



Personnel resource planning ("PEP")

"Thanks to the innovations of PEP, I am more efficient. Sending expense claims or medical certificates is now made very easy and fast for the whole team."

Lauranne Campagnoli, Manager Amavita Pharmacy Granges-Paccot

Human Resources

Together for greater efficiency

The number of Galenica employees continued to grow in the year under review, mainly due to the expansion activities in the Retail Business sector. As of the end of 2019, Galenica employed 7,071 people. Given the increasing number of employees, efficiency is also a major topic when it comes to HR processes. Various projects were launched, continued or brought to completion in 2019 with the aim of making even better use of potential synergies and boosting efficiency. The focus was on the Group-wide harmonisation of personnel regulations. Various personnel regulations were therefore revised and – wherever possible and reasonable to do so – harmonised. From 1 January 2020, Group-wide personnel regulations, revised working time regulations and home office guidelines applicable to all employees have been introduced. Other examples of greater efficiency in Human Resources include a digital system for managing recruitment that all companies of the Galenica Group now have and electronic expense claims in the Retail Business sector. Finally, the new common pension fund for all Galenica Group employees and pension recipients was established, changing the name of the Galenicare Pension Fund to the Galenica Pension Fund as of 1 January 2020.

Training and development

Employee development

Productive cooperation requires regular exchange of knowledge between employees, and, in particular, members of Senior Management (MDI) and members of Management (MKA). Galenica has developed various instruments to encourage this dialogue. At the heart of these is Corporate Management Development (UME), consisting of events (EVE), special staff training (SAM) and management training (FAB). The UME concept was revised in 2019, meaning that the new employee development programme “Move” can be launched in 2020 as part of pilot events. While the current offer is geared primarily towards new managers, the focus of the new programme has been expanded to provide continuous professional development to a broader audience.

Number of employees



● Galenica Ltd.	39
● Retail	5,134
● Products & Brands	140
● Services	1,758



7,071
Number of employees

Number of women and men



5,268
Women (75%)

1,803
Men (25%)

E-learning and events

Group-wide e-learning modules were rolled out in 2019 too, allowing all employees with a business e-mail account to access training on “Information security” and “Anti-corruption”. In 2019, the Retail Business sector also launched an e-learning module on “Culture and values” as part of a pilot project, training new employees on the five key values of the Galenica Group (see page 50). The other Business sectors, too, are conducting e-learning modules tailored to their operational requirements.

New employees were again invited to an induction day (SAM 1) in 2019 to give them a stronger sense of the culture, development and strategies of the Galenica Group and its companies. 195 employees took part in this induction day in the year under review. Additional SAM seminars train participants on various technical and methodological issues.

Management training

The FAB 1 management training consists of modules focusing on three areas: “Self-management and management tools”, “Employee management and communication skills” and “Team management and development”. The FAB 2 seminars subsequently address “Performance” and “Health”, the FAB 3 seminar “Focus and energy” and FAB 4 “Management of change processes”. These advanced training courses are aimed at members of Senior Management

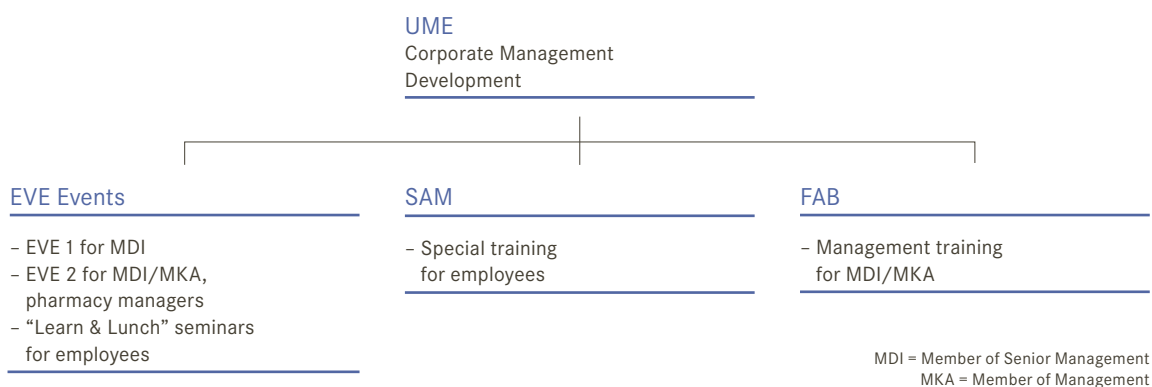
(MDI) and members of Management (MKA). 100 members of management participated in these courses in 2019. A strong corporate culture depends upon the key values of Galenica being fully realised in daily life, so they form an integral part of all FAB modules.

Events

The EVE 1 event is a management platform for communicating strategic objectives. At the EVE 1 event in March 2019, 120 members of Senior Management (MDI) received information on the Galenica Group strategy and saw various short presentations on the topic of digitalisation.

At the EVE 2 event in August 2019, around 500 members of Senior Management (MDI), members of Management (MKA) and pharmacy managers came together. The key topics were the three strategic development axes of Galenica: expansion, innovation and efficiency. Speeches and panel discussions provided plenty of debate and information about examples within the Galenica Group. Guest speaker and top athlete Chantal Cavin, who has been blind since the age of 14, talked about regaining her motivation after losing her sight, achieving top performance as part of a team and using digital innovation to make her day-to-day life easier. As last year, the participants had the possibility during the event to ask questions about items on the agenda via a web app, and they made good use of this opportunity.

Corporate Management Development



UME includes all activities offered throughout the Galenica Group for the further development of staff and management.

Expansion, innovation and efficiency – our employees

Through their skills, commitment and ideas, Galenica employees make a significant contribution to ensuring that the Group can continue to grow successfully along the three strategic development axes of expansion, innovation and efficiency.

Various harmonisation measures have been launched to strengthen the sense of belonging to the Group given the growing workforce, with employees' hard work contributing to the successful implementation of these measures. Personnel and working time regulations have been harmonised across the Group, wherever possible and reasonable to do so. The staff committees and the works committee have worked closely and intensively with the companies' HR responsables to achieve the best possible outcome for all employees.

Employees of the Galenica Group are also extremely innovative! The initiatives from the Retail Business sector's Talent Management Programme are proof of this: one example is the idea of a skin-analysis tool to allow skin experts in pharmacies to give customers targeted advice and specific product recommendations. Another example is the integration of the "Ma vie sans Gluten" product line in selected Sun Store pharmacies, originally proposed by an employee in Retail Talent Management. The focus here is on expanding the range in the pharmacies, in this increasingly important area that meets a growing customer need. Taping – a service offered in all Coop Vitality pharmacies – started off as a Talent Management project as well. This involves applying elastic tape to the skin, for example to alleviate muscle pain or tension.

Finally, employees play a key role in the implementation of the current measures aimed at boosting efficiency, with the introduction of a new ERP system at Alloga and Galaxis and the modernisation of the Galaxis distribution centre in Lausanne-Ecublens, to name just two examples. Major projects of this nature initially involve additional effort for employees on top of their day-to-day work before the results can be seen and processes become more efficient. Every day, Galenica Group employees work with plenty of energy and motivation on all these projects, and therefore contribute to their success. They know that together, we are stronger!



Investing in employees

Galenica offers its employees a range of fringe benefits, with special emphasis on structured training and development. CHF 4.0 million was invested in further training in 2019 (previous year: CHF 4.4 million).

Training in pharmacies

In addition to the offerings at Galenica Group level, the Retail Business sector in particular offers pharmacy employees specific further training modules, such as the CAS course "Management for Pharmacists" in cooperation with the University of Basel.

The Retail Business sector also covers the costs of the "Specialist Pharmacist in Retail Pharmacy" (FPH in Retail Pharmacy) further training for its pharmacists. Due to the revision of the Federal Act on Medical Professions (MedBG), certified pharmacists now have to complete this federal training course if they want to manage a pharmacy. Galenicare is committed to ensuring that as many pharmacists as possible from all formats complete this training.

In light of the legislation being revised, Galenicare 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 and qualifies them to diagnose minor ailments and dispense an appropriate prescription drug.

Developing talented individuals

The two-year Talent Mentoring Programme continues to be very positively received. Participants (mentees) are given a platform through which to exchange views and experience across the Business sectors. In parallel, knowledge and skills of experienced employees are made available to help develop the next generation of talented individuals, with each mentee being assigned a personal mentor. Eleven mentees took part in the programme in 2019. Additionally, the Retail Business sector has its own Talent Management Programme (see page 47).

641

Managerial employees



52 %

Women



48 %

Men

Headcount trends

	Number of employees		of which part-time employees <90%		Full-time equivalents	
	2019	2018	2019	2018	2019	2018
Galenica Ltd.	39	37	10	10	34	33
Retail	5,134	4,739	2,433	2,149	3,855	3,573
Products & Brands	140	133	56	56	120	112
Services	1,758	1,671	398	388	1,440	1,388
Total	7,071	6,580	2,897	2,603	5,449	5,106
Total employees in %			41.0%	39.6%		

Number of managerial employees

	Total number of managerial employees		of which women		of which men	
	2019	2018	2019	2018	2019	2018
Galenica Ltd.	25	28	11	13	14	15
Retail	394	378	238	225	156	153
Products & Brands	52	49	27	23	25	26
Services	170	160	59	52	111	108
Total	641	615	335	313	306	302
Total employees in %	9.1%	9.3%	4.7%	4.8%	4.3%	4.6%

Attracting employees

Since 2019, all Group companies have had a system for managing recruitment in place to digitalise the entire application process, resulting in significant time savings.

In the year under review, the Retail and Services Business sectors again relied increasingly on social media, particularly on Xing and LinkedIn, to recruit new employees. Recruitment for pharmacies continues to take in neighbouring countries; however, this has become more complex due to the revised Federal Act on Medical Professions (MedBG) and the requirement for pharmacists to have an FPH in Retail Pharmacy (see page 48). Galenicare further strengthened its presence in Swiss universities to establish direct contact with pharmacy students and make them enthusiastic about a career as a pharmacist. The aim is to reach students while they are still studying and to encourage them to pursue a career up to manager of a Galenica Group pharmacy.

The recruitment of specialist staff continues to be a challenge in all Business sectors, which is why Galenicare and Galexis will also invest in hiring experts in HR marketing and recruitment in 2020.

Training apprentices

Galenica is putting a lot of effort into training future specialists: in 2019, the Group companies trained 841 apprentices – 757 young women and 84 young men. Of these, 265 completed their apprenticeships, many with flying colours. Having qualified, 125 apprentices have since become Group employees. In addition, Galenicare created three new apprenticeship posts in 2019 and now also trains commercial apprentices. Furthermore, the Group companies organise camps for their apprentices and hold induction days for new apprentices, sometimes in collaboration with other companies outside the Group, for example Galexis and the beverage producer Rivella.

Various communication platforms

Personal and direct exchanges between all employees from a total of 83 countries are at the heart of Galenica's communication efforts. The various information events and management meetings within the Business sectors and companies are a good way of ensuring this. Changes and developments across all areas of the company are communicated at the EVE events and over digital channels including the intranet, the e-management letter and e-information letters. A programme was launched in the year under review aimed at creating a new, internal digital communication

platform that employees can access from any device, regardless of whether they are office or non-office workers. The overall programme should be realised with different projects, the first of which is scheduled for completion in the second half of 2020.

Additionally, a printed version of the employee magazine Spot is sent out twice a year to the homes of all employees, opening up the Galenica world to their partners and family members. The summer 2019 issue of Spot was published under the overall theme of "Innovation", with the December issue devoted to "Efficiency".

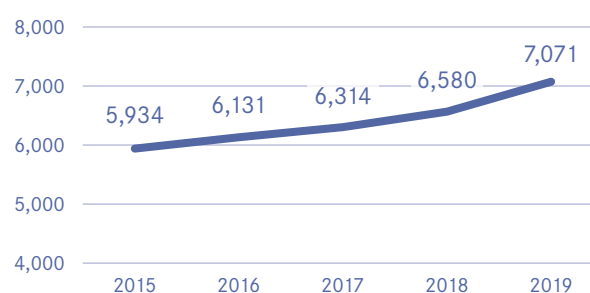
Harmonisation of personnel regulations completed

After much hard work, employees were informed of the new, harmonised personnel and working time regulations in the summer of 2019. The aim of this harmonisation was to take advantage of synergies and to promote Group-wide exchange by ensuring that people in the same role also have the same employment conditions. It also aims to take into account the specific needs of certain functions that have to meet defined requirements, such as sales and operations. The new regulations came into force on 1 January 2020.

New ID card and simplified expenses claims

Preparations were completed in 2019 for the rollout of the new ID cards, which were sent to all Galenica Group employees at the end of 2019. These now also allow employees to use their employee discount in the online shops of own pharmacy formats.

Headcount development 2015–2019



The five key values of Galenica

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

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

We show **respect** and know that **together**, we are **stronger**.

The Retail Business sector completed the digitalisation of its entire expenses process. Employees now scan their receipts in an app for their line managers to sign electronically. The expenses claims are then paid out automatically with the next monthly salary. This results in significant time savings for everyone involved. Furthermore, employees in the Retail Business sector can now buy train tickets online, so the costs are allocated directly to the correct cost centre and do not need to be reimbursed individually.

Employee motivation

The “Comité de Réflexion”

Galenica encourages the exchange of views between employees in all Galenica Group companies and corporate management in an internal think tank, the “Comité de Réflexion”. Among other things, the more than 20 employees from all country and language regions help to firmly anchor and further shape the corporate culture. The committee met twice in the year under review and discussed topics such as e-health.

Annual motto for 2019: Together, let’s seize our chances

“Together, let’s seize our chances” was the annual motto of the Galenica Group for 2018 and 2019. It built on the key value of “Together, we are stronger” and was an expression of determination and optimism. It was intended to encourage all employees to have a positive attitude towards the future, working together to make the most of changes and opportunities, not only with other teams within the Group but also with partners and customers. The activity associated with the annual motto was an exchange programme, which gave employees the opportunity to visit Group colleagues at their workplace. This was intended to encourage discussion and collaboration across departments. Multiple teams and employees took advantage of this opportunity and their feedback was highly positive.

Annual motto for 2020: Trust, change, connect!

The annual motto for 2020 and 2021 is “Trust, change, connect!”. The three invitations it contains are a perfect fit with the challenging, changing environment of the Galenica Group. The slogan expands on the key value “We build trust” and encourages employees to shape the future with trust and deal positively with and actively support changes in their day-to-day working life. The annual motto also relates to digitalisation, which focuses on networking systems, supported by numerous projects and innovations.

As in previous years, the Comité de Réflexion will use activities to motivate employees to implement the motto.

“Opinio” employee survey

In 2019, measures resulting from the previous “Opinio” employee survey in 2017 were further implemented. For example, the theme of “Personal perspectives”, which was a major concern for employees,

was included in the revision of the UME programme, and a new internal communication position was created in the Retail Business sector so that this topic can be addressed more proactively. Additional communication platforms for members of Senior Management were also created in the Services Business sector to involve them more closely in the process for establishing objectives.

The next “Opinio” survey will be conducted in autumn 2020.

Work-life balance

Employees now require flexible working hour arrangements, and the Galenica Group offers many opportunities to facilitate this. For example, the Home Office Guidelines were harmonised across the Group and introduced in all Galenica Group companies from 1 January 2020. Employees also appreciate the opportunity to work part time (41.0% of employees work part time; see page 48). Paternity leave was doubled to ten days as part of the harmonisation of personnel and working time regulations, and employees now have the possibility to buy vacation days.

In addition, Galenica teamed up with an external partner to conduct a qualitative survey on gender diversity in the Galenica Group. In collaboration with this partner, measures will be drawn up in 2020 based on the survey results.

Health and safety

Health

The health of its employees is important to Galenica. Regular information events are held on this subject: for example, the Services Business sector organised a series of accident prevention training courses in collaboration with the Swiss National Accident Insurance Fund (Suva) and continued its structured absence management system. Employees were offered the flu vaccine in the Retail and Products & Brands Business sectors. The Retail Business sector also developed an outline concept on “Health in the workplace” in 2019; the first measures will be implemented in 2020. Galenica puts in place measures to protect employee health and maintain safety in the workplace in line with the directives of the Federal Coordination Commission for Occupational Safety (FCOS).



New competencies of pharmacists

“The Apohealth tool really helps me make decisions in more complex cases – especially when it comes to dispensing a prescription drug.”

Vivian Vu-Lam, Manager Coop Vitality Pharmacy Silbern, Dietikon

Illnesses

Employees were once again able to take advantage of Galenica Case Management in 2019. Employees on sick leave are given support as well as those at risk of having to take sick leave. Following illness or an accident, the aim is to facilitate a rapid return to work. The number of illnesses decreased compared to the previous year to 315.

Accidents

Based on data from Suva and private insurers, Galenica accident statistics show an increase in occupational accidents. In 2019, 191 accidents were reported.

Employee profit-sharing programme

All employees were once again paid a profit-sharing bonus in 2019. 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 2019, 18.7% of employees participated in this programme (previous year: 19.1%). These shares are blocked for three years after the date of purchase.

The profit-sharing bonus forms part of the annual bonus for members of Senior Management (MDI) and members of Management (MKA). This is dependent on attaining quantitative and qualitative targets. The share-based remuneration programme LTI (see page 81 in the Remuneration report) for members of the Corporate Executive Committee and certain members of Senior Management focuses on long-term performance; remuneration is withheld for a period of three years.

Employee benefit plans

The final steps were taken towards the division of the Galenica Pension Fund in the year under review, completing the project for a uniform, common pension fund for all employees of the Galenica Group as of the end of 2019. The new name of the Galenica Group Pension Fund was introduced on 1 January 2020, thereby completing the logical and legally required step for Galenica and Vifor Pharma to each have their own independent pension funds after the IPO of Galenica in 2017.



The new Galenica Pension Fund

The new pension regulations, which came into effect on 1 January 2019, offer similar coverage for all employees, regardless of their previous pension fund, and were approved by the Board of Trustees of the Galenica Pension Fund and the Galenicare Pension Fund as well as by the relevant representatives of the staff committees and the works committee. In September 2019, the authorities approved the asset transfer agreement, which was then entered in the commercial and land registers. In consequence, at the end of 2019, it was decided to change the name of the Galenicare Pension Fund to the Galenica Pension Fund.

As in the past, the new pension fund covers the risks and economic consequences of ageing, disability and death according to the specifications of the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG). Like the previous foundation, it is legally, organisationally and financially independent of Galenica.

Insured members and pension recipients of the Galenica Group were kept informed about the new pension fund on a regular basis in the year under review.

Defined contribution plan principle

The pension fund is managed according to the defined contribution principle and is generally funded by contributions from the employee and the employer. The contributions made by employee and employer are accrued into individual savings capital for each employee. The savings capital is usually paid out as a lump sum or converted into an annuity on reaching statutory retirement age. In cases of termination of employment, the savings are transferred as vested benefits.

Pension fund reporting

The financial statements of the pension fund provide a true and fair view of the financial position, the results of operations and cash flow. The accounting and valuation principles of the Swiss pension schemes correspond to the Ordinance on Occupational Retirement, Survivors' and Disability Pension Plans (BVV2) and the Swiss GAAP FER accounting and reporting recommendations. Assets and liabilities are recognised on the basis of the financial situation of the pension fund as of the balance sheet date only.

Reporting in the Consolidated financial statements, defined benefit plan principle

The recording and assessment of benefit obligations in the Consolidated financial statements of the Galenica Group is in accordance with International Financial Reporting Standards (IFRS). The pension scheme is classed here as a defined benefit plan. In addition to recording short-term benefits to employees, benefit obligations for this pension plan following the end of employment are also calculated by actuaries. These actuarial calculations generally result in a lower coverage ratio (ratio of pension fund assets to liabilities). However, these results have no impact on the benefits the pension fund pays. Further information on reporting and the current coverage ratio can be found in the notes to the Consolidated financial statements (see page 134).

Works committee

Representatives of the Galenica Corporate Executive Committee and HR management from all Business sectors met twice with the works committee, which represents all employees of the Galenica Group and which gathers all the staff committee presidents, to discuss issues that went beyond matters addressed by staff committees in the individual Business sectors. In the year under review, their main focus was on the ongoing harmonisation of the various personnel and working time regulations as well as on the revision of regulations for members of the staff committees and the works committee.

The staff committees meet several times per year and are also informed about the topics and resolutions of the works committee meetings.

Social responsibility

Social commitment

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

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

The Galenica Group also supported “I care for you” with its Christmas and New Year card for 2019. One Swiss franc per card was donated to the foundation, with all funds going towards a crowdfunding project.

In addition to this main commitment, Galenica selectively supports other projects in the healthcare sector. Furthermore, Galenica Group companies support a number of social projects. A few examples are listed below:

Gewa. The Gewa foundation for workplace integration is a social organisation that aims to integrate people with particular mental challenges into the workplace. The Alloga SC Box had initially been assembled and repaired by Alloga employees – since 2012, this task has been taken over by the Gewa foundation.

2 x Christmas. In December 2019, Galenicare employees took part in the “2 x Christmas” campaign of the Swiss Red Cross. They filled boxes with non-perishable foods and toiletries, which were then sorted and distributed to people in need and social institutions in Switzerland.

Computers for a good cause. Galexis and HCI Solutions provide IT equipment they no longer need to a good cause. Galexis has been donating its old computers to Bern-based aid organisation Bär und Leu since 2013. The association collects aid supplies for various humanitarian projects and distributes the computers to schools and a family centre in Ukraine. The computers that HCI Solutions no longer needs are used for development projects in Africa via the “Quorum” association – for example, in schools in Cameroon.

Winds of Hope. Aid organisation “Winds of Hope” set up by Dr. Bertrand Piccard supports children with noma, a severe bacterial infection that degrades the bones of the face and primarily affects infants. Throughout the year, Sun Store sells wallets and donates the proceeds to the organisation. The foundation uses these donations to train health workers in developing countries affected by this disease.

Casa Santa Elisabetta. Instead of flowers, Unione Farmaceutica Distribuzione (UFD) sold cards for International Women’s Day on 8 March 2019 and donated the proceeds to “Casa Santa Elisabetta” in Lugano, an association that supports women and mothers experiencing difficulties.

A photograph of a woman and a young boy smiling and looking at a green and blue plush toy monster. The woman is holding the toy, and the boy is touching it. They are in a brightly lit room, possibly a store or a clinic, with a poster in the background that says "Schmerzmittel mit entzündungshemmender und febrifenwirkender Wirkung".

Verfora advertising campaign

“With our basic attitude ‘For Life’, we at Verfora want to be present in a positive way from the specialist retail trade to the everyday lives of consumers.”

Nicole Hochstrasser, Marketing Manager
Verfora, Pain, Merfen