). The pension fund is managed according to the defined contribution principle.

Objectives attractive workplace

Goal	Status	Target year	Measurement parameter	2024	2023
Employee survey "Opinio": We will increase the participation rate by 1 percentage point per year and keep the motivation and recommendation rate at its current level. (base year 2023)	=	Jährlich	Motivation rate	76/100 (motivation) ▶	76/100 (motivation)
			recommendation rate	75/100 (recommendation)	76/100 (recommendation)
			Participation rate	76% (participation)	72% (participation)
We are reducing the time-to-hire by 10% by 2027. (base year 2023 for Pharmacies Sales, 2024 for all other areas)	→	2027	Time to hire	IT: 126 days Pharmacies: 92 days	IT: 125 days Pharmacies: 90 days

▶ 2024 Daten extern geprüft (limited assurance)

- ↗ Realistic
- Partially delayed/critical
- ↘ Critical
- = Achieved
- × Not achieved

As the shortage of skilled workers continued to worsen, the target could not be achieved. The time-to-hire for IT was around 126 days in 2024 and around 92 days for Pharmacies. Galenica will further optimise the recruitment process. The aim is to reduce the time-to-hire and thus contribute to retaining qualified employees.

Evaluation of the management approach and measures

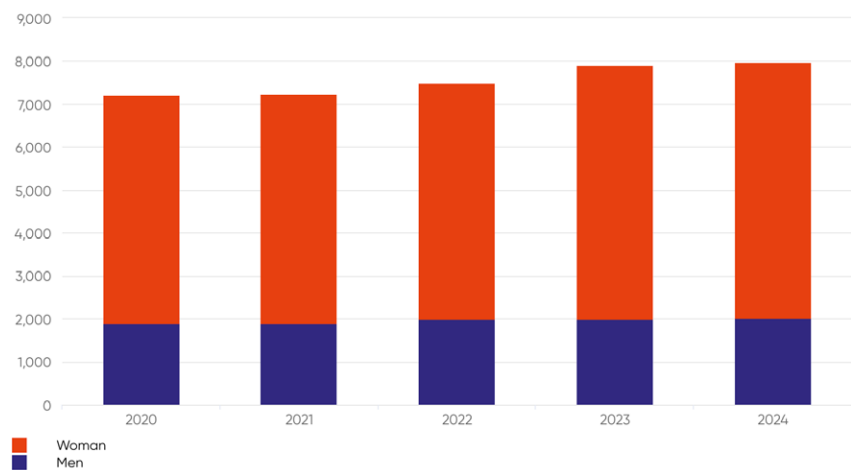
- Key figures: Key personnel figures, such as employee turnover, are collected from across the Group and analysed every six months.
- Key figures: Other key personnel figures, such as time-to-hire, in connection with recruitment are regularly collected in order to check the implementation of the recruitment strategy and the achievement of targets.
- Employee satisfaction and motivation: The satisfaction and motivation of employees is evaluated as part of the annual employee survey. The Executive Committee examines the results, particularly the critical points, and defines effective measures based on their findings.
- Performance reviews: The performance of employees is evaluated and discussed at annual performance reviews. Further training also plays a key role in this.

Employment

Aspect	Unit	2024	2023	2022	2021	2020
Employees¹⁾	number	7,971	7,902	7,608	7,239	7,205
by gender						
- women	number	5,958	5,916	5,510	5,351	5,308
- men	number	2,013	1,986	1,981	1,888	1,897
by degree of employment						
- full-time	number	4,511	4,459	4,250	4,181	4,166
- full-time (women)	%	65.0	64.5	74.0		
- part-time (<90%)	number	3,460	3,443	3,241	3,058	3,039
- non-guaranteed hours	number	303	293	266		
- non-guaranteed hours (women)	%	78.1	72.7	66.9		
Employee Turnover	%	10.8	12.0	14.6	14.5	10.6

¹⁾ at 31 December

Number of employees of the Galenica Group 2020–2024



Galenica continued to grow in 2024. At the end of 2024, the Galenica Group had 7,971 employees, an increase of 0.8% over the previous year. All employees work in Switzerland, which we regard as one region. The data is exported and consolidated from the various personnel management systems. The workforce of the Galenica Group does not undergo significant seasonal fluctuations.

The proportion of women is around 75% and has remained relatively constant over the past five years. 43% of employees work part time, i.e. with a workload below 90%. The proportion of part-time employees has remained stable. The proportion of managers among all employees increased slightly in 2024 to 10%. From 2020 to 2024, the proportion of female managers rose from 51% to just under 54%. Employee turnover at Galenica was 10.8% in 2024, 1.2% lower than in the previous year.

In addition to the company's own employees, temporary employees are also recruited on an hourly basis if necessary, particularly in logistics and transport. These are sourced via partners and are under contract with them. More detailed information on temporary employees is not available as it is not recorded in all our personnel systems. There are seasonal fluctuations during the reporting year, with temporary employees being particularly in demand prior to the Christmas trading period. Most of the business activities are carried out by employees of the Galenica Group.

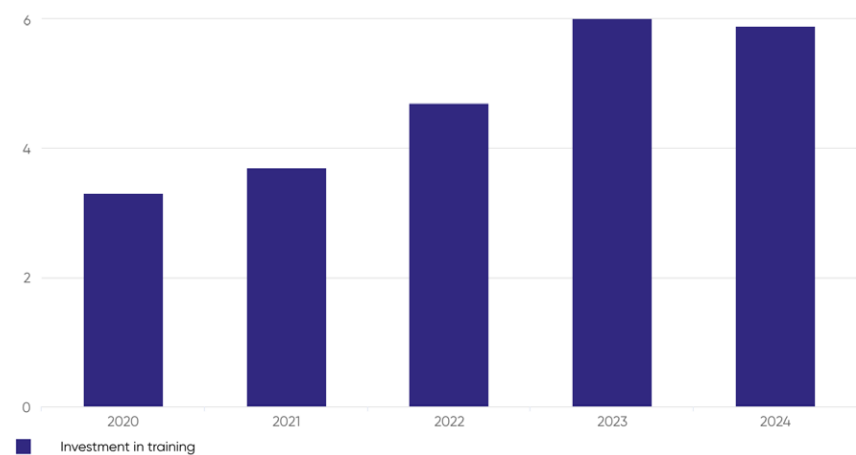
Galenica does not provide a breakdown of newly hired employees by region. Furthermore, due to the different personnel systems, there is no breakdown of employee turnover by age group, gender or region.

Training and education

Aspect	Unit	2024	2023	2022	2021	2020
Investment in training	mio. CHF	5.9	6.0 ¹⁾	4.7 ¹⁾	3.7	3.3
Apprentices in training	number	944	896	838	823	808
Completed apprenticeships in year under review	number	222	268	278	244	274

¹⁾ restated

Investments in training in million CHF 2020–2024



In total, Galenica invested around CHF 5.9 million in employee training in the year under review.

The Pharmacies unit offers the CAS course "Management for Pharmacists" in collaboration with the University of Basel. 17 employees successfully completed the CAS course in 2024.

Moreover, the Pharmacies unit also covers the costs of further training to become a "Specialist Pharmacist in Retail Pharmacy" (FPH certification in Retail Pharmacy). Based on the revision of the Medical Professions Act (MedPA), qualified pharmacists are required to obtain this federal qualification if they want to work as a responsible person in a pharmacy. Galenica is committed to ensuring that as many pharmacists as possible are able to complete this training. In 2024, 64 employees completed the course.

In light of the revision of MedPA, Galenica has also developed the FPH certificate of competence in patient history in primary care as further training together with an external provider. This further training strengthens the skills of pharmacists in the area of primary care. It enables them to diagnose minor illnesses and dispense the appropriate prescription medication. In 2024, 618 pharmacists already held this certificate.

Additional training opportunities in the pharmacies include the FPH certificate of proficiency in vaccination, specific training courses on rapid antigen tests and an e-learning module on the use of algorithms and software in the field of primary care. In 2024, 813 employees held the certificate of proficiency in vaccination.

Training apprentices

Galenica is strongly committed to the next generation of qualified employees: in 2024, the Group trained 944 apprentices – 839 young women and 105 young men – at its companies. Of these, 222 completed their apprenticeships, many with flying colours. After completing their education, 154 apprentices received an employment contract within the Group, which corresponds to 69.4% of all successful graduates.

Percentage of employees receiving regular performance and career development reviews

All employees with a permanent contract receive a regular review of their performance and professional development as part of the annual performance reviews.

Health and safety at work

Employee-related issues

Galenica prevents injuries to the physical or mental integrity of its employees in the workplace and endeavours to identify potential health risks in good time and to ensure a swift return from illness or accident. A safe and healthy workplace increases employee satisfaction and efficiency. We are convinced that by avoiding accidents and work-related illnesses, we can save significant costs.



Management of the material topic

It goes without saying that Galenica attaches great importance to the physical and mental health of its employees. The topic covers the effects of business activities on the physical and mental well-being of all employees. There is an increased risk of accidents, particularly in the Wholesale & Logistics and Pharmacies units, which is why occupational health and safety play such a key role in these areas. Galenica has a duty to prevent any violation of the physical or psychological integrity of its employees in the workplace. This keeps both personal suffering and costs to a minimum. Galenica also strives to identify potential health risks at an early stage and ensure a swift return to work after an illness or accident. Galenica thus makes a significant contribution to the health and well-being of its employees.

Health and safety precautions for employees

Galenica puts in place measures to protect employee health and maintain safety in the workplace in accordance with the directives of the Federal Coordination Commission for Occupational Safety (FCOS). In late 2024, Galenica drafted a concept for company-wide workplace health management (WHM). This is to be introduced in 2025 following approval by the Executive Committee. Galenica also uses a case management system in order to identify potential health risks for employees and take appropriate measures. This tool is deployed within the first 30 days of absence. The top priority is to ensure that the employee can return to work quickly following an illness or accident. Galenica is working with the organisations Movis and Carelink to improve health protection. Carelink offers emergency psychological support in crisis situations, for example following a robbery of a pharmacy. Movis provides support for employees concerning the protection of their personal integrity as well as stress management and burnout prevention. The Galenica Group also offers all employees an annual flu vaccination.

Due to the increased risk of accidents, the companies Alloga and Galexis also have a systematic absence management system. In the event of above-average or frequent absences, and even after long absences, a return-to-work meeting is held and documented with the employees. Together with Suva, Alloga and Galexis organise training courses on accident prevention and promotion of a safety culture. For example, various courses on ergonomics and trip hazards were also held in 2024.

An integrated safety system has also been introduced at the Galexis sites in Lausanne-Ecublens and Niederbipp that recognises safety-relevant work and situations and also systematically records accident reports for all employees in a timely manner and presents them transparently (e.g. in an accident barometer).

In 2024, both Galexis and Alloga signed up to the Safety Charter, which was launched by Suva in collaboration with employers' associations, engineers and architects and trade unions, sending a strong signal in favour of a comprehensive safety culture.

In the Galenica Group pharmacies, two employees have been designated as safety officers at each site and have received extensive training on the safety-relevant aspects of the respective location.

The Pharmacies, Healthcare and Wholesale & Logistics units have appointed occupational safety officers. Each Galenica Group site also has fire protection officers who are responsible for fire safety and evacuations, as well as a first aid team that organises first aid.

The Code of Conduct for Suppliers of the Galenica Group states that suppliers must ensure a safe and healthy working environment and guarantee the protection of their employees in accordance with all applicable health and safety regulations. Further information on the Code of Conduct for Suppliers can be found in the section Integrity in the supply chain.

Objective occupational health

Goal	Status	Target year	Measurement parameter	2024	2023
We will reduce the incidence of occupational accidents and illnesses (physical and mental) by 10%. (base year 2023)	→	2027	Absence rate (comparison of target hours/lost hours)	occupational accidents: 0.10% illnesses: 4.05%	occupational accidents: 0.09% illnesses: 3.97%

- ↗ Realistic
- Partially delayed/critical
- ↘ Critical
- = Achieved
- × Not achieved

The absence rate due to occupational accidents was maintained (+0.01%) in 2024. This result can be attributed to various operational measures.

The total number of cases of long-term absences (>30 days) due to mental illness is known. In order to ensure anonymity, however, Galenica only receives the proportion of cases due to mental illness from the daily allowance insurance records in the event of a large number of cases. The exact illness-related reason for the absence is unknown. This means that no conclusions can be drawn and privacy protection is guaranteed. Compared to the previous year, the number of cases due to mental illness increased by 24%.

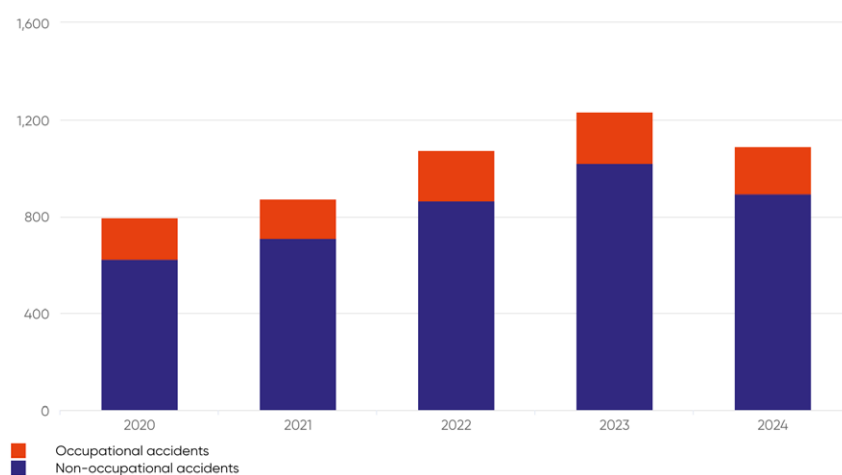
Evaluation of the management approach and measures

- Key figures: Employee absences are regularly analysed by the People & Culture department and appropriate measures are taken.
- Safety audit: External safety consultants regularly carry out safety audits at the Service Unit Wholesale & Logistics.
- At Galexis, internal safety audits (inspections) are also carried out on a monthly basis with the corresponding department heads, and measures to improve occupational safety are identified and documented.

Work-related injuries and illnesses

Aspect	Unit	2024	2023	2022	2021	2020
Accidents	number	1,089	1,233	1,072	871	793
Occupational accidents	number	195	215	208	163	172
Absence rate of work-related injuries (accidents)	%	0.10	0.09	0.11	0.07	
Non-occupational accidents	number	894	1,018	864	708	621
Illnesses						
Cases of illness (long-term, entitled to daily sickness benefits)	number	499	419	409	434	471
Absence hours due to illness	number	571,887	546,097	599,540	539,990	519,883
Absenteeism rate	%	4.05	3.97	4.49	4.85	4.50
Case Management						
Return to work rate	%	76	67	82	75	52

Number of occupational and non-occupational accidents 2020–2024

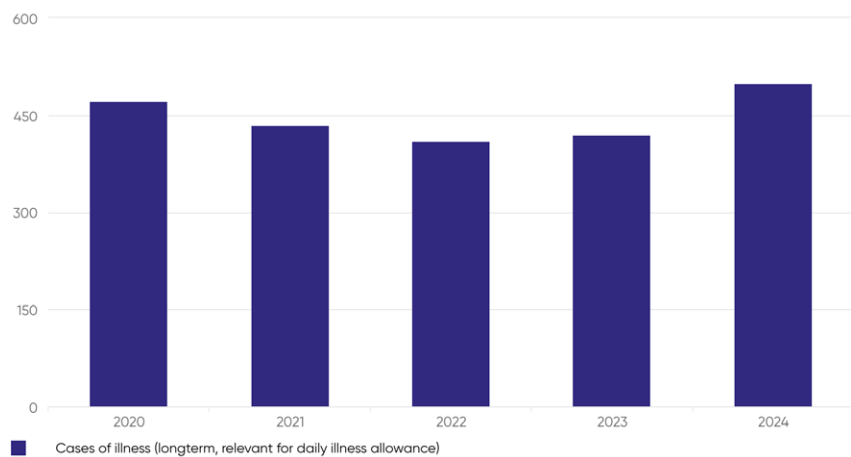


In 2024, Galenica recorded a total of 195 occupational and 894 non-occupational accidents. These figures also include minor accidents, which did not result in an absence of more than three working days. In 2024, minor accidents accounted for 68% of all occupational accidents. The number of occupational accidents decreased by 9% and the number of non-occupational accidents by 12% compared to the previous year. The relative number of occupational accidents per 100 FTEs fell from 3.6 to 3.3.

Most occupational accidents are minor but still have to be reported. Further awareness-raising measures are planned for 2025 to reduce the number of occupational accidents.

The absence rate for occupational accidents was 0.10% in the reporting year and remained relatively constant compared to the previous year.

Number of illnesses 2020–2024



At the end of 2024, Galenica recorded 499 cases of illness. Cases of illness are classed as all long-term absences due to an illness lasting more than 30 days and which are entitled to daily sickness benefits. The number for the reporting year should always be interpreted with caution, as certain cases are usually reported at a later date in the following year. Compared to 2020, cases of illness were 6% higher in 2024.

In 2020, Galenica recorded the absences of all employees for the first time. In 2024, the Galenica Group recorded a total of 571,887 hours of absence, an increase of 4.7% over the previous year. Compared to the target hours, this results in an absence rate of around 4% for the reporting year. The absence rate is therefore relatively constant compared to the previous year.

In 2024, Galenica Case Management provided assistance to 93 employees at risk of illness or already ill in order to prevent absences or shorten them where possible. Of 68 closed cases in 2024, 52 employees were able to return to work thanks to Case Management. This corresponds to a return rate of around 76%, which represents an improvement of around 9 percentage points compared to the previous year.

Equality and diversity

Employee-related issues

Galenica's diverse employees are the foundation for its success. Galenica brings together people from over 85 countries and of all ages – three-quarters of whom are women. The Galenica Group promotes diversity at all levels and insists on equal opportunities for all. The diversity of employees also boosts the company's ability to innovate, its success and its attractiveness as an employer.



Management of the material topic

It is the employees with their different backgrounds, experiences, perspectives and talents that make Galenica successful. This is why we promote diverse teams at all levels and are advancing the company's inclusive culture. Galenica insists on equal opportunities for all employees – regardless of age, ethnic origin, nationality, gender, gender identity, physical and mental abilities, religion, worldview, sexual orientation or social origin. Galenica has zero tolerance for discrimination or harassment of any kind.

In an inclusive working environment, people in all their diversity are actively involved, respected and valued. Employees who feel safe, are authentic and can openly contribute their ideas and views are more satisfied, motivated and feel comfortable in their workplace. In turn, this has a positive impact on their health and performance. The promotion of diversity, inclusion and equal opportunities also enhances Galenica's ability to change and innovate, which also improves Galenica's

attractiveness as an employer. To underscore its dedication to this matter both internally and externally, Galenica sponsored in 2024 the 8th St. Gallen Diversity & Inclusion Week. This is the leading event for the promotion of Diversity, Equity and Inclusion (DE&I) in Switzerland and combines the latest research results with practical applications for companies.

A holistic concept for diversity, inclusion and health was drawn up in December of the reporting year. This will be reviewed and approved by the Executive Committee in the first quarter of 2025 and then rolled out across the Group.

Code of Conduct

All employees of the Galenica Group have the right to be treated fairly, politely and respectfully by line managers, employees, colleagues, customer representatives and business partners. No one may be harassed, discriminated against or disadvantaged on the grounds of race, skin colour, religion, ideology, political opinion, nationality, descent, disability, gender, age or any other relevant criterion. These principles are set out in the Code of Conduct of the Galenica Group. Further information on the Code of Conduct can be found in the section Sustainable and ethical corporate governance.

Equal pay

In accordance with the requirements of the Federal Act on Gender Equality (GEA), Galenica carried out an equal pay analysis for companies with more than 100 employees in 2021. The salaries of the Galenica Group were analysed using the Logib method (the federal government's standard analysis tool) on the basis of April 2021. Equal pay is a key concern for Galenica. In 2023, Galenica voluntarily commissioned another comprehensive analysis. The analysis shows that the principle of "equal pay for equal work" is met in all ten companies surveyed. Nine out of ten companies surveyed have also received the "We pay fair" label. The fact that one company did not receive the label is due to imbalances in the distribution of roles. Imbalances in the distribution of roles can lead to employees being divided into the same hierarchical levels and competence levels that are only comparable to one another to a limited extent due to their different roles.

The aspect of equal treatment and diversity among employees is key for Galenica. That is why Galenica is committed to continuous improvement in this area as well. It is planned to carry out the voluntary equal pay analysis on a regular basis.

The statutory formal review of the equal pay analysis was carried out by the statutory auditor Ernst & Young Ltd. According to their reports, the analyses comply with legal requirements in all respects.

Protection of personal integrity in the workplace

Mobbing, discrimination and sexual harassment are three examples of problematic behaviour that can lead to violations of personal integrity. A violation of personal integrity in the workplace affects the well-being of the person concerned and puts their health and ability to work well with others within the company at risk. As an employer, Galenica is legally obliged to protect the privacy of its employees (Art. 328 CO, Art. 6 para. 1 EmpA). The Galenica Group does not tolerate any violations of personal integrity; it prohibits all forms of mobbing, sexual harassment, discrimination, violence and threats, and is committed to non-violent and harassment-free treatment at all levels of the hierarchy. Employees are also trained accordingly. In order to improve the protection of the personal integrity of employees, they also have the option of reaching out to their point of contact in People & Culture or the external counselling centre Movis if necessary. Due to the protection of personal integrity, no official statistics are kept on reported cases in the People & Culture area. Depending on the case, individual measures are agreed and implemented which, depending on the offence, may also lead to immediate dismissal.

Objective diversity

Goal	Target		Measurement parameter	2024	2023
	Status	year			
We will improve diversity in all units and group companies and keep the proportion of female managers at 50%.	=	Every year	Proportion of female managers	53.6% ▶	51.7%

▶ 2024 Data externally assured (limited assurance)

- ↗ Realistic
- Partially delayed/critical
- ↘ Critical
- = Achieved
- × Not achieved

Gender equality is a key concern in the area of diversity. The proportion of female managers in 2024 was over 50%, namely 53.6%¹⁾.

¹⁾ ▶ 2024 data externally assured (limited assurance)

Evaluation of the management approach and measures

- Review of equal pay: Galenica regularly checks the status of equal pay for men and women and takes measures if necessary.

Diversity of governance bodies and employees

Aspect	Unit	2024	2023
Board of directors	number	6	7
by gender			
- women	%	50.0	42.9
- men	%	50.0	57.1
by age			
- < 30 years	%	-	-
- 30 – 50 years	%	16.7	14.3
- > 50 years	%	83.3	85.7
Executive Committee	number	9	8
by gender			
- women	%	22.2	25.0
- men	%	77.8	75.0
by age			
- < 30 years	%	-	-
- 30 – 50 years	%	44.4	37.5
- > 50 years	%	55.6	62.5
Management	number	771	739
by gender ▶			
- women	%	53.6	51.7
- men	%	46.4	48.3
by age			
- < 30 years	%	3.5	1.9
- 30 – 50 years	%	63.0	64.7
- > 50 years	%	33.5	33.4
Employees¹⁾	number	6,888	6,862
by gender			
- women	%	78.1	78.6
- men	%	21.9	21.4
by age			
- < 30 years	%	37.1	37.4
- 30 – 50 years	%	42.0	42.4
- > 50 years	%	20.9	20.2

▶ 2024 Data externally assured (limited assurance)

¹⁾ Without temporary employees

Respect for human rights



Sustainable and ethical corporate governance

Respect for human rights

As a company active in the healthcare market and with a long tradition, the Galenica Group bears a social responsibility towards customers, patients, partners, employees, shareholders and the general public.



This social responsibility includes Galenica's compliance with applicable laws at all times, respect for fundamental values and commitment to ethically sustainable action. A commitment to abiding by the law and guidelines and acting with integrity is a fundamental part of Galenica's corporate culture and a consistent focus of its corporate governance. The obligation to comply with the law applies to all employees and is part of day-to-day business. This is how we contribute to a peaceful and inclusive society.

Sustainability is an integral part of Galenica's corporate management. This is based on the steadfast belief that proactive and responsible action contributes significantly to the long-term economic success of a company and has an impact both inside and outside the company.

Management of the material topic

Galenica attaches great importance to conducting its business activities in an ethical and legal manner. All business activities are carried out in accordance with the applicable legislation. Compliance refers to compliance with legislation, standards (such as ISO 14001 or good distribution practice, GDP) as well as in-house and industry codes. Specifically, for Galenica this means, for example, compliance with its own Code of Conduct, the laws on therapeutic products, data protection, health insurance, employment, antitrust, tax and criminal law as well as respect for human rights in all business activities. As Switzerland's largest healthcare network, combating corruption and preventing anti-competitive behaviour are key topics for Galenica. Respect for human rights and other legislation is central to sustainable development, peace, security and prosperity. To this end, we train our employees in the area of compliance in a target group-specific manner several times a year.

Responsibilities

The Legal Department of the Galenica Group advises all companies and divisions on the correct interpretation and application of legal provisions. It also assists with the implementation of new legal requirements within the company. Current challenges for Galenica relate to the additional implementation of the new provisions of the revised Therapeutic Products Act (TPA) as well as the Swiss Data Protection Act (nFADP), which entered into force on 1 September 2023, the provisions of the revised Information Security Act (ISA) applicable to Galenica in the area of cybersecurity and the creation of frameworks for the safe use of AI applications.

Code of Conduct of the Galenica Group

In addition to the statutory provisions, the Code of Conduct of the Galenica Group sets out the ethical rules and standards that all employees must adhere to. It must be accepted by all employees upon taking up employment as part of the employee manual. Among other things, the Code includes provisions on conflicts of interest, insider dealing or corruption, as well as on environmental protection. The Code also contains clear commitments to human rights, such as fair working conditions, the exclusion of child or forced labour, discrimination, and the health and safety of employees. The Code of Conduct thus contributes to the removal of taboos from certain grey areas. The Code of Conduct was approved by the Audit and Risk Committee of the Board of Directors.

Managers are responsible for addressing and dealing with specific conflict situations in day-to-day business.

The Pharmacies unit also has its own specific Code of Conduct. As a binding internal operating procedure, it serves to ensure the pharmaceutical independence of pharmacists at all times and thus always prioritise the health and wishes of patients. The Code also defines how employees must behave towards third parties and which advertising measures are permitted.

Compliance with laws and regulations

Galenica undertakes to comply with all relevant laws and guidelines and to conduct itself with integrity, as compliance forms the basis for trust, integrity and sustainable success for us. Galenica handles compliance matters in the areas of prevention, discovery and reaction. In particular, this includes awareness-raising measures as well as updated and new working principles. We strive to continuously improve our compliance framework to ensure transparency and accountability in our business practices.

In the year under review, Galenica employees received target group-specific training on key compliance matters such as the Ordinance on Integrity and Transparency in the Context of Therapeutic Products (OITTP), anti-corruption and anti-trust legislation.

All Galenica Group companies operated in compliance with the law in 2024. There were no fines or monetary sanctions for non-compliance with legislation and/or regulations.

Objective corporate governance

Goal	Status	Target	Measurement parameter	2024	2023
		year			
We train our employees in compliance several times a year, tailored to the respective target group.	↗	Every year	Number of measures	7	4

- ↗ Realistic
- Partially delayed/critical
- ↘ Critical
- = Achieved
- × Not achieved

In 2024, various awareness-raising measures and training sessions on the topic of compliance were carried out and the goal was thus achieved.

Evaluation of the management approach and measures

- Reporting: Suspected breaches of the rules by employees indicate potential for improvement and possible misconduct. All reports are investigated.
- Audit and Risk Committee: The Audit and Risk Committee of the Board of Directors reviews the company's compliance and risk management process.
- ISO audits: The ISO-certified companies of the Group are regularly audited.
- Audit and Risk Committee: The Audit and Risk Committee supports the Board of Directors in fulfilling its duties with regard to accounting, financial reporting, risk management, compliance as well as internal and external auditing.
- Audits: Internal Audit carries out audits of operational and strategic risk management and the internal control system (ICS) in accordance with the audit plan determined by the Audit and Risk Committee. In addition, the external auditor audits the consolidated financial statements of Galenica Ltd. and the companies under its ownership on an annual basis.

- Ratings: The Galenica Group is regularly assessed by external rating agencies for its environmental, social and economic (ESG) performance. Galenica has received a credit rating of BBB (investment grade) from ZKB and CS.

Comprehensive quality management

All Galenica Group companies have an extensive quality management system (QMS) in place. Alloga, Medifilm, Mediservice, UFD and HCI Solutions are certified to ISO 9001 (quality management system). Verfora, Bichsel and HCI Solutions are certified to ISO 13485 (quality management systems of medical device manufacturers). The Bichsel Group's QMS is also structured in accordance with the ICH-Q10 standard (pharmaceutical quality assurance system) of the European Medicines Agency. The manufacture of sterile, biological medicinal products filled in an aseptic environment places the highest demands on the implementation and maintenance of a QMS. Due to the critical relevance of the manufactured products, Bichsel generally carries out a major review of compliance with ISO 13485 and the statutory Good Manufacturing Practice (GMP) and Good Distribution Practice (GDP) requirements every two years.

The process management systems of Galexis and the companies in the Pharmacies unit also meet the requirements of the ISO 9001 standard. However, they are not currently certified. Alloga, Galexis, G-Pharma, Mediservice and Verfora are periodically inspected by the regional therapeutic products inspectorates as part of GDP reviews.

The Amavita, Sun Store and Coop Vitality pharmacies maintain a QMS that covers all the key processes of a public pharmacy as well as environmental factors. In 2024, Galenica launched an important quality assurance measure in pharmacies by establishing a new quality management system. Compliance with internal and external standards is monitored by means of regular quality audits, inspections by cantonal pharmacists and test purchases.

Economic performance

As Switzerland's largest healthcare network, Galenica makes an important contribution to the Swiss economy, as an employer and taxpayer. Galenica firmly believes that the Group can achieve long-term economic success only if it bears social responsibility and uses natural resources efficiently and respectfully. Economic performance thus forms the basis for long-term and sustainable business development.

Direct economic value generated and distributed

Galenica discloses information on direct economic value generated and distributed in its Financial Report. The economic value is generated in Switzerland and is mainly distributed in Switzerland. Exceptions are employees who are cross-border commuters and certain investors, partners and suppliers abroad.

Integrity in the supply chain

Respect for human rights

Galenica aims to significantly improve transparency along the entire supply chain. In doing so, we attach great importance to strict compliance with both international and national laws as well as human rights. The purpose of these measures is to ensure that all business practices are ethical and responsible in order to strengthen the trust of customers and partners and make a positive contribution to the community.



Management of the material topic

Galenica ensures that not only the Group and its companies, but also its business partners comply with international and national laws and norms, as well as industry-specific standards, good practices and human rights. This ensures decent work, fair wages and equality in the supply chain, which has a positive effect on the industry and promotes sustainable economic growth in Switzerland.

Supplier Code of Conduct

Galenica updated its Supplier Code of Conduct in 2023. The aim is to increase transparency in the company's own supply chain and thus ensure that employees can take responsibility seriously. The Code of Conduct is based on internationally enshrined human rights standards and the applicable core conventions of the International Labour Organizations (ILO) and contains, in particular, guidelines on compliance with labour and human rights, ethical business practices and environmental, health and quality regulations. The Code of Conduct applies to suppliers, service providers and consultants of the Galenica Group. It was published on the website and forms part of all newly concluded contracts. The Legal Department is always involved and regularly reviews the contract templates of the Galenica Group to check for compliance risks. Purchasing department employees also receive training covering the content of the Code of Conduct.

Internal and external stakeholders may raise concerns about Galenica's business activities through the external Whistleblower Reporting Office. This offers all employees and business partners the opportunity to anonymously report suspected breaches of the rules. All reports are investigated.

Objective supply chain

Goal	Status	Target year	Measurement parameter	2024	2023
We will check compliance with the Supplier Code of Conduct from 2025 by means of spot checks.	↗	2025	Number of spot checks	11	No review

↗ Realistic
 → Partially delayed/critical
 ↘ Critical
 = Achieved
 × Not achieved

Galenica conducted its first standardised supplier surveys using spot checks in 2024, all of which were positive. These surveys will also be conducted in 2025 and subsequent years. Measures for non-compliance with the Code are currently being developed.

Evaluation of the management approach and measures

- Reporting: Suspected cases are investigated, and in the event of violations, sanctions are imposed.
- Introduction of supplier audits using spot checks.
- Reporting in accordance with the Ordinance on Due Diligence and Transparency in Relation to Minerals and Metals from Conflict Areas and Child Labour (VSoTr).

Combating corruption



Anti-corruption

Combating corruption

The Galenica Group's compliance programme includes a clear commitment to compliance with legal requirements and guidelines and to acting with integrity.

Anti-corruption

The Anti-Corruption Policy sets out the principles and guidelines for combating corruption and regulates their implementation by the employees and business partners of the Galenica Group. Any form of corrupt conduct towards or bribery of public officials and private individuals, whether directly or via third parties, is prohibited. Galenica has a zero-tolerance approach to corruption and bribery on the part of employees, partners, suppliers and representatives of third parties. The policy applies to all employees and works in conjunction with the Group's Code of Conduct and the Supplier Code of Conduct.

The Galenica Group was not aware of any incidents of corruption in the reporting year. There were therefore no confirmed incidents of corruption.

Whistleblower Reporting Office

Internal and external stakeholders may raise concerns about Galenica's business activities through the external Whistleblower Reporting Office. This offers all employees and business partners the opportunity to anonymously report suspected breaches of the rules. All reports are investigated. One incident was reported in 2024. The report came from an external supplier. As the necessary internal clarifications were carried out immediately and measures taken, the incident was resolved.

Reports of corruption and bribery must also be reported to the committee appointed by the Board of Directors. Various channels and points of contact are available to employees through which they can report concerns or matters of key importance. These include the People & Culture department, the staff committees, the employee survey and the annual performance reviews. The Executive Committee deals with key and critical points from the employee survey or the staff committee and derives effective measures.



Due Diligence and Transparency in relation to Minerals and Metals from Conflict Areas and Child Labour

Due Diligence and Transparency

Due Diligence and Transparency in relation to Minerals and Metals from Conflict Areas and Child Labour

Galenica has also fulfilled its audit obligations with regard to the Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour in 2024, which has applied since the 2023 financial year. In particular, internal and external investigations were carried out to determine the extent to which Galenica is affected by conflict minerals and child labour. There are no points of contact with conflict minerals, which is why Galenica is exempt from its due diligence and reporting obligations in this regard. With regard to child labour, Galenica has written to the most important suppliers and obtained documentation. Investigations have shown that there are no reasonable grounds to suspect child labour and Galenica is therefore also exempt from its due diligence and reporting obligations in this regard.

Appendix

Calculation basis

Appendix

Through systematic data collection and analysis, we aim to provide transparent insights into our environmental, social and economic impacts.

Reporting principles

Galenica's sustainability reporting is carried out annually and covers the period from 1 January to 31 December 2024. This report was approved by the Board of Directors on 5 March 2025 and published on 11 March 2025.

The list of material topics based on the principle of dual materiality was drawn up in 2023 and is disclosed in the section our approach of the Annual Report.

Reporting scope

The sustainability report of Galenica Ltd. covers all subsidiaries that are fully consolidated in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). Associated companies and joint ventures are excluded. Further details on the Group companies can be found in note 32 "Group Companies" to the consolidated financial statements in the Annual Report 2024. Exceptions to the scope of this reporting are explicitly marked.

Acquisitions and divestments

Newly acquired or sold companies in the current financial year are not included in the key figures unless this is explicitly stated in the notes to the report.

Data collection process

Each key figure is based on defined internal guidelines, processes, controls and responsibilities. The data originates either from the internal systems of the Galenica Group or, if necessary, from the systems of third parties. Unavailable data are estimated in line with recognised processes and industry standards.

Assumptions and estimates

For each estimate made, the underlying methodology is disclosed in the report.

Data on environmental impact

As Galenica is constantly optimising the system of environmental indicators and gradually expanding the system boundaries (due to primarily inorganic corporate growth), the data is only comparable to a limited extent from year to year.

For Amavita, Sun Store and other Galenica Group pharmacies, the electricity consumption in 2024 was estimated based on consumption in 2023. Almost all premises are leased, which is why only the annual costs are provided for each location, and not the actual consumption. The electricity consumption of the pharmacies was therefore calculated in 2023 on the basis of electricity costs and the average electricity prices per region according to the Federal Electricity Commission (ElCom). In 2024, the heat consumption of all pharmacies was extrapolated, also based on a representative sample of 21 affiliates. Among other things, differences in heat source (32% district heating, 38% natural gas and 30% heating oil) were also taken into account. The amount of municipal waste generated was extrapolated based on a representative sample of a total of 20 pharmacies. The medium-sized pharmacy generated around 4 tonnes of waste in 2024. The water consumption of all affiliates was also extrapolated based on the available data from 5 locations.

The CO₂e emissions caused by energy consumption are calculated using scientifically recognised emission factors (Switzerland's greenhouse gas inventory of the Federal Office for the Environment and the UK Department for Environment, Food & Rural Affairs, as well as International Energy Agency (IEA) and [Alig, M., Tschümperlin, L., & Frischknecht, R. (2017). Greenhouse gas emissions of the electricity and district heating mixes in Switzerland according to the GHG Protocol. Commissioned by Sustainserv GmbH, UBS Fund Management, Swiss Post and pom+ Consulting. treeze Ltd., Uster]). The calculated CO₂e emissions relate to direct and indirect emissions. According to the Greenhouse Gas Protocol, Galenica's direct sources of emissions are the generation of space heating and the operation of its own vehicle fleet (= Scope 1). The production of purchased district heating and electricity (= Scope 2) and the logistics services of contract drivers (= Scope 3) are recognised as important indirect sources of emissions.

When calculating Scope 1–3 emissions, it is taken into account that diesel with a biogenic content of up to 7% is available at filling stations in Switzerland. In addition, the compressed propellant gas (CNG) used contains 20% biogas. The biogenic proportion of greenhouse gases produced is not accounted for in Scopes 1–3. The global warming potentials of the IPCC are used to calculate the greenhouse gas effect of refrigerant losses.

Scope 2 emissions are calculated using both the market-based and location-based approaches. For the latter, the producer mix according to IEA is decisive. This is refined with energy trade corrections to better reflect the GHG footprint of the energy actually available from the grid. Direct contracts between companies of the Galenica Group and producers of renewable electricity can play a role in the market-based method. In this case, the emission factor available from the producer is used wherever possible. Otherwise, as is also the case for the purchase of electricity from hydropower which is certified by guarantees of origin, a corresponding emission factor from a study by treeze Ltd. is used.

Data on our employees & diversity among staff

The key figures on the number of employees include all companies of the Galenica Group with a majority holding as of 31 December 2024 (including apprentices and interns).

More detailed key figures on employees, such as information on diversity (GRI 405-1), refer exclusively to companies that are fully integrated into the Galenica Group's HR system. Temporary and external employees are not included in this disclosure. Companies that have only recently become part of Galenica will be integrated into the Galenica Group's HR system at a later date. Due to systemic challenges and depending on the size of the company to be integrated, full HR integration may take some time. Companies domiciled abroad are not integrated. For 2024, the employees of Bahnhof Apotheke Langnau, Medinform, Padma and Dr A&L. Schmidgall are not included in the detailed disclosures. Detailed key figures on employees cover 96.2% of the total employee population.

Data on the Opinio employee survey

The Opinio employee survey is conducted annually by an external body in a standardised online format. In 2024, the survey took place between 15 October and 20 November, based on the number of employees as of September. All employees were surveyed, including apprentices and interns, but excluding temporary and external employees. Data from the Opinio employee survey also includes associated companies and joint ventures Coop Vitality, Coop Vitality Management, Curarex swiss, Mediservice and Emeda as well as employees of the Galenica Pension Fund. However, companies that are not fully integrated into the HR system of the Galenica Group, such as the employees of Aquantic and Dr A&L. Schmidgall are not included. A total of 8,856 employees were surveyed.

The key figure for employee motivation is calculated from the arithmetic average of 16 questions from the Opinio employee survey. This average is then converted into a scale from 0 to 100.

Customer satisfaction data

Twice a year, an external market research institute is commissioned to survey the net promoter score (NPS) by means of representative market surveys. Data is collected via online interviews as part of panels. Data is collected from over 2,000 pharmacy customers who are asked how likely they are to recommend a pharmacy format to others. People answer with a number between 0 (highly unlikely) and 10 (highly likely). Responses between 0–6 are classed as “detractors,” 7–8 are classed as “indifferent” and 9–10 are classed as “promoters”. To calculate the NPS, the percentage of “promoters” is subtracted from the percentage of “detractors”. The NPS can therefore be between -100 (very poor) and +100 (very good). The rational net promoter score (rNPS) positions the NPS of Galenica in relation to the NPS of competitors. For competitive reasons, Galenica does not disclose the actual figure or distance to the best competitor.

The NPS is collected for the Amavita, Sun Store and Coop Vitality pharmacy formats and is included in the key figure accordingly. The decisive measurement for target achievement is the second measurement in the year, which was taken in the third quarter of 2024. The degree of target achievement is based on the calculated rNPS of the second measurement compared to the rNPS target defined by the Board of Directors.

Correction or restatements of information

Investment in training and education was adjusted for 2023 and 2022. The reason for this is that, in the past, intra-group training and education costs (e.g. incurred by the company medinform Ltd., which was acquired in 2022) were not included. From 2024 onwards, these are taken into account and previous years have been adjusted accordingly.

The information on energy consumption and emissions was restated for 2023 on the basis of newly available information. Details can be found in the section on greenhouse gas emissions and resources.

Independent audit

Ernst & Young Ltd. was appointed by Galenica to perform a limited independent audit of selected key figures. Ernst & Young Ltd. is also the external statutory auditor of the Remuneration report, the consolidated financial statements in accordance with IFRS and the statutory financial statements of Galenica Ltd.

Further details on the audit can be found in the independent audit report in the Annual Report on page 152.

All audited figures are marked in the report with the symbol ► data externally assured (limited assurance).

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