

ORIOLA ANNUAL REVIEW 2019

Towards a healthier tomorrow



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About this report

Oriola's Annual report 2019 consists of three separate reports in which integrated reporting elements are applied. The Annual review presents Oriola's strategy, business, value creation and sustainability work. The Financial review includes the Board of Directors' report, audited financial statements and auditor's report as well as information about the shares and shareholders and key figures and financial development. GRI supplement includes sustainability information compliant with the GRI standards.

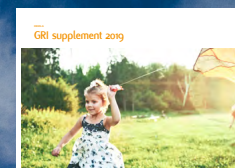
All reports are available in Finnish and in English on our [website](#).



Oriola Annual review 2019



Oriola Financial review 2019



Oriola GRI supplement 2019

Oriola in brief

Oriola is a health and wellbeing company operating in the Nordic countries.

We help people to lead healthier lives by giving them access to sustainable health and wellbeing products and services. Our pharmacists serve and advise thousands of people every day in Finland and Sweden, where Oriola owns the country's third-largest pharmacy chain, Kronans Apotek. In addition to pharmacies, our dose-dispensing, medical information and patient support services enhance the safety and effectiveness of pharmaceutical care.

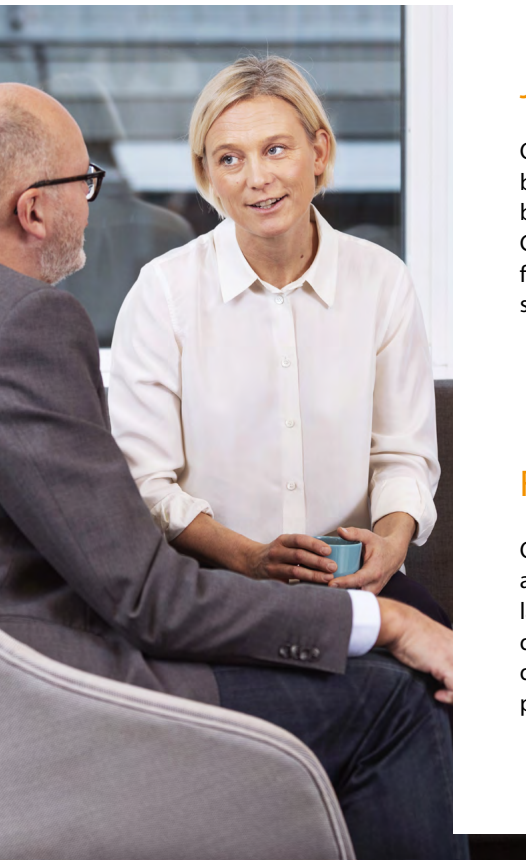
With other healthcare operators, we develop a solution-driven service portfolio to fulfil the needs of society at large and to promote the sector's success. Our expert services support pharmaceutical companies throughout the entire lifecycle of medicines. Oriola's supply chain ensures reliable and safe delivery of pharmaceuticals to pharmacies, hospital pharmacies, veterinarians and other healthcare operators.

To our employees, we offer meaningful work and the most versatile career paths in the sector. Together we work for a healthier tomorrow for everyone.

Net sales EUR billion	1.7	Adjusted EBIT EUR million	20.5
Pharmacies	324	Online sales growth in Sweden	35%
Daily logistics customers	2,500	Dose-dispensing patients	117,000
Employees nearly	4,300¹	Products under our private labels	+500

¹ In Annual review 2019, personnel reporting changed from full-time equivalents to headcount.

Main events in 2019



January

Oriola's new organisation was introduced at the beginning of the year. We have organised our business in customer-centric business areas: Consumer, Pharma and Retail. Our Operations function focuses on logistics and operational sourcing, and serves all business areas.

February

Oriola started dose-dispensing deliveries in accordance with an agreement signed with Stockholms läns landsting and became the market leader in dose dispensing in Sweden. By the end of the year, our dose-dispensing services covered in total 117,000 patients in Sweden and Finland.

February

The ramp-up of our new automated distribution centre started in Enköping, Sweden.



February

Oriola launched the 20by20 Excellence programme to achieve savings of EUR 20 million in annual costs compared to 2018. The programme aims to ensure efficient high-quality operations and to reduce costs.

March

Oriola shared 4th place in the FINDIX report, which assessed the diversity of Finnish company managements and boards of directors in a comparison of 89 companies.

April

For the first time, Oriola reported its actions and progress in alignment with the ten principles of the UN Global Compact framework for corporate responsibility. Oriola joined this initiative in February 2018.



August

Oriola signed significant distribution agreements with pharmaceutical companies in the autumn. In August, Oriola and Orion signed a distribution agreement for Oriola to continue providing warehousing and distribution services for Orion's human and veterinary pharmaceuticals in Finland. In October, Oriola and MSD signed a new distribution agreement, under which Oriola is responsible for the warehousing and distribution of MSD's human medicines in Sweden. In November, we renewed a similar distribution agreement with MSD in Finland.

October

Kronans Apotek, Oriola's Swedish pharmacy chain, opened its 4th Drop-In clinic. Primary care services offered in pharmacies promote better access to care.

October

Farenta merged with Oriola at the end of October. Oriola acquired Farenta, a provider of expert services and pharmacy staffing services, in September 2016. The merger aims to provide customers with seamless service in the Nordic market.

November

Kronans Apotek introduced MinDos - a dose-dispensing service for private customers.



CEO's review

On a transformation journey towards a healthier tomorrow

Oriola has started a transformation journey centred around our purpose: "Health for life". Together with our vision and mission, this purpose guides our operations. In 2019, we renewed our strategy to lead all company businesses towards a common goal.

2019 was not an easy year. We know the root causes, and many of them can be fixed by developing our own operations. We have set high quality, efficiency and excellent customer experience as our strategic goals. Our strategic programmes 20by20 Excellence and Customer Experience support the attainment of these goals. We also continue building OneOriola culture to ensure common practices and processes, and to create a strong and unified identity.

The development in 2019 demonstrated that the transformation of Sweden's consumer market is accelerating. Consumers are increasingly buying online and expect seamless

multi-channel services. The fact that business is moving online reduces profitability, but our strong pharmacy network offers us an opportunity to develop our pharmacies into comprehensive primary healthcare meeting points. Our strategic goal is to strengthen digitalisation and to further develop our full range of pharmacy services. The Drop-In clinics and MinDos dose-dispensing service introduced in our pharmacies in 2019 have already given us a foretaste of this. In Finland, we continue developing our pharmacy service portfolio to support our customers' business.

Oriola is in an interesting position in the middle of the lifecycle of pharmaceuticals, providing us several data-related opportunities. Our aim is to build an ecosystem based on partnerships for the benefit of the entire pharmaceutical sector and patients. Innovations and partnerships offer excellent opportunities for new business and creating a unique service portfolio for our customers.

We are a knowledge company, and our success is based on the competence of our people. In our strategy work, we set building our personnel's competence and ensuring Oriola's strategic capabilities as our goals. We need good change management to promote the wellbeing and motivation of our personnel, and to advance our transformation journey.

We operate in a sector that has an impact on society, and especially on the health and wellbeing of individuals. This is why sustainability is at the core of our new strategy. We promote health with accessible services, offer our employees meaningful work and aim to achieve carbon neutrality by 2030. Working towards these goals brings us all closer to a healthier tomorrow.



Robert Andersson



Our strategy ensures a common direction

Oriola's purpose, "Health for life", guides the company and our employees in everyday operations. Our goal is to enable a healthier tomorrow by providing sustainable health and wellbeing products and services.

Our strategy ensures that the company is working towards a common goal. Our operations are diverse, but we share common objectives. We have defined six strategic goals to ensure our success. We focus on assuring the excellence of our operations, utilise data and innovate by keeping our finger on the pulse and listening to our customers, encourage our employees to succeed together and strengthen our strategic capabilities.

Through our strategy, we create added value for society, our customers, our personnel and our owners. At Oriola, we care, find our inspiration as experts and build a sustainable tomorrow in cooperation with the entire sector.



Megatrends: Digitalisation • Ageing population • Increased spending on wellbeing • Growth in speciality pharmaceuticals • Sustainability

Our business

Consumer



44% share of net sales

Retail services and products for consumer health and wellbeing in Sweden in the Kronans Apotek pharmacy chain and online store. Strong cooperation with online medical centre Doktor.se, which Oriola partly owns – for example, in Drop-In clinics at pharmacies.

Pharma



40% share of net sales

Tailored logistics, expert and advisory services for pharmaceutical companies, such as clinical research, market access, medical information and patient support. A wide range of pharmaceutical products for pharmacies, hospital pharmacies and veterinarians.

Retail



16% share of net sales

A wide range of health and wellbeing products for pharmacies, veterinarians, private and public healthcare operators and retailers, as well as services for pharmacies, including dose dispensing and staffing.

Operations function

Serves all business areas and covers logistics operations, operational sourcing and dose manufacturing. In Finland, our distribution centre and central warehouse is located in Espoo. In Sweden, our distribution centre is in Enköping, and our central warehouse in Mölnlycke. Dose manufacturing units are located in Helsinki in Finland and in Uppsala in Sweden.



We create value through the entire healthcare value chain

Inputs

Financial:

Capital employed

Personnel:

Nearly 4,300 employees, more than 1,500 of whom are pharmacists

Infrastructure:

- 2 distribution centres
- 2 central warehouses
- 324 pharmacies
- 2 dose-dispensing units

Social/Relationship:

- Open dialogue with customers, employees and other stakeholders, including authorities and legislators
- Partnerships and collaboration, such as a comprehensive network of research pharmacies
- Active participation in various associations

Natural resources:

- Energy consumption 28.3 GWh
- Fuel and water

Intellectual:

- Pharmaceutical knowledge
- Service concepts and processes
- Leadership
- Brands

Our business



We serve our customers in the entire healthcare value chain. Our expert and logistics services help our customers succeed, and our pharmacy expertise promotes safe use of pharmaceuticals. Our extensive portfolio of health and wellbeing products support health throughout life.

Outputs & impacts

Society

- Availability and safe distribution of medicines
- Pharmaceutical advice to improve people's health and wellbeing
- Efficiency in public and private healthcare
- Taxes

Customers

- Health and wellbeing products for consumers
- Products and services for pharmacies
- Expert services for pharmaceutical companies
- Warehousing and distribution services

Shareholders

- Growth of profitability based on cost-effectiveness and quality of services
- Earnings per share EUR 0.04
- Equity per share EUR 0.87

People

- Strong Oriola culture, equal and fair workplace
- Direct and indirect employment
- Versatile career opportunities
- Training and development
- Wages, salaries and bonuses EUR 127.5 million

Planet

- Efficient use of resources
- Minimising environmental impact
- CO₂ emissions 6,956 tCO₂
- Waste 1,846 tonnes

Oriola's sustainability strategy

Sustainability is at the core of our business

Oriola's sustainability strategy is strongly linked with our purpose: "Health for life". We have committed to the UN Sustainable Development Goals. As a health and well-being company, we improve the prerequisites for a healthier life – in the context of society, employees and environment.

We are a part of the healthcare system. Approximately half of the pharmaceuticals used in Finland and Sweden pass through Oriola. In addition, we serve consumers in over 320 pharmacies of our own in Sweden. We further develop our services to facilitate primary healthcare and bring sustainable wellbeing products to the market.

Our professional employees are the key to our success. We are an equal, encouraging and fair workplace where people are happy to work. Our goal is to have competent and committed personnel.

The wellbeing of the planet is another key element of a healthier future. This is why our goal is to reach carbon neutrality by 2030. To reach this goal we work together with various partners.

Health for life



Sustainability goals

UN's Sustainable Development Goals

Long-term goals

Goals for 2020–2022

In 2019

 	Society Improving people's health	Our goal is to introduce new services to promote people's health.	In 2019, we opened four Drop-In clinics and started the MinDos dose-dispensing service for private customers in our Kronans Apotek pharmacies.
		In our private label products, we want to increase the share of sustainable products in the sales.	Defining process for sustainable product criteria on-going.
		We want to always ensure a high quality of pharmaceutical deliveries in our operating countries.	We are developing a Group level key indicator, based on industry standards, for our deliveries.
  	People Best-in-class employee engagement	Our goals are a high employee engagement and raising the engagement index to an excellent level.	The employee engagement survey was conducted twice for all employees in the Group in 2019. The employee engagement index was 77 (76 in 2018).
		We strive to be an attractive employer and invest in the competence of our personnel. Our goal is to minimise employee turnover.	Employee turnover was 9.2% in 2019.
  	Planet Carbon neutrality by 2030	The most significant emissions in our own operations come from energy use. Our goal is to use 100% renewable energy.	The share of renewable electricity was 92% in 2019 (90% in 2018).
		We want to recycle the waste from our own operations, consisting mainly of packaging waste, as much as possible. Our goal is to increase our recycling rate to 85%.	In 2019, we enhanced recycling in our Mankkaa distribution centre. We achieved our earlier goal ahead of time, so we raised the target level. Our recycling rate was 70.6% in 2019 (67% in 2018).

We promote the availability and safe use of medicines

We facilitate the introduction of new medicines to the market, and distribute pharmaceuticals and other health and wellbeing products. Our professional pharmacists working in pharmacies and our medical information and dose-dispensing services help people use medicines safely.



Our pharmacies in
Sweden serve

65,000
customers daily.

The solutions Oriola offers to healthcare operators support the society at large. We promote the availability and safe use of medicines. In cooperation with other healthcare operators, we develop digital solutions that can help to improve the effectiveness of patient care.

Our expert services support pharmaceutical companies in bringing new medicines to the market and developing pharmaceutical care. By combining real-world data and national registry data, our real-world evidence (RWE) studies collect information about the effectiveness of medicines and how well they work in patients' everyday life. These studies help to develop more effective treatments that often also benefit society in reduced healthcare costs.

Availability of medicines is the foundation of healthcare

The path of medicines to consumers is a long one. We help to ensure the availability of medicines throughout their lifecycle, starting with clinical research and Market Access services. Once medicines enter the country, we deliver them safely and reliably to pharmacies, hospital pharmacies and veterinarians.

24-hour delivery service

A high-quality and efficient supply chain is the foundation of our operations, and it calls



for strong expertise. We deliver medicines to customers within 24 hours, and some products, such as insulin for diabetes, have special temperature requirements during storage and transport. In addition, special biomedicines are a growing product group and require unique solutions.

Oriola ships approximately 30,000 transport boxes daily to a total of 2,500 customers around Finland and Sweden. In Finland, our distribution centre and central warehouse

are based in Espoo. In Sweden, our distribution centre is based in Enköping, and our central warehouse in Mölnlycke.

We serve customers online and in over 320 pharmacies in Sweden

Our Swedish Kronans Apotek pharmacy chain ensures the availability of health and well-being products for consumers. Our more than 320 pharmacies serve approximately 65,000 customers daily, and we customise the assortment in each pharmacy to their individual

Primary healthcare services from pharmacies

In 2019, the Kronans Apotek pharmacy chain opened four Drop-In clinics that offer primary healthcare services in pharmacies without an appointment. These services make care more accessible and offer patients a convenient way to look after their health when they visit a pharmacy.

Services include vaccinations, medication reviews and measuring of blood pressure, haemoglobin, blood glucose and inflammation markers (CRP). Digital physician services are offered in cooperation with Doktor.se, a Swedish online medical centre partly owned by Oriola.

Special licensed medicine to secure treatment

In some situations, there is no suitable licensed pharmaceutical for a patient due to allergies, for example, incompatible dosage forms, a lack of the necessary pharmaceutical agent or disruptions in the supply chain. In this case, a physician may decide to apply for special licence for use of a medicine that has no licence in the country.

Oriola's special licence service helps to import medicines for human and veterinary use. Suitable options for the patient's needs are investigated with pharmaceutical companies and foreign authorities. In the best-case scenario, the patient receives the medicine the very next day.

needs. In 2019, the customer satisfaction index at Kronans Apotek was 89, and our customer loyalty programme had nearly 2.8 million members.

In Sweden, pharmacy transactions happen increasingly online, and their share is approximately 12% of the market. Our online business increased by 35% in 2019. Our aim is to offer a seamless customer experience, both online and in brick-and-mortar pharmacies.

Minimising disruptions in the pharmaceutical supply chain is a collective effort

In the Nordic countries, the availability of medicines has long remained at a high level, but disruptions in the supply chain have increased significantly in recent years. There are several reasons for this, from global supply problems or challenges with the availability of a single raw material to the small size of the Finnish and Swedish markets.

It takes collaboration between all operators in the pharmaceutical market to ensure the continued availability of medicines. Oriola is actively working with the authorities and other operators to develop the pharmaceutical market and ways of operating.

Medical information and dose dispensing promote the safe use of medicines

We work on many fronts to enhance safe medicine usage, starting with a reliable supply chain. We follow good distribution practices and ensure the appropriate storage and

transport of medicines. We also contribute to preventing counterfeit pharmaceuticals entering the market by dealing directly with pharmaceutical companies and complying with the EU Falsified Medicines Directive, which came into force in February 2019.

Medical information supports commitment to treatment

Our professional personnel in pharmacies in Finland and Sweden help and advise people on the safe use of medicines every day. Approximately 1,400 pharmacists serve customers in our Kronans Apotek pharma-

We supply daily medications as ready-to-use pouches to

117,000
patients every day.



cies, and our staffing services provide staff to approximately 310 pharmacies every year.

Kronans Apotek also offers a mobile app that customers can use to manage their prescriptions, get advice on prescription medicines and check the availability of medicines. The app has 152,000 users.

In addition to our pharmacy employees, our medical information and patient support services help patients with the use of medicines. In 2019, we handled more than 32,000 medical information cases in total in Finland and Sweden. Support and advice also promote commitment to pharmaceutical care. Incomplete courses of prescribed medications can expose patients to prolonged or recurring illnesses, leading to increased healthcare costs and absences from work.

Daily medications in ready-to-use dose pouches

We deliver daily medications in ready-to-use dose pouches to 117,000 patients in Sweden and Finland. Once an automated dose-dispensing machine has packed the medicines, they are delivered to pharmacies or home care, for example.

This service promotes medicine safety, since automated dose dispensing is more reliable than manual dispensing. We conduct a medication review for each new patient to ensure



that all of their medicines are compatible and necessary. The service also reduces pharmaceutical waste, because there is no need to keep several packages at home. Yet another

benefit is that automated dose dispensing allows the staff in nursing homes and home care more time for patients.

Safe pharmaceutical care for the elderly

According to a survey conducted in Sweden at the beginning of 2019, 85% of people aged over 75 use at least one medicine daily. Half the people in this age group use at least four medicines daily.

The survey showed that 43% of patients have made medication errors. The most common error was to forget to take the medication.

To support safe medicine usage for the elderly, Kronans Apotek started a dose-dispensing service for private customers in November 2019. Ready-to-use medication pouches reduce the risk of medication errors. In Finland, pharmacies have offered dose-dispensing services for a long time, and in Sweden, the service expanded from public healthcare to pharmacies in the autumn of 2019.

Wellbeing personnel are our strongest asset

We employ nearly 4,300 professionals in various roles in pharmacies, logistics centres and expert roles. Our goal is to ensure the commitment and wellbeing of our personnel. We want to offer the most versatile career paths in the pharmaceutical sector, as well as a fair and equal workplace.



Approximately

50

managers participated
in change management
training in 2019.

We support our employees' development and wellbeing

Our personnel are our strongest asset: their expertise and competence is critical to our ability to offer an excellent customer experience. Our investment in the development and wellbeing of our employees helps to build Oriola's competitiveness in a rapidly changing market.

Versatile opportunities for competence building

The diversity of tasks in the pharmaceutical industry enables learning at work and career advancement within Oriola. All employees are in the scope of annual development discussions, in which personal goals are set to guide work, and individual development goals and measures are mapped.

We offer in-house training programmes, and encourage individual training to build expertise. However, most development is achieved through learning at work. Several development projects offer the opportunity to build and share one's experience across organisational and country borders. In Sweden, pharmacists can sign in to a competence pool to work in customer support and dose dispensing, in addition to various pharmacies.

The pharmaceutical sector is strictly regulated, and many tasks require train-

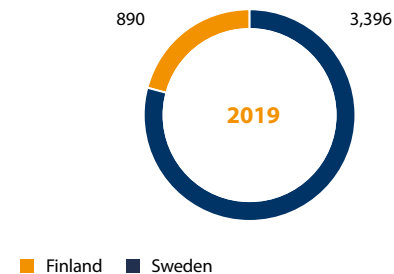


ing, for example, in quality requirements. Oriola also offers training programmes for pharmacists. In Sweden, Kronans Apotek has a trainee programme for pharmacists to become pharmacy managers, and the chain also provides training for pharmacists from other EU countries. In Finland, our training programmes coach pharmacists to work in expert roles in the pharmaceutical sector, but also to return to customer work in pharmacies. Every year, we also offer our pharmacy workers the opportunity to participate in professional training organised by third parties.

We continue to develop opportunities for modern online learning. In 2019, we carried

out online training on Oriola's new strategy for all of the Group's employees and sales training for our pharmacy workers in Sweden.

Employees by country, headcount



Back to pharmacy work through training

A growing number of pharmacists choose to work in other pharmaceutical roles outside pharmacies after completing their studies. As a result, pharmacies are suffering from a shortage of staff. To alleviate the situation, Oriola has started to offer Back to Pharmacy training in Finland. This training programme enables participants to return to customer work in a pharmacy alongside their full-time jobs. It supports individual opportunities for maintaining professional skills and increases the availability of a flexible workforce for pharmacies.

During the training, participants update their expertise, for example, in the systems used in pharmacies, e-prescriptions and pharmacy regulations. After completing the training, they work in pharmacies through Oriola's Farenta staffing services.

From behind the counter to management

Kronans Apotek's annual trainee programme provides pharmacists with the proficiency to manage a pharmacy. The training lasts a little over a year, combining leadership skills, business understanding and pharmacist skills. The participants work in pharmacies in different parts of Sweden. In the final phase of the training, they work as pharmacy managers.

In 2019, nine pharmacists completed the training programme. Approximately 80% of the people who have participated in the training over the years now work as pharmacy managers in the Kronans Apotek chain.

Change management plays a key role

As part of strategy work, we have defined Oriola's strategic capabilities that will also guide personnel development in the future. Change management is one of the key development areas, because our business environment, culture and ways of working are undergoing a major transformation. We want

to support the managers' capabilities and offer tools for change management. In 2019, we organised change management training for managers in Finland and Sweden.

To ensure that we are on the right track, we measure the quality of leadership twice a year as part of our employee survey. The survey

is a management tool that helps to plan measures to further enhance personnel's commitment and wellbeing.

A safe and healthy working environment

In modern working life, the balance between work and other areas of life is a critical element in employee wellbeing. Managing one's own work, stress management and recovery are typical challenges, particularly in expert work. Flexible practices like remote work and part-time work facilitate the adaptation to different life situations. In 2019, Oriola introduced new digital tools for cooperation and information sharing to support opportunities for flexible work across the organisation.

All our employees are covered by occupational health services, with the main focus on preventive services. We invest in improving occupational safety, especially in our logistics centres and pharmacies.



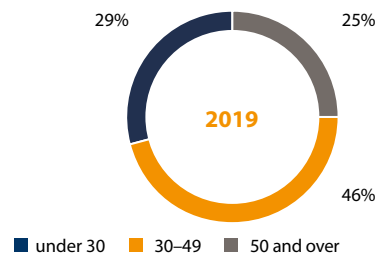
We promote equality

As an employer, promoting equality is a priority for us. Oriola is a fair and equal workplace that supports diversity. Our Code of Conduct outlines the principles with which all our employees and businesses are expected to comply.

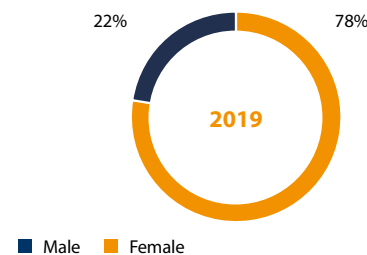
We support equal employment opportunities and select employees based on their

suitability for the task and professional skills. Our top management, for example, is very gender-equal, and the age distribution among our personnel is well balanced. We do not approve discrimination in any form. Oriola also has an anonymous reporting channel, and we encourage all our employees to report misconduct, or conduct that does not accord with our values.

Employees by age group



Employees by gender



Employment of vulnerable groups

Work is essential for people's social relationships and their sense of inclusion in society. We support the employment of vulnerable groups, such as people with disabilities and migrants. With Samhall, a state-owned Swedish company, Kronans Apotek has employed people with disabilities to pack B2B customers' online orders. In 2019, we hired 12 people with functional impairments through Samhall.

For many years now, Kronans Apotek has also offered a programme that provides pharmacists from other EU countries with the opportunity to work in Swedish pharmacies. We support their language learning to accelerate their entry into employment. Pharmacists from other EU countries have been recruited for pharmacies especially in small towns, where it is difficult to find competent staff. We also participate in Senna, a project funded by the Swedish government that offers trainee positions for pharmacists who have recently arrived in Sweden.

Our goal is to achieve carbon neutrality by 2030

Minimising our environmental impact is a high priority for us. In accordance with our vision, we want to promote a healthier tomorrow and be a forerunner in our industry. This is why we have set an ambitious goal.



In 2019, our recycling rate was

70.6%

Oriola's goal is to achieve carbon neutrality by 2030. This is an ambitious goal, because Finland, for example, aims to achieve carbon neutrality by 2035, and Sweden by 2045.

Achieving carbon neutrality means that we must reduce our operations' CO₂ emissions to zero. The primary tool in reducing our carbon footprint is to make changes in our operations and supply chain by switching to renewable energy sources, for example. Carbon offset is a secondary means for us, to be used when it is not possible to further reduce our emission levels.

Oriola's carbon footprint consists mainly of three emission groups: direct emissions; emissions from purchased energy; and other emissions from our supply chain. The carbon footprint has been calculated according to the Greenhouse Gas Protocol reporting principles, and covers the entire Oriola Group.

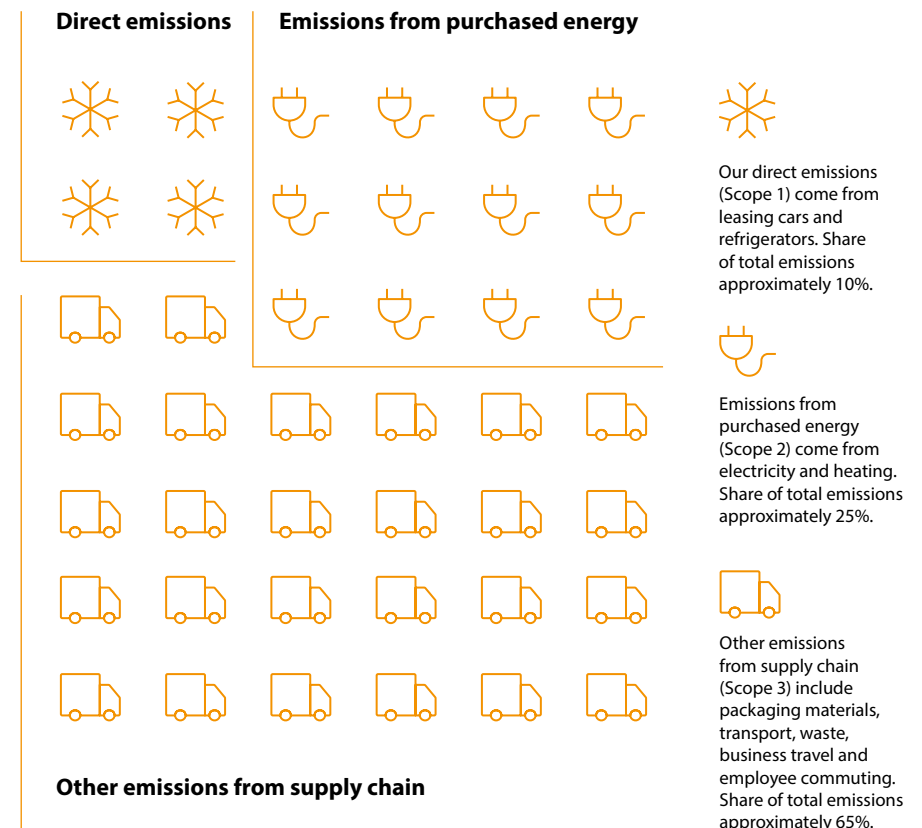
Transport is our largest source of indirect emissions, as subcontractors are responsible for our entire transport network. With our transport partners, we seek constantly to reduce emissions through route optimisation, the efficient usage of capacity and the broader use of alternative fuels, among other



things. For example, in 2019, our transport partner PostNord introduced new biofuel vehicles for Oriola's deliveries in the Helsinki Metropolitan Area.

We also influence the transport emissions in our distribution centres by improving the filling rate of transport boxes to reduce the number of boxes delivered to our customers. In Sweden, we also deliver part of our online orders as joint deliveries with pharmacy orders.

Oriola's carbon footprint



We invest in improving recycling

Our primary goal in waste management is to avoid the production of waste; our second-

ary goal is to make material recycling more effective. A significant share of waste consists of the packaging material of the goods delivered to our warehouses and distribution centres. Efficient recycling allows the reuse

of packaging waste as raw material instead of combusting it for energy. This saves natural resources, reduces CO₂ emissions and minimises material waste.

One of our environmental goals at the Group level is to increase the recycling rate to 85%, and recycling of waste was one of the key initiatives of our 2019 environmental work. In Finland, we began to recycle clear plastic film, for example, and enhanced the recycling of other types of waste as well. In Sweden, our dose-dispensing production in Uppsala began to sort all types of waste in 2018, and this translated into an increase in the recycling rate from 52.7% to 58.8% in 2019.

We collect hundreds of tonnes of pharmaceutical waste annually

Returning unused medicines to a pharmacy prevents them from entering the environment through mixed waste or sewage systems. Our Swedish pharmacy chain, Kronans Apotek, collects hundreds of tonnes of pharmaceutical waste annually and delivers it for appropriate disposal. We encourage consumers to return unused or expired medicines to a pharmacy. In Finland, we collect pharmacies' pharmaceutical waste and deliver it for appropriate disposal.

In 2019, we also participated in the joint campaign of the pharmaceutical sector in Finland to protect the Baltic Sea, which aimed to raise consumer awareness of the importance of the appropriate disposal of pharmaceutical waste.

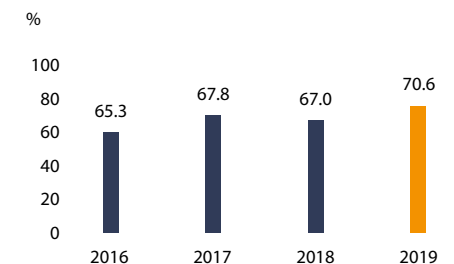
The most efficient way to avoid medicines entering the environment is to prevent the production of pharmaceutical waste. There are numerous ways to promote the responsible use of medicines throughout the sector, from optimising packaging sizes to providing expert pharmaceutical advice in pharmacies. Dose dispensing is another way to minimise pharmaceutical waste, because patients receive their daily medication as ready-to-use doses.

In our distribution centre in Mankkaa, Finland, energy consumption has decreased by

 **14%**
since 2017.



Recycling rate¹



¹ Waste generated in everyday business operations and collected from Oriola Group facilities

100% renewable energy

The most significant environmental impacts of our operations stem from energy consumption in our facilities. This includes lighting and ventilation in warehouse and office facilities, and our pharmacies in Sweden. Our energy consumption also includes the control of conditions required for pharmaceutical warehousing, such as cooling or heating.

Our goal is that all the energy we use will be renewable by 2022. In 2019, 92% of our total electricity consumption was renewable.

In addition to renewable energy sources, we are developing the long-term energy efficiency in large warehouse and office facilities. For example, in the Mankkaa distribution centre, we have managed to increase energy efficiency, decreasing energy consumption by 14% since 2017. Meanwhile, our Mölnlycke central warehouse in Sweden switched from district heating to geothermal heating in 2015, reducing the annual energy consumption by 980 MWh. In 2020, solar panels will be installed on the facility's roof.



Recycling rate in Mankkaa increased to 71%

Enhancing recycling in our distribution centre in Mankkaa, Espoo, in 2019 is one example of our efforts to increase our recycling rate. In Mankkaa, we started to sort the plastic film used to protect pallets, standardised recycling bins, issued clearer recycling and sorting instructions, and trained our entire warehouse personnel.

In 2019, this development work increased the total recycling rate to 71.0% in Mankkaa (61.5% in 2018), reduced the amount of combustible waste by 26% and increased the amount of recycled cardboard by 11%. The most impressive results were gained in the recycling of plastic, of which we collected 17.3 tonnes during the year.

Investors

Oriola has a strong position in the Finnish and Swedish health and wellbeing markets. Oriola's market share is approximately 46% of the pharmaceutical wholesale market in Finland and approximately 44% in Sweden. Oriola's share of the Swedish pharmacy market is 17%, and share of the dose-dispensing market is 40% in Finland and 43% in Sweden. Oriola Corporation is listed on Nasdaq Helsinki.



4 reasons to invest in Oriola

Oriola's wide selection of health and wellbeing products and services helps people to lead healthier lives. Oriola offers expert services to healthcare operators for the entire life cycle of the medicine, as well as a high-quality and reliable supply chain for pharmaceuticals.

Oriola Corporation is listed on Nasdaq Helsinki. Oriola Corporation's class A and B shares are quoted on the main list of the Nasdaq OMX Helsinki exchange. The company's field of business on the stock exchange is Health Care Distributors, and the company is classified under Health Care. The ticker symbol for the class A shares is OKDAV and for the class B shares OKDBV.

1 Oriola's main markets offer a stable, attractive operating environment

- Megatrends, such as ageing population and increasing interest in wellbeing, strengthen Oriola's main markets and create structural market growth.
- Oriola's demand has developed steadily during the accounting period and over the cycles. Market shares have also been relatively stable.
- A significant share of Oriola's business is heavily regulated, which creates a high threshold for entering the market and enables local competitive advantage through scale and services.

2 Oriola offers customer-oriented services throughout the lifecycle of the medicine

- As an expert partner, Oriola meets pharmaceutical companies' growing need for full-services.
- Oriola has a strong position in the consumer market – the company's Kronans Apotek is the third-largest omnichannel pharmacy chain in Sweden.
- The demand for dose-dispensing services is increasing, and Oriola has a strong market position.

3 Oriola's short-term focus is on transformation and profitability improvement

- The company culture is being transformed from the fundamentals – purpose, vision and strategy have been renewed.
- Oriola is executing the 20by20 Excellence programme to ensure efficient and high-quality operations and to improve profitability.
- The aim is to achieve a steady cash flow that enables predictable dividends and selected investments for growth.

4 Sustainability is at the core of Oriola's business

- Oriola creates societal value and effectiveness for healthcare at large.
- Oriola has committed to the UN's Global Compact principles, and the company's sustainability strategy covers ESG topics. This reflects beyond the financial statements to Oriola's business risk management.
- Oriola has set long-term sustainability goals to create value for stakeholders.

Members of the Board of Directors 2019–2020



Anssi Vanjoki (1956)

Chairman
M.Sc. (Economics)
Independent member of the Board since 2015



Eva Nilsson Bågenholm (1960)

Vice Chairman
Chairman of the Compensation and
Human Resources Committee
Physician
Independent member of the Board since 2015



Juko Hakala (1970)

M.Sc. (Economics)
Independent member of the Board since 2018



Anja Korhonen (1953)

Chairman of the Audit Committee
M.Sc. (Economics)
Independent member of the Board since 2014



Mariette Kristenson (1977)

M.Sc. (Economics)
Independent member of the Board since 2016



Harri Pärssinen (1963)

M.Sc. (Economics), APA
Independent member of the Board since 2019



Lena Ridström (1965)

M.Sc. (Economics)
Independent member of the Board since 2016

Please find more information on the members of the Board of Directors at our [website](#).

Group Management Team



Robert Andersson (1960)

President and CEO¹
since 2018



Katarina Gabrielson (1969)

Vice President, Business Area Retail
since 1 January 2019
With the company since 2012



Thomas Gawell (1963)

Vice President, Business Area Pharma
since 1 January 2019
With the company since 2001



Anne Kariniemi (1970)

Vice President, Operations
since 21 January 2019



Helena Kukkonen (1972)

Chief Financial Officer
since 2018



Tuula Lehto (1973)

Group Communications Director
since 2017



Charlotta Nyström (1972)

Chief Information Officer
since 2018



Petter Sandström (1976)

General Counsel
since 2012
With the company since 2008



Teija Silver (1964)

Vice President, Human Resources
since 2006



Anders Torell (1967)

Vice President, Business Area Consumer
since 2018

Changes in Group Management Team

¹ Robert Andersson was interim leader for the Operations function from 1 January to 21 January 2019.

Please find more information on the members of the Group Management Team at our [website](#).



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