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Glossary



Tamro and corporate responsibility

This is Tamro Group's first corporate responsibility report. Our view of corporate responsibility covers economic, social and environmental aspects and their impact on our stakeholders. Since 2008 we have continually developed our approach to corporate responsibility starting with the Group sustainability policy. Since then we have worked hard to involve our stakeholders in all of our markets in the development of our reporting process.

For Tamro corporate responsibility means that it must be an integral part of our day-to-day business with our stakeholders. Our role is key to the societies we work for. We have an important role enabling the safe and effective delivery of right medicines at the right place at the right time.

Our most significant environmental impacts are the transport emissions. Delivering medicines requires driving an enormous number of kilometres around our markets. Our hope is that we will be able to optimize deliveries, set reasonable targets and, in time, cut down the most significant cause of our carbon emissions. This will require intensive stakeholder discussions and co-operation to enable the supply chain to adapt this objective in the coming years.

Governments regulate the pricing of medicines throughout Europe. At the same time, safety issues are a great concern in many of the markets. Our objective is that the official medicine delivery chain will stay safe and trustworthy. We will at all times follow pharmaceutical laws, regulations and standards and work closely with our customers, authorities and other stakeholders involved in the process. It is important to emphasize staff safety training and procedures at all sites.

One of the challenges is to make sure our procurement principles are sustainable and that our suppliers also recognize the importance of the issue. Tamro business units need to develop systematic methods for supplier selection and approval based on common sustainable and ethical principles. These must be defined on the Group level.



1 Feb 09 – 31 Jan 10

Corporate Responsibility Report

Reporting principles

This is the first corporate responsibility report of Tamro Group. The report covers performance in the financial year 1 February 2009 - 31 January 2010. Tamro Group will publish a web-based Corporate Responsibility report annually from 2010. We follow the Global Reporting Initiative (GRI) G3 Guidelines in our reporting. The report also contains a number of case studies which describe Tamro's responsibility in practice.

The report covers all Tamro Group business units in eight countries. The objective is to describe the development and results of Tamro Group's corporate responsibility. Comparative data is not available as this is our first report.

Some sections have knowingly been excluded from the corporate responsibility report as they are a part of our annual report. These are the CEO's review, corporate governance and risk management, among others. Both the corporate responsibility report and Tamro Group annual report are published online. This first report has not been assured by a third party. Based on its own assessment, Tamro Group has followed the C Application Level of the GRI guidelines. The Application Level has been checked by a third party, PricewaterhouseCoopers Oy. The GRI content index, which facilitates the evaluation of how the report meets the GRI reporting requirements, can be found in the [GRI table](#) section.



Corporate Responsibility Report

Tamro Group CR objectives 2009/10 and in the future

Tamro Group's main objectives have been to develop the corporate responsibility reporting process and publish the first report in spring 2010, and to launch a Group-wide Code of Conduct. Most of the business units have been able to launch the code to their employees. A web-based learning game tool was developed to help the launch, and the majority of the employees have played the game.

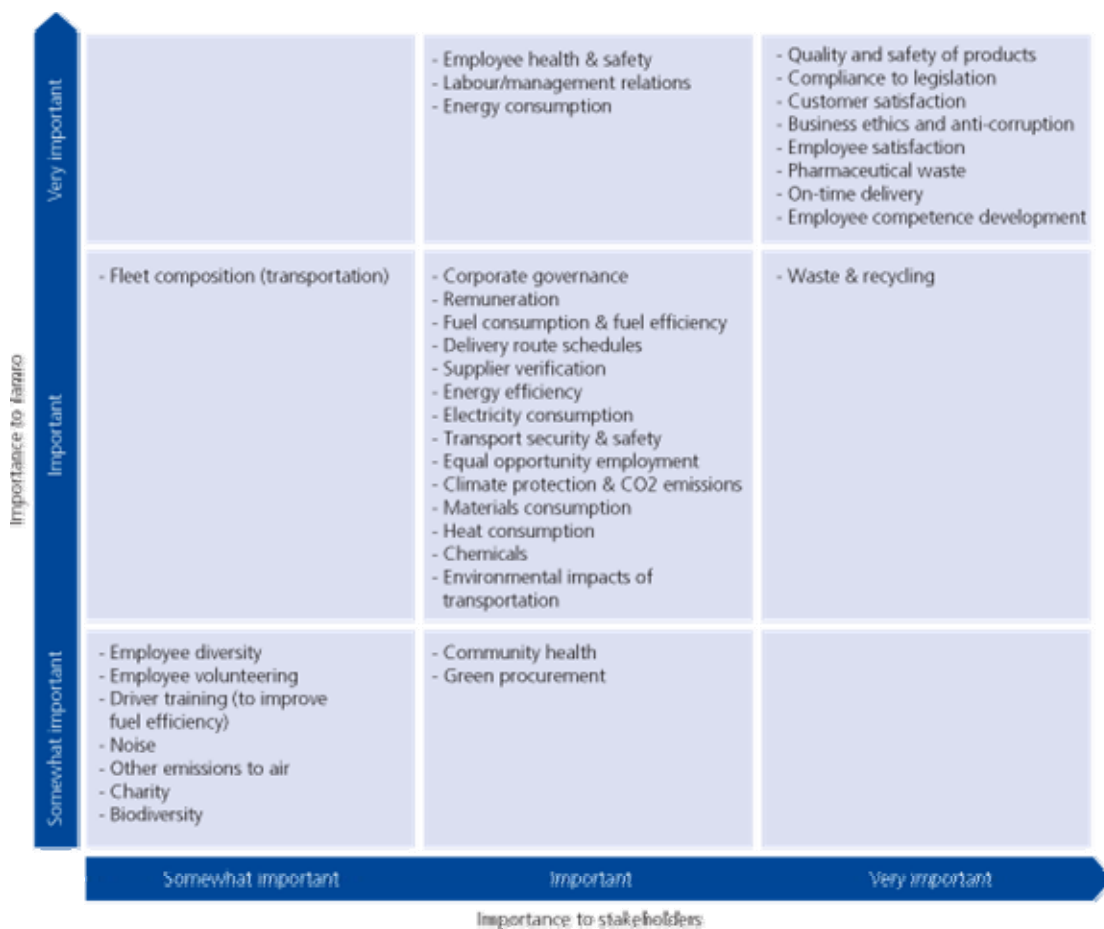
2008	2009	2010
Tamro Group sustainability policy published	First Group-wide Code of Conduct launched	First Group Corporate Responsibility report published
Business units, 2008	Business units, 2009	
<p>Finland: waste management plan</p> <p>Poland: energy saving lighting to all warehouses</p>	<p>Denmark: 10 % cut in CO₂ emissions by 2011</p> <p>Norway: environmental policy published</p> <p>Finland: Green Office environmental system development</p> <p>Sweden: First Tamro business unit to launch the Code of Conduct to all employees, ISO 14001 standard since 1995</p>	<p>Poland: Code of Conduct training to all managers</p> <p>Estonia: Green Pharmacy concept</p> <p>Lithuania: delivery route optimization to cut carbon emissions</p> <p>Latvia: replaced plastic bags with paper bags in all pharmacies</p>

An important future objective for Tamro Group is to integrate corporate responsibility into the overall decision-making processes. Secondly a sustainability organisation needs to be defined and further established. Main Group level responsibility of this development is in Corporate Communications. Thirdly the further development and the annual publication of the GRI-based corporate responsibility report are important. Common understanding of Tamro material sustainability aspects helps us to improve our data quality locally and develop more systematic ways to report various indicators.

Material CR aspects

Materiality of different sustainability aspects was defined during the development of the corporate responsibility reporting process. To enable us to better understand what is important to our stakeholders, a thorough preparation phase of the reporting helped us to define the materiality of different sustainability aspects. A web-based stakeholder survey was sent to 500 stakeholders in all our markets and received 74 answers. In addition, a business sector competition analysis was conducted. Finally Tamro Group management interviews and a management workshop resulted in the prioritization of the wide range of different sustainability aspects.

Tamro Management Sustainability Aspects Prioritization



Tamro Group corporate responsibility management and organisation

Tamro Group follows EU and local pharmaceutical laws and regulations that guide our everyday operations in all our markets. Pharmaceutical wholesale and retail are heavily regulated to guarantee the safety of medicines from the manufacturer to the consumer.

In Tamro Group our corporate responsibility guiding documents are the Group Sustainability Policy and the Code of Conduct.

According to the Sustainability Policy, Tamro Group is committed to managing and developing its business in a sustainable manner. Tamro Group is dedicated to the practice of sound environmental stewardship and to providing a safe and healthy workplace for all Tamro employees. These values are emphasized through all levels of responsibility within Tamro Group.

Tamro Group launched the first Code of Conduct in August 2009 in nine language versions. The Code of Conduct sets the principles of good business conduct for all Tamro employees. All Managing Directors have the responsibility to ensure that the Business Unit follows the rules set by the Code of Conduct. A Compliance Officer has also been appointed in all business units. He/she is responsible for the daily compliance operations in the business unit. Most Compliance Officers are HR or legal department representatives. Compliance Officers report to the Group Compliance Team responsible for the follow-up and development of compliance issues within the Group.

Tamro Group Corporate Responsibility organisation



Compliance organisation



- » Corporate Governance
- » Risk management



Quality management systems
ISO 9001 quality management system: Sweden, Finland, Denmark, Norway (compliant not certified)



Environmental management systems
ISO 14001 Sweden

- » Tamro's organisational structure



Tamro Group and stakeholders



Tamro's stakeholders include groups both interested in Tamro and able to influence our business environment and/or operations. Stakeholder mapping has been done in the Group management sustainability workshop as part of corporate responsibility reporting development.

Tamro's stakeholders were closely involved during our corporate responsibility reporting process development. Over 500 survey questionnaires were sent to different stakeholder groups in all our markets in order to define the most important sustainability aspects of Tamro Group. As pharmaceutical wholesale and retail are both heavily regulated business areas, the most important aspect was, unsurprisingly, compliance with legislation. Quality and safety of products are high in the hierarchy. Business ethics and anti-corruption are also at the top. As a response to this result, Tamro Group published its first Code of Conduct, which deals with anti-corruption and many other issues important to our stakeholders seen in the graph below.

Stakeholder expectations	
Owners	Consumers
Personnel	Pharmacies
Pharmaceutical Companies	Financial market
Competitors	Transport companies

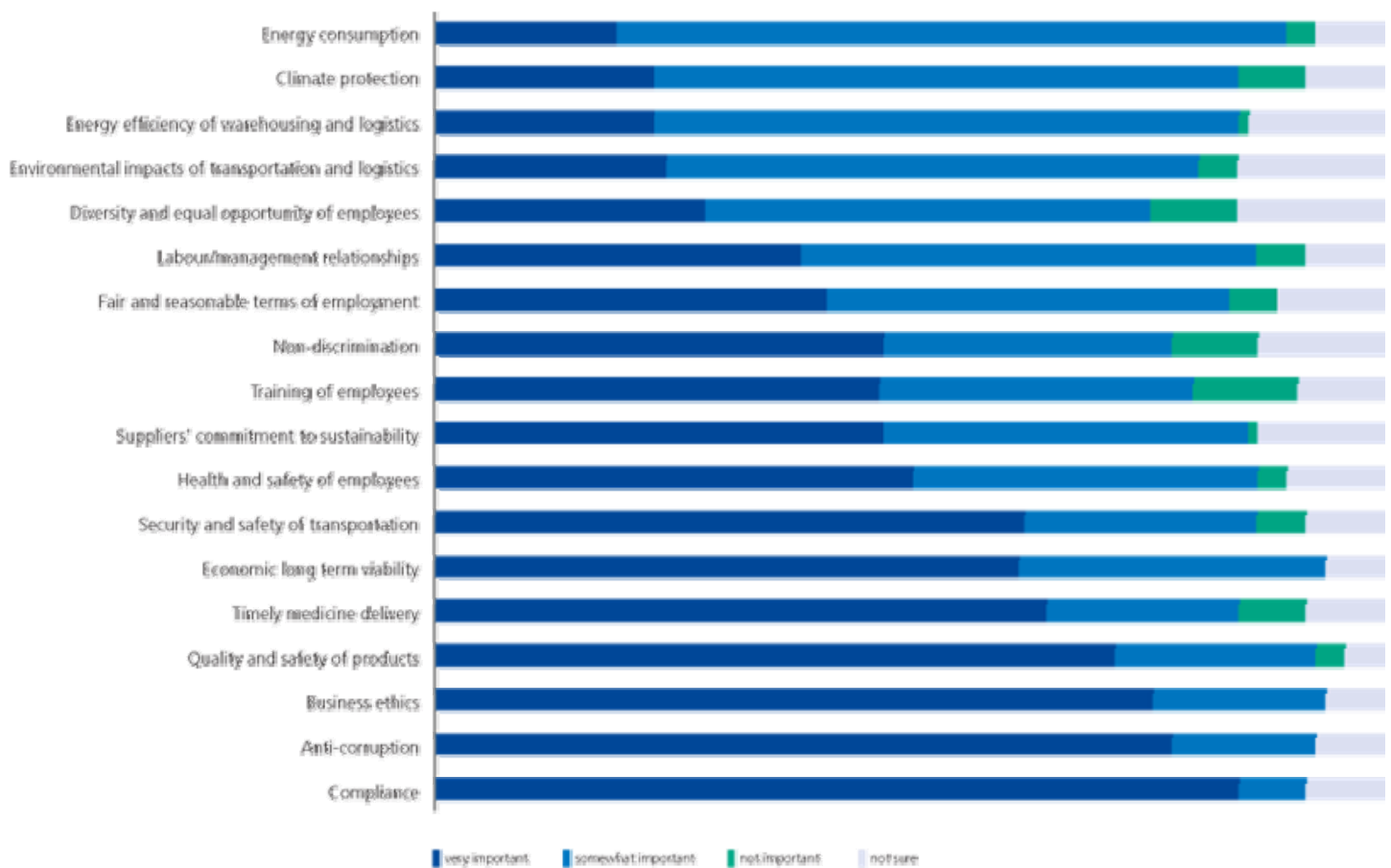
Stakeholders:

They expect us to be profitable, provide a return on their investment and be responsible

Tamro

We hope they consider us as a profitable and good investment and are willing to support our development

Importance of Tamro's sustainability aspects for stakeholders



CASE: **Leiras**

An eye for development and tailor-made services count when choosing a partner



Pharmaceutical companies are a key customer group for Tamro. What are the ingredients of a good relationship between a wholesaler and a pharmaceutical company? **Jaakko Linna**, Managing Director of Leiras Finland, shares his thoughts.

Leiras is one of the leading pharmaceutical companies in Finland and part of the international Nycomed group. In Finland, co-operation with Tamro Finland has continued for over 20 years.

“High reliability of delivery and quality form the basis of co-operation between a pharmaceutical wholesaler and a pharmaceutical company. Pharmaceuticals must be delivered to the right place at the right time without errors. Laws and standards concerning pharmaceutical distribution must be meticulously observed throughout the whole chain of logistics. Demands on temperature monitoring are a good example of this,” says Jaakko Linna.

However, this is just a starting point. According to Linna, a partner is expected to offer seamless solutions for information transfer and reporting, and the ability to develop and offer value-adding services to meet the needs of the pharmaceutical company.

A modern wholesaler is not just a distributor, but a service company offering its customers a vast portfolio of services, for example to support the customer’s marketing activities.

“Integration solutions, different support services and their active development are factors that distinguish pharmaceutical wholesalers from one another. These are the factors that ultimately lead to the decision on who to choose as a partner,” says Linna.

In day-to-day operations, communication forms the cornerstone of a good customer relationship: keeping promises and appointing clear points of contact in both companies. These contact persons should have the ability and authority to take matters forward and solve possible problems with determination, says Linna.

“Daily co-operation with Tamro works extremely well. I’m also very pleased with our advisory board forum, where we meet regularly and go through both Leiras’s business challenges and Tamro’s news. In this forum we have been able to start and follow up joint development projects.”

Linna often mentions development and tailoring to customer needs. They rank very high on Leiras’s list of expectations for a potential partner.

“Tamro is a substantial player in Finland and known for doing things very well. Their processes are extremely efficient and well managed. Of course, highly standardized processes don’t always leave that much room for tailor-made solutions,” Linna says, pointing to a future development idea.

Economic responsibility

Economic responsibility means that Tamro business operations are performed responsibly and financially profitably, resources are used efficiently and company stakeholders benefit from the financial outputs. The operational and financial profit must be achieved through ethical business conduct and fair competition.

See [Risk management](#)

See [Net sales development](#)

Tamro financial reporting is reliable and transparent. Interim reports, Financial Statements and Annual reports are published on the Tamro Group web site and are available to the public. Additionally Tamro Group will publish a web-based Corporate Responsibility report annually from 2010 onwards.

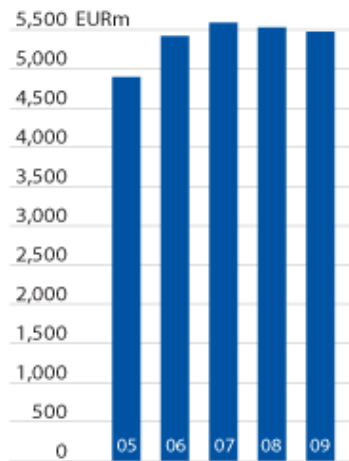
Tamro Corporation is 100% owned by the Europe's second largest pharmaceutical wholesaler, the Phoenix Group.

Economic value added

Tamro Group	
	2009
Revenues	5 467 mEUR
Community investments	127 tEUR
Employee wages and benefits	242 mEUR
Payments to government (gross taxes and royalties)	28 mEUR
Operating costs	5070 mEUR
Payments to providers of capital	86 mEUR
Economic value retained	40 mEUR

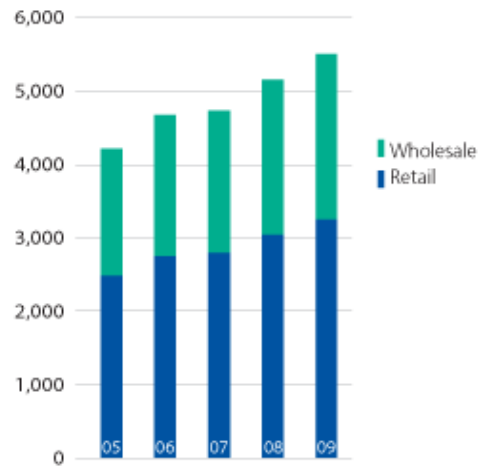
Net sales

Net sales 2005–2009/10



Tamro as an employer

Personnel by division 2005–2009/10



CASE: Strong financials

Strong financials – the backbone of responsibility



Profitability and competitiveness are the basis of healthy business and the foundation for corporate responsibility.

“A company aiming at a leading position in its field and inventing new ways of doing business is usually a profitable one. In addition to strong financials, a successful company is one with a good reputation with regard to how it acts both as a corporate citizen and towards its employees,” says **Hans Wahlén**, Managing Director of Tamro Sweden’s wholesale operations.

If a company doesn’t report good results, it won’t survive in the long term. This doesn’t of course benefit anyone – not the owners nor the employees.

“Unless you are financially successful, there is no way you can make decisions regarding your own future as a company. In a nutshell, strong financials make the future possible.”

A strong economy is also an enabler of social and environmental responsibility.

According to Wahlén, financial success and responsibility do not exclude one another – on the contrary.

“A company should aim at both. As most employees want to be proud of the company they work for, the company has to act in a good way. In addition, many of the things we call social and environmental responsibility will probably later end up as legislation. A responsible company is already prepared for this.”



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Corporate Responsibility Report

Taking care of the environment

Pharmaceutical wholesale, retail and distribution cause environmental impacts through logistics:

- Electricity is needed to keep goods at optimum temperatures at all stages of our supply chain.
- Product transportation emits greenhouse gases into the atmosphere, increasing global warming.

As a responsible company, Tamro is committed to taking care of the environment and always improving the sustainability of our operations. We continuously monitor our electricity, heat, water and fuel consumption and waste production. We are committed to meeting relevant environmental regulations, and many improvements have been made in order to develop our business in a sustainable manner.



Corporate Responsibility Report

Towards environmentally conscious business

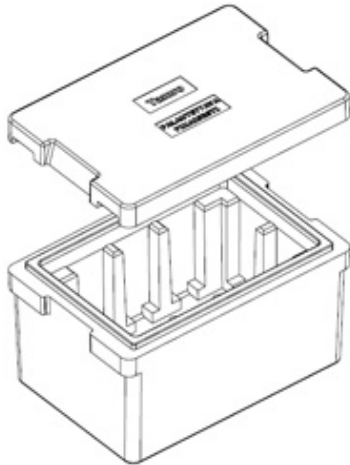
Pharmaceutical wholesales are regulated by both international and national laws and regulations regarding the packing, transporting and storing of products in order to maintain optimum quality and safety. Safety, both human and environmental, is a key factor when handling medicines and other pharmaceutical products.

Launching the Tamro Sustainability Policy in 2008 was a starting point for many environmental improvements that have since been made in the company. The Sustainability Policy states that we are committed to managing and developing our business in a sustainable manner. We are further committed to meeting relevant environmental regulations and developing and continuously improving operations and technologies to minimize waste and any other pollution. Sustainability is addressed throughout our value chain and we encourage our suppliers and partners to comply with Tamro Sustainability Policy and practices.

The ethical guideline of Tamro, the Code of Conduct, was published in autumn 2009. The Code of Conduct guides and assists Tamro employees with ethical problems and includes a chapter dedicated to environmental responsibility. The chapter insists that all Tamro employees conduct business in an environmentally and socially responsible manner. Complying with environmental laws and regulations is essential. The Code of Conduct helps us to maintain and advance the sustainable development in the corporation and in our daily work.

Eco-efficiency and material savings

In all Tamro countries, the majority of pharmaceuticals and other products are transported to customers in plastic transport cases. Cold products are packed in Styrofoam cases.



Using washable transport cases reduces the amount of waste. A good example of environmental improvements made in order to increase our eco-efficiency is the new Styrofoam transport case introduced by Tamro Finland. Earlier, cold bricks were enfolded in bubble wrap to ensure that condensation water does not damage the products. After that the cold bricks were placed on top of a cardboard sheet which covered the cold products. The new Styrofoam box was designed in a way that no plastic or cardboard is needed, reducing the material needed and waste generated. Also time will be saved as a few stages can be skipped.

<< New Styrofoam case reduces waste generated and saves time.

A new box has been introduced also in Apotek1 in Norway. This box is only used for returning pharmaceutical goods that are going to be destroyed. Having all the defects and broken items in a special box makes handling safer, more secure and efficient.

Tamro Estonia's retail chain Apteek1 has the objective of being the first 'green' pharmacy chain in the country. Among other things, this involves using recycled materials, reducing the amount of waste and saving energy and water. Employees are encouraged to participate in reducing the company's carbon footprint.

A lot of work has been done to reduce paper usage. This is one of the objectives of Tamro Finland's Green Office project.

In Finland, due to the Tamro House Green Office project, printers have been set to print on both sides and staff has been reminded to print only when really necessary. The goal is to cut paper consumption by 10% in 2009–2010. One way to reach the target is to remove personal printers and replace them with shared ones. This has already been done in Tamro Lithuania.



CASE: **Green Office**

UAB Tamro in Lithuania has digitalized invoicing. Two-thirds of their customers now receive only electronic invoices, and for the rest only one paper will be printed instead of the original three. The estimated annual savings amount to 15 000 euros.

Tamro Finland annually sends more than 35% of invoices in electronic form and the figure is growing. Apokjeden A/S in Norway is targeting to change invoices for pharmacies into digital form during 2010. The estimated annual savings amount to 4 000 euros.

Tamro House goes green



There's a note on the restroom mirror: "Disposable hand towels have been replaced with cotton towels due to the Tamro House Green Office project." Office printers print double-sided and there is a weird new waste bin in the office kitchen for left-over food. The Intranet has a page for environmental improvements done in the building and the site regularly informs about environmental news. What is this Green Office that has turned our office green?

Green Office is an environmental service developed by WWF especially for offices. With Green Office, offices of any size can reduce their burden on the environment and achieve savings e.g. in waste and energy costs.

"Green Office benefits companies in many ways," says **Helka Julkunen**, Head of the Green Office Programme, WWF Finland. "It's a great help in a company's internal actions when developing operating models, it shows corporate responsibility, and during the recession any cost efficiency is appreciated. Also, some clients require their partners to have an environmental management system, though Green Office is also an important tool in the stakeholder dialogue."

Green Office is a practical, easy-to-implement environmental programme that is lighter than environmental standards such as ISO 14001 or EMAS. Green Office's main aim is to reduce the carbon dioxide emissions and the ecological footprint of the company.

Tamro House started the Green Office project in June 2009. Since then, many improvements have been made: disposable products have been replaced with more sustainable ones, staff has been educated and consumption figures studied. Environmental targets have been set.

At the moment, there are over 180 organisations in the Green Office Network in Finland, of which nearly 120 have been awarded the Green Office designation: private companies, schools and other public sector departments, clubs and associations...

"The smallest have eight employees and the largest over 2,000. Overall, more than 40,000 people are involved," says Julkunen.

WWF's Green Offices can also be found elsewhere in the world, e.g. in China, Indonesia and Romania. The future looks bright.

"We sign new contracts all the time. People have really found the issue important. With Green Office they are part of nature conservation as the fees we collect are used in WWF work."

Tamro House has prepared an environmental programme. The office inspection conducted by WWF will take place in June 2010.



Energy and water

Pharmaceutical wholesales, retailing and distribution have environmental impacts mainly through logistics. Products must be stored at a specific temperature, which in many cases means freezer or fridge temperatures. In order to maintain product safety, the cold chain must never break; the products must be stored at a certain temperature from factory to pharmacies. Changing weather conditions, especially cold winters and warm summers, sometimes make this challenging.

The temperature of warehouses and cold storages is monitored and any deviation checked immediately. Products are packed in durable transport cases and the temperature monitored during the transport.

Handling thousands of different products requires lots of space which has to be lit and kept at various temperatures. Tamro has distribution centres and offices in eight countries and pharmacies in five countries.

Tamro's business units



Operations in offices and warehouses are computer-based. The orders are done via Internet or phone and handled digitally. Transport boxes move to the right stations with electricity and some of our picking needs electricity. The total electricity consumed in Tamro Group in 2009 was more than 35 GWh. District heat needed was almost 15 GWh.

In Denmark, Nomeco has set an objective of reducing its CO₂ emissions by 10% in three years. The company encourages its employees to reduce their personal carbon footprint.



CASE: Decreasing the carbon footprint in Denmark

Some country business units, such as Estonia and Poland, use direct energy and natural gas and/or light fuel oil to heat their buildings. However, the majority of the energy consumed in Tamro was purchased from outside producers.

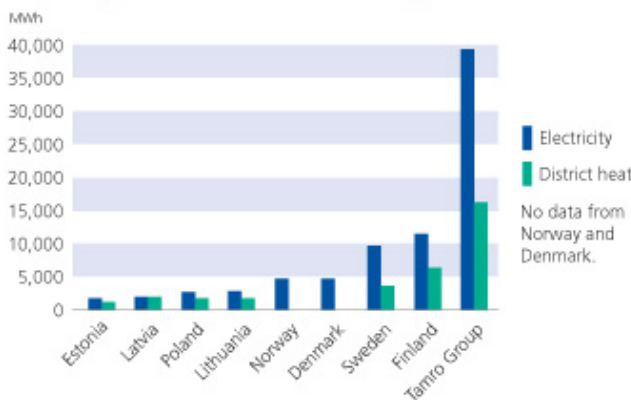
Some Tamro buildings have been surveyed by energy experts, and energy saving improvements have been made. In Finland, a local state-owned energy expert company, Motiva, has inspected Tamro House and central warehouse and made suggestions for energy savings.

Apokjeden Group in Norway has hired energy advisors to help them to reduce their energy consumption. The building has been mapped and an analysis made on how much Apokjeden Group could reduce its energy consumption. The energy advisors have focused particularly on the consumption of energy in illumination and ventilation. Their suggestions are under evaluation.

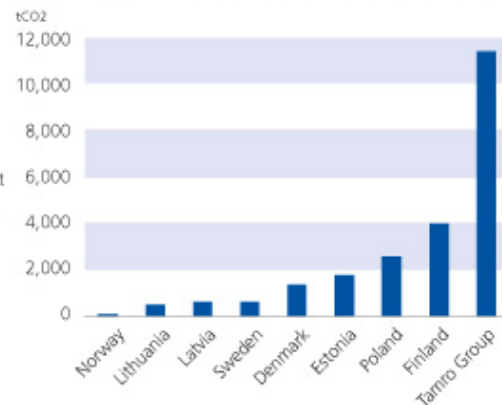
Tamro Lithuania has modernized its heating and ventilation system into a new and more energy-efficient one.

In Poland, energy-saving light bulbs were introduced in the Warsaw warehouse.

Electricity and district heat consumption in 2009

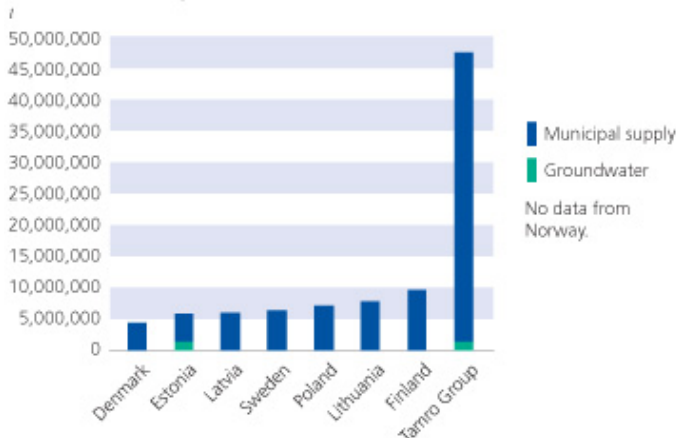


Indirect energy greenhouse gas emissions in 2009



In Tamro, water is mainly used for normal office equipment, kitchens and cleaning. Washing of the reusable transport cases has been centralized in some business units.

Water consumption in 2009



Decreasing the carbon footprint in Denmark



Tamro's business unit in Denmark has an ambitious climate plan. Nomeco aims to reduce its CO₂ emissions by 10% between 2009 and 2011.

"The decision to focus on reducing our carbon footprint was natural to us as it is closely linked to our core business: logistics and transportation. We measure the carbon dioxide emissions from all transportation of goods internally in Nomeco and to our customers as well as our consumption of heat and electricity", says **Merete Wagner Hoffmann**, Communications Manager.

Nomeco is Denmark's largest pharmaceutical wholesaler, ensuring pharmaceutical deliveries to almost all pharmacies and hospitals in the country. In 2008 the total CO₂ emissions from transportation and energy consumption amounted to 4,000 tonnes in 2008. In the beginning of 2012, Nomeco wants it to be 400 tonnes less.

The first year, 2009, showed positive results as the carbon footprint was reduced by as much as 5.5%. The significant decline was a result of cutting down the transportation of goods to pharmacies to one daily delivery. Previously, there were 2–3 deliveries daily. Also, a green car policy was implemented.

"The reduction on the first year was far more than we had hoped for. But we are still facing the biggest challenge: reducing electricity consumption, which creates 60% of our carbon footprint", says Wagner Hoffman.

Reducing electricity consumption is not easy, as the requirements for temperature control in pharmaceutical distribution are increasingly demanding. Carbon cuts call for investments in more energy efficient cold storage, lighting and IT equipment.

"The behaviour of personnel is also important. We must all learn to switch lights off, shut down computers, drive in a more energy-friendly way, to name just a few actions. But I can see it coming: employees are positive, some even enthusiastic, about the efforts to reduce CO₂ emissions."

The goal is for "thinking green" to gradually become a natural part of everything Nomeco does. "We want all employees to be proud of their workplace. At the same time, they expect Nomeco to be a responsible employer," Wagner Hoffman concludes.

Most waste can be recycled

Tamro uses washable and durable transportation boxes. The objective is to recycle all other packaging material. Many improvements have been made in recycling procedures during the years. At the moment, the most sophisticated recycling systems introduced in e.g. Tamro Finland and Sweden recycle cardboard, biowaste, energy waste, plastic, wood, office and other paper, confidential paper, discs, transparencies, batteries, glass and metal. The aim is to significantly reduce the amount of mixed waste.

Pharmaceutical waste consists of items broken inside the warehouse or during transportation, expired products, product defects and recalls made by clients.

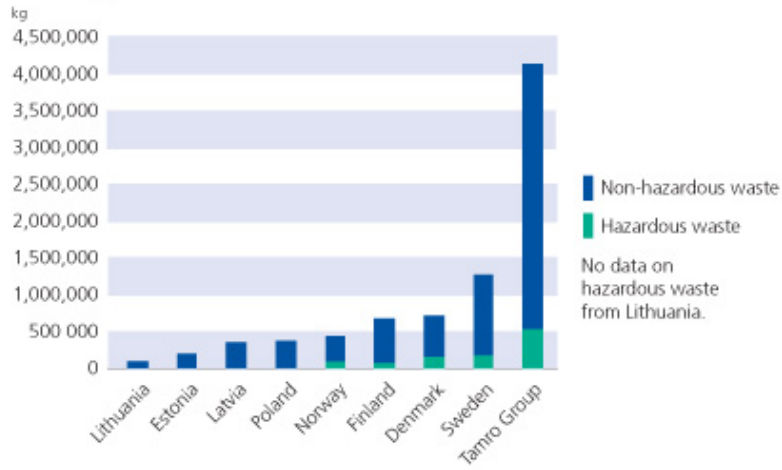
Pharmaceutical waste can cause serious risks to the environment and the ecosystem and therefore it is essential to separate and handle this waste with extreme caution. Pharmaceutical waste is always delivered to a special treatment plant.

The country business units have different capabilities to handle waste. In some Tamro countries, it is still difficult to recycle all types of waste. However, as most of the waste consists of cardboard, the amount of recycled waste could be much higher than 60% if adequate recycling was arranged.

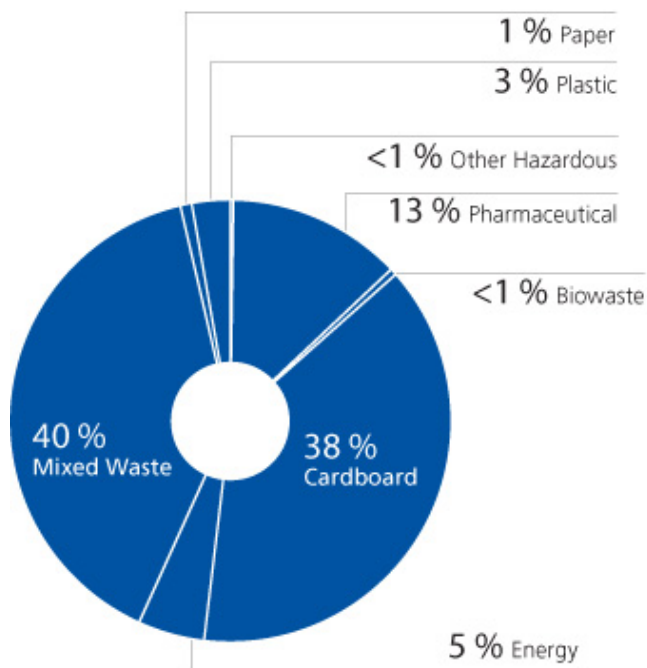
Savings in amounts of waste can be made with small improvements. Tamro Latvia's Gimenes aptieka has replaced plastic bags with paper ones and employees have given up using plastic cups. Washable coffee mugs and ceramic dishes are also used in Tamro Finland and Poland's Warsaw business unit.

A thorough waste management improvement was conducted in all Tamro Finland sites in 2008–2009.

Waste generated in 2009



Waste generated by type in 2009





Pharmaceuticals are transported by road

The majority of pharmaceuticals are delivered by road transport. Some distribution is done with Tamro's own fleet but the majority is outsourced. Distances are long, and subcontracted vehicles transport other goods as well as Tamro's. Returning loads might include returns, empty transport cases and other goods – a full load at all times is the objective.

Ecological driving is also important, because it is a way to save fuel and generate less greenhouse gases. Tamro Finland has educated its own fleet drivers on sustainable driving. The course included both theory and driving practice. The four-hour theory part consisted of the basics of sustainable driving and car technology and included many practical examples and plenty of video material. After the theory session, drivers took test drives with Tamro's fleet while the trainer evaluated their performance. The aim of the course is to change driving habits, increase safety and reduce fuel consumption.

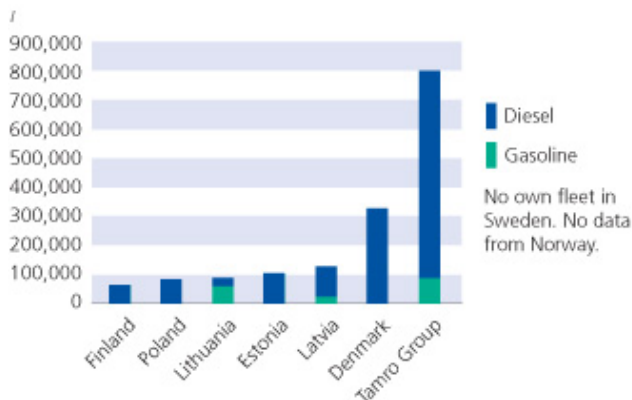
Tamro Finland also has a Low Carbon Car Policy, which sets the CO₂ limit per kilometre in company-leased employee benefit cars to 160 g or lower. 50% of Tamro Sweden's leased employment benefit cars are also low carbon.

Tamro Lithuania has optimized delivery routes and times to reduce carbon emissions from the delivery trucks.

Due to ISO 14001, Tamro Sweden has demands on environmental issues when buying transport.

Not all the countries were able to report the information on kilometres or litres. Data gathering and reporting will be developed to include all the countries.

Fuel consumption in 2009





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Corporate Responsibility Report

Video conferences reduce business travel

It is not always necessary to be in the same place when having a meeting or a negotiation. Video conferences are widely used when communicating inside Tamro country business units. For example, training for the software application used when collecting all the information for this report was conducted via video conferencing. Our goal is to increase video conferences and improve the systems and equipment to make video conferencing easy, versatile and fast.

Environmental management

As a result of the release of the Sustainability Policy, many country business units formulated their own environmental policies in 2008-2009.

Apokjeden in Norway considers environmental issues in its decision-making regarding assortment, selection of packages and means of transport. The Apokjeden policy challenges both employees and suppliers to develop their environment-related practices. The objective is to become fully compliant with the ISO 14001 environmental standard. Tamro Sweden has met the requirements of the ISO 14001 environmental standard since 2000.

Some of the business units have been awarded a designation of an environmental association, usually for e.g. energy-saving activities and sophisticated waste management.

Tamro is a member of the following environmental and sustainable development related organisations:

Tamro Finland

- **WWF Green Office** (not certified yet).
 - Practical environmental programme for offices
- **PYR** (The Environmental Register of Packaging PYR Ltd)
 - A non-profit firm, operating in conjunction with producer organisations in the packaging sector
- **Petra Waste Benchmark**
 - Service offered by HSY Helsinki region Environmental Services Authority, a tool for tracing and comparing the amounts of waste generated by companies and public services in the Helsinki Metropolitan Area.
- **Finnish Business & Society ry FIBS**
 - An enterprise network promoting financially, socially and ecologically sustainable business in Finland.

Apotek1 in Norway

- **Grønt Punkt Norge AS** ("Green Dot Norway")
 - A privately owned non-profit company responsible for financing the recovery and recycling of used packaging on behalf of the industrial sector.
- **Miljøfyrtårn**
 - Norwegian public certificate developed to help private and public enterprises to operate profitably and in an environmentally friendly manner.

Latvia

- **Zaļais punkts** ("Green Dot Latvia")
 - A privately owned non-profit company responsible for financing the recovery and recycling of used packaging on behalf of the industrial sector.

Nomeco

- **1 tonne less**
 - A campaign launched by the Danish Ministry of Environment and the Danish Ministry of Transport and Energy aiming to reduce the national carbon footprint.



1 Feb 09 – 31 Jan 10

Corporate Responsibility Report

All about health and safety

For Tamro, social responsibility means:

- taking care of its personnel and supporting their continuous development
- ensuring the utmost quality of pharmaceutical distribution at all times
- protecting the health and safety of all its employees, visitors and others affected by its operations
- supporting the principles of equal opportunity and mutual respect
- developing its core competence – logistic infrastructure – and the many services provided for the customers and
- running the business in an ethical manner.

See [Tamro Group Code of Conduct](#)



A great place to work

Tamro has built a trustworthy reputation as the leading pharmaceutical distributor in Northern Europe. Tamro's positive reputation is the result of years of hard work by the employees and the management. It is among Tamro's most valuable assets and depends on every employee's attitudes and actions every day. What Tamro does is vital to the country business units and the healthcare systems of the countries in which they operate. The way we do it is just as important. We must conduct our business the right way at all times.

All our employees have a meaningful job to carry out. Skilful and committed people are our key asset and the foundation of our success. By investing in the well-being and development of the employees, Tamro creates a good workplace for them. Tamro wants to further strengthen its image as an attractive and responsible employer.

Tamro's personnel policies are based on the local business strategies, and thus all our country business units define their own personnel strategies and special focus areas themselves.



CASE: [Working for Tamro](#)

Personnel in figures

At the end of the reporting period Tamro employed 6 461 people (5 429 in full time equivalent) in its eight operating countries. The average number of employees during the reporting period was 5 516 (in full time equivalent). The great difference between the year-end and average employee number is explained by the need to hire additional workforce during peak seasons. On average, 59% of the personnel worked in retail and 41% in wholesale.

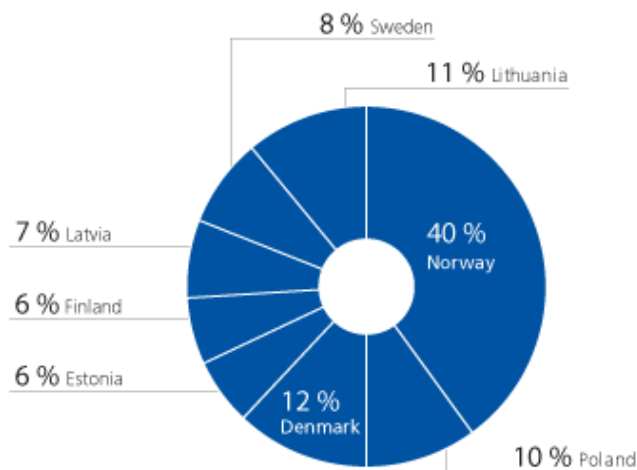
The number of personnel grew the most in Poland and Lithuania. In Lithuania the increase in headcount is explained by the acquisition of the Farma pharmacy chain in August 2008. In Poland, the increase is explained by pharmacy acquisitions during the reporting period.

The majority of Tamro employees have a permanent contract, but we also employ temporary employees. In 2009/10 we employed 6 181 permanent and 280 temporary employees. Also external workforce was used in Denmark, Finland and Latvia, and their number amounted to 173. As much as 96% of Tamro's employees are permanently employed.

HR statistics by country

	Tamro Group total	Norway	Poland	Denmark	Estonia	Finland	Latvia	Sweden	Lithuania
Headcount									
Permanent	6 181	2 560	610	745	258	332	421	496	720
Temporary	280	0	44	10	136	58	4	27	0
External workforce	173	0	0	147	0	11	15	0	0
Total	6 461	2 560	654	755	394	390	425	523	720
Turnover									
New employees	541		128	120	81	85	36	78	5
Contracts of employment terminated total	627		144	145	57	41	114	31	90
Terminated by employer	187		67	69	0	1	50	0	0
Turnover % (Total)	16		37	22	8	8	27	8	12
Turnover % (Permanent)	15		36	22	8	4	25	5	12

The division of employees by country in 2009



The global economic downturn has not had a significant effect on Tamro's operations, except in the Baltic countries, where various measures have been taken to adapt to the challenging situation. Unfortunately, workforce reductions could not be avoided in Latvia, Lithuania and Estonia. The employment of 66 people had to be terminated in Lithuania due to closure of pharmacies. In Latvia, a total of 45 people had to be let go as a result of closing down pharmacies and reducing personnel costs. In Estonia, altogether 18 people had to be reduced due to a streamlining of operations and increased technological automation.

The Latvian employees who were made redundant received a cash compensation that is in accordance with Latvian legislation. The amount of the refund depends on the length of employment. The local HR has given support to the employees and helped them in many ways, for instance with documents needed to apply for unemployment benefit.

One distribution centre was also closed down in Denmark, and 11 temporary employees were made redundant during the reporting period.

Working for Tamro



My work place is a positive zone

It's really hard to believe but I've been working for PHOENIX Pharma Polska for almost eight years, which is a long time by today's standards in our dynamic world. The job came completely by coincidence as most of the best things in life. I've met people with big aspirations, ambitious plans for the future and a modern approach to business. After eight years I can still say that my workplace is a positive place where I find acceptance and where both my work is and I personally am respected. I feel I'm a part of the team. Even though there is nothing magical in my everyday work!

*Katarzyna Grzybowska, Secretary of the Board
Poland*

From dentistry to the world of logistics

After graduating from the Medical Academy of Latvia, I worked six years as a dentist, not being sure it was the thing I wanted to do in the future. At the end of 1999, I decided to end my dentist's career and began to follow job advertisements to find a more interesting job. An ad caught my eye: "Tamro SIA is looking for an employee." The main requirements were a good level of English, medical education and good communication skills. I had all of those. I tried my luck and got the job! After three years of working as the Baltic Central logistics operator, I was promoted to the position of the BCL Chief Logistics expert. I like my job: I love solving problems and I like the people I work with. When it comes to negative sides, sometimes I find it difficult to plan my holidays due to so many reports and different periods, but I manage.

*Daiga Vilerte, Chief Logistics Expert
Latvia*

Over 20 years in Tamro

I joined Tamro at the end of 1988, when Lääketukku was merged into Tamro. I enjoy my work because it has always been diverse and challenging. My job position and tasks have changed many times. I've been involved in many interesting international projects as a member or leader. I've been able to work with people from different departments, which has made the job rewarding and has broaden my mind. Tamro is a trustworthy and a stable employer.

*Arja Salminen, Business Developer
Finland*

Growing together with the company

I started working in Tamro Lithuania in 1999 as a sales specialist. I chose to apply to Tamro mainly because the job description was interesting and the working conditions good, both things important for career development. During my years in Tamro I've had a wonderful chance to work in different positions: in the sales department, marketing department, retail department... This has given me a chance to develop myself professionally and kept me in the company. The company has evolved a lot through merging of pharmacies, purchasing wholesale enterprises and developing retail. I've grown together with the company and had interesting and challenging tasks. Sometimes the communication between the departments or countries could be more intense, but I list Tamro's strengths to be clearly set goals, good working conditions, high quality management and a good company culture.

*Jovita Vaitkeviciute, Pharmacy Activity Coordinator
Lithuania*

Through turbulent periods

In June 2000, I started working in one of the first pharmacies in Norway that began using Tamro as a preferred wholesaler. As one of my responsibilities was logistics, I worked close to Tamro people. After a while, they contacted me and offered me a job. I now work as a Category Manager for Unlicensed Medicines and like my job and colleagues. Our office is close to where I live. During the past 10 years there have been some turbulent periods and sometimes I would have wanted more information and communication. A lack of those can lead to insecurity among employees. In the end, this is an exciting business with a lot of changes and I think we've made some right decisions which have led to success.

*Kristin Fodstad, Category Manager Unlicensed Medicines
Norway*

A unique place to work

I've worked in Nomeco for 18 years now, which means I've literally spent half of my life here. I started working in the logistics development as a part of my training and I've been here ever since. It was natural for me to choose Nomeco, as it is one of the biggest players in the field of logistics in Denmark. Also, I have 'pharmaceuticals running in my blood' as my father is a pharmacist. My colleagues often make jokes about me being born in a Nomeco box. Nomeco is a fantastic and a very unique place to work. I've worked in most of the functions here and I know the business from the inside. If you're passionate enough about an idea you can have an influence – and it's a short way from thought to action. This means that you get to see the effect of your idea early in the market and that's very motivating. Nomeco always moves with the development in the market, and we're always a little ahead of what's going to happen. It's much more fun that way. The secret of our success is a strong focus on customer needs based on service and quality.

*Kasper Lund-Jacobsen, Market Development Manager
Denmark*

With 35 years of experience

In 1975, I was living in Uddevalla and was going to move in with my boyfriend, later on my husband. I saw an ad in the Employment Service office about an office job in ADA AB administration at the distribution centre in Gothenburg. I got a temporary employment contract for the summer and was offered a permanent position in the autumn of 1975. Over the years I have had different responsibilities: leader in IT projects, Administrative Manager, Business Manager... I also had the opportunity to work within the project "Pill" in connection with Tamro's purchase of ADA AB, in 1995–1996. I've stayed in Tamro because of the opportunities for development, responsibilities given and participating in projects. A lot has happened since I joined the company, for example technical improvements in taking orders, picking, following key figures and so on. Another important reason is of course my colleagues.

*Marlene Wikström - Key Account Manager Supplier, Business Department
Sweden*



Supporting competence development

Tamro emphasizes the importance of continuous personnel development. We provide training to all employee groups in various fields like management and leadership, business and personal skills, sales and presentation skills, languages and IT skills. Local human resources departments support managers in implementing comprehensive induction training for all new employees.

In 2009, a Tamro Group Compliance Team was established to support the company's commitment to high standards of ethical conduct. The team is responsible for providing guidance to ensure compliance with the Code of Conduct and to foster a positive and ethical work environment for all employees. The team reports compliance issues annually to the Group Management and is responsible for developing the Code of Conduct and supporting the local Compliance Officers. The objective is to resolve all compliance-related issues at the local level.

The Code of Conduct guideline was produced both in electronic and print format. A virtual learning game was also produced to facilitate the adaptation of the content of the Code of Conduct and the ethical business principles of Tamro. The game presents different situations and gives examples of how employees can solve problematic issues they might face in their work. Support material and instructions were sent to Compliance Officers who planned the local implementation. The implementation phase and methods varied from country to country. Management workshops, employee training sessions and discussions were arranged, to name a few examples.

A total of 321 days of training was provided to personnel in the process. Training sessions were conducted in all countries except Norway and Denmark, where training is planned to take place during the first half of 2010. Employee commitment is vital for Tamro, and to ensure this, the target is to integrate both the eduGame and the Code of Conduct guideline as a part of every country's induction programme. New employees are required to play the game during the first working month in Tamro. All employees are expected to play the game annually.

A directive by the European Commission provides that pharmaceutical wholesalers must comply with the principles and guidelines of Good Distribution Practice (GDP). Tamro is responsible for arranging GDP training for its wholesale personnel who handle medicines in their work. In 2009, a total of 230 days of GDP training was arranged. The figure does not include training days from Norway and Latvia.

Our employees are the most important resource for Tamro, and we thus want to ensure a smooth start for all new employees. Each new employee receives a general induction and an induction to his or her specific duties. A total of 980 days of induction was given to our employees last year. The figure does not include training days from Norway, Denmark and Estonia.

Regular job satisfaction surveys are conducted in Finland, Sweden and Denmark. A survey was not conducted in Sweden during the reporting period, but will be conducted again in 2010.

Job satisfaction has increased in both Finland and in Denmark. The numerical target for job satisfaction was exceeded in both countries. Latvia and Poland are planning to introduce job satisfaction surveys. Surveys are currently not conducted in Norway, Estonia and Lithuania.

- 87% of employees have played
the Code of Conduct game (excluding Denmark and Norway)

Appraisal or development discussions are conducted annually in all Tamro countries except for Poland, which aims to implement them as a systematic HR function in the near future. Each country is responsible for defining the best format and focus for their discussions and performance reviews.



CASE: Responsible employer

Tamro is a caring, responsible employer, says Ewe Kaselaan



Ewe Kaselaan, the Customer service and logistics Director of Tamro Estonia, joined the company in March 2003.

Before Tamro, Kaselaan has accumulated substantial experience in wholesale companies in various field of business, and also worked in television for some time. This career path was a natural choice for Kaselaan, who holds two degrees, one in engineering and the other in journalism.

"I am responsible for customer services and logistics, which means telephone sales, warehouse and transport. The main objective of my job is to guarantee that the right goods are available at the right time, at the right place and in the right quantities."

Solving logistical problems is a crucial element of Tamro's competitive edge.

"Focusing on the client, speed and accuracy are very important. Knowing your business well and being competent is key, and it is also highly important to treat people well at all times.

Kaselaan is fond of her job. Even after seven years, she assures that it has not become routine, as every day is different.

"I have been able to develop and learn so many new things here. I value Tamro as an employer, I like my colleagues and the entire medicine trade. Tamro is a developing, stable and reliable company with a strong business culture. Working for Tamro gives me a strong sense of security, people are respected and their work is valued."

When it comes to Tamro's weaknesses, Kaselaan cannot think of anything major.

"The only thing that comes to my mind are the limited career opportunities. The organisation of Tamro Estonia is small and compact with great specialists working in management positions."

Health and safety at work

Tamro is a vital link in the healthcare systems of its operating countries. Health and safety are thus of utmost importance to us. Each Tamro employee is responsible for ensuring safe working conditions for themselves and their colleagues. Our safety culture derives from consideration for other people.

Tamro is committed to protecting the health and safety of all its employees, visitors and others affected by its operations. All business units are required to comply with local laws and regulations concerning environment, health and safety. Health and safety in Tamro's operations include the prevention of illness and injury, and the promotion of wellbeing in the workplace.

These principles and practices must be included in HR processes in all Tamro business units. All employees are to be adequately trained in the relevant environmental, health and safety laws, regulations and policies. All units are to engage in activities which improve the health and safety of the workplace and employees.

Work time injuries and near misses are carefully monitored and reported, so that immediate corrective actions can be taken. However, there are no Group-wide practices or guidelines for monitoring and reporting injuries or near misses. The injury frequency rate was 5.4% on the Tamro Group level in the reporting period. No injuries took place in Poland, Estonia and Latvia.

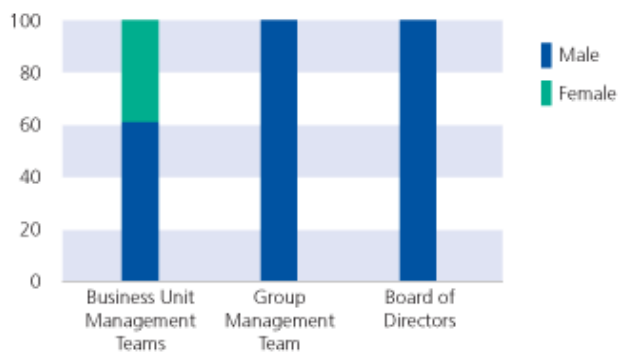
In Finland, the current practice is that any near misses are to be reported to the superior, who fills in a specific notification form. The report is analyzed and corrective actions are taken. In addition, Finland has started risk analyses of the different areas of the warehouse. The analyses are carried out in co-operation between employees, supervisors and occupational healthcare. The results are presented in warehouse management meetings and in the meetings of the statutory industrial safety commission.

Equality and respect

We support the principles of equal opportunity and mutual respect. Every employee is ensured equal treatment and opportunity in all stages of the employment relationship, regardless of gender, age, religion, race, color, sexual orientation, ethnic or national origin or disability.

Two-thirds of Tamro’s employees are women. During the reporting period, Tamro Board of Directors and the Group Management Team consisted of males. 39% of the country business unit management team members are women.

Top management breakdown by gender in 2009

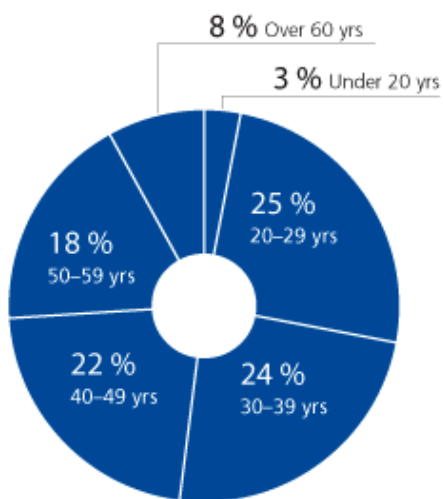


Employee wages are agreed on locally and they comply with local labour legislation.

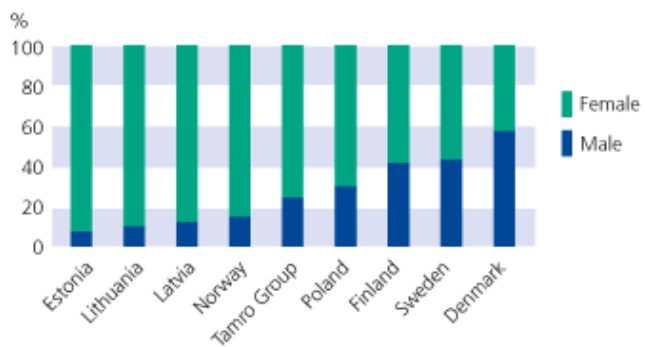
Tamro complies with national employment laws and regulations – including labour rights. The Finnish law regulates the Group-wide co-operation in the field of labor rights. Tamro Group does not have a separate co-operation body, but it meets the communications and co-operation requirements either locally in each country or in conjunction with the annual CEO tour. Tamro’s owner, Phoenix Group, has established its own co-operation body called Works Council which convenes annually.

All employees are guaranteed freedom of association. Collective agreements and bargaining are followed where applicable.

Employee breakdown by age in 2009



Employee breakdown by gender per country in 2009





Serving customers

In both wholesale and retail, Tamro operates in markets that differ from one another. Tamro's customer base consists of pharmaceutical companies, health and well-being product suppliers, pharmacies, health centres, hospitals, retailers and consumers.

Tamro is committed to developing its core competence – logistic infrastructure – and the many services provided for its customers.

Customer satisfaction surveys are conducted regularly in the Nordic countries and in the wholesale sector in Poland. These surveys give valuable feedback on Tamro's performance and development areas. All countries that conduct customer satisfaction surveys prepare action and development plans according to the survey results. Denmark has a somewhat different approach, as they conduct surveys measuring customer satisfaction on a product level. They do not measure the overall satisfaction systematically with surveys, but prefer a more continuous evaluation of their service as a part of the monthly customer meetings.



CASE: Win-win situations

Tamro has the greatest number of pharmacies in Norway. There Tamro participates twice a year in "Apoteksbarometeret", a survey carried out together with Tamro's competitors. The result of last year's survey was that Tamro's Apotek1 is the best pharmacy and that 78% of Tamro's customers are either satisfied or very satisfied with the customer service they receive.

In Poland, the bi-annual survey is conducted among wholesale customers and is prepared by Marketing Research Phoenix AG. General questions are the same for all countries where Phoenix is present.

Win-win situations



As the leading pharmaceutical wholesaler in Northern Europe, Tamro works closely with pharmacies on a daily basis to ensure punctual deliveries to pharmacies. In Denmark, nearly all the pharmacies are partners of Nomeco A/S, Tamro's Danish business unit.

"We have a very open and fruitful collaboration with Nomeco. Actually, we see Nomeco more as an integrated part of the pharmacy than a wholesaler," says **Peer Nørkjær**, apothecary from Tårnby Apotek in Copenhagen.

Nørkjær took over his pharmacy in late 2006. In spring 2009 the pharmacy moved to new, modern premises after careful planning and design. Nomeco was able to help with the configurations of the new pharmacy robot.

"We received help from Nomeco to optimize the layout for the robot in terms of package sizes and amounts, based on our previous purchase data. Without this help we wouldn't have been able to have the right amount of products in stock for the opening of the pharmacy."

Nomeco's customers can use the Vendor Managed Inventory (VMI) system, which means that Nomeco automatically replenishes the pharmacies' stocks according to actual sales and inventory.

"In the daily business, the VMI system saves us a lot of time – which we can then use to serve our customers better. The system is extremely advanced, also by international standards," says Nørkjær, who has a long history working in pharmaceutical companies also in Switzerland and Israel.

Twice a year the pharmacy personnel from Copenhagen area gather to meet with Nomeco's VMI team. The aim of the interactive meetings is to obtain development and improvement ideas. In addition, Nomeco invites Tårnby Apotek's logistic personnel once a year for a meeting to discuss current topics.

“I find the interaction with Nomeco simply fantastic. There is a continuous dialogue between the partners aiming at improving the practical day-to-day business and making life easier for both parties. And we feel our ideas, suggestions and problems are taken seriously and taken forward.”

According to Nørkjær, a fruitful partnership is built on trust and openness, service mindedness, willingness to listen to the customer’s problems and a deep knowledge of the supply chain as well as reliable, punctual deliveries at competitive prices.

“Last year, Nomeco wanted to reduce the number of daily deliveries to pharmacies from two to one daily delivery. Many of us thought this would not be a good idea but we decided to try it out. And much to our surprise, the new solution actually proved to be a significant improvement and a win-win situation for both parties.”

Pharmaceutical safety and quality

Tamro is committed to ensuring the utmost quality of pharmaceutical distribution at all times. All business units comply with the principles and guidelines of Good Distribution Practice (GDP) published by the Commission of the European Communities.

Good Manufacturing Practice ensures that products released for distribution are of appropriate quality. This level of quality should be maintained throughout the distribution network so that authorized medicinal products are distributed to retail pharmacists and others entitled to sell medicinal products to the general public without any alteration of their properties. To maintain the quality of the products and the quality of the service offered by wholesalers, Directive 92/25/EEC provides that wholesalers must comply with the principles and guidelines of Good Distribution Practice (GDP).

GDP should be implemented through a quality system operated by the distributor (wholesaler) of medicinal products to ensure that:

- the medicinal products they distribute are authorized in accordance with Community legislation, storage conditions are observed at all times, including during transportation,
- contamination from or of other products is avoided,
- an adequate turnover of the stored medicinal products takes place and
- products are stored in appropriately safe and secure areas.

In addition, the quality system should ensure that the right products are delivered to the right addressee within a satisfactory time period. A tracing system should enable any faulty product to be found and there should be an effective recall procedure. (Source: European Medicines Agency)

All employees handling medicines in their work must have the training and experience necessary for the proper handling of medicines and implementation of the quality system. These employees are regularly GDP trained. An appropriately qualified management representative with a Master of Science in Pharmacy/Qualified Chemist degree is appointed at each distribution site. This person is personally responsible for ensuring that GDP requirements are met and that the quality system is implemented and maintained.

Local medicine authorities supervise the compliance to the Good Distribution Practice, and they also conduct regular audits.

Product safety and quality assurance

Pharmaceutical wholesalers distribute medicines to pharmacies, hospitals and other healthcare outlets according to GDP guidelines. The manufacturers are responsible for the safety and authenticity of the medicines and other healthcare products. Wholesalers and manufacturers work in close co-operation in cases when products need to be recalled.

High quality is a self evident target in both our wholesale and retail business. The quality and management systems build a framework for all our activities. Attaining high quality is essential in all stages of the distribution chain: when storing the products, when distributing them to pharmacies and hospitals and when having them on display in our retail outlets. Quality is ensured by following the appropriate packaging and temperature requirements, making sure contamination does not take place and by granting only appropriate access to storage areas. Well educated and skilful employees play a crucial role in assuring quality in daily operations.

Management systems in place:

- Certified ISO 9001/2000 in Finland and in Sweden.
- Certified ISO 40001 in Sweden. It is under implementation in both retail and wholesale operations in Norway.
- ISO 9001/2008 has been implemented in Denmark and in the wholesale side in Norway. It is also being implemented in the Norwegian retail side.

Tamro's core business comprises of wholesale and retail of pharmaceuticals and health products. We ensure that the right product is delivered to the right place at a right time – stored and transported in the right conditions. Moreover, Tamro provides pharmaceutical and other companies with a wide range of expert services. Availability of products, correct and timely deliveries and customer satisfaction are the basic cornerstones of the service. These service level indicators are measured on a continuous basis to improve Tamro's operations.



1 Feb 09 – 31 Jan 10

Corporate Responsibility Report

Society

As a leading pharmaceutical wholesaler in Northern Europe, Tamro is committed to running its business in an ethical manner.

Tamro Group Code of Conduct defines the ethical principles guiding our operations both internally and towards our customers and society. It sets standards of sustainable development and helps all Tamro employees to keep up the good reputation of Tamro in their daily work.

Tamro Group has established a Compliance Team to support Tamro's commitment to ethical and sustainable business. The team gives directions and guidance to ensure a positive and sustainable work environment for every employee.

Tamro Group Compliance Team will report annually to the Group management issues related to the Code. The Team is responsible for developing the Code of Conduct and supporting the local Compliance Officers, though the goal is to solve all problems locally. Every employee is responsible for reporting any breach of the Code. In 2009/10, two non-compliance cases were reported, both of them in Tamro Sweden. The two reported cases were related to theft of products from the warehouse. Both cases were investigated and they ended with a termination of employment. The procedure of termination followed the stipulations in the Swedish labour law.

The next steps in personnel data collection

The data collection process for this corporate responsibility report was the first Group-wide effort to gather detailed employment related data. Tamro made some preliminary research on the ability of its operating countries to produce detailed data and was positively surprised at the end of the data gathering process.

Tamro is now, for the first time ever, able to report comparable Group-wide figures on many areas of social responsibility. The social indicators chosen for this reporting period set the framework and minimum requirement for what Tamro wants to report in the future. Both the operating countries and Tamro Group have put a great effort into reporting the data.

Development of the reporting process and data gathering continues on both levels. The target is to improve the data quality, produce data that was not possible to produce for this report and in the future even expand the reporting framework.

Main events in 2009

- Launch and implementation of Group Code of Conduct
- Group level and country CR teams appointed

Objectives for 2010

- Reporting guidelines for personnel data collection
- Code of Conduct integrated as a part of new employees' induction

GRI index

Based on its own assessment, Tamro Group has followed the C Application Level of the GRI guidelines. The Application Level has been checked by a third party, PricewaterhouseCoopers Oy.

GRI Content	Included	Section	Remarks
	Reported		
	Reported partly		
1. Strategy and Analysis			
1.1	Partly	<u>CEO's Review</u>	Included in Tamro Group's Annual Report
1.2	Partly	<u>Tamro and corporate responsibility, Tamro Group CR objectives 2009/10 and in the future</u>	Description of Tamro's significant impacts
2. Organisational Profile			
2.1	Yes		
2.2	Yes	<u>Tamro Group – a vital link in the healthcare system</u>	
2.3	Yes	<u>Business Units</u>	
2.4	Yes	<u>Tamro Group – a vital link in the healthcare system</u>	
2.5	Yes	<u>Business Units</u>	
2.6	Yes	<u>Economic responsibility</u>	
2.7	Yes	<u>Business Units</u>	
2.8	Yes	<u>Business Units</u>	
2.9	Yes	<u>Changes in the Group structure, Main events in 2009/10</u>	
2.10	Yes		Tamro has received no awards during the reporting period.
3. Report Parameters			
3.1	Yes	<u>Reporting principles</u>	
3.2	Yes	<u>Reporting principles</u>	This is Tamro Group's first CR report.
3.3	Yes	<u>Reporting principles</u>	

3.4	Contact point for questions regarding the report	Yes	Contact details	
3.5	Process for defining report content	Yes	<u>Reporting principles, Material sustainability aspects</u>	
3.6	Boundary of the report	Yes	<u>Reporting principles</u>	Possible deviations and limitations are reported with the respective indicators.
3.7	Limitations on the report's scope or boundary	Yes	<u>Reporting principles</u>	
3.8	Basis for reporting subsidiaries and joint ventures	Yes	<u>Reporting principles</u>	
3.10	Explanation of re-statements	Yes		This is Tamro Group's first CR report.
3.11	Significant changes from previous reporting periods in the scope, boundary or measurement methods	Yes		This is Tamro Group's first CR report.
3.12	GRI content index	Yes		
3.13	Assurance policy and practice	Yes	<u>Reporting principles</u>	
4.	Governance, Commitments and Engagement			
	Governance			
4.1	Governance structure of the organisation	Yes	<u>Board of Directors and General Meeting</u>	
4.2	Position of the Chairman of the Board	Yes	<u>Board of Directors and General Meeting, Board of Directors and Auditors</u>	
4.3	Independence of the Board members	Yes	<u>Board of Directors and General Meeting</u>	
4.4	Mechanism for shareholder and employee consultation	Yes	<u>Board of Directors and General Meeting</u>	
4.8	Implementation of mission and values statements, code of conduct and other principles	Yes	<u>Tamro Group corporate responsibility management and organisation</u>	Tamro Sustainability Policy, Code of Conduct
	Commitments to External Initiatives			
4.11	Addressing precautionary approach	Partly	<u>Risk management</u>	Risk management described in the Annual Report
4.13	Memberships in associations	Yes	<u>Environmental management</u>	
	Stakeholder Engagement			
4.14	List of stakeholder groups	Yes	<u>Tamro Group and stakeholders</u>	
4.15	Identification and selection of stakeholders	Yes	<u>Tamro Group and stakeholders</u>	
4.16	Approaches to stakeholder engagement	Yes	<u>Tamro Group and stakeholders</u>	
4.17	Key topics raised through stakeholder engagement	Yes	<u>Tamro Group and stakeholders</u>	

5. **Management Approach and Performance Indicators**

	Management approach to economic responsibility	Partly	<u>Tamro Group corporate responsibility management and organisation</u>	
Economic Performance Indicators				
Economic Performance				
EC1*	Direct economic value generated and distributed	Yes	<u>Economic responsibility</u>	
	Management approach to environmental responsibility	Partly	<u>Tamro Group corporate responsibility management and organisation, Environmental management</u>	
Energy				
EN4*	Indirect energy consumption	Yes	<u>Energy and water</u>	Electricity and district heat consumption, reported in GWh
EN5	Energy saved due to conservation and efficiency improvements	Partly	<u>Energy and water</u>	Initiatives to reduce energy consumption described
EN7	Initiatives to reduce indirect energy consumption	Partly	Video conferences reduce business travel	
Water				
EN8*	Total water withdrawal	Yes	<u>Energy and water</u>	
Emissions, Effluents and Waste				
EN16*	Total direct and indirect greenhouse gas emissions	Partly	<u>Energy and water</u>	
EN17*	Other relevant indirect greenhouse gas emissions	Partly	<u>Video conferences reduce business travel</u>	CO ₂ emissions of business travel
EN18	Initiatives to reduce greenhouse gas emissions	Partly	<u>Decreasing carbon footprint in Denmark</u>	
EN22*	Total amount of waste	Yes	<u>Most waste can be recycled</u>	
Products and Services				
EN26*	Mitigating environmental impacts of products and services	Partly		
Transport				
EN29	Environmental impacts of transportation	Partly	<u>Many kilometres</u>	Fuel consumption reported
	Management approach to social responsibility	Partly	<u>Tamro Group corporate responsibility management and organisation, Pharmaceutical safety and quality</u>	
Employment				

LA1*	Total workforce by employment type, employment contract and region	Yes	<u>Personnel in figures</u>	
LA2*	Total number and rate of employee turnover	Partly	<u>Personnel in figures</u>	Not reported by age group or gender
Labor/Management Relations				
LA4*	Coverage of collective bargaining agreements	Partly	<u>Equality and respect</u>	Collective agreements and bargaining are followed where applicable.
LA5*	Minimum notice period regarding operational changes	Yes	<u>Personnel in figures</u>	Tamro follows the local labour laws and regulations in its each operating country in terms of minimum notice period regarding operational changes.
Occupational Health and Safety				
LA7*	Rates of injury, occupational diseases, lost days, fatalities and absence	Partly	<u>Health and safety at work</u>	Injury frequency rate, absence rate
Training and Education				
LA10*	Average training hours per year	Partly	<u>Supporting competence development</u>	Training days for Good Distribution Practice, Code of Conduct and induction training
LA12	Employees receiving regular performance and career development reviews	Partly	<u>Supporting competence development</u>	Practices for appraisal or development discussions described
Diversity and Equal Opportunity				
LA13*	Composition of governance bodies and breakdown of employees	Yes	<u>Equality and respect</u>	Gender and age distribution of employees
Human Rights				
HR4*	Incidents of discrimination and actions taken	Yes		Code of Conduct - Two incidents reported during the reporting period and action taken according to the local labour law.
HR5*	Supporting right to freedom of association and collective bargaining in risk areas	Partly	<u>Equality and respect</u>	All employees are guaranteed a freedom of association
Corruption				
SO3*	Anti-corruption training	Yes	<u>Supporting competence development</u>	Code of Conduct training
Customer Health and Safety				
PR1*	Assessment of health and safety impacts of products	Partly	<u>Pharmaceutical safety and quality</u>	Good Distribution Practice
Product and Service Labeling				

PR5 Customer satisfaction Partly Serving customers

* GRI Core indicator

Glossary

Prefixes

k=kilo= 10^3 =1 000

M=mega= 10^6 =1 000 000

G=giga= 10^9 =1 000 000 000

Conversions of energy units

1 MWh = 3.6 GJ

1 GJ = 0.2278 MWh

Abbreviations

CO₂ Carbon dioxide

CO₂-eq Carbon dioxide equivalent

EMS Environmental Management System

GDP Good Distribution Practice

GHG Greenhouse gas

GMP Good Manufacturing Practice

GRI Global Reporting Initiative, standards for sustainability reporting

ISO International Organisation for Standardization

Climate change, greenhouse effect

The greenhouse effect makes living on Earth possible. Greenhouse gases let in sunlight but trap the heat from the sun. Climate change is caused because of the increasing amount of greenhouse gases in the atmosphere, mostly caused by human actions. The effects of climate change vary: the sea level will rise, biodiversity decrease and extreme weather conditions increase.

CO₂

Carbon dioxide. A greenhouse gas produced in combustion of carbon containing fuels. Carbon dioxide makes living on Earth possible, but human activities have caused the CO₂ concentration to grow radically during the last decades, increasing global warming.

CO₂ –eq

Carbon dioxide equivalent. A quantity used to measure global warming potential (GWP).

The global warming impact of all greenhouse gases is measured in terms of equivalency to the impact of carbon dioxide (CO₂) in a study phase of 100 years.

Cytostatics

Cytostatics are medicines for destroying cancer cells by preventing them from dividing. Cytostatics can spread everywhere in the human body via the bloodstream and can also exterminate healthy cells. Employees can be exposed to cytostatics in the pharmaceutical industry, in hospitals when used in cancer treatment, in pharmacies and when handling pharmaceutical waste. Exposure is prevented with directions and good practices. Cytostatics should not be handled when pregnant.

Dangerous goods

Goods that can harm people, property or the environment because of corrosive, explosive, flammable, radioactive or other properties.

Direct energy

Energy purchased as such. See primary energy.

District heat

A system for distributing heat. District heat is pure, hot water that is led from electricity and heat producing power plants and heating plants in a closed district heat network to the customer's heat exchangers and back. After the heating network of the building and warm service water has been warmed, the cooled off district heat water returns back to the starting point.

Eco-efficiency

Creating more goods and services while using fewer resources and creating less waste and pollution. Eco-efficiency can be measured e.g. with the MIPS concept (Material Input per Service Unit), which measures the whole life cycle of the product.

Economic driving

A driving style that can save fuel and have an influence on pollution. E.g. predicting traffic and avoiding idling.

EMS, Environmental management system

A management tool for developing and managing the organisation's environmental programme.

Energy efficiency

Energy efficiency means that the product is manufactured with the smallest possible energy consumption. Energy efficiency is also referred to when speaking about machines and equipment: machines that consume a low amount of energy are energy efficient.

Energy waste

A waste type sorted out from landfill waste that can be incinerated. Incineration produces heat and electricity. Sorting out energy waste decreases the environmental load of the company by decreasing the amount of landfill waste and producing recycled energy.

Environmental impact

Detrimental or beneficial environmental change caused by the organisation, products, services or other human activity.

Environmental policy

Statement of the organisation's environmental aspects, values, targets and practices. Guideline for the management, employees and stakeholders. Includes environmental targets.

Environmental target

Target that the organisation has set for itself in the Environmental Policy. Often broad, long-term goals. E.g. decreasing energy consumption or reducing the amount of waste.

Filling degree

Measures the relation of the load and the maximum load of the vehicle. Can be calculated e.g. in masses, volumes or pallet spaces.

Fossil fuels

Non-renewable, carbon-based fuels that are formed by biomass and stored in the ground millions of years ago or the derivatives of those such as gasoline, diesel oil, fuel oil, coal and natural gas. Harmful emissions are released into the atmosphere when using fossil fuels.

Global Reporting Initiative (GRI)

Globally used framework for sustainability reporting. Standards for corporate responsibility reporting, divided as sustainable development into three categories: economical, ecological and social responsibility. The GRI's target is to turn sustainability reporting into reporting that is as usual and comparable as other annual reports companies publish.

Good Clinical Practice (GCP)

Standard for good clinical practices and the distribution of clinical tests.

Good Distribution Practice (GDP)

Standard for the proper distribution and handling of medicinal products.

Good Manufacturing Practice (GMP)

Standard for good manufacturing practice for medicinal products.

Greenhouse gases (GHG)

Greenhouse gases exist in the atmosphere both naturally and as a result of human actions. The most considerable natural greenhouse gases are water vapour (H₂O), carbon dioxide (CO₂), methane (CH₄), ozone (O₃) and nitrous oxide (N₂O). In addition to these, human actions have released other gases considered as greenhouse gases such as halocarbons (CFC, HCFC, HFC and PCF) and sulphur hexafluoride. The use of the above-mentioned is either partly or wholly prohibited or restricted.

Green Office

A practical environmental management system developed by WWF for offices of all sizes. With the help of Green Office, organisations can decrease their environmental load and at the same time save material and energy costs.

Hazardous waste

Waste dangerous or potentially harmful for public health or the environment because of its chemical or other properties.

Indirect energy

Energy purchased as district heat or electricity. See secondary energy.

ISO

International Organisation for Standardization. ISO standards include ISO 9000 for quality management systems and ISO 14001 for environmental management systems.

Life cycle

The phases of a product (or service) from the pre-planning and raw material purchasing and transporting to the waste handling and recycling of the product.

Non-renewable energy

Energy produced from non-renewable or extremely slowly renewable natural resources, e.g. fossil fuels, nuclear power or peat.

Ozone

Ozone is formed in the upper atmosphere when the ultraviolet radiation of the sun diffuses oxygen molecules into oxygen atoms. Ozone in the upper atmosphere is beneficial and makes living on Earth possible; without the ozone layer the damaging ultraviolet radiation could freely pass the surface. In the lower atmosphere ozone is pollution that is potentially harmful for plants, animals and humans. The Earth has two ozone problems: the ozone depletion in the upper atmosphere and the increase of ozone in the lower atmosphere.

Pharmaceutical waste

Pharmaceutical products expired or damaged in packing or distributing. Must be handled carefully and taken to hazardous waste treatment plant.

Primary energy

Energy found in nature and not subjected to conversion or a transformation process, e.g. wind, solar radiation and uranium. Moreover, divided into renewable and non-renewable energy. Subjected or transformed primary energy is secondary energy.

Renewable energy

Energy produced from renewable natural resources, e.g. sun, wind, water, geothermal heat, wave, biomass or natural gas.

Return load

A load that has been prepared for a vehicle that otherwise would drive back empty. E.g. returns, empty transport cases.

Secondary energy

Primary energy that has been subjected to conversion or a transformation process, e.g. electricity, district heat and gasoline.