

Sustainability

Management report

In 2022, Galenica further specified the measures to achieve its sustainability goals and began implementing them. Some significant progress has already been made. Due to the tense energy supply situation in Switzerland, various energy-saving measures have been initiated. Galenica has also introduced joint bonus-related sustainability goals for the Executive Committee, members of the Senior Management and Management.



Energy consumption reduced in relation to net sales

Due to the current tense energy supply situation in Switzerland, Galenica initiated a Group-wide task force in 2022 and defined various energy-saving measures. For example, exterior lighting was switched off at all operating sites, temperatures were reduced in all rooms and motion detectors were installed. The task force has also worked out possible scenarios in the event of an electricity and gas shortage and defined appropriate measures in order to be able to react in an emergency.

The total energy consumption of the Galenica Group – both within and outside the organisation – decreased in the 2022 financial year in relation to net sales by 7% compared to the previous year. The direct and indirect greenhouse gas emissions of the Galenica Group

decreased in 2022 in relation to net sales by 8% compared to the previous year. The reduction is due to the energy-saving measures introduced by the task force and reduced fuel consumption.

Key Environmental Figures



Retention of qualified employees in healthcare

The number of employees of the Galenica Group continued to grow in the 2022 financial year. At the end of 2022, Galenica had 7,608 employees (previous year: 7,239). Employee development is a high priority and Galenica invested CHF 4.6 million in the training and development of its employees in the reporting year (previous year: CHF 3.7 million). Galenica is actively involved in preventing the shortage of qualified employees. With the aim of promoting the next generation of qualified employees, 838 apprentices were trained in the Service and Business Units in the financial year. In addition, a task force was initiated on the topic of the shortage of qualified employees and a large number of measures were implemented, particularly in pharmacies. Among other things, for example, the areas of responsibility of pharmacy assistants were expanded, their minimum wage was raised and the recruitment process was further optimised.

In the reporting year, Galenica introduced joint bonus-related sustainability goals for members of the Executive Committee, the Senior Management and Management, which are valid from 2023. These relate to customer and employee satisfaction. These new objectives are intended to strengthen the network philosophy and the focus on social objectives. With this step, Galenica is also focusing on the joint achievement of its goals and thus the further strengthening of Group-wide cooperation.

Social Key Figures



Solidarity with Ukraine

In early 2022, Galenica, together with suppliers and partner organisations, used its own logistics and procurement expertise to support the Ukrainian people. Three aid consignments brought medicines and supplies for hospitals to the country affected by the Russian offensive war. Galenica also launched a fundraising appeal for Swiss Solidarity. The amount donated by employees was doubled by the company, so that a total of CHF 232,000 was collected.

Progress with sustainability goals

Corporate governance

Corporate governance

Goal	Status	Target year	Measurement parameter	2021	2022
We train all employees in compliance at least once a year.	→	Every year	Participation rate	Not all employees are trained	Not all employees are trained
Twice a year, we carry out measures to raise employee awareness in the area of data protection.	=	Every year	Number of measures	N/A	>2 awareness-raising measures
We make our employees aware of IT security and cybercrime.	=	Every year	List of measures	N/A	>10 awareness-raising measures

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

In the area of compliance, there are e-learning modules on the topics of anti-corruption, antitrust law, IT security and the Code of Conduct. In 2022, two e-learning courses were offered in the area of IT security and cybercrime, with an average participation rate of 88%. The Legal Department has also revised the content of the training on the Code of Conduct. All new Galenica employees are required to complete the compliance training. The challenge in achieving these goals at the moment is that not all employees have a business e-mail address, which makes access to e-learning more difficult. This technical challenge is to be solved by means of suitable IT connections in 2023. Furthermore, the Legal Department has evaluated the introduction of a new, web-based e-learning platform and provided employees with information on key topics such as anti-corruption on the intranet.

In 2022, several measures were implemented to raise employee awareness of data protection. The measures include information on the intranet about the relevance of data protection and the revised Federal Act on Data Protection (revFADP), the publication of a new privacy policy for employees and an article in the employee magazine. The Legal Department has also developed a new e-learning module on the topic of data protection, which will be launched in 2023.

Through several campaigns on phishing, information on the intranet, an article in the employee magazine and specific training sessions, employees were made aware of the topics of IT security and cybercrime.

Patients and customers

Patients and customers

Goal	Status	Target year	Measurement parameter	2021	2022
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)	N/A	110 million
We will make patient information (PIL) on all Algifor preparations and important cold products from Verfora available online in two other languages that are relevant for Switzerland by 2022.**	=	2022	Language availability in terms of PIL for all Algifor preparations and important cold products	PIL: German, French, Italian	PIL: + English, Portuguese
We will review the compliance of our top ten suppliers with the Supplier Code of Conduct every three years from 2025.	↗	2025	Review of the top ten suppliers	No review	No review

- ↗ Realistic
- Partially delayed/critical
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- × Not achieved

Since an individual initiative such as the use of the e-Mediplan in Galenica Group pharmacies has only a limited impact on patient safety, the Sustainability Committee decided to place the original goal ("We will expand the use of the e-Mediplan in Galenica pharmacies by 10% a year until 2023") in a wider context and expand the scope. The new goal focuses on the use of Clinical Decision Support Checks (CDS.CE Check) and includes not only pharmacies but also other service providers in Switzerland, such as hospitals and doctors. These checks enable pharmacies and medical practices to do things like check the patient's used or planned medication for known risks, interactions and duplication. After performing a CDS.CE Check, they can also generate an e-Mediplan directly. The CDS.CE Check is integrated into all software systems at Galenica pharmacies.

In 2022, Verfora conducted a survey of several pharmacies to identify the additional languages and product classes required. Based on the results, it was decided to adjust the goal and, in a first phase, to start translating the patient information for all Algifor® preparations into two languages (English and Portuguese) instead of five languages as planned. Patient information on important cold products was also translated. Since the end of 2022, patients have been able to access the patient information for all Algifor® preparations and important cold products in English and Portuguese using a QR code. Flyers with the QR codes are available in all pharmacies in Switzerland. The goal has thus been achieved. An initial evaluation will take place in 2023. If demand is high, the patient information should be translated into additional languages and products for the treatment of (small) children should be integrated.

In 2022, Galenica identified its top ten suppliers based on order volumes. The next step is to revise the Supplier Code of Conduct and develop the questionnaire for suppliers.

The newly introduced bonus-relevant sustainability target intends to increase customer satisfaction in the pharmacies. To measure it, the relative Net Promoter Score (rNPS) of the pharmacies Amavita, Sun Store and Coop Vitality is applied. The NPS measures the extent to which consumers would recommend a product or service to others.

Employees

Employees

Goal	Status	Target year	Measurement parameter	2021	2022
We will increase the motivation rate of our employee survey to 75 out of 100 points and the participation rate to 75% by 2024.	↗	2024	Motivation rate Participation rate	71 / 100 58%	74 / 100 71%
We will reduce the time-to-hire for IT and pharmacy positions by 10% by 2024.	↗	2024	Time-to-hire	IT: 81.8 days Pharmacies: 52.5 days	IT: 65.09 days Pharmacies: 60.51 days
We will improve diversity in all Service Units and keep the proportion of female managers at 50%.*	=	Every year	Proportion of female managers	52.10%	52.60%
Reduction in the number of cases due to mental illness by 5% by 2024.**	↗	Every year	Number of cases per 100 FTEs	2.5 cases	1.6 cases
Reduce the absence rate for occupational and non-occupational accidents by 10% by 2024.	↗	2024	Absence rate (comparison of target hours/lost hours)	0.46%	0.51%

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- × Not achieved

In the reporting year, 71% of employees took part in the employee survey. The participation rate has therefore increased by over 20% compared to the 2021 survey. Employee motivation has also improved compared to the previous year, with a Group-wide score of 74 out of a possible 100 points. In order to increase the participation rate, communication to employees who do not work in administration was improved and a QR code was sent to all by post, among other things. The results of the survey show that there is room for improvement, particularly in the areas of prospects and exceptional commitment. In a next step, the Executive Committee and the departments concerned will analyse the identified potential for improvement and develop effective measures to strengthen employee satisfaction and motivation.

Galenica further optimised its recruitment process in the reporting year. The aim is to reduce the time-to-hire and thus contribute to retaining qualified employees. The time-to-hire for IT was around 65 days in 2022 and around 60.5 days for Pharmacies. This corresponds to a reduction in time-to-hire for vacant IT positions of around 15%. For Pharmacies, the time-to-hire increased by around 21% compared to the previous year due to the worsening shortage of skilled employees in the health and care sector.

Gender equality is a key concern in the area of diversity. For this reason, the two original goals (“We will improve diversity, in particular gender equality, in all Service Units by 2024” and “We will maintain the proportion of women in management at 50%”) have been combined into one goal. The proportion of female managers in 2022 was over 50%, i.e. 52.6%. A Group-wide and comprehensive diversity concept will be developed in 2023.

As it is not possible to determine the absence rate due to mental illness for reasons of privacy protection, the original goal (“We will reduce the absence rate due to mental illness by 5% by 2024”) was adjusted and the number of cases per 100 FTEs was determined as a new measurement parameter. The total number 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 per 100 FTEs due to mental illness has decreased by 34%.

Occupational health is one of the focal points of the revised HR strategy. In 2022, the cooperation with Movis, an independent, external advisory centre for employees on issues relating to the protection of personal integrity, was expanded in order to strengthen the early detection and prevention of mental illnesses. All employees now have access to counselling services for mentally stressful situations such as stress management or burnout prevention.

In 2022, Galexis introduced an accident barometer at its Niederbipp and Lausanne-Écublens locations in order to raise awareness among employees and prevent occupational accidents. Every month, the number of occupational accidents compared to the previous year is made visible to all and an additional campaign is launched on a specific topic, such as personal protective equipment. There are plans to introduce an accident barometer at Alloga in 2023. In order to make employees aware of accidents outside work, Alloga and Galexis have run several poster campaigns on various topics such as road traffic and ticks. Compared to the previous year, the absence rate for occupational and non-occupational accidents remained relatively unchanged.

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. The analysis showed that an overwhelming majority of employees enjoyed equal pay. Equal pay is a major concern for Galenica. Accordingly, targeted measures were implemented as of 1 January 2023.

Environment

Environment

Goal	Status	Target year	Measurement parameter	2021	2022
From 2025, we will be sourcing 100% of our electricity from renewable sources at all our locations.	↗	2025	% electricity from renewable sources per location	BU Logistics & IT: 100% BU Products & Care: 75%	BU Logistics & IT: 100% BU Products & Care: 76%
We will reduce the greenhouse gas emissions produced by all our operations, processes and supply chains by 25% by 2025 and by 50% by 2030.	↗	2030	CO ₂ e	11,777 CO ₂ e	11,346 CO ₂ e
We will replace 40% of the fossil fuels in our vehicle fleet with renewable alternatives by 2028.	↗	2028	% renewable propulsion in the vehicle fleet	1.60%	12%
We will reduce our municipal waste by 50% by 2025.	↗	2025	Municipal waste (t)	1,274 t	1,528 t

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All of the Galenica Group’s own operational and administrative sites obtain electricity from hydropower and photovoltaic systems. Almost all of the pharmacies’ sales outlets 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. Previous data on the electricity consumption of pharmacies are extrapolations based on a representative sample of a total of 20 pharmacies. The focus is therefore on improving the availability and quality of the data base for the Service Unit Pharmacies.

Galenica is also working to improve the data base for its operations, processes and supply chains as part of its goal to reduce greenhouse gas emissions. The renovation of the Galexis distribution centre in Lausanne-Ecublens was completed in 2022. All buildings and roofs were refurbished to increase energy efficiency and a photovoltaic system was installed. Plans are currently under way to connect the distribution centre to the local district heating network. Galexis is also planning a photovoltaic system at the Niederbipp site for 2023, which will make an important contribution to sustainable energy production. Thanks to the commissioning of the groundwater heat pump at Alloga, natural gas consumption for building heating was reduced by 57% compared to the previous year.

Galexis evaluated the procurement of an electric vehicle for the local distribution of medications and other products in 2022 and will be piloting the first all-electric delivery vehicle with certified GDP status from 2023. Charging times remain a major challenge, which means that vehicles are only used at 50% capacity. In the case of lorries, there is still great potential in rapidly developing hydrogen technology. Specific investigations are ongoing. Furthermore, the Group-wide company

vehicle policy was adjusted in favour of e-mobility and a charging infrastructure for electric vehicles was installed at the Niederbipp location. A charging station will be operational in Lausanne-Ecublens at the beginning of 2023. Today, around 11% of company vehicles are electric or hybrid.

The total weight of municipal waste has increased by 7% compared to the previous year. This increase is mainly due to the widening of the data base. In the case of pharmacies, only estimates of municipal waste are currently available, which is why the focus, with this goal too, is on improving the data base. Galenix has initiated a cooperation with two product suppliers to avoid packaging waste, and the introduction of circulation-type packaging (secondary packaging) with these partners is planned for 2023. Further specific measures to reduce municipal waste for all Business Units are being developed in workshops.

Outlook for 2023

The regulatory requirements for non-financial reporting are increasing. The new due diligence and reporting regulations on non-financial matters, conflict minerals and child labour entered into force on 1 January 2022 (Art. 964 CO; DDTro). The Federal Council also adopted the Implementation Ordinance on Climate Reporting in November 2022, which will enter into force on 1 January 2024. Galenica is working on implementing these new requirements and is stepping up its commitment to upholding human rights throughout the supply chain and protecting the environment.

We also plan to anchor the topic of sustainability even more systematically at the strategic level as well as in internal structures, processes and business activities in 2023. In this context, the relevant sustainability topics identified are also being reviewed, with a specific focus on the impact of these topics on the environment, society and the economy.

Sustainability at Galenica

About us

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 within and outside a company.

Our sustainability principles

We firmly believe that our Group can achieve long-term commercial success only if we also bear responsibility for society and use natural resources sparingly and efficiently.

This conviction is reflected in the three key sustainability principles of Galenica, in addition to our [customer promise](#). Supported by the Executive Committee, they form an essential part of the Group's corporate culture.

Company value

We increase the value of the company in the long term by having a sustainable impact.

Employees

We oblige our employees to act responsibly and ensure they have a safe, flexible and supportive working environment.

Resource efficiency

We use resources sparingly and efficiently and reduce negative environmental impacts.

With these guiding principles, we educate and motivate employees to continuously increase our resource intensity, efficiency, capacity for innovation and, ultimately, competitiveness. On the other hand, the lively, ongoing dialogue with the various stakeholders helps to identify requirements and expectations at an early stage and to maintain Galenica's strong reputation.

Our key sustainability topics are integrated into the corporate vision and the objectives of the strategic programmes and are therefore part of the corporate strategy.

Sustainability organisation

The Board of Directors bears ultimate responsibility for the economic, environmental and social impact of the Galenica Group. The [Governance, Nomination and Sustainability Committee](#) (GNSC) advises

the Chair of the Board of Directors and the entire Board of Directors on sustainability. The Committee consists of the Chair of the Board of Directors, the Vice Chair and other members who are elected by the Board of Directors on the proposal of the Chair of the Board of Directors. Among other things, the Committee reviews the relevance matrix and the sustainability goals on an annual basis and ensures that the corporate strategy is geared towards sustainable management. In the reporting year, the GNSC discussed the topic of sustainability twice. The Board of Directors approves the sustainability goals and monitors progress in achieving them. The topic of sustainability was discussed by the Board of Directors four times in 2022. The Executive Committee is responsible for implementing the sustainability goals and integrating sustainability into day-to-day business.

The Sustainability Committee (SC) is led by the Chief Transformation Officer and plays an advisory and coordinating role. The Committee develops specific proposals for implementing the sustainability strategy for the attention of the Executive Committee and the Board of Directors. The main task is to systematise internal sustainability management and external reporting and to ensure that the measures are implemented. The Committee is structured in such a way that, in addition to be able to cover all key sustainability topics, all Business and Service Units and the Executive Committee are also represented on the Committee by a responsible person.

The SC met four times in the reporting year. In between Committee meetings, several smaller meetings were held by individual working groups to discuss the progress made with the sustainability goals and the implementation of the measures. In 2022, the measures were further specified or already implemented. This is mainly done in the Business Units. The SC coordinates the activities and the Chief Transformation Officer regularly reports to the Executive Committee and the Board of Directors.

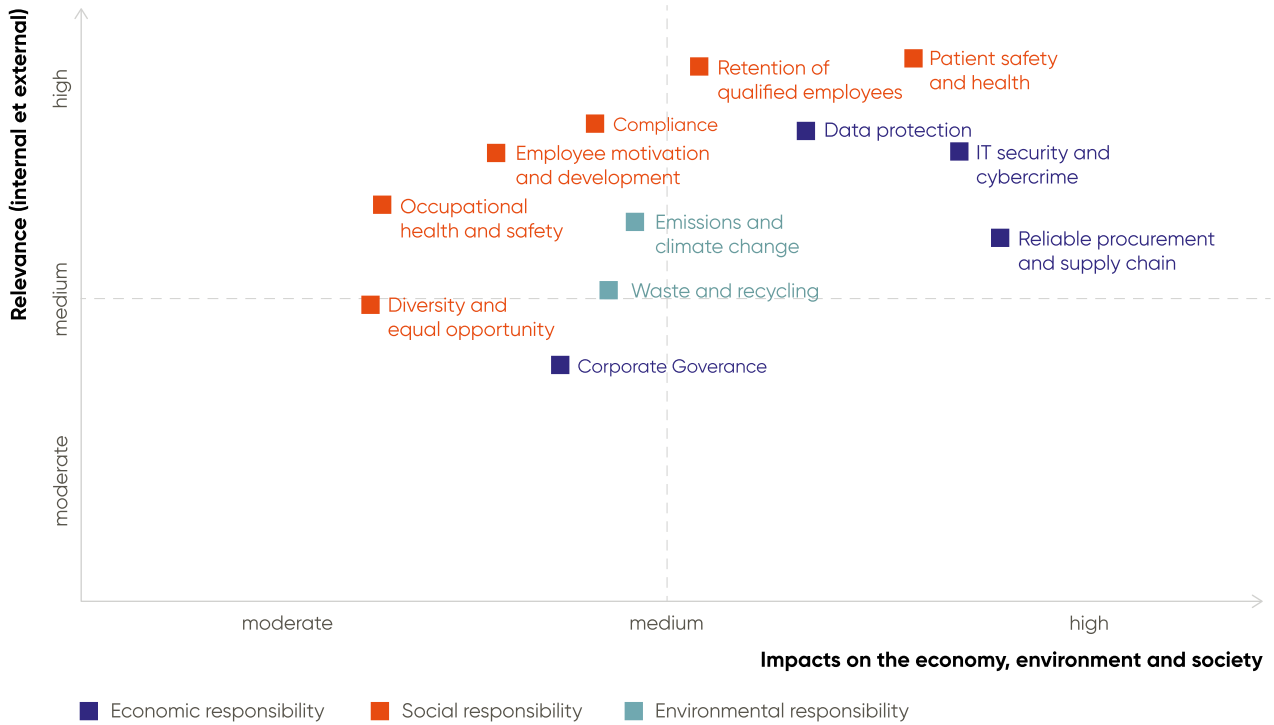


Sustainability organisation

Relevance matrix

In 2021, we carried out a materiality process in accordance with GRI Standards. Internal and external stakeholders – investors, partners, suppliers, customers, associations, employees, authorities, as well as members of the SC, the Executive Board and the BoD – evaluated the

relevance of the topics and the impact of Galenica’s business activities on the social, environmental and economic environment in an online survey. In addition, interviews were held with representatives of all external stakeholder groups to discuss the evaluations and the associated requirements and expectations. The results are presented in the relevance matrix. The Executive Committee and the Board of Directors have taken note of the relevance matrix.



Our sustainability goals

The SC has defined specific targets for all material sustainability topics, which were approved by the Executive Committee and the Board of Directors at the end of 2021. In 2022, the SC adjusted some of the goals. This was approved by the Executive Committee and the Board of Directors at the end of 2022.

Corporate governance
 We train all employees in compliance at least once a year.
 Twice a year, we carry out measures to raise employee awareness in the area of data protection.
 We make our employees aware of IT security and cybercrime.

Patients

We will increase the use of Clinical Decision Support Checks (CDS.CE) to 500 million by 2025 and 1 billion by 2030.

We will make patient information (PIL) on all Algifor® preparations and important cold products from Verfora available online in two other languages that are relevant for Switzerland by 2022.

We will review the compliance of our top ten suppliers with the Supplier Code of Conduct every three years from 2025.

Employees

We will increase the motivation rate of our employee survey to 75 out of 100 points and the participation rate to 75% by 2024.

We will reduce the time-to-hire for IT and pharmacy positions by 10% by 2024.

We will improve diversity in all Service Units and keep the proportion of female managers at 50%.

Reduction in the number of cases due to mental illness by 5% by 2024.

Reduce the absence rate for occupational and non-occupational accidents by 10% by 2024.

Environment

From 2025, we will be sourcing 100% of our electricity from renewable sources at all our locations.

We will reduce the greenhouse gas emissions produced by all our operations, processes and supply chains by 25% by 2025 and by 50% by 2030.

We will replace 40% of the fossil fuels in our vehicle fleet with renewable alternatives by 2028.

We will reduce our municipal waste by 50% by 2025.

Progress of the sustainability goals

Our contribution to the Sustainable Development Goals

The Sustainable Development Goals (SDGs) form the global reference framework for sustainable development. The Galenica Group is committed to the SDGs. As Switzerland's leading fully integrated healthcare provider, we make an important contribution to SDG 3 (Health and Well-being). This objective is central to our business activities and is in line with our customer promise to support people at every stage of life on their journey towards health and well-being. We also contribute to SDG 8 (Decent Work and Economic Growth), SDG 12 (Responsible Consumption and Production), SDG 13 (Climate Action), SDG 10 (Reduced Inequalities) and SDG 16 (Peace, Justice and Strong Institutions) through our corporate activities.



Patient safety and health

Patient safety and health are a top priority for us. With personal and competent advice and a unique range of products and 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.



Emissions and climate change

We promote the use of renewable energies in distribution and the use of public transport and electromobility by our employees. We always take measures to increase energy efficiency into account and examine the feasibility of installing photovoltaic systems. In addition, we have defined specific targets for reducing greenhouse gas emissions, replacing fossil fuels and using exclusively renewable energy sources at all operation sites. We also rely on supply chain partnerships in accordance with SDG 17 to promote recycling with regard to the climate, water and waste. With these measures, we are contributing to the fight against climate change.



Waste and recycling

In addition to traditional municipal waste, we also produce medical and chemical waste. The prevention, reduction, recycling and professional disposal of waste is of central importance to us. We also contribute to biodiversity conservation by disposing of medications properly. Environmentally friendly waste management forms the basis for responsible consumption and production.



IT security and cybercrime

With the increasing digitalisation of the healthcare system, the risk of cyber attacks is growing. This is why IT security is highly important at Galenica. As a healthcare provider, we process sensitive information and data. We ensure that they are protected against unauthorised access and unauthorised changes or loss. Protecting IT systems is key to a peaceful and inclusive society as well as strong institutions.



Data protection

Protecting patients and customer data is a top priority for us. We respect and protect the personal data and privacy of patients when processing their data. Our Data Protection Policy contains general rules on the organisation and responsibilities of the Galenica Group with regard to data protection. Data protection is an important basis of a peaceful and inclusive society as well as strong institutions.



Reliable procurement and supply chain

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. Reliable provision of medicines to the population is key to promoting health and well-being.



Employee motivation and development

Our employees play a key role in our success. We consistently promote employee motivation and development by offering our employees attractive and fair employment conditions, modern and flexible working models and various programmes and opportunities for further development. We also support the next generation of qualified employees by training apprentices. Through all these measures, we are supporting sustainable labour and economic growth in Switzerland.



Retention of qualified employees

Retaining qualified employees in the healthcare professions and IT sectors is a major challenge in Switzerland. Our recruitment strategy includes measures to promote the company's image as an employer, positioning and university marketing for pharmaceutical students in order to secure qualified employees. In doing so, we are supporting sustainable labour and economic growth in Switzerland.



Occupational health and safety

The physical and mental health of employees is very important at Galenica. This is why we take all possible precautions to protect the health and safety of all employees in the workplace. We also operate preventive case management in order to identify potential health risks at an early stage and ensure a quick return to work after an illness or accident. We are thus making a significant contribution to the health and well-being of our employees.



Diversity and equal opportunity

We are committed to diversity and equality and bring together people from 89 countries and all age groups. Three-quarters of employees are women. Our Code of Conduct states that we do not tolerate any discrimination or harassment. We also ensure that salaries are equal between men and women. We ensure equal opportunities and are committed to reducing inequalities. In doing this, we also contribute to SDG 5 (Gender Equality).



Corporate Governance

Good and transparent corporate governance is crucial for us to manage the company effectively and efficiently. In addition, corporate governance forms the basis for a peaceful and inclusive society based on equal participation of all people, as well as strong institutions.



Compliance

We attach great importance to conducting our business activities ethical and legal manner. All of our business activities are conducted in accordance with applicable laws, and respect for human rights is non-negotiable for us. This is how we contribute to a peaceful and inclusive society.

Key social figures

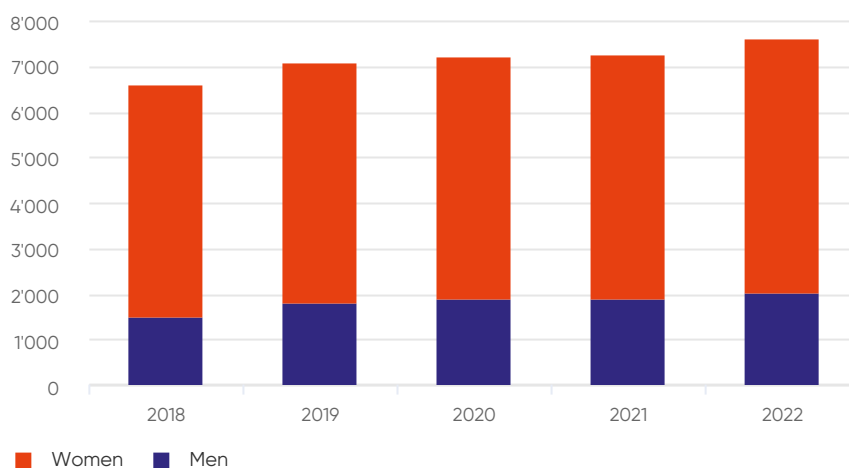
Key figures

Galenica provides key employee figures on employment, occupational health and safety, education and training, diversity and equal opportunities. Other key figures on patient safety and health as well as reliability of procurement and supply are also published.

Employment

Aspect	GRI Indicator	Unit	2022	2021	2020	2019	2018
Employees	102-8	number	7,608	7,239	7,205	7,071	6,580
by gender	102-8						
- women	102-8	number	5,601	5,351	5,308	5,268	5,078
- men	102-8	number	2,007	1,888	1,897	1,803	1,502
part-time (<90%)	102-8	number	4,367	3,058	3,039	2,897	2,603
Employee Turnover	401-1	%	14.4	14.5	10.6	11.4	12.4

Number of Galenica Group employees 2018–2022



Galenica continues to grow

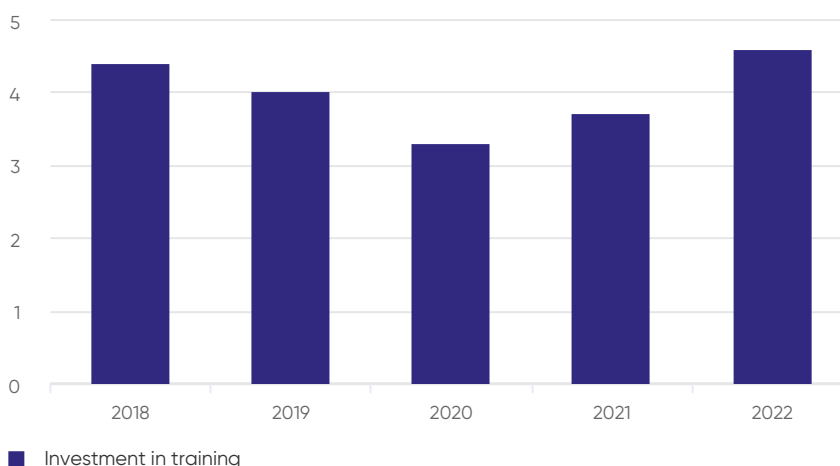
Galenica continued to grow in 2022. At the end of 2022, the Galenica Group had 7,608 employees, an increase of 5% over the previous year. The increase is due to organic growth at the Galenica Group. The proportion of women is around 74% and has remained relatively constant over the past five years. 57% of employees work part time, i.e. with a workload below 90%. The proportion of part-time employees has increased by 45% since 2018. The proportion of managers to all employees has remained unchanged since 2018 at 9%. From 2018 to 2022, the proportion of female managers rose from 51% to 53%. Employee turnover at Galenica was 14.4% in 2022, 0.7% lower than in the previous year.

Training and education

Aspect	Unit	2022	2021	2020	2019	2018
Investment in training	Mio. CHF	4.6	3.7	3.3	4.0	4.4
Apprentices in training	number	838	823	808	841	797
Completed apprenticeships in year under review	number	278	244	274	265	266

Investment in training in CHF million 2018–2022

Data is not included from new companies which have only belonged to the Galenica Group since 2022.



Increasing investment in employee development and the next generation of skilled workers

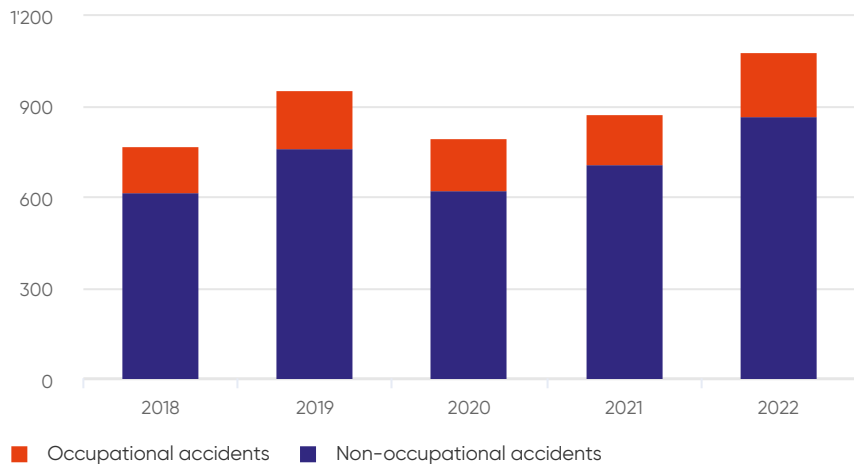
In total, Galenica invested around CHF 4.6 million in employee training in the year under review, around 22% more than in the previous year. In 2022, Galenica trained 838 apprentices at its companies, 278 of whom completed their apprenticeships. Since 2018, the number of apprentices in the Galenica Group has increased by around 5%.

Occupational health and safety

Aspect	GRI Indicator	Unit	2022	2021	2020	2019	2018
Accidents	403-9	number	1,072	871	793	947	766
Occupational accidents	403-9	number	208	163	172	191	153
Absence rate of work-related injuries (accidents)	403-9	%	0.11	0.07			
Non-occupational accidents		number	864	708	621	756	613
Illnesses	403-10						
Cases of illness (long-term, entitled to daily sickness benefits)	403-10	number	409	434	471	508	560
Absence hours due to illness	403-10	number	599,540	539,990	519,883		
Absenteeism rate	403-10	%	4.49	4.85	4.50		
Case Management							
Return to work rate		%	82	75	52	91	37

Number of occupational and non-occupational accidents 2018–2022

Data is not included from new companies which have only belonged to the Galenica Group since 2022.

**Measures to reduce occupational accidents**

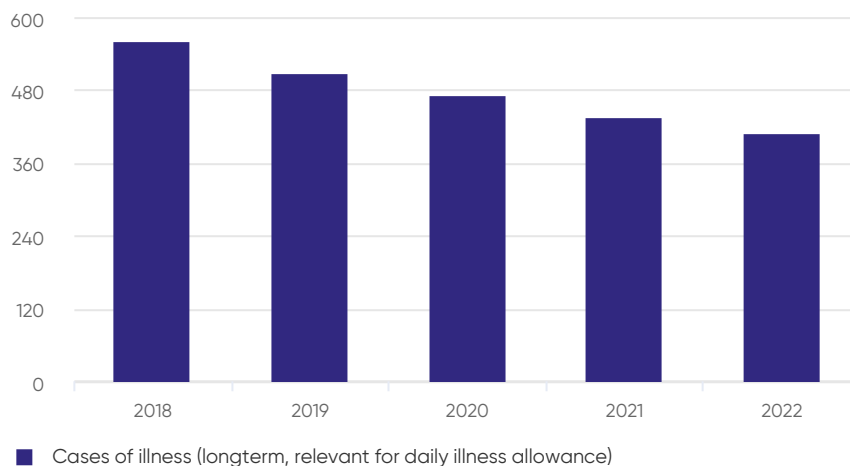
In 2022, Galenica recorded a total of 208 occupational and 864 non-occupational accidents. These figures also include minor accidents, which did not result in an absence of more than three working days. In 2022, minor accidents accounted for more than 60% of all occupational and non-occupational accidents. The number of occupational accidents is 28% up on the previous year and the number of non-occupational accidents has increased by 22%. The relative number of occupational accidents per 100 FTEs increased by 0.7 from 2.9 to 3.6. The increase in occupational accidents is partly due to employees at pharmacies offering more health-related services since 2022. Customer traffic was also up at pharmacies. The current shortage of skilled employees created a greater workload and time pressures. For example, there was a higher incidence of minor and slight injuries to employees involving consumables in the reporting year. Most occupational accidents are minor in nature, but still have to be reported. More awareness-raising measures are planned for 2023 to promote the safe use of consumables and thereby reduce the number of occupational accidents. Over the course of the year, two employees will be trained as safety officers at each pharmacy and be responsible for accident prevention at their respective pharmacy.

The absence rate for occupational and non-occupational accidents was around 0.51% in the reporting year and remained relatively constant compared to the previous year. At the logistics companies Galaxis and Alloga, the number of occupational accidents and days lost fell by more than 30% in total. This reduction may possibly be due to the introduction of the accident barometer at the Niederbipp and Lausanne-Ecublens sites.

With a view to reducing occupational accidents, Galenica is introducing a systematic absence management system to the Pharmacies sector in 2023. Galenica is also planning to set up an outdoor gym area in collaboration with SUVA in 2023, as well as the accident barometer at Alloga.

Number of cases of illness 2018–2022

Data is not included from new companies which have only belonged to the Galenica Group since 2022.

**Reduction in cases of illness since 2018**

At the end of the reporting year 2022, Galenica recorded 409 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. Between 2018 and 2022, the number of cases of illness fell by 27%.

In 2020, Galenica recorded the absences of all employees for the first time. In 2022, the Galenica Group recorded a total of 599,540 hours of absence, an increase of 11% compared to the previous year. Compared to the target hours, this results in an absence rate of around 4% for the reporting year. The absence rate has thus increased by 7% compared to the previous year.

In 2022, Galenica Case Management provided assistance to 97 employees at risk of illness or who had already fallen ill, thus helping to prevent or reduce absences where possible. Out of 84 closed cases in 2022, 69 employees were able to return to work thanks to Case Management. This corresponds to a return rate of around 82%, which corresponds to an increase of around 9% compared to the previous year.

Patient safety and health

Aspect	Unit	2022	2021	2020	2019	2018
Pharmacovigilance: forwarding of reports of side effects						
- compliance with deadline for forwarding a report of side effects	%	98	92	97	98	99
Reliable procurement and supply chain						
Availability of medicinal products on average	%	99.0	99.6			

Employees adhering to pharmacovigilance

In 2022, Verfora employees met the deadline for forwarding adverse event reports in 98% (target: >90%) of cases.

Employee data

The key figures on the number of employees cover all companies of the Galenica Group in which a majority stake is held. The other key employee figures only include those companies that are fully integrated into the Galenica Group HR system. The HR integration of new companies which have only belonged to Galenica since 2022 will take place at a later date. Due to systemic challenges, full HR integration may take some time, depending on the size of the company.

Key environmental figures

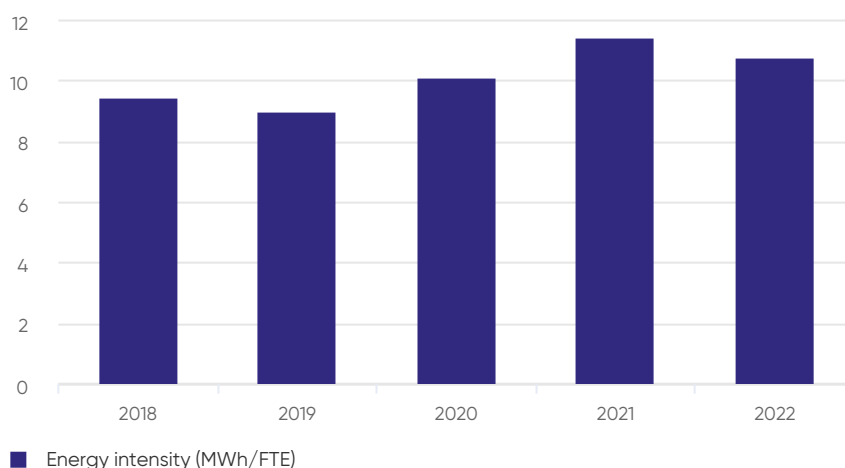
Key figures

Galenica discloses key figures on energy consumption, greenhouse gas emissions, waste generated and water intake.

Energy consumption

Aspect	GRI Indicator	Unit	2022	2021	2020	2019	2018
Energy consumption (within and outside of the organisation)	302-1	GJ	205,734	228,373	208,209	180,335	177,505
Energy consumption within the organisation	302-1	GJ	159,065	169,467	151,154	127,808	128,568
- non-renewable sources (heating oil, natural gas, diesel, petrol)	302-1	GJ	85,416	96,757	78,115	61,002	62,314
- renewable sources (hydropower, solar energy)	302-1	GJ	73,649	72,710	90,078	66,732	67,492
Electricity consumption within the organisation	302-1	GJ	88,503	88,513	88,577	83,523	83,266
Heat energy consumption within the organisation	302-1	GJ	24,775	22,418	25,251	15,324	15,097
Energy consumption outside of the organization	302-2						
- downstream transport and distribution	302-2	GJ	46,669	58,906	57,054	52,527	48,937
Energy intensity	302-3	MWh/FTE	10.77	11.43	10.12	9.00	9.46

Energy intensity 2018–2022 (MWh/FTE)



Data is not included from companies which have only belonged to Galenica since 2022, nor is the heating-related consumption of Careproduct, Verfora and Galaxis Ärzteservice. The fuel consumption of the Group's own vehicles has been included since 2021, as has heating-related consumption at the Galenica Group's headquarters. Heating-related consumption at the Sunstore and Amavita pharmacies, ApoDoc and Lifestage Solutions has been included since 2022.

Reduction in energy consumption per full-time equivalent

In 2022, the Galenica Group's total energy consumption – both within and outside the organisation – amounted to 61,709 MWh (222,154 GJ). The decline of 2% compared to the previous year is due to the energy-saving measures introduced by the task force and reduced fuel consumption. Total energy consumption (in MWh) per full-time equivalent fell by 6%. Compared to the previous year, the intensity of energy consumption in 2022 decreased by 7% in relation to Group net sales. Absolute energy consumption at the Galenica Group has increased by 28% since 2018 as a result of growth and the expansion of the data basis. Energy consumption outside the organisation includes the fuel used by contract drivers. 44% of energy consumption within the organisation comes from renewable energy sources such as hydropower and photovoltaics and around 56% from non-renewable sources such as heating oil, natural gas, diesel and petrol.

Electricity and fuels as the main energy sources

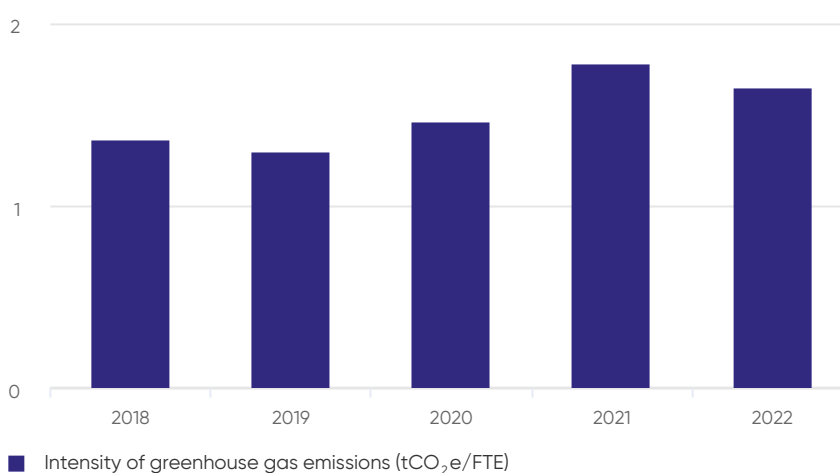
Electricity and fuels are the main energy sources used by Galenica. Electricity accounts for 40% of total energy consumption inside and outside the organisation. In 2022, electricity consumption amounted to 24,518 MWh. All operational and administrative sites of the Galenica Group obtain electricity from hydropower and photovoltaics. There is only very limited scope to influence the choice of energy source for electricity at pharmacy sales premises, as practically all premises are rented.

43% of the energy used in 2022 came from fuels. Around half of this fuel consumption is attributable to the Group companies' own delivery and service vehicles, and the other half to contract drivers. The fuel consumption of the Group's own fleet of delivery vehicles fell by 22% in 2022. Fuel consumption by third-party vehicles decreased by 2% compared to 2021. Galenica covers the remaining 17% or so of its energy requirements with fossil-fuel-based heating oil and natural gas. Heating-related consumption at pharmacies was first recorded in 2022, so absolute heating-related consumption increased by around 29% compared to the previous year.

CO₂ emissions

Aspect	GRI Indicator	Unit	2022	2021	2020	2019	2018
Direct and indirect GHG emissions	305	tCO ₂ e	10,052	11,828	10,207	8,785	8,620
Direct (Scope 1) GHG emissions: fuels and combustibles	305-1	tCO ₂ e	4,895	5,708	4,262	3,047	3,117
Indirect (Scope 2) GHG emissions: purchased electricity	305-2	tCO ₂ e	1,686	1,738	1,702	1,831	1,863
Other indirect (Scope 3) GHG emissions: downstream transport and distribution	305-3	tCO ₂ e	3,471	4,381	4,244	3,907	3,640
Intensity of GHG emissions	305-4	tCO ₂ e/FTE	1.98	2.13	1.76	1.56	1.64

Intensity of greenhouse gas emissions 2018–2022
(tCO₂e/FTE)



Data is not included from companies which have only belonged to Galenica since 2022, nor is the heating-related consumption of Careproduct, Verfora and Galexis Ärzteservice. The fuel consumption of the Group's own vehicles has been included since 2021, as has heating-related consumption at the Galenica Group's headquarters. Heating-related consumption at the Sunstore and Amavita pharmacies, ApoDoc and Lifestage Solutions has been included since 2022. Scope 3 includes the CO₂ emissions of contract drivers used by Galexis, Alloga and Pharmapool.

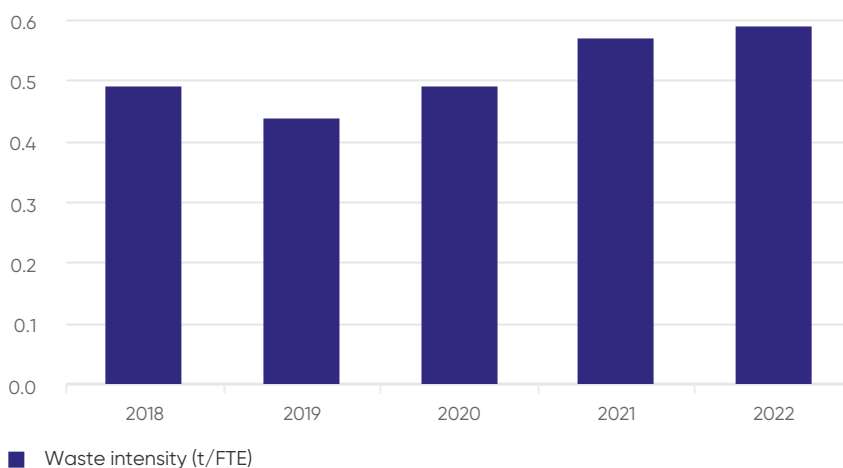
Reduction in greenhouse gas emissions

In 2022, the Galenica Group's emissions amounted to 11,346 tonnes of CO₂ equivalents (tCO₂e), which is a decrease of 4% compared to the previous year. The decrease is mainly attributable to reduced fuel consumption and the energy-saving measures introduced by the task force. Emissions per full-time equivalent are 7% lower than in 2021. The intensity of CO₂ emissions in relation to Group net sales in 2022 decreased by 8% compared to the previous year. Compared to 2018, absolute emissions increased by 36% as a result of the growth of the Galenica Group and the expansion of underlying data. The transport of goods by Galenica's own delivery vehicles and contract drivers is the main cause of direct and indirect CO₂ emissions. As a result, 7,157 tCO₂e were released in 2022, corresponding to around 52% of Galenica's total CO₂ emissions.

Waste and Recycling

Aspect	GRI Indicator	Unit	2022	2020	2020	2019	2018
Total weight of waste generated	306-3	t	3,228	3,163	2,703	2,400	2,496
by type:	306-3						
- non-hazardous waste	306-3	t	2,842	2,642	2,368	2,111	2,186
- hazardous waste	306-3	t	386	521	335	289	310
by disposal method:	306-5						
- incineration	306-5	t	1,494	1,274	986	943	1,066
- hazardous waste incineration	306-5	t	386	521	335	289	310
- recycling	306-5	t	1,348	1,368	1,382	1,168	1,120

Waste intensity 2018–2022
(t/FTE)



Data is not included from Verfora and HCI Solutions in Geneva. Data from Careproduct, Lifestage Solutions, Spagyros and Galenica's headquarters has been included since 2022.

Almost half of waste is recycled

In 2022, the total weight of waste at the Galenica Group amounted to 3,377 tonnes, an increase of 7%. This increase is mainly due to the widening of the data base. The weight of waste per full-time equivalent has increased by 3% compared to 2021. 88% of total waste was non-hazardous (mainly refuse from operations, cardboard, paper and plastics), while the remaining 12% was classified as hazardous waste (mainly medicines). 43% of waste was recycled, 45% was incinerated and 12% destroyed at a specialist facility for hazardous waste.

Water

Aspect	GRI Indicator	Unit	2022	2021
Water withdrawal	303-1	m ³	976,438	1,074,854
- municipal water supply	303-1	m ³	53,534	45,235
- groundwater	303-1	m ³	922,904	1,029,619

Data is included from Mediservice, Bichsel, Alloga and Galexis and also, since 2022, data from pharmacies, Lifestage Solutions and Pharmapool.

Water

The Galenica Group's water intake amounted to 979,731 m³ in 2022, with 6% coming from municipal water supplies and 94% from groundwater. Groundwater is not consumed, but fed back into the groundwater flow. Alloga, Galexis and Unione use groundwater for the heating and cooling circuit, either extracting heat or using it for cooling. Water also plays a key role in Bichsel's production processes. Data on water intake was reported for the first time in 2021.

Data on environmental impact

As a rule, the key environmental figures cover all companies of the Galenica Group. This does not include the environmental data from companies where a minority stake is held, nor new companies like Aquantic, which have only been part of Galenica since 2022. However, this data from new companies is to be collected from 2023.

Data on electricity consumption and municipal waste is available for the Amavita and Sun Store pharmacies as well as ApoDoc. The data on electricity consumption and municipal waste for the Amavita and Sun Store pharmacies as well as ApoDoc are extrapolations based on a representative sample totalling 20 pharmacies. 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 is calculated based on electricity costs in the year under review and the average electricity prices per region according to the Federal Electricity Commission (ElCom). Since 2022, heating-related consumption for the Amavita and Sun Store pharmacies has also been calculated based on a representative sample. Estimates based on costs are also only available for heating-related consumption at the Geneva site of HCI Solutions and ApoDoc.

As Galenica is continuously optimising its environmental indicator system and is gradually expanding its system limits (due to the primarily inorganic growth of the company), data can only be compared to a limited extent from year to year. Also, the key environmental figures from Coop Vitality were retroactively excluded for previous years as these are factored in for Coop at 100%.

The CO₂ emissions caused by energy consumption are calculated using scientific emission factors (Swiss greenhouse gas inventory of the Federal Office for the Environment). The calculated CO₂ emissions refer to direct and indirect energy-related emission sources. According to the Greenhouse Gas Protocol, direct sources of emissions include the

production of heat for buildings and the operation of the vehicle fleet (= Scope 1). The largest indirect sources of emissions are the production of purchased electricity (= Scope 2) and the logistics services of contract drivers (= Scope 3).

GRI-Report

General disclosures and material topics

GRI Report

General information on the Galenica Group in accordance with GRI 2 and information on determining the material topics in accordance with GRI 3-1 and 3-2 are published here. This includes information about the organisation, activities and employees, governance, strategy, guidelines and procedures, as well as stakeholder engagement.

GRI 2, GRI 3-1, GRI 3-2

Galenica is publishing its combined 2022 Annual and Sustainability Report in accordance with the GRI Standards 2021. The GRI Content Index, which lists each of the GRI Standards applied and all of the information contained in the report, is available [here](#).

The organisation and its reporting practices

GRI 2-1

Organisation details

a. Name of organisation: Galenica Ltd.

b. Ownership structure and legal form: Galenica is a corporation under Swiss law and, as a holding company, owns all the companies in the Galenica Group directly or indirectly.

c. Organisation headquarters

Galenica Ltd.
Untermattweg 8
CH-3027 Bern

d. Business premises: the Galenica Group operates almost exclusively in Switzerland.

GRI 2-2

Entities included in the organisation's sustainability reporting

a.-c. The entities included in the combined Annual and Sustainability Report are listed in the Financial Report. The Financial Report also explains the approach for consolidating financial information. Entities included in the key non-financial figures are explained in each case in the key social figures and key environmental figures sections.

GRI 2-3

Reporting period, frequency and contact point

a.-b. The reporting period covers 1 January 2022 to 31 December 2022. The combined Annual and Sustainability Report is published annually.

c. The combined Annual and Sustainability Report 2021 was published on 8 March 2022. The Half-Year report 2022 was published on 9 August 2022.

d. Contact point for questions about the report:

Investor Relations: Felix Burkhard, CFO

Media Relations: Christina Hertig, Head of Corporate Communications

GRI 2-4

Correction or restatements of information

a. In 2022, the Sustainability Committee adjusted some of the sustainability goals. This was approved by the Executive Committee and the Board of Directors at the end of 2022 (see Progress with goals). Furthermore, there were no significant changes to information compared to the previous year.

GRI 2-5

External assurance

a. The Sustainability Report 2022 has not been audited externally.

Activities and workers

GRI 2-6

Activities, value chain and other business relationships

a.-d. 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, health insurance funds and pharmaceutical companies.

Galenica is the leading fully integrated healthcare provider in Switzerland. The business activities of the Galenica Group comprise two segments. The Products & Care segment consists of the Service Units Pharmacies, Healthcare and Products & Marketing. They develop and market health services and products via various channels – in pharmacy stores, online and at home – to private customers and patients as well as to business customers and partners. The Logistics & IT segment consists of the Service Units Wholesale & Logistics and IT & Digital Services. They develop and operate the logistics, IT and digital infrastructure and digital platforms for the entire Galenica Group and for customers and partners in the healthcare industry. More information on activities, brands, products and services can be found in the [Management Report](#) and on the [Galenica website](#).

The Galenica Group value chain comprises production, packaging, logistics, marketing and information, retail trade and medication use. A description of the value chain and the economic, social and environmental impact of the Galenica Group can be found [here](#).

The following significant organisational and supply chain changes took place at Galenica in 2022. Together with Medicall, Galenica founded the joint venture Emeda to provide medical and pharmaceutical care to retirement and nursing homes in Switzerland. The Emeda team consists of mobile doctors who specialise in outpatient geriatric medical care for residents of nursing homes. In order to ensure that the training and development of employees in pharmacies and the health advice they provide remains at a high level and continues to advance, Galenica has expanded its existing partnership and acquired a 50% stake in Medinform Ltd. as of 5 July 2022. In addition, Galenica acquired 100% of the shares in Aquantic Ltd., a Swiss software development and consulting firm. In doing so, Galenica is building its digital B2B offering and increasing both efficiency and quality in healthcare for its partners and patients. Another addition is Bahnhof Apotheke Langnau Ltd. and thus also Cannaplant, the leading provider of formulations for medical cannabis preparations. This enables Galenica to offer many patients and their doctors valuable treatments. Galenica also invested in the digital healthcare platform Well, which gives patients easy access to a growing network of service providers. As of 20 September 2022, Galenica sold its subsidiary Careproduct because, contrary to expectations, the Careproduct offering has not been optimally integrated into the Galenica strategy. In 2022, four pharmacies were acquired and three new locations were opened. At the same time, seven locations were closed as part of optimisation measures. At the end of 2022, Galenica's own pharmacy network comprised a total of 368 pharmacies (+/-0). There were no significant changes in the reporting year with regard to the shareholding structure and locations of suppliers. More information can be found in the [Financial Report](#) and [Corporate Governance Report](#).

GRI 2-7 Employees

Employees	Unit	2022
by gender		
- women	number	5,601
- men	number	2,007
by degree of employment		
- full-time	number	3,241
- full-time (women)	%	67.8
- part-time (<90%)	number	4,367
- non-guaranteed hours	number	266
- non-guaranteed hours (women)	%	66.9

a.-d. As of the end of 2022, Galenica employed 7,608 people. All employees work in Switzerland, which we regard as one region. Galenica discloses information on its staff and other employees under its [key social figures](#). The data is exported and consolidated from the various personnel management systems. The workforce of the Galenica Group does not undergo significant seasonal fluctuations.

GRI 2-8 Workers who are not employed

a.-c. In addition to the Group's own employees, temporary employees are used as required and paid at an hourly rate, particularly in operational and warehousing roles. 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.

Governance

GRI 2-9 Governance structure and composition

a.-c. The Executive Committee and the Board of Directors with its committees are presented in the [Corporate Governance Report](#). Additional information on the governance structure and composition can be found in the organisational regulations and the Annual Report. The Board of Directors has ultimate responsibility for economic, environmental and social topics. Other central bodies are the Governance, Nomination and Sustainability Committee of the Board of Directors, the Executive Committee and the Interdisciplinary Sustainability Committee. You can find more information about the sustainability organisation [here](#).

GRI 2-10**Nomination and selection of the highest governance body**

a.-b. The nomination and selection procedure for the highest governance body is described in the articles of association, the [organisational regulations](#) and the [Corporate Governance Report](#).

GRI 2-11**Chair of the highest governance body**

a. The entire Board of Directors, including the Chair of the Board of Directors, is independent and does not play an operational role in the company.

GRI 2-12**Role of the highest governance body in overseeing and managing impacts**

a.-c. The role of the highest governance body in overseeing and managing impacts is described in the [Corporate Governance Report](#).

GRI 2-13**Delegation of responsibility for managing impacts**

a.-b. Information on the delegation of responsibility for managing impacts can be found in the [Corporate Governance Report](#), the Annual Report, the articles of association and the [organisational regulations](#).

GRI 2-14**Role of the highest governance body in sustainability reporting**

a.-b. The Board of Directors reviews and approves the combined annual and sustainability report. In addition, the Board of Directors acknowledged the updated relevance matrix in 2021.

GRI 2-15**Conflicts of interest**

a.-b. Information regarding conflicts of interest can be found in the articles of association, the [organisational regulations](#), the [Code of Conduct](#) and the Annual Report. The other activities and vested interests of the Board of Directors and the Executive Committee are disclosed in the [Corporate Governance Report](#). No conflicts of interest were identified and/or disclosed in the reporting year.

GRI 2-16**Communication of critical concerns**

a.-b. This information is confidential and is not communicated externally by Galenica.

GRI 2-17**Collective knowledge of the highest governance body**

a. The members of the Board of Directors are regularly provided with written and oral information on sustainability topics to strengthen their collective knowledge about sustainable developments.

GRI 2-18

Evaluation of the performance of the highest governance body

a.-c. Please refer to the [Corporate Governance Report](#) for information on the evaluation of the performance of the highest governance body.

GRI 2-19

Remuneration policies

a.-b. Information about remuneration policies is disclosed in the [articles of association](#), the organisational regulations, and the [Remuneration Report](#).

GRI 2-20

Process to determine remuneration

a.-b. In Switzerland, the Annual General Meeting is required by law to vote on the principles of remuneration procedures for listed companies. This was the case with Galenica 2018. Each year, the Annual General Meeting votes on the approval of remuneration. All voting results are published in the minutes of the Annual General Meeting. Further information on the process to determine remuneration can be found in the [articles of association](#), the organisational regulations and the [Remuneration Report](#).

GRI 2-21

Annual total compensation ratio

a.-c. This information is confidential and is not communicated externally by Galenica.

Strategy, policies and practices

GRI 2-22

Statement on sustainable development strategy

a. Sustainability is an integral part of Galenica's corporate management. Galenica is convinced that it can only achieve long-term economic success if it bears social responsibility and uses natural resources in a respectful and efficient manner. The relevance of sustainability to Galenica is explained in the [Foreword](#) to the Annual Report by Chair of the Board of Directors Daniela Bosshardt and CEO Marc Werner.

GRI 2-23

Declaration of commitment to principles and practices

a.-f. 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. The Code of Conduct of the Galenica Group defines the ethical rules and standards that must be followed by all employees. It must be signed by all employees upon taking up employment as part of the employee manual. The Code addresses critical circumstances such as bribery, insider trading or discrimination and provides instructions for action. 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.

The precautionary principle is anchored in the sustainability principles of the Galenica Group: “the respectful and efficient use of resources and reduction of negative environmental impacts.”

Galenica aims to minimise greenhouse gas emissions, reduce waste and dispose of it safely. Galenica has defined specific [environmental targets](#) in order to achieve these ambitions.

GRI 2-24

Embedding policy commitments

a. Information on integrating the economic, ecological and social commitments can be found [here](#). In 2023, Galenica plans to integrate the topic of sustainability even more systematically at the strategic level and in its internal structures, processes and business activities.

GRI 2-25

Process to remediate negative impacts

a.-e. Galenica has an external [Whistleblower Reporting Office](#). This offers all employees and business partners the opportunity to anonymously report suspected breaches of the rules. Suspected breaches of the rules by employees indicate potential for improvement and possible misconduct. All reports are investigated.

GRI 2-26

Mechanisms for seeking advice and raising concerns

a. Internal and external stakeholders may raise concerns through the external Whistleblower Reporting Office. Reports of violations of the [Code of Conduct](#) must also be sent to line managers and/or the Head of the Group's Legal Department. 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 Service Unit Human Resources (HR), 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.

GRI 2-27

Compliance with laws and regulations

a.-d. All companies of the Galenica Group continued to operate in compliance with the law in 2022: there were no fines or monetary sanctions resulting from non-compliance with legislation and/or regulations. For more information, please refer to the [Corporate Governance Report](#).

GRI 2-28

Memberships in associations and interest groups

ASSGP, Association of the Swiss Self-Medication Industry

Blistersuisse

GESKES, Society for Clinical Nutrition in Switzerland

GSASA, Swiss Association of Public Health Administration and Hospital Pharmacists

Helvecura Genossenschaft, compulsory storage organisation for therapeutic products

Refdata, Refdata Foundation

Avenir Suisse

Medswiss.net Trägerverein, Swiss Umbrella Association of Physician Networks

pharmalog, Swiss Pharma Logistics Association

pharmaSuisse, Swiss Association of Pharmacists

ScienceIndustries, Business Association for Chemistry-Pharma-Biotech

Swiss Medtech, Swiss Medical Technology Association

GFH Healthcare Retailers Association

VIPS, Association of Pharmaceutical Companies in Switzerland

VSVA, Association of Swiss Mail-order Pharmacies

Association QualiCCare, Association for the Improvement of Quality in Treatment of Chronic Diseases in Switzerland

ASTAG, Swiss Commercial Vehicle Association

Freedom Healthcare Alliance

GIRP, European Healthcare Distribution Association

HIV, Trade and Industry Association of the canton of Bern

eHealth Interest Group

SGGP, Swiss Society for Health Policy

SMVO, Swiss Medicine Verification Organisation

SVKH, Swiss Association for Therapeutic Products in Complementary Medicine

Swishholdings, Association of Industrial and Service Groups in Switzerland

VNL Schweiz, Verein Netzwerk Logistik e.V., Logistics Network Association

Stakeholder engagement

GRI 2-29

Approach to stakeholder engagement

a. The stakeholders of the Galenica Group include interest groups and organisations that directly or indirectly affect – or are affected by – the company's values, actions and performance. Galenica maintains relationships with its direct stakeholders – customers, shareholders, suppliers, scientific institutions, current and potential employees, authorities, non-governmental organisations and others – that are characterised by transparency, honesty and mutual respect. Its customers include patients, pharmacies, drugstores, physicians, hospitals, care homes, health insurance funds and pharmaceutical companies. In order to measure customer satisfaction and potential for improvement, Galenica relies on internal performance indicators as well as the results of independent target group surveys. Based on the insights gained, Galenica wants to continuously improve the customer experience and offer customers added value with new measures and offerings.

Our relations with our various suppliers are characterised by a continuous improvement process as part of quality management in all Service and Business Units. Quality, costs and prices, as well as potential innovations, are regularly discussed with suppliers and business partners. Such interactions create transparency and help to ensure that services are provided as smoothly as possible.

In 2021, Galenica held meetings with representatives of external stakeholders for the first time to review the relevance of sustainability issues and assess the impact of Galenica's business activities on the social, environmental and economic environment. More information on the materiality process can be found under [Sustainability at Galenica](#).

GRI 2-30

Collective bargaining agreements

a. None of the Galenica Group's employees are subject to a collective bargaining agreement. Galenica offers all employees fair and attractive employment conditions. More detailed information on employment conditions can be found in the employees section and on the Galenica website.

Material topics

GRI 3-1

Process to determine material topics

a.-b. The Sustainability Committee has identified the environmental, social and economic sustainability topics related to the business model of the Galenica Group. In 2021, Galenica reviewed the relevance of the topics as part of a materiality process and defined the social, environmental and economic impact of Galenica's business activities. Based on an online survey, internal and external stakeholders evaluated the topics according to their relevance and impact. Interviews were also held with representatives of all external stakeholders to discuss the evaluations. This resulted in the updated [relevance matrix](#). The Executive Committee and the Board of Directors have taken note of the updated relevance matrix and have classified all topics as material. These also form the core of sustainability reporting.

In determining the content of sustainability reporting, Galenica has taken all four reporting principles into account: stakeholder engagement, sustainability context, materiality and completeness. More information can be found under [Sustainability at Galenica](#).

GRI 3-2

List of material topics

a. The [relevance matrix](#) shows all material topics.

b. Changes in reporting: in the 2022 Sustainability Report, there were no significant changes to the list of material topics or the delimitation of topics compared to the previous year.

Economic performance and compliance

GRI Report

Economic performance forms the basis for the long-term and sustainable business development of the Galenica Group. Galenica attaches great importance to conducting its business activities in an ethical and legal manner.



GRI 201

Economic performance

GRI 3-3

Management of material topics

As Switzerland's leading fully integrated healthcare provider, 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.

Galenica strategy

Galenica is the leading fully integrated healthcare provider in Switzerland and plays a key role in the Swiss healthcare market. Galenica intends to expand its market position and services sustainably and successfully and further develop its core areas of expertise. Vision, values and customer promises describe what drives Galenica, how it works and what it offers. The strategic programmes define what the Galenica Group aims to achieve and how. You can find the entire Galenica strategy [here](#).

Sustainability principles

The [Sustainability principles](#) reflect Galenica's belief that it can only achieve long-term economic success if it bears responsibility both for society and for the environment.

Corporate governance

Good, transparent corporate governance is crucial to managing the Galenica Group effectively and efficiently. Further information on the corporate governance of the Galenica Group can be found in the [Corporate Governance Report](#).

Evaluation of the management approach and measures

- Board of Directors: the Board of Directors is responsible for the topic of sustainability. The Board of Directors approves the sustainability targets proposed by the Executive Committee and monitors their implementation.
- 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 and 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 its subsidiaries on an annual basis.
- Strategy Committee: the Strategy Committee of the Board of Directors monitors the implementation of the Galenica strategy.
- 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.

GRI 201-1

Direct economic value generated and distributed

Galenica discloses information on direct economic value generated and distributed in the [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.

Objectives

Galenica has defined the following objective:

- We train all employees in compliance at least once a year.

You can find an overview of all sustainability goals and the progress made [here](#).

GRI 419: Socioeconomic compliance, GRI 205: Anti-corruption, GRI 206: Anti-competitive behaviour Compliance

GRI 3-3**Management of material topics**

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. For Galenica, this means, for example, compliance with its own Code of Conduct, therapeutic products, health insurance, employment, antitrust, tax and criminal law as well as respect for human rights in all business activities. As Switzerland's leading fully integrated healthcare provider, combating corruption and anti-competitive behaviour are key topics for Galenica. Furthermore, Galenica ensures that its business partners and suppliers also comply with international and national laws and standards as well as human rights. Respect for human rights and other legislation is central to sustainable development, peace, security and prosperity.

Responsibilities

The Legal Department of the Galenica Group supports the Service Units and companies in interpreting and applying the legislation correctly. It also ensures that new statutory provisions are implemented in the company. Current challenges for Galenica relate to the implementation of the new provisions of the revised Therapeutic Products Act (TPA) and the forthcoming amendment to the Swiss Data Protection Act (nFADP).

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

The Service Unit Pharmacies also has its own specific Code of Conduct. As a binding internal operating procedure, it serves to ensure that pharmacists have pharmaceutical independence at all times and therefore always give priority to the health and wishes of patients. The Code also sets out how employees must behave towards third parties and which advertising measures are permissible.

Supplier Code of Conduct

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. The [Code of Conduct](#) applies to suppliers, service providers and consultants of the Galenica Group. It covers issues relating to ethics, employment law, health, safety, quality and the

environment. Purchasing department employees receive training covering the content of the Code of Conduct. In addition, the Legal Department is always involved in important Group-wide contracts. It also regularly reviews the contract templates of the Galenica Group to check for compliance risks.

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 GDP requirements every two years.

The process management systems of Galexis and the companies in the Service Unit Pharmacies 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. Compliance with internal and external standards is monitored by means of regular quality audits, inspections by cantonal pharmacists and test purchases. The QMS at the specialty pharmacy Mediservice fulfils a broad scope of requirements because of the pharmacy's wide range of tasks.

Anti-Corruption Policy and Whistleblower Reporting Office

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 supplements the Group Code of Conduct and the Supplier Code of Conduct and applies to all employees.

Galenica also has an external [Whistleblower Reporting Office](#). This offers all employees and business partners the opportunity to anonymously report suspected breaches of the rules.

Compliance programme

The Galenica Group compliance programme includes a clear commitment to comply with legislation and guidelines and to behave with integrity. The programme describes the Galenica Group's approach to compliance within the three areas of prevention, discovery and reaction and acts as a framework for all central compliance measures and processes.

Regular training

Galenica employees receive regular training on key compliance topics such as anti-corruption measures, the Code of Conduct and antitrust law. A web-based tool is one of the methods used for this.

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.

GRI 419-1

Non-compliance with laws and regulations in the social and economic area

All Galenica Group companies continued to operate in compliance with the law in 2022. There were no fines or monetary sanctions resulting from non-compliance with legislation and/or regulations.

GRI 205-3

Confirmed incidents of corruption and actions taken

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

GRI 206-1

Legal actions for anti-competitive behaviour, anti-trust and monopoly practices

COMCO fine referred with appeals

On 20 March 2017, the Swiss Competition Commission (COMCO) issued a ruling against HCI Solutions imposing a fine of CHF 4.5 million. This relates to an investigation carried out in 2012 in which the main allegations could not be substantiated. Of the six allegations investigated, only two subordinate issues remained open. Galenica and HCI Solutions regard the ruling issued by COMCO in relation to these remaining issues as legally and factually incorrect. HCI Solutions therefore referred the decision to the Federal Administrative Court on 4 May 2017. In a decision issued in February 2022, the Federal Administrative Court reduced the fine to just under CHF 3.8 million and granted HCI Solutions reduced party costs. HCI Solutions filed a complaint with the Federal Supreme Court in March 2022.

In 2006, the Competition Commission opened an investigation against three manufacturers of impotence treatments as well as against e-mediat AG, (currently: HCI Solutions Ltd.), Galexis AG and Unione Farmaceutica Distribuzione SA among others. In the first instance, the manufacturers were sanctioned with fines for vertical price agreements based on the price recommendations they issued. Although no

sanctions were imposed on the legal entities of the Galenica Group, HCI Solutions Ltd., Galexis Ltd. and Unione Farmaceutica Distribuzione SA referred the decision to the Federal Administrative Court because they were found to have aided and abetted the unlawful competition agreements without providing any further justification. In its decision of 8 December 2021, the Federal Supreme Court ruled in favour of the Galenica Group companies. The decision of the COMCO was overturned in the final instance insofar as it affected HCI Solutions Ltd., Galexis Ltd. and Unione Farmaceutica Distribuzione Ltd.

Emissions and climate change, waste and recycling

GRI Report

The business activities of the Galenica Group have various impacts on the environment and climate. Galenica makes every effort to use natural resources efficiently and respectfully, to reduce negative environmental impacts and to dispose of waste safely.



GRI 302: Energy, GRI 305: Emissions and climate change

GRI 3-3 Management of material topics

In order to provide their services, Galenica Group companies consume renewable as well as non-renewable resources. These processes generate gaseous, liquid and solid waste products as well as greenhouse gases. Electricity and fuels are the main energy sources used by Galenica. Electricity accounts for 40% of total energy consumption. Transport is the main cause of direct and indirect greenhouse gas emissions at Galenica and is responsible for other pollutant emissions. Greenhouse gases in the atmosphere are primarily responsible for global warming and climate change, with serious consequences for humans, animals and the environment. Galenica

therefore attempts to use resources as efficiently as possible, on the basis of economically viable measures, and to reduce the resulting environmental impact as much as possible.

Objectives

Galenica has defined the following objectives:

- From 2025, we will be sourcing 100% of our electricity from renewable sources at all our locations (base year: 2021).
- We will reduce the greenhouse gas emissions produced by all our operations, processes and supply chains by 25% by 2025 and by 50% by 2030 (base year: 2021).
- We will replace 40% of the fossil fuels in our vehicle fleet with renewable alternatives by 2028 (base year: 2021).

Galenica also intends to establish supply chain partnerships to promote circularity with regard to the climate, water and waste.

You can find an overview of all sustainability goals and the progress made [here](#).

Binding targets agreed with the FOEN

In order to reduce CO₂ intensity and increase energy efficiency, the Alloga sites in Burgdorf, Galexis sites in Lausanne-Ecublens and Niederbipp, and the Bichsel Group agreed on binding targets with the Federal Office for the Environment (FOEN). In return for their 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 targets are agreed individually based on each site's potential. Galenica is working with the Energy Agency for Industry (EnAW) to define an efficiency path with various commercially viable measures. As part of the targets agreed with the FOEN, for example, Alloga put a new groundwater heat pump into operation at the beginning of 2022.

Reduce fuel consumption

In order to reduce fuel consumption, pre-wholesale and wholesale companies regularly review and 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) for all Group companies and the initiation of joint pilot projects for the use of delivery vehicles with alternative drive systems. At the same time, since 2020 Galexis has been converting its own delivery fleet and introducing more efficient vehicles with a higher load capacity to avoid multiple journeys when large loads are being delivered. External contract drivers are contractually obliged to use only vehicles that meet the Euro V standard or higher. All drivers from Galexis, UFD, Pharmapool, Bichsel and Alloga regularly attend mandatory driver safety training, which aims to teach them an environmentally friendly, fuel-efficient driving style, among other things. Galenica also pursues and supports sustainability initiatives for logistics companies through associations (such as GS1) and in cooperation with public authorities.

Environmental Code of Conduct and mobility concept

The Environmental Code of Conduct 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. Galexis 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. Today, around 12% of company vehicles have electric or hybrid drive systems.

Starting to implement renewable energies in distribution

Galenica wants to promote the use of renewable energies in distribution logistics and has adopted a memorandum of understanding to this effect as part of its distribution strategy. The first vehicle powered by biogas has been in successful use at Galaxis since 2021 and a second vehicle was also put into operation at the beginning of 2022. In addition, Galaxis carried out initial test drives with an electric vehicle for the local distribution of goods and products. From 2023, Galaxis will be putting its first own electric delivery vehicle into operation as a test. In addition, two additional electric delivery vehicles will be in operation via third parties. Charging times remain a major challenge, which means that vehicles are only used up to 50% of their capacity and are therefore inefficient from an economic point of view. Galenica sees great potential in hydrogen technology for lorries and is therefore in the process of identifying the specific steps that need to be taken to implement hydrogen technology in logistics. Discussions have been held with a logistics service provider that already operates several hydrogen-powered lorries in Switzerland about a pilot test with a view to putting them into operation as internal goods transport. A major challenge here is the requirement for temperature-controlled transport in accordance with GDP guidelines, as the air-conditioning system consumes a lot of energy.

Focus on increasing energy efficiency during renovations

When carrying out renovations, Galenica always takes into account measures to improve energy efficiency and looks into the feasibility of installing photovoltaic systems. During the renovation of the Galaxis distribution centre in Lausanne-Écublens, for example, all buildings and roofs were refurbished to improve energy efficiency and a photovoltaic system was installed. A photovoltaic system has also been in operation on the roof of the Alloga building in Burgdorf since 2018, and Galaxis plans to install a photovoltaic system at the Niederbipp site in 2023.

In the Service Unit Pharmacies, there is only a very limited choice of energy sources for heating and electricity as almost all the premises are rented. However, electricity consumption can be controlled, which is why Galenica is consistently focusing on energy-saving lighting and the installation of motion detectors when renovating pharmacies.

Preparing for possible electricity and gas shortages

Due to the current tense energy supply situation in Switzerland, Galenica initiated a Group-wide task force in 2022 and defined various energy-saving measures. For example, exterior lighting was switched off at all operating sites, temperatures were reduced in all rooms and motion detectors were installed. The task force has also worked out possible scenarios in the event of an electricity and gas shortage and defined appropriate measures in order to be able to react in an emergency.

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: 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 2022, 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.

GRI 302-1

Energy consumption within the organisation

Galenica discloses the total energy consumption within the organisation as well as energy consumption from non-renewable and renewable sources in the [key environmental figures](#).

GRI 302-2

Energy consumption outside of the organisation

The declared energy consumption outside of the organisation is limited to downstream transport and distribution and is shown in the [key environmental figures](#).

GRI 302-3

Energy intensity

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 the energy consumption within the organisation and includes the following types of energy: fuels, electricity and heat consumption. Energy intensity is shown in the [key environmental figures](#).

GRI 305-1

Direct (Scope 1) GHG emissions

Galenica discloses direct (Scope 1) greenhouse gas (GHG) emissions as well as further information on the standards, methods and assumptions used in the [key environmental figures](#).

GRI 305-2

Energy indirect (Scope 2) GHG emissions

Energy indirect (Scope 2) GHG emissions as well as information on the standards, methods and assumptions used are disclosed in the [key environmental figures](#).

GRI 305-3

Other indirect (Scope 3) GHG emissions

Other reported indirect (Scope 3) GHG emissions include third-party fuel consumption and are shown in the [key environmental figures](#). There you will also find further information about standards, methods and assumptions.

Objectives

Galenica has defined the following objectives:

- We will reduce our municipal waste by 50% by 2025 (base year: 2021).

You can find an overview of all sustainability goals and the progress made [here](#).

GRI 306:

Waste and recycling

GRI 3-3, GRI 306-1, GRI 306-2

Management of material topics

Alongside conventional municipal waste (mainly packaging materials), the Galenica Group also produces medical and chemical waste. In Switzerland, expired or surplus medication is classified as hazardous waste and may not be disposed of with conventional industrial waste. Hazardous waste entails both disposal costs and environmental and health risks. Proper disposal is therefore key to protecting the environment, animals and people. Waste can be disposed of in different ways, depending on the type of waste. Waste incineration generates harmful greenhouse gas emissions, but in Switzerland some of the heat generated is also used for district heating or for electricity production. The recycling of waste products and raw materials has positive effects on the environment, such as the avoidance of greenhouse gas emissions and the conservation of scarce natural resources. Almost half of waste is recycled at Galenica. Galenica also strives to reduce and, where possible, prevent waste.

Proper disposal of returned medications

The pharmacies and logistics companies in the Galenica Group take back and properly dispose of expired or unused medications. In pharmacies, this is done in accordance with internal quality management processes. The pharmacists perform an initial triage of the returned medications and sort the products according to specific criteria. They focus particularly on critical ingredients (such as heavy metals, solvents 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 pharmacists and reported to Swissmedic. The GDP guidelines, which Alloga, Unione, Pharmapool and Galexis have signed up to, also provide instructions on how to handle returns. The actual disposal of expired and unused medications is carried out by third parties, with the exception of Medifilm, which is the only company in the Galenica Group with an approval for hazardous waste disposal.

For safety reasons, all returned drugs are disposed of without exception, even if they have not yet expired and/or the packaging is still intact. Controlled disposal prevents people or animals from coming into contact with potentially hazardous pharmaceutical waste, such as in torn rubbish bags at the roadside or in the form of contamination. Pharmacies therefore make a valuable contribution to the

environmentally friendly and controlled disposal of hazardous waste. In addition, all Galenica Group pharmacies provide only biodegradable plastic bags to their customers.

The Service Unit Wholesale & Logistics is continuously investigating additional ways of reducing waste. The use of recycled packaging is an effective measure; 94% of deliveries are already made in reusable, recycled storage containers. The remaining 6% is delivered in recyclable cardboard packaging.

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.

Evaluation of the management approach and measures

- Key figures: key environmental figures relating to Group waste are collected at least once a year in order to check whether the environmental targets are being achieved.
- Quality management: compliance with quality management processes is monitored on an ongoing basis.

GRI 306-3

Waste generated

Galenica discloses the total weight of waste generated and a breakdown by composition of waste in its [key environmental figures](#).

GRI 306-5

Waste directed to disposal

In its [key environmental figures](#), Galenica reports waste disposed of using the following disposal methods: incineration, hazardous waste incineration and recycling.

Employees

GRI Report

Employees play a key role in the success of the Galenica Group. Galenica therefore makes every effort to promote employee motivation and development as well as diversity and equal opportunities, to ensure occupational health and safety and to retain qualified employees.



GRI 401: Employment Employee motivation

GRI 3-3

Management of material topics

A total of 7,608 employees work at Galenica providing professional services to the satisfaction of a wide range of customers. 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, the topic of employment (GRI 401) includes employment conditions and employee motivation. These influence the satisfaction and well-being of employees and, in turn, their efficiency, productivity and turnover. Furthermore, the emphasis on the corporate values (five key Galenica values), a contemporary and appreciative management culture and modern working models (life-domain balance) play an important role. Employee motivation is also closely linked to employee training and continuous education, which

enables them to develop both professionally and personally. Galenica therefore summarises all issues relating to the employment of competent and motivated employees in terms of employee motivation and development.

For more information on the specific employee topics, please refer to Training and education (GRI 404), Diversity and equal opportunity (GRI 405), Occupational health and safety (GRI 403), Retention of qualified employees (own topic).

Objectives

Galenica has defined the following objectives:

- We are increasing the motivation rate of our employee survey to 75 out of 100 points and the participation rate to 75% by 2024 (base year: 2021).

You can find an overview of all sustainability goals and the progress made [here](#).

The five key values

The **five 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 participate with passion.
- We act as entrepreneurs.
- We build trust.
- We show respect.
- Together we are stronger.

Responsibilities and strategy

The Service Unit Human Resources (HR) is responsible for personnel management and supports the respective companies with their HR Business Partners in managing their employees. Galenica revised its HR strategy in 2022. The strategic focus areas include advice and coaching, the promotion of young talent and personnel development, as well as occupational health and diversity.

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 all companies within the Group. Galenica's Personnel Policy discusses how it, as an employer, wishes to treat its employees and what Galenica expects from its employees. The Galenica Group's Personnel Regulations and Working Time Regulations, in turn, are aimed at all employees and contain information and rules regarding working hours, salaries and employee insurance.

Balancing private life and work

Galenica offers flexible working time models to provide a better work-life balance for its employees. According to the guidelines on homeworking, employees also have the option of working from home up to 100% of the time, depending on their activity. Part-time work is also common, particularly in the Service Unit Pharmacies, and co-management teams are also possible in the pharmacies. Furthermore, female employees can extend their maternity leave with unpaid leave and men receive paternity leave of ten days, which is fully paid, in contrast to the statutory obligation.

Opinio employee survey

The Opinio employee survey has a long tradition 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 2022, 71% of all employees participated in the survey. The response rate is therefore higher than the 2021 survey. With a Group-wide score of 74 out of 100 possible points, it is pleasing to see that employee motivation increased compared to the previous year.

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. Twice a year, a meeting takes place between the works committee, the Group-wide employee representatives, a representative of the Executive Committee and HR management. 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.

In 2021, a team of "Change Ninjas" was created. They are actively shaping the transformation of the Galenica Group and supporting the Service Units in their transformation plans.

Various communication platforms

Direct, personal interaction between employees from all language regions of Switzerland and a total of 89 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.

Twice a year, all employees and retired employees also receive the printed employee magazine Spot, which is delivered to their homes. This enables their partners and family members to gain an insight into developments in the Galenica world too.

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 2022, 19.2% of employees participated in the programme (previous year: 19.7%). These shares are blocked for three years after the date of purchase.

For members of Senior Management (SMT) and Management (MT), the profit share is included proportionately in 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. In 2022, Galenica introduced joint bonus-related targets for the Executive Committee, members of the Senior Management and Management, which will apply from 2023. These relate to customer and employee satisfaction. These new objectives are intended to strengthen the network philosophy and the focus on social objectives.

Employee benefit plans

The Galenica Pension Fund covers the risks and economic consequences of old age, disability and death according to the specifications of the Swiss Federal Act on Occupational Old Age, Survivors' and Invalidity Pension Provision (OPA). Like the previous foundations, it is legally, organisationally and financially independent of Galenica. The pension fund is managed according to the defined contribution principle. This is usually financed by contributions from the employee and the employer. The contributions made by employer and employee 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. 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 Old Age, Survivors' and Invalidity Pension Provision (OPO 2) 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.

Due to increasing life expectancy and a drop in interest received, the conversion and contribution rates were adjusted as of 1 January 2022.

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.
- 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.

GRI 401-1

New employee hires and employee turnover

Aspect	GRI Indicator	Unit	2022	2021	2020	2019	2018
Employees	102-8	number	7,608	7,239	7,205	7,071	6,580
by gender	102-8						
- women	102-8	number	5,601	5,351	5,308	5,268	5,078
- men	102-8	number	2,007	1,888	1,897	1,803	1,502
part-time (<90%)	102-8	number	4,367	3,058	3,039	2,897	2,603
Employee Turnover	401-1	%	14.4	14.5	10.6	11.4	12.4

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.

Objectives

Galenica has defined the following objectives:

- We will reduce the absence rate for occupational and non-occupational accidents by 10% by 2024 (base year: 2021).
- We will reduce the number of cases due to mental illness (base year: 2021).

You can find an overview of all sustainability goals and the progress made [here](#).

GRI 403: Safety and health in the workplace

GRI 3-3, GRI 403-1 to 403-7

Management of material topics

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 Service Units Wholesale & Logistics and Pharmacies, 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 addition, all companies have an occupational health management (OHM) system. Galenica also uses a preventive case management system in order to identify potential health risks for employees at an early stage 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, which is part of the OHM system. Discussions are held with employees in the event of prolonged or frequent absences, and contact is maintained in the case of a return to work after a long absence. Alloga and Galexis also organise training sessions together with Suva to avoid operational accidents. In 2022, Galexis introduced an accident barometer at its Niederbipp and Lausanne-Ecublens locations in order to raise

awareness among employees and prevent occupational accidents. An accident barometer is also to be introduced at Alloga in 2023.

The Service Units Pharmacies, Healthcare and Wholesale & Logistics 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.

Evaluation of the management approach and measures

- Key figures: employee absences are regularly analysed by the Service Unit HR 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.

GRI 403-9

Work-related injuries

Galenica discloses the number of occupational and non-occupational accidents and the absence rate of work-related injuries in the [key social figures](#). There were no work-related fatalities in the reporting year.

GRI 403-10

Work-related ill health

Galenica discloses the number of cases of illness, hours of absence due to illness and the absence rate in the [key social figures](#). The number of deaths caused by work-related illnesses is not recorded.

GRI 404: Training and education

Employee development

GRI 3-3

Management of material topics

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. The adaptability of the Galenica Group is based on the commitment and team spirit of its entire workforce. In order to maintain this, Galenica provides continuous support for the personal and professional development of its employees. The topic of training and education encompasses the retention and development of existing employees by means of training and education as well as the training of apprentices.

Promote knowledge and interaction among employees

Continuous personnel development and the management work of the future are at the heart of the Group-wide personnel development programme Move. Move represents agility and flexibility and therefore 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 2022, Galenica conducted 37 modules with 481 employees. New employees are invited to an induction day (Move 1) where the history, culture and strategy of the Galenica Group and its companies are explained. The aim of the two-year Talent Mentoring Programme is to develop high-performing employees in their current role or to introduce them to a higher-level position in order to strengthen internal succession planning in the medium to long term. Participants (mentees) are given a platform where they can exchange views and experience across the business sectors. At the same time, the knowledge and skills of experienced managers are used to further develop the next generation of talented employees. Each mentee is assigned a personal mentor. In 2022, 14 employees took part in the Talent Mentoring Programme.

As part of the Junior Talent Management Programme of the Service Unit Pharmacies, pharmacy assistants can develop their own project for a year. They are supported by mentors and trained in project management.

Education in pharmacies

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 and the employees. The Service Unit Pharmacies, for example, offers the CAS course "Management for Pharmacists" in cooperation with the University of Basel. 13 employees successfully completed the CAS course in 2022.

The Service Unit Pharmacies 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 Profession 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 2022, 41 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 increases the skills of pharmacists in basic healthcare, enabling them to diagnose minor illnesses and dispense an appropriate prescription drug. In 2022, 242 pharmacists already had the qualification and 43 were undergoing training.

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.

Training apprentices

Galenica is making a strong commitment to the next generation of qualified employees: in 2022, the Group trained 838 apprentices – 749 young women and 89 young men – at its companies. Of these, 278 completed their apprenticeships, many with bravura. Having qualified, 143 apprentices have since become Group employees.

Evaluation of the management approach and measures

– Performance reviews: the performance of employees is evaluated and discussed at annual performance reviews. Education also plays a key role in this.

GRI 404-3

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. The number of employees, broken down by type of employment contract, is shown in [GRI 2-7](#).

Objectives

Galenica has defined the following objectives:

- We will improve diversity in all Service Units and keep the proportion of female executives at 50%.

You can find an overview of all sustainability goals and the progress made [here](#).

GRI 405: Diversity and equal opportunity

Diversity and equal opportunity

GRI 3-3**Management of material topics**

The theme of diversity and equal opportunity involves issues of equality and equal treatment with regard to age, origin, gender and other diversity indicators. In addition to equal pay for men and women, diversity also includes the integration of people with disabilities into the work process. The Galenica Group is committed to diversity and brings together people from 89 countries and all age groups. Three-quarters of employees are women. Galenica does not tolerate discrimination or harassment and promotes equal opportunities for all. As a result, employees feel appreciated and acknowledged. The diversity of employees also benefits the innovative capacity, success and attractiveness of the company as an employer. Diversity and equality also have a positive impact on society at large by promoting social stability and cohesion and thus supporting sustainable development.

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.

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. The analysis showed that an overwhelming majority of employees enjoyed equal pay. Equal pay is a major concern for Galenica. Accordingly, targeted measures were implemented as of 1 January 2023.

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.

To ensure equal pay for men and women, the Galenica Group uses benchmarks when reviewing salaries.

Protection of personal integrity in the workplace

Bullying, 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(1) EmpA). The Galenica Group does not tolerate any violations of personal integrity; it prohibits all forms of bullying, sexual harassment, discrimination, violence and threats, and is committed to non-violent and harassment-free treatment at all levels of the hierarchy. Every year, however, employees report isolated cases that are subsequently investigated. In order to improve the protection of the personal integrity of employees, they also have the option of contacting an external advisory centre if necessary.

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.

GRI 405-1 Diversity of governance bodies and employees

Aspect	GRI Indicator	Unit	2022	2021	2020	2019	2018
Diversity and equal opportunities							
Management	405-1	number	719	666	652	641	615
by gender	405-1						
- women	405-1	%	52.6	52.1	51.7	52.3	50.9
- men	405-1	%	47.4	47.9	48.3	47.7	49.1
Retention of Qualified Employees							
Time to hire: Pharmacies		days	60.5	52.5	73.3		
Time to hire: IT		days	65.1	81.8			

Management includes the function levels of Senior Management and Management/Pharmacy Management.

Objectives

Galenica has defined the following objective:

- We will reduce the time-to-hire for IT and pharmacy positions by 10% by 2024 (base year: 2021).

You can find an overview of all sustainability goals and the progress made [here](#).

Own material topic

Retention of qualified employees

GRI 3-3**Management of material topics**

In Switzerland, the retention of qualified employees represents a major challenge, particularly in the healthcare professions and IT. In addition to the scarcity 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 Service Unit Pharmacies, as pharmacies need to be managed by good, qualified staff. As the Swiss healthcare system becomes increasingly digitalised, Galenica will be more dependent on IT and e-commerce professionals in the future. Galenica is committed to retaining qualified employees, including recruiting them and keeping them within the company and supporting them outside the company. In doing this, Galenica supports sustainable labour and economic growth in Switzerland.

Recruitment strategy to retain qualified employees

Galenica reviews its recruitment activities on an ongoing basis and adapts to the constantly changing conditions 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.

In 2022, Galenica initiated a skills shortage task force and implemented a large number of measures relating to the Pharmacies segment in particular. Among other things, Galenica has expanded the areas of responsibility of pharmacy assistants, raised their minimum wage and further optimised the recruitment process.

Evaluation of the management approach and measures

- Key figures: key personnel figures (such as time-to-hire) relating to recruitment are collected on a regular basis in order to monitor the implementation of the recruitment strategy and the achievement of targets.

Own indicator**Time-to-hire**

The time-to-hire for vacant IT and pharmacy positions was on average around 65 days for IT positions and 61 days for pharmacy positions in the reporting year.

Patient safety and health

GRI Report

Patient safety and health is a top priority for Galenica. Galenica is committed to ensuring the quality of medicines along the entire value chain.



Own material topic Patient safety and health

GRI 3-3

Management of material topics

Medication errors or reductions in the quality of medications can have serious consequences for a patient's health. They also pose a reputational risk for the companies involved. Digitalisation opens up 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. With personal and competent advice and a unique range of products and services, Galenica supports its patients in all life situations and helps people of all ages lead a healthy life. Galenica thus makes an important contribution to the well-being and health of the Swiss population.

Objectives

Galenica has defined the following objectives:

- We will increase the use of Clinical Decision Support Checks (CDS.CE) to 500 million by 2025 and 1 billion by 2030 (base year: 2021).
- We will make patient information on all Algifor® preparations and important cold products from Verfora available online in two additional languages that are relevant for Switzerland by 2022.

Galenica has also defined internal objectives in the area of patient safety and health.

You can find an overview of all sustainability goals and the progress made [here](#).

GDP guidelines for a good distribution practice

Alloga, Galexis, UFD, Pharmapool, Verfora and the Bichsel Group adhere to the GDP 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 drugs. Drug temperature is recorded and analysed in real time throughout the entire life cycle, from production through to delivery to the customer. 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 164 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.

Quality systems

HCI Solutions provides master data for the Swiss healthcare market. The company is also active in the field 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 checks the acquisition of drug data according to the four-eyes principle, while the six-eyes principle applies to sensitive active substances (such as blood thinners). HCI Solutions carries out 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 QMS of the Service Unit Pharmacies has standard operating procedures (SOPs) for all relevant pharmacy processes. These include the manufacture and dispensing of drugs, data protection, confidentiality, hygiene and the disposal of medications. Galenicare regularly carries out audits to ensure compliance with the SOPs in the individual pharmacies. 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. For specific services such as heart checks, allergy checks, diabetes checks and vaccinations, employees complete certified courses and obtain certificates of competence.

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.

The specialty pharmacy Mediservice supports patients with chronic and rare illnesses by providing additional services such as home care and patient events. Mediservice also has a licence to operate as a public pharmacy and a wholesale licence. Accordingly, Mediservice's QMS meets a wide range of requirements.

For more information on certifications and quality systems, please refer to Compliance ([GRI 419](#)).

Continuous monitoring of all products

Product safety is checked and safeguarded at Verfora using a variety of approaches. Verfora checks that contract manufacturers qualify for the necessary processes by carrying out initial and regularly recurring audits. These evaluate compliance with the GMP guidelines and ensure that they are 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 a preclinical and a 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 to pharmacovigilance, the products are regularly analysed in the laboratory until the end of their life so that any deviations in quality can be identified and remedied at an early stage.

Promote the technical competence of employees

In 2022, around 115 pharmacists attended quality management courses. 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 2022, Verfora conducted 150 training sessions for a total of 7,670 pharmacy assistants and pharmacists.

Increased patient safety using e-medication solution

Digitalisation is leading to new, innovative ways to improve patient safety. Documedis® is the 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. HCI Solutions works with various reference communities to make Documedis® available in the electronic patient record. This will allow more functions to be made available to the various service providers in the future, such as merging several e-Mediplans, which will result in an increase in patient safety.

Documedis[®] is already being implemented in pharmacy, medical and hospital software.

The Documedis[®] module Primary Care Algorithms (PCA.CE) provides the option of offering precise identification of health disorders and illnesses using algorithms. There are 33 algorithms in total. Documedis[®] also includes Clinical Decision Support Checks (CDS.CE Check). These checks enable pharmacists to check the patient's used or planned medication for known risks, duplication or allergies to active substances. There are currently 13 such CDS.CE checks. The CDS.CE Check thus supports service providers when prescribing new medications or when supplementing existing medication. HCI Solutions is continuously expanding the functionality of Documedis[®]. Documedis[®] Vaccination will also be available in the course of 2023. Documedis[®] Vaccination is the new digital all-in-one solution for [vaccination](#): from vaccination documentation and analysis to the creation of a clear vaccination plan.

Uninterrupted cold chain for medications

All Wholesale & Logistics companies, as well as Medifilm, Mediservice and Bichsel, provide an uninterrupted cold chain for the storage and transport of temperature-sensitive drugs. 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. In preparation for the delivery of COVID-19 vaccines, Alloga further expanded its ultra-deep-freeze logistics in the reporting year. 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 the medicines remain at a more stable temperature. The proportion of transported refrigerated products in the reporting year was 6% for Galexis' own vehicle fleet and around 31% for third-party transport.

Important contribution to combating the coronavirus

Galenica pharmacies are making an important contribution to combating the coronavirus. From mid-November 2020, the first of them offered both rapid antigen tests and PCR tests for coronavirus, and pharmacies have also been offering COVID-19 vaccinations since 2021. In 2022, Galenica pharmacies carried out around 88,000 antigen, PCR and antibody tests and administered over 47,000 COVID-19 vaccinations.

Evaluation of the management approach and measures

- Quality management: the QMSs of the companies of the Galenica Group are regularly and systematically audited.
- GDP guidelines: the regional therapeutic products institutes periodically check compliance with the GDP guidelines.
- Pharmacovigilance: at Verfora, all employees are obliged to forward reports of side effects from specialists and patients to the responsible internal office 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.

Own indicator

Pharmacovigilance: forwarding reports

In 2022, Verfora employees met the deadline for forwarding reports of side effects in 98% 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.

Own indicator

QMS training in pharmacies

In the reporting year, 115 pharmacists completed QMS training.

Data protection, IT security and cybercrime

GRI Report

As a healthcare provider, protecting patient data is a top priority for Galenica. Galenica ensures that this information is protected against unauthorised access and unauthorised changes or loss.



GRI 418: Customer privacy **Data protection**

GRI 3-3 **Management of material topics**

As the Swiss healthcare system becomes increasingly digitalised, the importance of data protection grows and the legal requirements for data processing become more comprehensive. Data protection involves the handling of patient and customer data with the aim of protecting the privacy of patients when their data is processed. Health data is sensitive information that must be protected by law against misuse. Data protection plays a key role in the Service Unit Pharmacies and HCI Solutions in particular. Galenica ensures that patient data is protected against unauthorised access and unauthorised changes or loss. Data protection is also an important basis for a peaceful and inclusive society and strong institutions.

Objectives

Galenica has defined the following objectives:

- We carry out measures to raise employee awareness in the area of data protection twice a year.

You can find an overview of all sustainability goals and the progress made [here](#).

Data Protection Policy and employee training

Galenica is being assisted in this important area by an independent external data protection officer. The Data Protection Policy forms the overarching framework and is supplemented by specific rules and directives for the Group companies. All employment contracts of employees who have access to personal data also contain a data protection clause. All employees are regularly trained and made aware of data protection issues. In the reporting year, the Legal Department developed a new e-learning course on the topic of data protection, which will be launched in 2023.

Focus on data protection revision

At the end of September 2020, the Swiss parliament passed a complete revision of the Federal Act on Data Protection (nFADP). The nFADP and the new Ordinance to the Federal Act on Data Protection (nOFADP) will enter into force on 1 September 2023. The revision will bring the Data Protection Act into line with technological and social conditions, which have changed since the act was last revised. In particular, the transparency of data processing will be improved and the autonomy of data subjects will be strengthened. The revised Data Protection Act has been aligned in many areas with the EU General Data Protection Regulation (GDPR) and entails new obligations for companies. Galenica is working on implementing these new requirements, one of which is the duty to provide information. Against this backdrop, Galenica published a Privacy Policy for employees in 2022 and developed a new process for exercising the right of access, which enables data subjects to have control over their own personal data. In addition, the Group's Legal Department continues to follow the EU GDPR practices.

Data Protection Circle

The Data Protection Circle is a committee that offers employees of the Legal Department, IT and operational business sectors a platform for managing and coordinating data protection issues and questions across the Group and implementing preventive measures at an early stage. The committee therefore makes a major contribution to compliance with data protection legislation. The Data Protection Circle is headed by the General Secretary. The committee is part of the Legal Department.

Evaluation of the management approach and measures

Reviews: Galenica keeps up to date with the ongoing amendments to data protection legislation and conducts regular audits, thus ensuring that legal regulations are observed and a high standard is maintained in relation to the handling of personal data.

GRI 418-1

Substantiated complaints concerning breaches of customer privacy and losses of customer data

In the reporting year, there were no substantiated complaints relating to a breach of customer data protection, and there was no statutory investigation of data theft or loss.

Own material topic

IT security and cybercrime

GRI 3-3

Management of material topics

With the increasing digitalisation of the healthcare system, the risk of cyber attacks is growing. This is why IT security is highly important at Galenica. As a healthcare provider, Galenica processes sensitive information and data. Galenica ensures that these are protected against unauthorised access and unauthorised changes or loss.

Protecting IT systems is crucial for logistics companies and pharmacies in order to ultimately ensure the security of supply to the population. People are one of the greatest risk factors in connection with cyber attacks, as many cyber attacks target employees, for example by means of fraudulent e-mails (phishing).

Objectives

Galenica has also defined the following objective:

- We will make our employees aware of IT security and cybercrime.

Galenica has also defined internal objectives in the area of IT security and cybercrime.

You can find an overview of all sustainability goals and the progress made [here](#).

Responsibilities

At Group level, the topic of IT security is coordinated by the Head of Information Security & Quality Assurance. In 2022, Galenica restructured the responsibilities and organisation of IT security. The newly formed IT Security Board is responsible for balancing the interests of IT and the individual Business Units and coordinates IT security-relevant topics and measures. These are implemented by the members in their respective areas. The Board is responsible for the IT security strategy and ensures its implementation. The aim of the strategy is to achieve reliable and efficient IT security across the Group. The Board meets quarterly or as required and will begin its work in 2023.

Clear guidelines to govern operations

The IT Security Policy defines the objectives relating to information and IT security, the competencies and responsibilities as well as the IT security principles of the Galenica Group. The Policy applies to all companies of the Galenica Group and forms the basis for all written IT security instructions. In addition, the IT Usage Regulations set out the security-related rules of conduct for using IT work equipment, such as the use of private devices, working on the move and working from home. Finally, the IT Security Manual is aimed at employees in the IT departments and lays down the regulations for secure IT operations.

Raising employee awareness

The cooperation of all employees is required to ensure information and IT security. In addition to technical measures, Galenica also promotes awareness of security among employees by means of specific e-learning modules and intranet news. New employees are made aware of the key elements of the IT user regulations on their induction day. Galenica regularly runs e-learning courses on data security and dealing

with phishing and cyber attacks. In addition, information on cybercrime is regularly published on the intranet for employees.

Evaluation of the management approach and measures

- Security audit: the IT Security Policy and its implementation are regularly reviewed by internal departments or external specialists to ensure they are up to date and effective.
- Monitoring: the security monitoring system monitors all IT systems and triggers an alarm in the event of anomalies. This is performed by an external Security Operation Center (SOC).
- e-learning: the participation rate for the e-learning modules on data security and cybersecurity is regularly recorded and evaluated.

Own indicator

Participation in e-learning

In the reporting year, two e-learning courses were offered in the area of IT security and cybercrime. The average participation rate was 88%.

Reliable procurement and supply chain

GRI Report

Supply bottlenecks in the pharmaceutical supply chain are becoming more and more frequent worldwide, including in Switzerland. Galenica makes every effort to ensure the greatest possible availability of medicines in order to guarantee the reliability of supplies to the population.



Own material topic

Reliable procurement and supply chain

GRI 3-3

Management of material topics

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.

Objectives

Galenica has defined the following objective:

- We will review the compliance of our top ten suppliers with the Supplier Code of Conduct every three years from 2025.

Galenica has also defined internal objectives in the area of reliable procurement and supply chain.

You can find an overview of all sustainability goals and the progress made [here](#).

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. 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 panic buying.

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.

Own indicator

Availability of medicines

The availability of medicines is a major global challenge and naturally also affects the Swiss market. Over the past two 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.

GRI-Index

Statement of use: Galenica Ltd. has reported in accordance with the GRI Standards for the period 1 January 2022 to 31 December 2022.

GRI 1 used: GRI 1: Foundation 2021

Applicable GRI Sector Standards: None

GRI Indicator	Description	Reference
GRI 2 General Disclosures 2021		
The organization and its reporting practices		
2-1	Organizational details	General Disclosures
2-2	Entities included in the organization's sustainability reporting	General Disclosures Financial Reporting
2-3	Reporting period, frequency and contact point	General Disclosures
2-4	Restatements of information	General Disclosures Management Report
2-5	External assurance	General Disclosures
Activities and workers		
2-6	Activities, value chain and other business relationships	General Disclosures Management Report Galenica Website Value Chain Financial Reporting Corporate Governance
2-7	Employees	General Disclosures Social figures
2-8	Workers who are not employees	General Disclosures
Governance		
2-9	Governance structure and composition	General Disclosures Corporate Governance Sustainability at Galenica Organisational Regulations
2-10	Nomination and selection of the highest governance body	General Disclosures Corporate Governance Articles of Association Organisational Regulations
2-11	Chair of the highest governance body	General Disclosures
2-12	Role of the highest governance body in overseeing the management of impacts	General Disclosures Corporate Governance
2-13	Delegation of responsibility for managing impacts	General Disclosures Corporate Governance Articles of Association Organisational Regulations
2-14	Role of the highest governance body in sustainability reporting	General Disclosures
2-15	Conflict of interest	General Disclosures Corporate Governance Articles of Association Organisational Regulations Code of Conduct
2-16	Communication of critical concerns	General Disclosures

2-17	Collective knowledge of the highest governance body	General Disclosures
2-18	Evaluation of the performance of the highest governance body	General Disclosures Corporate Governance
2-19	Remuneration policies	General Disclosures Remuneration Report Articles of Association Organisational Regulations
2-20	Process to determine remuneration	General Disclosures Remuneration Report Articles of Association Organisational Regulations
2-21	Annual total compensation ratio	General Disclosures
Strategy, policies and practices		
2-22	Statement on sustainable development strategy	General Disclosures Foreword
2-23	Policy commitments	General Disclosures Sustainability at Galenica Code of Conduct
2-24	Embedding policy commitments	General Disclosures Sustainability at Galenica
2-25	Processes to remediate negative impacts	General Disclosures Whistleblower Reporting Office
2-26	Mechanisms for seeking advice and raising concerns	General Disclosures Code of Conduct
2-27	Compliance with laws and regulations	General Disclosures Corporate Governance
2-28	Membership associations	General Disclosures
Stakeholder engagement		
2-29	Approach to stakeholder engagement	General Disclosures Sustainability at Galenica
2-30	List of material topics	General Disclosures
GRI 3 Material Topics 2021		
3-1	Process to determine material topics	Disclosures on material topics Sustainability at Galenica
3-2	Collective bargaining agreements	Disclosures on material topics Sustainability at Galenica
Reliable Procurement and Supply Chain (own material topic)		
3-3	Management of material topics	Reliable Procurement and Supply Chain
Own indicator	Availabilities of medicines	Reliable Procurement and Supply Chain
IT Security and Cybercrime (own material topic)		
3-3	Management of material topics	Data Protection, IT Security and Cybercrime
Own indicator	Training	Data Protection, IT Security and Cybercrime
Patient Safety and Health (own material topic)		
3-3	Management of material topics	Patient Safety and Health
Own indicator	Pharmacovigilance: forwarding of reports	Patient Safety and Health
Own indicator	Training in pharmacies	Patient Safety and Health
GRI 418 Customer Privacy 2016		
3-3	Management of material topics	Data Protection, IT Security and Cybercrime

418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data Protection, IT Security and Cybercrime
Retention of Qualified Employees (own material topic)		
3-3	Management of material topics	Employees
Own indicator	Time to hire	Employees Social figures
GRI 302 Energy 2016		
3-3	Management of material topics	Emissions and Climate Change, Waste and Recycling
302-1	Energy consumption within organization	Emissions and Climate Change, Waste and Recycling Environmental figures
302-2	Energy consumption outside of the organization	Emissions and Climate Change, Waste and Recycling Environmental figures
302-3	Energy intensity	Emissions and Climate Change, Waste and Recycling Environmental figures
GRI 305 Emissions 2016		
3-3	Management of material topics	Emissions and Climate Change, Waste and Recycling
305-1	Direct (Scope 1) GHG emissions	Emissions and Climate Change, Waste and Recycling Environmental figures
305-2	Energy indirect (Scope 2) GHG emissions	Emissions and Climate Change, Waste and Recycling Environmental figures
305-3	Other indirect (Scope 3) GHG emissions	Emissions and Climate Change, Waste and Recycling Environmental figures
GRI 205 Anti-Corruption 2016		
3-3	Management of material topics	Economic Performance and Compliance
205-3	Confirmed incidents of corruption and actions taken	Economic Performance and Compliance
GRI 206 Anti-Competitive Behavior 2016		
3-3	Management of material topics	Economic Performance and Compliance
206-1	Legal actions for anti-competitive behavior; anti-trust, and monopoly practices	Economic Performance and Compliance
GRI 419 Sozioökonomische Compliance 2016		
3-3	Management von wesentlichen Themen	Economic Performance and Compliance
419-1	Nichteinhaltung von Gesetzen und Vorschriften im sozialen und wirtschaftlichen Bereich	Economic Performance and Compliance
GRI 401 Employment 2016		
3-3	Management of material topics	Employees
401-1	New employee hires and employee turnover	Employees Social figures
GRI 404 Training and Education 2016		
3-3	Management of material topics	Employees
404-3	Percentage of employees receiving regular performance and career development reviews	Employees General Disclosures (GRI 2-7)
GRI 306 Waste 2020		
3-3	Management of material topics	Emissions and Climate Change, Waste and Recycling

306-1	Waste generation and significant waste-related impacts	Emissions and Climate Change, Waste and Recycling
306-2	Management of significant waste-related impacts	Emissions and Climate Change, Waste and Recycling
306-3	Waste generated	Emissions and Climate Change, Waste and Recycling Environmental figures
306-5	Waste directed to disposal	Emissions and Climate Change, Waste and Recycling Environmental figures
GRI 201 Economic Performance 2016		
3-3	Management of material topics	Economic Performance and Compliance
201-1	Direct economic value generated and distributed	Economic Performance and Compliance Financial Reporting
GRI 403 Occupational Health and Safety 2018		
3-3	Management of material topics	Employees
403-1	Occupational health and safety management system	Employees
403-2	Hazard identification, risk assessment, and incident investigation	Employees
403-3	Occupational health services	Employees
403-4	Worker participation, consultation, and communication on occupational health and safety	Employees
403-5	Worker training on occupational health and safety	Employees
403-6	Promotion of worker health	Employees
403-7	Prevention and mitigation of occupational health and safety impact directly linked by business relationships	Employees
403-9	Work-related injuries	Employees Social figures
403-10	Work-related ill health	Employees Social figures
GRI 405 Diversity and Equal Opportunity 2016		
3-3	Management of material topics	Employees
405-1	Diversity of governance bodies and employees	Employees Social figures