

# 2018 CSR ANNUAL REPORT



**SEVERT**  
ARZNEIMITTEL

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Marcus Hevert (on the left) and his brother Mathias Hevert (on the right) have been jointly managing the company since 2014.

**“Socially ecologically sustainable practices are not just a priority at Hevert-Arzneimittel, they are an obligation. As a family business with a tradition of more than 60 years, sustainability has always been at the heart of our company's philosophy.”**

Mathias Hevert, Managing Director of Hevert-Arzneimittel

## PREFACE

Dear Reader<sup>1</sup>,

As a leading, internationally renowned natural medicine company, Hevert-Arzneimittel is also responsible for society and the environment. The Hevert Mission Statement defines the underlying principles, which are also the foundation of our values and goals.

With our annual Corporate Social Responsibility (CSR) Report, we would like to transparently disclose how our company "lives" sustainability, both to you and to all interest groups, particularly our customers and business partners. We want to motivate our partners and other companies to increase their sustainability efforts as well. The aim of our family business is to have a beacon function in regards to environmental protection, sustainable business practices, and acting responsibly with respect to employees and the community. This report is an important step to achieve this goal.

In 2018, we had our finger on the pulse we had our finger on the pulse with our employee responsibility activities. Our outstanding commitment garnered two accolades. Not every company has managed to counter the skills shortage. Hevert would not be the successful company it is today without our dedicated employees. Our collaboration is based on trust, transparency, team spirit, and motivation. We can achieve great success only if we all pull together. It is important for us to attract and retain qualified employees, experts, and managers. Established occupational health management, 60 flexible working-time model variants, and our Hevert Daycare Center are examples of our efforts to give our employees the best possible help in striking the right balance between work and family life.



State Secretary for Economic Affairs Daniela Schmitt (left) from the Ministry of Economics, Transport, Agriculture and Viticulture of Rhineland-Palatinate, pictured with Thomas Buss (center), Head of HR at Hevert-Arzneimittel, and Arne Rössel (right), Managing Director of the Koblenz Chamber of Industry and Commerce, at the 2018 Rhineland-Palatinate Attractive Employer Awards. © ISB/Markus Kohz.

The Ministry of Economics, the Investment and Economic Development Bank of Rhineland-Palatinate (ISB), and the Rhineland-Palatinate Chambers recognized our HR policy activities as a whole with the “Attractive Employer Rhineland-Palatinate” award in December 2018. We also received the “Fair Family” seal of approval of the Verband kinderreicher Familien Deutschland e.V. (association of families with many children) as a model company for family-friendliness specifically for the Hevert Daycare Center.

We see the recognition of our accomplishments to date as proof that we are on the right path, and this motivates us to keep getting better.

We hope you enjoy reading about sustainability at Hevert-Arzneimittel and welcome your comments or questions ([info@hevert.de](mailto:info@hevert.de)). (102-14)

Sincerely,

Mathias Hevert

Managing Director  
Hevert-Arzneimittel

Marcus Hevert

Managing Director  
Hevert-Arzneimittel

1 Gender-neutral language is used throughout this document.



# 1. COMPANY PORTRAIT

## 1.1. Strategy and Corporate Social Responsibility



The Hevert House: Visualizing the corporate strategy

The vision guiding the actions of the family-run company is to make Hevert a leading, internationally renowned natural medicine company. This means, in particular

- Hevert is a recognized expert for complex homeopathy, European naturopathy and micronutrients.
- The brand Hevert stands for sustainable health and successfully differentiates its company and products from competitors worldwide.
- The high medical scientific expertise puts Hevert-Arzneimittel into a leading position in naturopathy and select areas of specialization.
- The company's specialist knowledge in the production of homeopathic mother tinctures and homeopathic complex remedies makes Hevert-Arzneimittel a sought after partner in the B2B sector.
- The continuous and sustainable increase of the enterprise value is realized by the family-run company through profitable growth with reasonable risk.

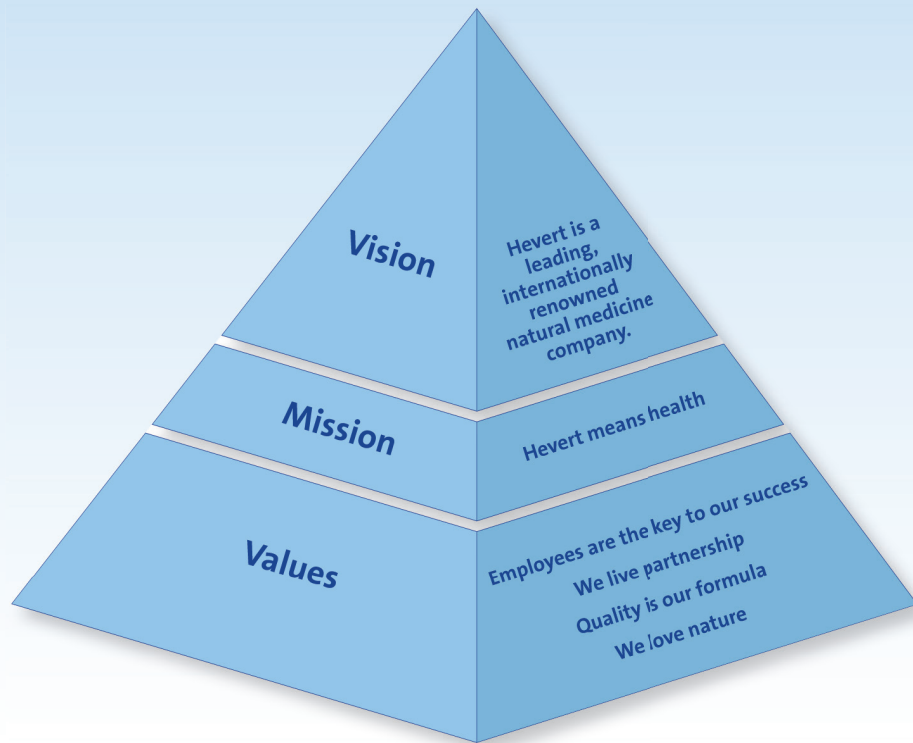
- Hevert-Arzneimittel has a beacon function in regards to environmental protection, sustainable business practices, and acting responsibly with respect to employees and the community.

This vision forms the "roof" of the "Hevert house."

Hevert is one of the leading German manufacturers of homeopathic and herbal medicines as well as micronutrient preparations. These core competencies are supported by four columns: A strong brand, healthy sales growth at an acceptable risk and with solid returns, expertise in science and research as well as the manufacture of traditional medicines with the latest production technologies and quality standards.

The basis or foundation of the Hevert House is corporate social responsibility (CSR) with the mission of "Hevert means health." "A healthy environment and a functioning society are the basis for the health and well-being of humankind. For the family business Hevert-Arzneimittel, assuming social responsibility and commitment to the environment and to charitable causes have always been a matter of course. Therefore, the company has dedicated itself to naturopathy and the manufacturing and development of natural medicinal products with few side effects. Customer satisfaction is the focus of the business activity of Hevert-Arzneimittel. As a family business in close touch with nature, Hevert is actively committed to naturopathy, environmental protection, sustainable business practices, and acting responsibly with respect to its employees, partners and community. This commitment describes the corporate values set down in the mission statement:

- Employees are the key to our success
  - We live partnership
  - Quality is our formula
  - We love nature
- (102-16)



The Hevert Mission Statement

## 1.2. Organization and Responsibilities in the Area of Corporate Social Responsibility

Hevert has established set structures and responsibilities within the company that ensure the continuous support of CSR-relevant topics.

The area of corporate social responsibility is looked after by a cross-departmental committee, the CSR team. The team makes sure that there is a balanced relationship between activities in the fields of activity stated in the company values — naturopathy, environmental protection, sustainable business practices and social and regional commitment — with re-

gard to employees and community. Operational implementation of CSR measures is less the responsibility of the CSR team than to monitor them and coordinate the various CSR work groups.

Commissioned directly by the Managing Directors, the team assesses and monitors whether corporate and interpersonal dealings conform to the defined mission statement at all levels. Both should be ensured through interdepartmental meetings held throughout the company. Its tasks include the further development of the strategy on corporate social responsibility as well as the coordination of the different CSR work groups. Managing Director Mathias Hevert is a permanent member of the team. Co-Managing Director Marcus Hevert is a member of the CSR working group Nahe Region Concept and Social Commitment. (102-20)

The CSR team meeting is held every four weeks. In addition, team members are available as contacts for resolving conflicts within the company.

In addition to the core team, toward the end of 2011 work groups were formed to address the implementation and further development of objectives and measures in accordance with the values of the company. As a result, the topic of sustainability could be shouldered by additional persons in the company, freeing the CSR team from numerous operational topics. The doors of the work groups are open to all employees according to individual interest and available time. Existing work groups with CSR-related subjects were integrated into the reporting.

Eight standing work groups are occupied today with the implementation, assessment and monitoring of specific measures in terms of the respective topic and its further development. Implementation of content frequently occurs in collaboration with the responsible (specialist) departments and falls under the responsibility of the respective (specialist) department head.





Hevert's Executive Committee

#### Overview of the eight existing work groups:

- Executive Committee
- Employees
- Nahe Region Concept and Social Commitment
- Quality Officers
- Environmental Management
- Commitment to Naturopathy
- Customer Satisfaction / Reputation
- Idea Management

Every work group contributes a member to the CSR team, ensuring close coordination with it.

Along with these CSR-specific work groups and their members, the actual line organization is also committed to tasks regarding corporate social responsibility, from management through the department heads and all the way to the trainees.

Thus the Management Board of Hevert-Arzneimittel is responsible for observing and further developing the voluntary commitment to sustainability described in the Hevert mission statement. It assigned the implementation to the CSR team.

The Hevert Executive Committee is responsible for the implementation of the CSR measures in the respective departments. As members of the Executive Committee, the department heads have personally committed to acting in accordance with the "Principles of Management and Cooperation,". The principles were revised in the course of the Mission Statement Day 2018. They are based on the Hevert mission statement and are a key element in linking defined principles with the requisite performance culture of market-oriented company management. The principles are written from the perspective of the executives and form the basis for understanding what management is and how it acts at Hevert. (102-17)

The subdepartment heads at Hevert provide a bridge between the steering work of the department heads and the operational activities of the employees. Their key role lies in aligning daily work with the measures and objectives for realization of the corporate vision.

Last but not least, however, the implementation of the values of the Hevert mission statement is the personal responsibility of every individual employee. The corporate mission statement sets out a clear direction for day-to-day activities. However, it can only become rooted in our business routine if it is supported by everyone. To breathe new life into this approach, a mission statement event for employees was held in 2018. Under the heading "Into the great outdoors at the Hevert mission statement event", employees worked together on fun tasks that helped them to internalize the mission statement and bond more closely as a team. (102-16)

### 1.2.1 CSR Materiality Analysis

A materiality analysis is used to review and reconsider the sustainability strategy. It often leads to changes or realignment of the strategy. By focusing on the key topic areas, we can ensure that the most important ones take center stage for the company's actions. Hevert focuses on social, environmental and economic values, and bases its core business and CSR activities on these values as much as possible.

As a specialist for natural medicines, Hevert attaches the utmost importance to nature – the source of life and activity for people, plants and animals. This is why Hevert has chosen the shape of a tree to depict the main sustainability themes.



The Hevert tree of sustainability illustrates the key sustainability themes: The trunk stands for Hevert's brand essence, "sustainable health." The branches show the values and sustainability themes. (102-47, 103-1)

### 1.2.2 Hevert-Foundation



The Hevert-Foundation is an independent institution that helps ensure even greater sustainability of the charitable work that Hevert-Arzneimittel and the Hevert shareholders do. (102-20) The underlying thought is this:

Anyone who wants to truly help and make a difference over the long run needs to take on social responsibility and continuously support their fellow men. Regarding this, the Hevert-Foundation and Hevert-Arzneimittel go hand in hand. As a company, economic interests must take precedence at Hevert-Arzneimittel. As an independent foundation, however, the Hevert-Foundation can commit itself exclusively to charitable causes.

The purpose of the Hevert-Foundation covers a wide spectrum and aims to promote naturopathy, nature conservation, health, education, care for the elderly and the young as well as civic involvement for non-profit and charitable causes. As the main sponsor, Hevert-Arzneimittel GmbH & Co. KG annually donates at least 0.3 % of its annual sales to the Hevert-Foundation and provides the necessary infrastructure to the Foundation.

Therefore, donations from external supporters can be used for charitable purposes in their entirety. (413-1)



In 2018, the Hevert Foundation donated a total of approximately €105,000 to various fundraising campaigns and promoted some of its own initiatives. The Foundation also focuses on the Sustainable Development Goals (SDGs) of the United Nations. These 17 political objectives with 169 subgoals serve to ensure sustainable development on an economic, social, and environmental level. They are part of the 2030 Agenda and officially went into effect on January 1, 2016.



The Hevert Foundation actively pursues the following objectives:

## GOAL 1

### Goal 1: End poverty in all its forms everywhere

Der Grundgedanke der nachhaltigen Entwicklung besteht darin, Menschen überall auf der Welt so zu unterstützen, dass sie sich aus der Armut in allen ihren Erscheinungsformen befreien können.

Hevert is especially passionate about the commitment by the architect Diébédo Francis Kéré, whom the company has supported since 2006. In 1998, Kéré founded the non-profit

association „Schulbausteine für Gando e.V.“ to finance the construction of an elementary school in Gando, his home village in the West African country Burkina Faso. The association was renamed the “Kéré Foundation e. V.” in 2016. Funded solely by donations, today it is dedicated to supporting education, health, and nutrition in the village of Gando in the West African nation of Burkina Faso. Its goal is to break the cycle of poverty and inequality. Find out more about the projects in Gando here:

[Presentation Francis Kéré](#)



## GOAL 2

Children from the village Gando

### Goal 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture.

Goal 2 relates to a basic human need – access to nutritious, healthy foods – and how we can cover this need for everyone sustainably.

A friendly, charitable partnership between Hevert and the SOS Children's Villages, which provide a safe home for orphans and abandoned children, has also existed for over 15 years. The SOS Children's Villages help children and youths in the most impoverished nations – locally and in the long term. Financed by sponsorships and donations, the children and their families receive special support, medical care, food, and clothing. Hevert is a sponsor of an SOS Village in Monrovia, Liberia, and an SOS Village in Dakar, Senegal.

## GOAL 3

### Goal 3: Ensure healthy lives and promote well-being for all at all ages

Goal 3 aims to improve the reproductive health / health of mothers and children, end contagious diseases, reduce non-contagious diseases and other health risks, and to secure health care and access to safe, effective, high-quality and affordable medications and immunizations for everyone.

Hevert has been supporting the “kinderherzen” association for several years: Every hour around the world, 158 children are born with congenital heart disease. In Germany alone, 17 children are born with a heart defect each day. Congenital heart and vascular defects are the most common organ diseases found in newborns and toddlers. Concerned about the future of children with cardiac problems, our employees have taken action with a creative twist. Now and in the future, the Hevert Foundation seeks to work innovatively with the “kinderherzen” association to help children with heart problems and raise awareness of congenital heart defects. Tiny hearts should grow into big ones!.



kinderherzen bear Moritz and Lucie

Mathias Hevert, Managing Director of Hevert-Arzneimittel and a member of the Management Board of the Hevert Foundation, visited the Pediatric Cardiology unit at the German Heart Center Berlin, where the Hevert Foundation supports important research projects together with the “kinderherzen” association.



Inspiring the joy of reading to improve literacy

## GOAL 4

### Goal 4: Ensure inclusive and quality education for all and promote lifelong learning

Goal 4 aims to ensure that everyone has access to high-quality education and the opportunity for lifelong learning. It focuses not only on participation in education but also the level of basic skills, the availability of qualified teachers and adequate school resources, as well as disparity of educational results.

Stiftung Lesen (German Reading Foundation) works to ensure that reading is part of every childhood and youth. After all, the joy of reading and literacy skills are essential for personal development and success in life. As a member of the friends’ circle, Hevert-Foundation helps to maintain and expand the “read aloud” network programs for the long term.

Children's educational paths in Germany remain closely linked to the homes in which they are raised. For this reason, ArbeiterKind.de encourages schoolchildren from non-academic backgrounds to consider a university education, and helps them complete their degrees and get started with their careers. Hevert-Foundation supports the efforts of ArbeiterKind.de in Berlin and in Rhineland-Palatinate.





## GOAL 6

The sanitary facilities in Gando are under construction

### Goal 6: Ensure access to water and sanitation for all

Goal 6 aims to meet the challenges relating to drinking water, sanitary systems and hygiene and water-related ecosystems. Without high-quality, sustainable water resources and sanitary systems, advancements relating to many other sustainability goals, including health, education, and elimination of poverty are not possible.

Burkina Faso is one of the world's poorest countries. Much of the population, especially in the rural areas, have no access to proper toilets or do not know about the relationship between better hygiene and health. Insufficient hygiene practices are often directly linked to poor health, high rates of child mortality and malnutrition in toddlers due to frequent diarrhea. To counteract these conditions, the Hevert-Foundation supports the Kéré Foundation with the construction of sanitary facilities in the village of Gando.

## GOAL 13

### Goal 13: Take urgent action to combat climate change and its impacts

Our planet's temperature is rising. The average global temperature is currently around 1° C above the pre-industrial level. According to initial analyses by the World Meteorological Organization, 2015 to 2018 were the four warmest years since records began in the 19th century. Climate change affects all of us.

Since 2008, the primary school in Monzingen has been active with climate protection projects. Hevert-Arzneimittel is a strong partner and sponsor of the school in its efforts. At the climate protection conferences initiated by Hevert, the team from the environmental campus, meaning the Institute for Applied Material Flow Management (IfaS) provided the third grade classes of the Monzingen primary school with practical knowledge about climate protection over the course of three days. The interactive program showed the kids what climate change is and what all of us can do to protect the environment and stop climate change.



Having fun: The IfaS team, Marcus Hevert, Managing Director of Hevert-Arzneimittel, and the third-graders from Monzingen elementary school test the solar cookers that they made themselves from cardboard and tinfoil.

**GOAL14****Goal 14: Conserve and sustainably use the oceans, seas, and marine resources for sustainable development**

Protecting and sustainably using biodiversity and sharing the benefits fairly is a key factor in sustainable development.

Hevert supports the global movement 4Ocean, which actively removes waste from the ocean and coastlines, and inspires individuals to work together for cleaner oceans.

**GOAL15**

Biotope in Monzingen, Rhineland-Palatinate

**Goal 15: Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss**

Protected and restored ecosystems and their biodiversity can play a role in stopping climate change and increase resistance to growing population pressure and more frequent natural disasters. Healthy ecosystems also offer a wide range of benefits to all communities.

Hevert supports NABU (Nature And Biodiversity Conservation Union), which has been committed to maintaining the diversity of our domestic animals and plants for more than a century. Just like NABU, Hevert also wants future generations to have an earth that is livable and has a wide variety of habitats and species, as well as clean air, clean water, healthy soil and the largest amount of finite resources possible. Hevert would like to help NABU more successfully advocate for people and nature. (102-16)

### 1.3. Hevert in numbers – the 2018 balance sheet

Among Hevert's strengths is its independence as a medium-sized, family-run company that pursues a sustainable corporate strategy and plays a special role in regional responsibility. Being an independently run family company allows Hevert to pursue not only yield-based company goals but to also finance measures that do not immediately serve to optimize business indicators. An important example is the Hevert-Foundation, which was founded in 2015 and through which numerous charitable projects and initiatives can be supported (see Sections 1.2.2). (102-15)

Due to the company's legal structure and size, capital market-oriented financing instruments are largely inaccessible to the company. To finance growth measures, classic vehicles such as bank credits are typically available. (102-15)

Assets (in EUR '000)	2018*	2017	Liabilities	2018*	2017
<b>A. Fixed assets</b>			<b>A. Equity</b>		
I. Intangible assets	239	335	I. Capital shares of general partners	251	257
II. Tangible assets	9,184	9,469	II. Capital shares of limited partners	1,050	1,050
III. Financial assets	306	316	III. Reserves	5,700	5,700
			IV. Participation rights capital	4,000	4,000
			V. Profit/loss carried forward	2,034	175

Assets (in EUR '000)	2018*	2017	Liabilities	2018*	2017
<b>B. Current assets</b>			<b>B. Accruals</b>		
I. Inventory	8,687	7,652		1,736	859
II. Receivables and other assets	1,021	193			
III. Cash, central bank balances, balances at banks, and checks	870	806			
<b>C. Deferred income</b>			<b>C. Liabilities</b>		
	58	50		5,593	6,778
Total	20,365	18,819		20,365	18,819

Turnover and sales (in EUR '000)	2018*	2017
Umsatzerlöse	29,766	27,952
Absatz (Fertigware)	4,134,684 units	4,077,270 units

\*Based on the interim annual financial statements from 2018 (102-7)



## 1.4. Organizational profile

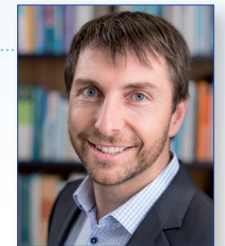
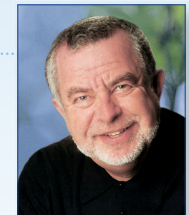
Founded in 1956 by Dorothea and Emil Hevert, Hevert-Arzneimittel GmbH & Co. KG (102-1) is an independent family-run company. After being led by Dr. Wolfgang Hevert, the company has been owned in equal shares by the grandchildren of the founders, shareholders Sarah, Marcus, and Mathias Hevert since 2003. The operative management is conducted by the brothers Marcus and Mathias Hevert. (102-5)



- 1956 – “Hesopharm” founded by Dorothea and Emil Hevert
- 1957 – Emil Hevert dies; Dorothea Hevert runs the company alone
- 1963 – Name change from “Hesopharm” to “Hevert-Arzneimittel”
- 1972 – Dr. Wolfgang Hevert joins the company
- 1975 – Opening of company building, Bad Sobernheim



- 1986 – High-bay warehouse on Haystraße, Bad Sobernheim
- 1990 – Dr. Wolfgang Hevert becomes managing director – sole management
- 1996 – Opening of state-of-the-art pharmaceutical production building, Nussbaum
- 2003 – Dr. Wolfgang Hevert dies and Mathias Hevert takes over company management



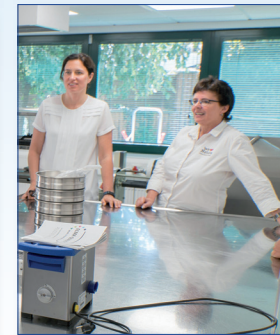
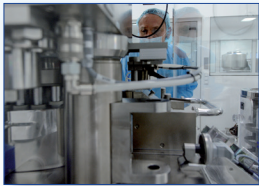


- 2008 – First export by Hevert to Belarus with Hevert Pulmo, Hevert Sinusitis SL and Hevert Pankreaticum
- 2011 – Company foundation in the USA: Hevert Pharmaceuticals Ltd.
- 2012 – Addition to Nussbaum
- 2014 – Marcus Hevert joins company management
- 2014 – Modernization and expansion of the production
- 2014 – Opening of the Hevert Daycare Center
- 2015 – Launch of the Hevert-Foundation (HEF)
- 2016 – 60-year anniversary of Hevert
- 2017 – Opening of the Development Laboratory
- 2017 – Hevert opens capital city office in Berlin



The company added another location in 2017 with its office in Berlin. Hevert's Berlin office serves as a space for discussion with policy makers, customers, business partners, and opinion leaders and is also an attractive location for employees.

Also since 2017, the premises of Hevert-Arzneimittel in Eckweilerstrasse, Bad Sobernheim, feature a new development laboratory. This investment of around half a million euro is intended to contribute to the continuous optimization and improvement of manufacturing processes and formulations and to accelerate the development of new products. (102-3, 102-4)



Opening of Hevert's development lab





With more than 100 medicinal products, Hevert's product portfolio has something for nearly every treatment area relevant to natural medicine. (102-7)

The existing product portfolio is categorized in the specialty areas psyche, sleep, colds, micronutrients, and digestion and detoxification. In terms of the current relevance in terms of turnover and sales, the most important products are Calmvalera, Sinusitis Hevert SL, Vitamin D3 Hevert, and Vitamin B Komplex forte Hevert. On the market, these products are actively positioned and advertised to health care practitioners, pharmacies and end users.



The core value of the umbrella brand Hevert is "sustainable health." The brand enjoys the trust of many German health care professionals, that is, physicians, pharmacists, and natural practitioners, and allows the authentic and distinctive positioning of the company and its products with new customers domestically and abroad. The satisfaction of our customers is central to all we do: Hevert strives to impress them with high-quality products and services, such as therapeutic concepts, further training, and health-related advice.



Pastor Emanuel Felke

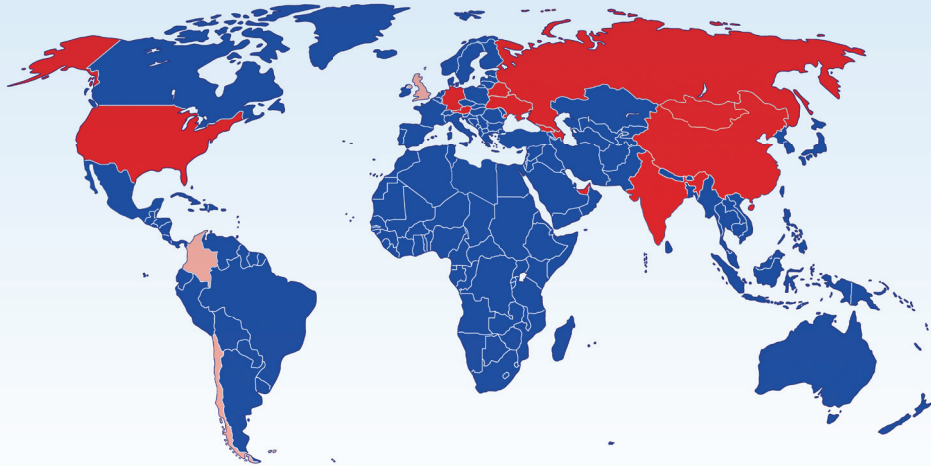
The success of many of our homeopathic remedies such as Calmvalera and Sinusitis Hevert SL is based on the Hevertoplex range developed by doctors and natural practitioners. Unlike homeopathic single remedies, complex remedies contain several homeopathically prepared active ingredients and are easy to use because they have a broad spectrum of action and are clearly tailored to individual indications. A large number of the formulas upon which Hevert medicines are based were created in collaboration with students of the famous Pastor Emanuel Felke, one of the pioneers of naturopathy and the co-founder of complex homeopathy. Felke practiced for many years in Bad Sobernheim, not far from Hevert's current headquarters.

The founders' son, doctor and pharmacist Dr. med. Wolfgang Hevert, expanded the company's repertoire with several new product developments and holistic treatment concepts based on his treatment experience as a doctor. To this day, his naturopathic knowledge is imparted to doctors, natural practitioners, and pharmacists in publications and specialist lectures.

In addition to oral pharmaceutical forms, Hevert offers doctors and natural practitioners a wide range of solutions for injection, including high-dose B vitamins (e.g., Vitamin B12 Hevert plus Folsäure-Hevert (folic acid)), and homeopathic complex and single remedies (e.g., Lymphaden Hevert injekt). (102-2)



Some 10 % of Hevert products are exported. Primarily to the United States, United Arab Emirates, China, India, and Austria. The world map below provides an overview of all the countries in which Hevert is active (red = on the market; pink = preparing to enter the market).

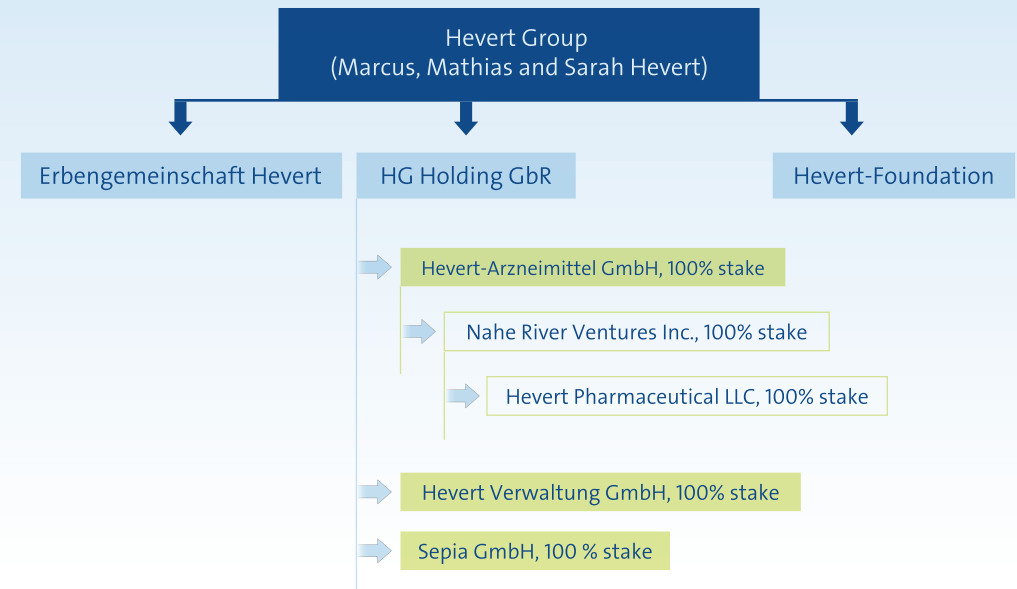


Hevert export world map (102-6)

Hevert exports its products to various countries in Europe, North and South America, Africa and Asia. The company ships to sales partners who in turn supply wholesalers and pharmacies. Customers are end consumers who use the Hevert products in self-medication, and doctors' offices that treat patients with the products. (102-6)

### 1.4.1 Company management

Team spirit, reliability and trust are the building blocks of a successful partnership at Hevert. Sound leadership is a vital prerequisite for motivation and successful teamwork.



The Hevert Group

The company management is conducted in equal parts by the shareholders of the HG Holding GbR, Sarah, Marcus, and Mathias Hevert.

Two shareholders, Marcus and Mathias Hevert, act as managing directors. The shareholders are independent in their decision making. Limitations are in place only regarding all economic decisions that were agreed with participation certificate or silent partnership holders and external investors. (102-18, 102-22)



Managing Directors Marcus (right) and Mathias Hevert with their sister and fellow shareholder, Sarah Hevert

The general meeting is the highest corporate control organ and defines the company's values and strategy. It is responsible for attaining economic, ecological, and societal goals. The general meeting also orders the generation of the sustainability report. (102-26, 102-32)

Any consultation typically takes place directly between the highest control organ and the corresponding stakeholders. In some cases, the internal specialist area Corporate Communications takes over this task. Communications to stakeholders are released by a managing partner in some cases (e.g., press releases). Other consultation procedures, such as information on the company's financial situation, are handled by suitable individuals. (102-33)

The performance of the general meeting is not measured or assessed (102-28). On the level of the HG Holding GbR, the shareholders bear joint, direct, and unlimited liability with their private and business assets. The profit share of the HG Holding GbR, which is equally shared among the three shareholders, is distinct from the compensation for management duties received by the two managing directors, Marcus and Mathias Hevert. They receive a fixed monthly salary that is low compared to the average in the industry as well as an annual, profit-related bonus. (102-35)

Since 2003, the general meeting has been supported by a strong advisory board. The Advisory Board comprises its chairman and founding member, Dr. Axel Sander, Frank D. Kube and Franz-Josef Hans. Together, they support the family-run company particularly in the areas of law, marketing/sales, and finance: (102-23)

## 2. EMPLOYEES ARE THE KEY TO OUR SUCCESS

### 2.1. Living and creating diversity

Hevert would not be the successful company it is today without its dedicated employees. Hevert employees are a friendly, highly motivated and capable team that is much more dedicated to customers and the company's success than is found in other companies. The friendly and cordial collaboration is the core of Hevert corporate culture and is highly appreciated by visitors and business partners.

#### Employment figures 2016–2018:

	2016	2017	2018
<b>Employees</b>	175	187	207
<b>Of which apprentices</b>	9	7	6
<b>Of which interns/student trainees</b>	2	2	5

As of 2018, Hevert-Arzneimittel employed a total of 91 men and 116 women in its four company locations. (102-7)

Of the 207 employees (not including apprentices and student trainees), 158 worked full time and 38 part time, and 71 were active in the industrial and 125 in the administrative sector. In all, 77,5% of our employees came from the region; 44% were male and 56% were female.

There were 158 permanent employees and 38 employees on fixed-term contracts.



Hevert employees



**Male employees:** Male employees: Of the 84 male employees on indefinite contracts, 80 were full-time and 4 part-time. One full-time male employee and one part-time male employee were on fixed-term contracts.

**Female employees:** Of the 110 female employees on indefinite contracts, 77 were full-time and 33 part-time. No female employee had a fixed-term contract.

The company largely uses its own in-house employees, with officially recognized freelance employees being the exception.

The above HR figures were calculated on the basis of the wage and salary program and the time management program for determining working hours. (102-8)

Reconciliation of work and family is a priority at Hevert. This is reflected by the number of women in positions of leadership: A total of 14 women held leadership positions as heads of department, heads of subdepartment, or regional managers in 2018. Individualized working time arrangements permit great flexibility, for instance when planning care times and parental leave. In general, all employees return to their jobs after parental leave or even continue to work reduced hours for the family-run company Hevert during their parental leave. Typically, women request 2 years of parental leave and men about 1–2 months. In 2017 and 2018, a male employee reduced his work schedule to a four-day week during his two-year parental leave. In 2018, one female employee went on parental leave. Two female employees returned from parental leave. The rate of return to the job is 100 %. (401-3)

Hevert focuses on diversity in the company and leverages the strengths of individuals for the company's success. Inclusion and equality are actively practiced priorities at Hevert. In 2018, a total of six female and two male employees with disabilities were registered for the "levy payable under legislation on severely handicapped persons."

Of the new employees hired in the year under review, 42% were from the vicinity of the company headquarters in Nahetal:

#### New hires in 2018:

Age group	Male	Female
<b>Under 20 years of age</b>	2	1
<b>20 to 29 years of age</b>	0	6
<b>30 to 39 years of age</b>	3	4
<b>40 to 49 years of age</b>	4	6
<b>50 to 64 years of age</b>	7	2
<b>Total number:</b>	<b>16</b>	<b>19</b>

Hevert also awarded permanent positions to all trainees who passed their final exam in 2018. These two employees are from the area.

#### The following employees left Hevert, categorized by age groups:

Age group	Male	Female
<b>Under 20 years of age</b>	0	0
<b>20 to 29 years of age</b>	1	2
<b>30 to 39 years of age</b>	0	3
<b>40 to 49 years of age</b>	1	2
<b>50 to 64 years of age</b>	6	6
<b>Over 65 years of age</b>	0	0
<b>Total number:</b>	<b>8</b>	<b>13</b>

58% of the employees who left Hevert live in the region.



Retirement party

Three female employees (over 63 years old) reached retirement age in 2018. (401-1)

Hevert does not differentiate between indefinite and fixed-term employment contracts and/or part-time employees. According to the company value "Employees are key to success", every employee is treated equally. The only exception is the employee benefits program, which allows participation only after the probation period and also excludes apprentices. The company thereby hopes to create an incentive for the time following the apprenticeship or probation period. There are no further differences.



Organic cotton workwear

Organically grown vegetables

The following overview shows in detail the benefits that Hevert offers employees, regardless of whether they work full time or part time:

- Capital-forming benefits
- Christmas and holiday bonus
- Company pension (direct insurance)
- Employee advantage program
- Company education and further training
- Free drinks such as coffee, tea, and water
- Free organic fruit and vegetables
- Workplace health management
- Contribution to fitness studio membership
- Work clothes
- Company-owned parking
- Mentoring concept (new employee induction)
- Home office policy
- Flexible work hours
- Free childcare (from 1 year to school age) at the Hevert Daycare Center
- Vacation program for children of employees (age 6–12 years)



Having fun at the annual apprentice event: Group canoe trip on the Glan.

Additional benefits for apprentices:

- Allowance for travel to the vocational school
- Reimbursement of school book costs
- Coverage of cooperation costs for apprentices becoming laboratory chemists, pharmaceutical production technicians, and machine and plant operators
- Coverage of the cost of external exam preparation
- Coverage of additional expenses for school and apprenticeship projects
- Annual apprentice event (e.g. group canoe trip) (401-2)

Hevert is located in a region that is considered structurally weak. The family-run company plays an important role as an employer offering secure jobs in this region. However, the decision to maintain the regional location often means that vacant positions for highly qualified applicants are difficult to fill. (102-15)

When competing for highly qualified employees, the family-run company does not always have an easy time to convince applicants to move to the idyllic Nahe Valley or the surrounding area or to commute. To this end, an office location was opened in Berlin in 2017. This acts as an in-house Hevert co-working space for suitable roles and is mentioned in job advertisements as an alternative to the locations in the Nahe Valley.

This allowed Hevert to recruit additional employees from Berlin in 2018. At the end of the year, four employees were based in Berlin. Two more employees will start work there in January 2019. (102-15)

### 2.1.1 Training, internships, etc.

#### Training at Hevert

For many years, Hevert has been considered a role model for training sites in the region. Needless to say, this makes the family-run company very proud, and we intend to maintain and improve this level.

The following seven vocational programs are available:

- Pharmaceutical production technician
- Laboratory chemist
- Office management assistant
- Industrial management assistant
- IT specialist – systems integration
- Warehouse logistics specialist
- Machine and plant operators



To ensure Hevert can offer high-quality training, the pharmaceutical company do not offer all of these vocational programs every year. For the pharmaceutical production technician, laboratory chemist and machine and plant operator positions, the company works with partners who can offer the training content that Hevert cannot. There are a total of 5 – 7 trainees at the company. 1 – 4 new traineeships are advertised each year.

After the training program has ended, all trainees automatically receive an offer for a temporary employment contract of six months, or a permanent position. This is supposed to give trainees the opportunity to prepare for the exams with plenty of time so that they do not have to apply for a position until afterward. Of course, our trainees are also assisted with their final exams and the costs of external exam preparation courses are covered. In general, provided the performance is good, most trainees are offered employment.

Hevert is particularly keen for all of the content of our training programs to be taught. For this reason, the trainees are introduced to all of the necessary subdepartments and are assisted not only by their actual instructor, but also a contact person in the relevant departments. The company makes sure that the trainees perform practical work in these subdepartments and do not learn only the theoretical side. At all times, communication between the instructors and trainees is important and they hold regular meetings.



### Training fairs and networks

The family-run company participates in a number of training fairs to present Hevert as a training site in the region and elsewhere. In 2018, we attended a total of four training fairs in the region. “Berufswelt live” is a particularly interesting event during which students can get an up-close and personal look at vocations for which training is offered and take part in short, practical exercises. Hevert presented the pharmaceutical production technician vocation on several occasions in 2018, giving students the opportunity to mix muesli according to a recipe.

To stay in touch with other training sites and students, the company is active in the regional school/industry working group for the state of Rhineland-Palatinate (Landesarbeitsgemeinschaft Schule/Wirtschaft Rheinland-Pfalz) and attends its regular meetings.

### Internships at Hevert

- Internships for students

On a regular basis, our company offers internships in a number of areas. Students can choose from a one or two-week internship or a one-day introduction. These offers are very popular, but we do not have the capacity to fulfill everyone's requests.

- Vocational internships

Alongside internships for students, Hevert is offering a growing number of vocational internships. In 2018, three pharmaceutical interns completed an eight-week or six-month internship with projects at Hevert as part of their course of study. In the context of a partnership with the Kaiserslautern University of Applied Sciences, Hevert offers its students internships in applied pharmacy and other areas. Furthermore, two interns worked in the field of environmental protection/environmental management in 2018.

## 2.2. Work-life balance and health promotion

### 2.2.1 Flextime

A well-balanced work-life style is the basis for a healthy way of living. With flexible working hour models, the company supports the staff in arranging their work around their private needs as far as possible. This is, for example, very important for expectant or working parents. Hevert aims to offer its employees the opportunity to optimally combine their private and professional life.

Flextime has become firmly established since 2016. By increasing their daily work hours to up to 10 hours, employees can generate one work-free flex day per week.

### 2.2.2 The Hevert Daycare Center



The Hevert Daycare Center: A children's paradise of fun.

The family business takes particular pride in the Hevert Daycare Center, which was opened in the fall of 2014. With its own nursery school teacher and child minder, the company is able to offer regular daycare and children's programs throughout the year. For the Hevert Daycare

Center, Hevert received the "Fair Family" seal of approval of the Verband kinderreicher Familien Deutschland e.V. (association of families with many children) as a model company for family friendliness in 2018.

The Daycare Center primarily serves to provide emergency care if parents have trouble finding care. The Daycare Center is regularly approved for up to five children. However, for special days and events, the number of children may be exceeded.

The Daycare Center is managed by the preschool teacher Miriam Kistner. She is assisted by our qualified child minder, Olga Stauber.

Children cared for per day and hours of childcare provided:

- 2015 – 1.84 children/day and 1,658 hours
- 2016 – 2.10 children/day and 1,344 hours
- 2017 – 2.20 children/day and 1,493 hours
- 2018 – 2.40 children/day and 1,303 hours

2018 highlights at the Hevert Daycare Center:

A holiday recreation camp close to nature, entitled "Secrets of the forests and meadows", was held as a holiday program in the summer. A wide-ranging program of children's activities was arranged with the support and organization of "Nahe der Natur", a museum for nature conservation run by the Altmooos family in Staudernheim. In total, the program was attended by 9 children ages 6–12.

In addition to the vacation camps, many fun events were held at the Daycare Center:

- A fit and healthy start to the new year with smoothies and children's yoga
- Shrove Tuesday party with face-painting
- Waffle stall for employees
- Fun and exciting Easter egg activities
- Summer barbecue for children and parents
- Excursion to the outdoor museum
- Plant day at the Daycare Center: Planting vegetable patches
- Making Christmas decorations
- Baking Christmas cookies

### 2.2.3 Workplace Health Management

In 2018, Hevert set itself the goal of enhancing its existing occupational health management system in order to keep ensuring the planning, management and monitoring of sustainability and the effectiveness of the related measures.

#### Redesigning occupational health management – World Café



Workshop „Worldcafé“



**Betriebliches  
Gesundheits-  
Management**

An external partner assisted with the enhancement of the occupational health management system. In a bidding phase, the requirement specifications were defined and various service providers were compared. The decision was made in favor of Julia Kloss Consulting Services and consultants Julia Kloss and Petra Hurt, who provided operational assistance with organizing the respective measures as well as organizational and strategic advice. The following project phases were jointly defined and carried out

#### ASCERTAINMENT OF REQUIRE- MENTS

- Holding of a workshop to ascertain requirements in the form of a “world café” with employees from all departments and levels of the hierarchy
- Result: There are requirements in the areas of exercise, diet, and relaxation for full-time and part-time employees and shift workers

#### PLANNING OF MEASURES

- Planning of measures in the areas of exercise, diet, and relaxation with due consideration of requirements
- Establishment of occupational health management ambassadors as facilitators tasked with gathering and passing on employee feedback, helping to devise measures, and discussing current occupational health management issues with employees

#### EVALUATION

- Continuous improvement of offerings through regular feedback from surveys
- Reflection on measures with occupational health management ambassadors

Occupational health management measures were broken down into the categories of exercise, diet, and relaxation. A balanced annual program for all subject areas will continue to be provided in the future. An overview of the program for 2019 is set out here:

#### EXERCISE

- **Peteca**
- **Functional fitness**

#### DIET

- **Fasting**
- **“Feierabendglück” recipes**
- **Herb hike**

#### RELAXATION

- **Yoga class**
- **Resilience class**



## Exercise

Wie bereits in den vergangenen Jahren, bot Hevert auch in 2018 diverse Sportkurse an. Bei der Auswahl orientierte sich das Unternehmen an den bereits mit Erfolg durchgeführten Kursen aus der Vergangenheit. Für alle Mitarbeiter, die lieber im Fitnessstudio des Heimortes trainieren, bietet Hevert zudem bereits seit vielen Jahren einen Zuschuss für Fitnessstudiobesuche von bis zu 20,00 € pro Monat. Von diesem Angebot machten in 2018 insgesamt 21 Mitarbeiter Gebrauch. Dies ist auch eine schöne Möglichkeit den Außendienst in das Konzept des betrieblichen Gesundheitsmanagements zu integrieren.

- Peteca

Peteca has been a fixture of the Hevert occupational health management program for several years. This fast-paced game develops strength, speed, stamina, coordination, reaction times, and general agility. Regular advertising of the program and taster sessions have helped to keep attendance at a constant level, enabling a game with 4–6 players to take place each Tuesday from 5:00 p.m. at the community center in Nussbaum. The Hevert peteca team successfully competed in the Christa Maxeiner tournament at the Rheinhessenhalle in Hackenheim on Sunday October 21, 2018.



The Hevert peteca team

- Functional fitness

To meet demand from colleagues for holistic training, a taster workshop on functional fitness was held with Joel Worx on March 7, 2018.

It appealed to colleagues, with an average of eight people attending the first trial run of seven sessions (March 31 – May 2, 2018). Excellent feedback with a 100% recommendation rate and the desire for a permanent course were the reasons for continuing the sports sessions. In the regular satisfaction surveys, the wide-ranging, challenging, and targeted exercises to promote good posture and agility in day-to-day life were praised.



Having fun with functional fitness

Part-time and shift-working colleagues asked for a course that begins straight after the early shift. To meet this demand, an additional course held every other Wednesday from 2:30 p.m. to 3:30 p.m. was established in July 2018. The most recent survey also showed above-average feedback (100% recommendation rate) and the continued desire for a permanent course.

## Diet

- Fasting: Therapeutic fasting

A non-residential fasting course was held in April 2018 in collaboration with Menschels Vital-resort. The fasting program was led by Dr. Menschel and comprised an introductory session, pre-cleansing and purging days, regular motivation sessions with Qigong and yoga, and a shared fast-breaking. 16 colleagues took part, losing a combined total of 77 kg after 5 days of fasting. Group cohesion and the improved sense of ease and quality of life received particularly positive comments in the feedback. Having been very well received, the course is likely to be held again in 2019.



Mutual motivation on the therapeutic fast helped participants to shed pounds more quickly

- “Feierabendglück” recipe notifications

Regular recipe notifications inspired colleagues to adopt a healthy and balanced daily diet. This was apparent from the participation rate in two competitions in which employees submitted photos of the meals they had prepared.

The idea of publishing the recipes was submitted as part of the idea management program and rewarded accordingly.

- Herb hike

Idea management gave rise to the suggestion of a herb hike through the green spaces on the company’s premises, including growing medicinal plants. Erno Brinkmann, a gardener for Hevert-Arzneimittel, led the group of interested people in September and passed on useful information about the plants.

## Relaxation

- Yoga class

Three units each comprising six hours of yoga were provided in collaboration with Christina Ewald and Sonja Wendl from the “FREIRAUM” institute for yoga, meditation & balance. Back, stomach, and shoulder muscles were strengthened and stretched with targeted exercises from the Kundalini and Bhajan schools of yoga. Meditation and relaxation units helped to regenerate the nervous system.

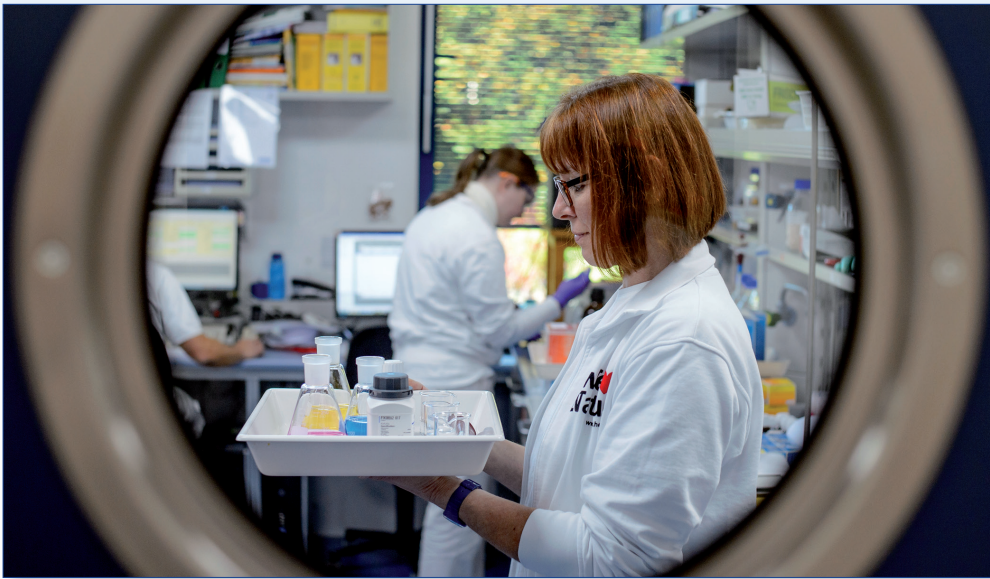
The course was held on the instructors’ premises on Bahnhofstrasse in Bad Sobernheim, which had a special atmosphere. In their feedback, the participants expressed an extremely high level of satisfaction, but also a desire for more conventional yoga exercises. Consequently, a trial session of Hatha yoga was held in January 2019 in order to find out whether this style is better suited to the participants’ needs.

- Resilience class

To help improve employees’ mental health, two units of six resilience training sessions with Dr. Tina Wenz were held in 2018. The course taught methods of attaining inner calm, stability, and enjoyment of life in order to cope with emotionally demanding situations. In their feedback, participants praised the practical examples, lively presentation, and easy-to-follow instructions.

### 2.3. Safety is priority number one – Occupational safety and health promotion

At Hevert, the Employer-Employee Industrial Safety Committee (ASA, Arbeitgeber-Arbeitnehmer-Arbeitsschutzausschuss) for safety and health at work is active on the employee level. As the name suggests, the committee works on current topics and incidents at the company that are related to health and safety. Particularly the development of future preventive measures and special offers relating to mental health aims to meet the company's responsibility toward employees. For instance, preventive action regarding the means of transport used on the business premises is intended to prevent occupational disorders of the human muscular and skeletal system. This committee includes 5 % of employees. (403-1)



A look into the laboratory: Only authorized employees have access.

The following work accidents occurred in 2018:

Sex	Type of injury	Absence
Female	Dislocation of the cervical spine due to a car crash	9 days
Female	Injury of the cervical spine/whiplash due to a car accident	9 days
Male	Eye/cornea injury due to a foreign body	0 days
Male	Cornea injury caused by the branch of a shrub (working outdoors)	3 days

(403-2)

The ASA conducts four annual meetings including a site inspection with the occupational health physician as well as the occupational safety specialist (internal/external). The individual workspaces are examined in great detail (ergonomic workplace design, identification of potential risks of injury, etc.). When generating so-called risk assessments for individual areas, each room and each machine are inspected. It is documented where a hazard may exist, and, if necessary, corrective action is initiated. All employees are regularly trained in the operation of machines and plants.

In addition, every occupational accident is discussed with the occupational safety specialist and the occupational health physician in these ASA meetings. It is clarified whether the accident could have been prevented by changes in procedures, machine safety, etc., and how such measures could be taken to prevent similar accidents in the future.

As part of hazard assessments and GxP specifications, Hevert also defines the necessary examinations by the occupational health physician for the individual areas and offers some additional examinations that are not required by law.



It should be noted that in 2018, no cases of occupational illnesses were recorded, and due to the above measures, employees are not exposed to high morbidity or hazards. (403-3)

In 2018, there were also no accidents of employees of external companies, temporary workers, or leased staff. In case of occupational accidents, Hevert is required to send an accident report with information about the sequence of events and type of injury to BG RCI (Professional Association Raw Materials and Chemical Industry). The association then classifies them on this basis. (403-2)

Hevert strives to minimize the risk of accidents and prevent accidents. This is achieved by regular training on fire prevention and occupational safety, which is offered in cooperation with Dekra. Training contents include the following:

- Employee occupational safety and health promotion
- First aid
- Office workplaces
- Fire prevention
- Order and cleanliness = discipline
- Take a break, but do it right!

## 2.4. Employee satisfaction

### 2.4.1 Workforce representation

The employees of Hevert-Arzneimittel have had their own elected representation since 2009. Ever since, the employee representatives have represented employees' interests in respect of the management and the heads of department.

In 2017, the current employee representative body (MIV) was elected with six members. In the spirit of Hevert's motto "Together naturally successful", employee representatives (MIV) and the Managing Directors work together on a basis of trust.

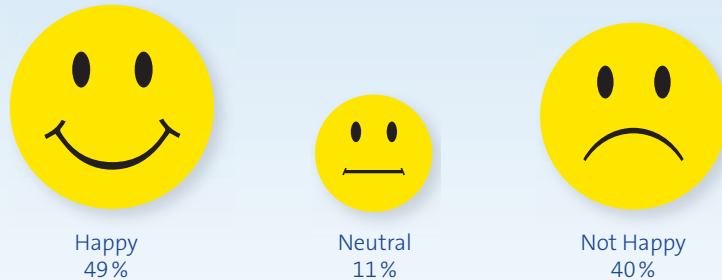
As the most important link between employees, company management, and the Human Resources specialist department, the workforce representation has brought up and discussed numerous personnel-related and organizational matters and contributed to finding solutions. The workforce representation is completed by a youth and apprentices spokesperson, who is elected for two years and specifically represents the interests of apprentices and younger employees. The goal is to create a solid foundation for the communication between employees at all three sites and the executives up to company management. (403-1, 102-18)

### 2.4.2 Happy or Not?

Tablet PCs are installed at all sites to conduct an internal "Happy or Not" analysis. Comparable to a mood barometer, employees can enter a simple assessment of their own workday at the end of the day in the office, lab, or in the logistics or production sub-department by selecting from three alternative smiley faces. In addition to the overall analysis, a site-specific analysis was generated over the course of the year, and it was published monthly in the company's Intranet for everyone to view. The Berlin office will join in 2019.

Following the overall company-wide analysis of 1,510 votes in 2018, the percentage breakdown resulted in the following “mood barometer”:

% in 2018



No specific measures can be derived from the determined results since they do not indicate any specific problem. Rather, site managers approach employees about the possible reasons for any uptick in negative or positive "mood barometer" results for a particular month.

### 2.4.3 Employee satisfaction survey

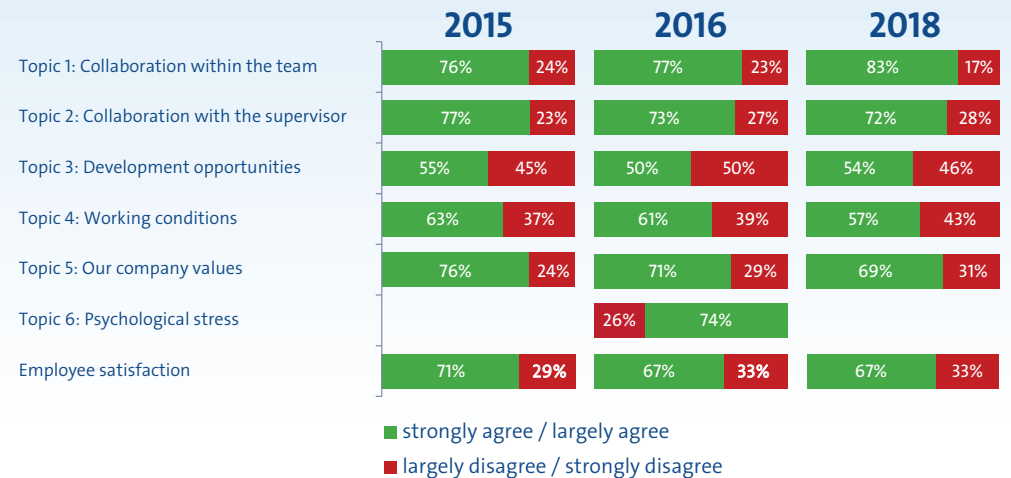
The employee satisfaction survey was continued in 2018, having been suspended in 2017 for resource-related reasons. A department-specific questionnaire with relevant questions from the company-wide survey was added to the 2018 survey in order to obtain more informative results for each department. These results were disclosed on a department-specific basis to the management and the employee representative body only.

Participants were also given the opportunity to submit specific suggestions about critical issues.

The topic areas remained the same:

- Collaboration within the team
- Collaboration with the supervisor
- Development opportunities
- Working conditions
- Our company values

### A three-year comparison of the employee satisfaction survey:



The evaluation on topic 6 “Psychological stress” was not taken into account for the result of the employee satisfaction survey.

At 67%, employee satisfaction is unchanged from the last survey in 2016 (suspended in 2017). The participation rate was 68%, up four percentage points on 2016. Scores were lower than in the 2016 survey in the subject areas of “working conditions” (down four percentage points), our “company values” (down two percentage points), and “collaboration with the supervisor” (down one percentage point). “Working conditions” were assessed more negatively overall (down six percentage points compared with 2015) due to the growth of the company:

There is only just enough space for the increased number of employees. Significant increases compared with 2016 were reported in the subject areas of “collaboration within the team” (up six percentage points) and “development opportunities” (up four percentage points). Overall, the score for “collaboration within the team” was seven percentage points higher than three years ago.

The results of the employee satisfaction survey are always analyzed in detail by Human Resources, the employee representation body, and the managing directors and form the basis for activities and measures to further improve employee satisfaction. (102-44)

## 2.5. Education and further training

### The Hevert Employee Academy

All Hevert employees are able to take part in numerous further training courses. Further training includes courses for further professional and personal development. It is meant not only for employee qualification but also motivation.

The Hevert Employee Academy presents a number of training courses by subject area, mandatory and optional training, and online and classroom courses.



Independent thinking allowed - an open corporate culture encourages the active involvement of employees.

In 2018, 673 courses were offered. All training courses on the subject of GxP and quality management are mandatory for employees.

Subject area	Number of training courses	Number of participants
<b>GxP and Quality Management</b>	353	1,157
<b>IT</b>	190	560
<b>Mission Statement, Strategy, Organization</b>	27	333
<b>Marketing and Sales</b>	16	60
<b>Market Environment</b>	1	9
<b>Personnel</b>	28	204
<b>Products and Therapy</b>	13	41
<b>Scientific and Regulatory Affairs</b>	23	113
<b>Safety</b>	22	104
<b>Total number:</b>	<b>673</b>	<b>2,581</b>

This number includes first-timers and those taking a refresher course. Employees must repeat some of these courses at certain intervals. (404-1)

## 2.6. Idea Management

At Hevert, independent thinking is not only allowed but explicitly encouraged. Hevert idea management enables employees, through the submission of ideas and suggestions for improvement, to contribute their skills, knowledge and experience beyond what their actual jobs require, for the further development of the company.



In 2018, the ideas and suggestions for improvement were submitted through a so-called ticket system. It allows employees to enter their ideas, describe the current situation, define the desired situation, and explain how to reach it. The ideas were further processed by the Idea Management Working Group. This group viewed the ideas and assigned them to a staff member or specialist department responsible for the area affected by the idea. The idea was then assessed by the responsible individuals and implemented if cost and workload permitted. The idea was subsequently funded through the Idea Management Working Group. Throughout the process, the Idea Management Working group was in contact with the employees involved in the idea and could provide consultation and support at all times.

**The following departmentsn / subdepartments submitted ideas:**

Department	Subdepartment	2016	2017	2018
<b>Company Services</b>	Controlling	2	0	0
	Facility Management	0	1	1
	Finances	1	0	2
	IT	0	0	1
	Personnel	0	0	1
	Legal affairs	1	0	0
	Reception	1	1	0
<b>National and International Sales</b>	Field Service	1	0	1
	Export	2	2	6
	Mail order	1	1	1
<b>Marketing</b>	Health Care Professionals	0	0	0
	Corporate Communications	4	0	4
<b>Scientific &amp; Regulatory Affairs</b>	International Regulatory Affairs	0	0	2
	Medical Scientific Affairs	0	1	1

Department	Subdepartment	2016	2017	2018
<b>Supply Chain Management</b>	Filling/Packaging in Bad Sobernheim	4	0	0
	Filling/Packaging in Nussbaum	0	1	1
	Logistics	2	0	0
	Production in Bad Sobernheim	1	1	0
	Production in Nussbaum	1	0	5
	Sales Logistics	0	0	5
	Central Purchasing	1	0	0
<b>Quality Unit</b>	Business Process Management	0	1	3
	Quality Control	7	4	4
	Quality Management	1	4	4
	Qualification / validation	0	5	1
<b>Managing Director(s)</b>		2	0	1

**Ideas by topic:**

Topic	2016	2017	2018
Safety, cleanliness, health	3	1	4
Work simplification, working conditions	3		3
Product/process quality, product ideas	2	1	8
Environmental protection	3	1	8
Energy, electricity, gas, compressed air, steam, fuels, process water	1	2	1
Employee satisfaction, motivation, social benefits, work atmosphere	3	1	2
Information, communication, customer satisfaction	2	1	5
Savings in raw, auxiliary, or working materials	3	1	0
Savings in production processes	0	0	1
Savings in machines, plants, tools, systems	1	0	0
Logistics	0	1	1
Organization, administration	5	0	2
Other	6	3	9

**Idea status list:**

Status	2016	2017	2018
Ideas received	32	22	44
Ideas funded	16	2	8
Ideas not funded	22	9	24
Ideas saved	0	10	2
Being implemented	0	8	0
Opinions pending	0	16	13



«An idea is born...»



## 3. QUALITY IS OUR FORMULA

Quality is the reason for Hevert's success. The products work naturally, are of high quality and have very few side effects.

The regulatory framework requires that all pharmaceutical companies in Germany meet high quality standards to ensure efficacy and safety for patients.

To Hevert, however, the quality of medicinal products also depends on ongoing research and development. Research and development, whether it is conducted in-house or with external partners, should contribute to the safety and optimal effectiveness of pharmaceuticals to benefit patients worldwide.

### 3.1. Customer health and safety

The safety of Hevert medicinal products is initially examined by the Federal Institute for Drugs and Medical Devices (BfArM) as part of the marketing authorization procedure. After the marketing authorization is granted, the company's pharmacovigilance system ensures continued drug safety. All incoming side effect reports are entered in a database and assessed by experts. In addition, the scientific literature is regularly reviewed for risks associated with the active ingredients used by Hevert. This information is then used to generate the current risk-benefit assessment for each individual medicinal product, which may also lead to changes in the product information, such as directions for use or the inclusion of potential side effects. The number of side effect reports is low in consideration of the number of sold packs (less than 50 reports per year), and very few of them are serious side effects, such as allergic reactions.

The labeling of medicinal products is governed by the German Medicines Act (AMG), Specifically by § 10 AMG. For example, it includes regulations on the designation, composition, expiry date, and classification for supply (e.g., pharmacy-only for medicinal products that are only permitted to be sold in pharmacies). The statement that medicinal products are to be kept out of the reach of children is also mandatory. Any special precautions for disposing of unused medicinal products or other special precautions to prevent risks to the environment



must be listed in accordance with the AMG. However, due to the low concentrations of substances, such notes are not required for homeopathic medicinal products. (417-1)

Hevert also increasingly sells dietary supplements that must be labeled in accordance with the applicable regulations in order to protect consumers. The legal basis for this labeling is EU Regulation No. 1169/2011, known in Germany as the “Lebensmittelinformationsverordnung” (Food Information Regulation). It contains an obligation for manufacturers to provide information such as details of ingredients, coverage of daily nutritional requirements, ingredients with an allergy risk, and the best before date. This means that the same stipulations for the labeling of dietary supplements have been in place throughout the EU since 2014. (417-1)

A shortage of raw materials led to bottlenecks in supplying the market with various products in 2018. In the case of coal, Hevert managed to overcome the supply problems that affected its market-leading competitor by adapting production, thus preventing bottlenecks in patient care.

At Hevert, the Quality Management subdepartment is a service provider for all departments and offers assistance with the structuring of workflows and their monitoring. Preparing and supporting authority and customer audits as well as eliminating defects identified therein are very important annual activities. For instance, every two years an inspection by the local authorities determines whether processes, requirements, and guidelines meet the required standards. In addition to the German authorities, the US Food and Drug Administration and the State Institute of Drugs and Good Practices (SID-GP) of the Russian Federation have played a key role with their inspections since 2017. Along with the internal audits regularly performed by the quality management team (self-inspections) and audits by customers, this forms a tight-knit network that guarantees product safety and process compliance with statutory requirements. (416-2)

### 3.2. Product improvements and launches for our customers<sup>2</sup>

Continuous product improvement in the form of innovative pharmaceutical forms or new active ingredient compositions is intended to promote long-term customer retention and attract new customers to the quality of Hevert medicinal products. These developments are carried out in the in-house Research and Development department in collaboration with external service providers.

In 2018, tried-and-tested products were combined under a family brand: Since then, a total of four forms of administration have been available over the counter under the well-known name Calmvalera. In addition to the well-known Calmvalera drops and tablets, Calmvalera is now also available as globules (formerly Calmy Hevert). This product is suitable for children as young as six months who are overexcited or nervous. Calmvalera inject (formerly Zincum valerianicum comp. Hevert) is available as ampules for intensive therapy from doctors or natural practitioners. This means the right form of administration is available for every customer. The product names of the combination homeopathic remedies indicate what the preparations are used for: “calm” stands for peace of mind and “valera” is short for valeriana (Latin for valerian), a medicinal plant known for its soothing and sleep-aiding effects.



<sup>2</sup> required information see 7.2

Hevert has also been using descriptive names for the following medicinal products since fall/winter 2018: Contramigren Hevert for headaches, Contrainfect Hevert cold tablets and Contrallergia Hevert hay fever tablets and drops are the new designations for tried-and-tested products in the naturopathy range. The Latin word “contra” for “anti” is widely understood, as is the expression “to contradict”, i.e. “to oppose something or someone forcefully”. This makes it suitable for medicinal products that counter illnesses.



Outside Germany, the focus was on expanding business with existing products. The main growth drivers were China, Mongolia, Ukraine, and Austria.

### 3.3. Dedicated to Naturopathy

Not only for its own company, but for the whole homeopathic and herbal medicine market, Hevert campaigns for the preservation of the largest possible therapeutic diversity and quality of products and active ingredients. As part of this, the company works for naturopathy-friendly regulatory conditions as well as the recognition and acceptance of naturopathic medicines.

#### 3.3.1 Research at Hevert-Arzneimittel

The merging of the research subdepartment and the development subdepartment allows for even more efficient development and research with Hevert products. In the area of basic research as well, Hevert plays an essential role in obtaining new findings while providing a solid scientific foundation for homeopathy and naturopathy by financing external research institutes.

In 2018, we again clearly structured and allocated the support of external cooperating partners in the area of science and research within the medico-scientific department.

In the area of research funding, a standardized questionnaire is now used so that external requests for grants can be assessed even more objectively.

#### Basic research

Commitment to basic research was further expanded in 2018.



Event organizers and representatives of the Hevert-Foundation, Witten/Herdecke University, and Hevert-Arzneimittel are happy about the successful event.

In June 2018, the Hevert Foundation arranged a major symposium on basic research into potentized medicinal products in cooperation with Witten/Herdecke University. The event was organized by Dr. Stephan Baumgartner, private lecturer at Witten/Herdecke University, and Sandra Würtenberger, head of basic research at Hevert-Arzneimittel, who offered a program of seven presentations on current research projects held by scientists from academic and industrial research. The aim of the event, which was attended by many employees of other naturopathic medicine manufacturers, was to spread knowledge of high-quality studies of the mechanism of action of homeopathic medicines to a wider audience and raise additional funds.

The mechanism of action of potentized medicine, as used in homeopathy and anthroposophic medicine, is always a contentious issue of discussion in the media and in conventional academia. It is not widely known that research has seen significant progress in this area in recent years and that there is a large number of promising research approaches. Conferences on basic research are an important way of ensuring that scientists and interested experts can keep up to date with the latest scientific findings.

- Review project: Status of physical basic research in homeopathy

The first publication from the collaborative project “Literature review of physical tests of homeopathic potency” with Dr. Alexander Tournier, Homeopathy Research Institute London and University of Bern, private lecturer Dr. Stephan Baumgartner, Witten/Herdecke University and University of Bern, Dr. S. Klein and Prof. Wolf, also University of Bern, was officially published in January 2018 by JACM (The Journal of Alternative and Complementary Medicine). In addition, a newsletter article for Hevert customers from the first publication was published.

- Project: Duckweed research

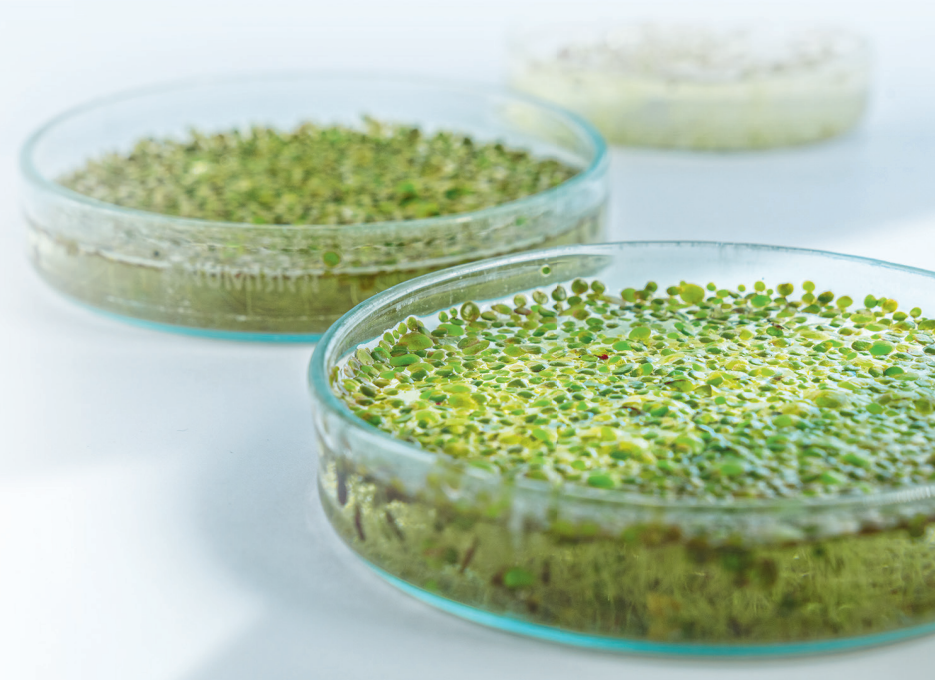
The duckweed research project is a contract research project with Dr. Tim Jäger and assistant professor Dr. Stephan Baumgartner, both at the Witten/Herdecke University and the Institute of Complementary and Integrative Medicine (IKIM) at the University of Bern. A first publication was submitted on the online platform “The Faculty of Homeopathy”. In November 2018, Dr. Tim Jäger presented a poster on the duckweed project at the WissHom (Scientific Society for Homeopathy) congress in Köthen.

- Project on combination homeopathic remedy

The basic research project aims to determine how each ingredient works in combination homeopathic remedies. The project is researching the medicinal ingredients of the medicinal product Sinusitis Hevert SL.

The peer review has been completed for a first publication and the draft has been accepted by the online platform “The Faculty of Homeopathy”.

There were two poster presentations for this project: one during the symposium on basic research on potentized medicinal products at Hevert-Arzneimittel, and one at the GIRI (Groupe International de Recherche sur l’Infinitésimal) congress in Moscow.





## Research funding

As part of our efforts to fund research, Hevert has established an award in 2006 that is intended to promote the expansion of expertise and knowledge exchange, particularly with professional audiences. In 2018, the Dr. Wolfgang Hevert Prize, endowed with EUR 10,000, was awarded to Dr. Jacqueline Pettersen from the University of Northern British Columbia in Prince George, Canada. An independent panel composed of recognized experts selected the research project on Vitamin D and K2 out of numerous applications. The research project proved convincing especially regarding the scientific advancement, the usability of the expected results for prevention and therapy as well as the relevance for the health system.



The Dr. Wolfgang Hevert award ceremony in 2018

The study proposed by Dr. Pettersen will analyze the effects of vitamin D and K2 on the cognitive performance compared to vitamin D alone and placebo. It aims to provide new findings on possibly additive or synergistic effects of both vitamins in this area. Such findings could, in the medium or long term, have considerable impact on medical care and health in old age. (102-43)

## 3.3.2 External cooperation and funding partners

Financial assistance, funding, and active collaboration in a wide range of committees characterize the commitment of Hevert-Arzneimittel:

- Deutsche Akademie für Homöopathie und Naturheilverfahren e. V. (DAHN, German Academy for Homeopathy and Natural Medicine)  
Hevert-Arzneimittel is a supporting member of DAHN. (102-12)

- Wissenschaftliche Gesellschaft für Homöopathie e. V. (WissHom, Scientific Society for Homeopathy)

The Hevert-Foundation has been an institutional member of WissHom since 2016. In addition, the company is in regular communication with WissHom. (102-12, 102-13)

- Karl and Veronica Carstens Foundation

Hevert-Arzneimittel has been supporting the Karl and Veronica Carstens Foundation and the associated Fördergemeinschaft Natur und Medizin e.V. (Association for the Promotion of Nature and Medicine) for many years. The Carstens Foundation promotes the scientific research of naturopathy and homeopathy. The objectives of the Foundation are primarily implemented by the funding of naturopathy and homeopathy research and its publication as well as the training and continued education of physicians and other health care practitioners. (102-12)

- Cooperation with the Internationale Gesellschaft für Natur- und Kulturheilkunde (IGNK, International Society for Naturopathy and Cultural Medicine)

The society is a merger between the Internationale Gesellschaft für Homöopathie und Homotoxikologie (IGHH, International Society for Homeopathy and Homotoxicology) and the Internationale Gesellschaft für Biologische Medizin (International Society for Biological Medicine). The IGNK is a nonprofit umbrella organization for physicians, veterinarians, dentists, pharmacists, and therapists with an academic background. The goals of the organization are to foster research and training in the field of naturopathic and cultural medicine and related treatment methods. The IGNK hosts several annual continuing education events, such as the continuing education weeks on the island of Kos. A lot of physicians, pharmacists, and natural practitioners attend this event each year to advance their training in intensive courses

on naturopathic issues. In 2018, Hevert-Arzneimittel participated in this event for the fourth time. Four employees attended the education week on Kos and were able to establish and maintain contacts with the attending professionals. (102-12, 102-13)

- Cooperation with the Akademie für menschliche Medizin GmbH (Academy of human medicine) founded by Prof. Jörg Spitz

Hevert-Arzneimittel supports the Akademie für menschliche Medizin, which was founded by Prof. Jörg Spitz. Prof. Spitz particularly focuses his work on disease prevention. He is known for his work on Vitamin D and has been closely collaborating with Hevert for years. (102-12)

### 3.3.3 Support of initiatives in basic research (102-12)

Hevert-Arzneimittel supports multiple initiatives and institutions in homeopathic basic research. The goal is to firmly establish homeopathy as a treatment approach and to further expand the company's expertise. For example, Hevert supports the Homeopathy Research Institute in London and Witten/Herdecke University (see 3.3.2).

### 3.3.4 Active association work in complementary medicine (102-13)

- Working group Homeopathic Complex Remedy Research of the German Medicines Manufacturers' Association (BAH)

Hevert-Arzneimittel is the main force behind the Homeopathic Complex Remedy Research working group. An employee from the National Regulatory Affairs area leads the working group. She receives extensive support from the Research and Development subdepartment. The working group aims to generate a stronger scientific basis for homeopathic complex remedies. In 2018, a survey of health care practitioners on prescription practices and on so-called homeopathy-specific risks (initial worsening of and proving symptoms) was conducted and evaluated. A draft is being prepared for publication.

- Working group for homeopathic and anthroposophic medicine of the BAH  
Hevert has long been a part of this working group, which met three times in 2018 to discuss current topics relating to homeopathic medicine. In 2018, the working group continued to worked on the risk posed by pyrrolizidine alkaloids (PAs) in homeopathic starting materials and mother tinctures as well as the step plan procedure for *Kalmia latifolia*. The working

group also dealt with the implementation of the new mercury ordinance and defined its position on mercury compounds in homeopathic medicines. In addition, the working group discussed research into notifications of suspicions relating to registered homeopathic medicines. The association provided companies with information about the progress made in the ISO-IDMP/xEVMPD database of the EMA. The working group additionally discussed new or changed pharmacopoeia monographs, the transfer of manufacturing instructions from the German Homeopathic Pharmacopoeia (HAB) to the European Pharmacopoeia as well as new papers of the Homeopathic Medicinal Product Working Group (HMPWG).

- Joint working group "Toxicological assessments for homeopathic medicinal products" of the BAH and BPI (Association of the German Pharmaceutical Industry e.V.)

The working group is intended to facilitate an inter-company exchange of information on toxicological assessments and reviews related issues as needed in smaller working groups. Hevert-Arzneimittel is continuously represented by an employee.

- Working group for homeopathic and anthroposophic medicine of the BAH  
In 2018, this working group focused on a homeopathy information campaign in weekly newspapers and preparing a homeopathy survey to be distributed to physicians, pharmacists, and natural practitioners. Furthermore, the pro-homeopathy campaign of the German Homeopathy Union (DHU) #machauchdumit ("Join in!") was presented in detail and opportunities for other manufacturers to take part were discussed.

- Hufeland Society e.V.

Hevert-Arzneimittel is regularly represented in the medicinal product commission, the company forum and the general meeting of Hufeland Society e.V. Hufeland Society is the umbrella organization of the medical associations for naturopathy and complementary medicine in Germany and represents the interests of more than 60,000 physicians. Its objective is to achieve the comprehensive integration of complementary medicine in the health care system. Organized by the Hufeland Society, a selection of representatives from member associations and supporting members have been meeting since mid-2018 in order to improve the public perception of naturopathy. Hevert is a founder member of this working group.

- ECHAMP

Managing Director Mathias Hevert is member of the Board of Management of ECHAMP, the European Coalition on Homeopathic & Anthroposophic Medicinal Products, which advocates for the marketability of homeopathic and anthroposophic medicinal products at the EU level. In 2018, the Board of Management again dealt with defenses against unfair subjective attacks on homeopathy by skeptics in various EU countries such as Germany, Spain and Italy as well as the "List of First Safe Dilutions" for homeopathic active ingredients. Another focal point was support of the Homeopathic Research Institute in London, and in particular its involvement in the campaign by the Australian homeopathy lobby against the defamatory homeopathy study of the Australian NHMRC.



- Homeopathic Pharmacopoeia Convention of the United States (HPCUS)

An employee of Hevert-Arzneimittel is a member of the HPCUS. This non-governmental organization is responsible for publishing and regularly updating the Homeopathic Pharmacopoeia of the US (HPUS). The working groups "Council on Pharmacy" and "Standards & Control", in which Hevert collaborates, intensively focus on issues of the analysis of homeopathic active ingredients, the review of pharmacopoeia monographs, and pharmaceutical and scientific questions about the manufacture and sales of homeopathic medicinal products in the US. The working groups are international. Their members include several scientists from Europe who contribute their years of experience with homeopathic medicinal products in this cultural area and work toward harmonization of the standards. Hevert's goal is the best possible compatibility of the HPUS with the European Pharmacopoeia. In 2018, Hevert hosted the fall conference of the Standards & Control Committee in Berlin.



### 3.3.5 Participation in working groups not specific to complementary medicine (102-13)

- BAH Marketing Authorization Committee

Hevert has been represented by an employee in this committee for several years. The committee meetings cover current topics on the marketing authorization of medicinal products.

In 2018, the committee discussed issues including the effects of Brexit and the Falsified Medicines Directive as well as new regulations such as the German Act for Greater Safety in the Pharmaceutical Supply System (GSAV). Further topics included the revised EU Excipients Guideline.

- BAH Pharmaceutical-Technical Committee

The head of the Quality Unit represents Hevert in this committee. The committee covers topics related to the manufacture and testing of medicinal products and the associated regulatory issues. Another focus lies on the pharmaceutical quality system under GMP and the related subject areas such as deviation management, corrective action / preventive action (CAPA) and change control.



Meetings focused on the practical implementation of the requirements of the ICHQ3D Guideline for Elemental Impurities in medicinal products. They also dealt with differing international regulatory requirements..

In other working groups (WG for SOPs and WG for the QM manual), the revision of the published documents continued. Focal points included the job and function descriptions of the responsible persons in European medicinal product law..

- BAH Committee International Market and Sales

The head of national and international sales takes part in the meetings of this committee.

Topics in 2018:

- Reports on the work of the BAH
- Opinion of BAH management regarding the newly formed federal government and the key government figures in the healthcare sector.
- Communication activities of BAH in the OTC sector, SHI medication supply and self-medication
- The new European Medical Products Ordinance – implications for the industry and patients, implementation status
- European HTA cooperation
- Implementation of the Falsified Medicines Directive
- Communication among committee members on export issues – experience from their own companies
- Discussion of cross-border medicinal product mail order
- e-commerce in Germany and the debate on the Rx e-commerce ban
- Country reports: presentations from committee members about select export markets, including Russia and Iran in 2018
- Invitations to external speakers regarding the committee meetings: insider reports on special topics
  - German Near and Middle East Association: Current developments in Iran – aspects to be considered
  - Simon-Kucher & Partners: Terms systems and international price management
- The consequences of Brexit for the pharmaceutical industry



## 4. WE LOVE NATURE

A love of nature is one of four corporate values embedded in the Hevert mission statement. Hevert-Arzneimittel regards environmentally sustainable business practices as a key part of its corporate culture, not just a pithy phrase. The family-run company sees an active commitment to environmental protection as making a major contribution to sustainable development in the region. (103-1)

Although Hevert-Arzneimittel does not yet have an environmental management system in place, individual environmental management approaches are implemented through the use of various organizational tools. For instance, all Hevert employees can take part in environmentally relevant decision-making processes through the Environmental Management and Idea Management working groups. To raise awareness of environmentally friendly behavior, environmental tips are published on the company intranet every month.

The company has received specialist support on environmental issues since September 2018 thanks to the appointment of an environmental management officer. The company's aim is to gradually build up an environmental management organization so that it can deal with environment-related tasks even more effectively. For instance, a project to devise and introduce an environmental management system started in February 2019. (103-2)

Strategic and operational environmental planning, internal communication, reporting, and performance assessments are handled with the assistance of a company-wide IT project management platform. The Environmental Management working group reports on its results on the intranet every quarter. Its reports are accessible to all employees. Updates on environment-related issues are also provided at staff meetings and via publications on the intranet. (103-3)

As in previous years, there have been no environmental fines or criminal proceedings against the company in 2018. (307-1)



## 4.1. Materials

Hevert-Arzneimittel uses a large number of raw materials, supplies and packaging materials for its products. Hevert continuously optimizes its business processes in order to reduce its resource consumption. It is currently focusing on the use of organic raw materials.

In 2017, Hevert initiated an organic certification process for its own medicinal plant field and for vineyard cultivation at its headquarters in Nussbaum. To assess the status of conversion to organic agriculture, a second scheduled external inspection was performed in October 2018.

In 2018, Hevert procured some 92,5 tons of active ingredients and excipients to manufacture medicinal products and dietary supplements. In relation to the produced packages, this corresponds to a raw material use of approximately 28 grams per produced pack on a three-year average.

### The following active substances and excipients were analyzed:

Year	Active ingredients and excipients [t]	Packages produced [units]	Rate [g/unit]
<b>2016</b>	108.48	3,039,217	35.70
<b>2017</b>	109.56	4,307,897	25.43
<b>2018</b>	92.50	3,712,669	24.91
<b>Three-year average</b>	103.51	3,686,594	28.07

Ethanol use is assessed separately at Hevert each year. Hevert strives to use bioethanol for manufacturing its products wherever manufacturing instructions permit. For more than three years, over 90% of the ethanol used is bioethanol. Many products could be switched to 96% bioethanol since few products require 100% ethanol for batch preparation, which is not available in the form of bioethanol. Ethanol is one of the most frequently used excipients (in terms of quantity); other raw materials cannot be simultaneously procured in "bio" and pharmaceutical quality.

### Use of the raw material ethanol:

Year	Total ethanol use [kg]	Ethanol 96%	Ethanol 100%	Bioethanol Total
<b>2016</b>	29,594.80	28,464.49	1,130.31	96.18%
<b>2017</b>	40,182.30	39,387.69	803.61	98.00%
<b>2018</b>	33,423.30	31,930.15	1,493.15	95.53%

The following quantities of packaging materials were used in 2018:

- Glas: 19,040.972 kg
- Paper and cardboard: 16,667.515 kg
- Plastic: 1,634.921 kg
- Other compounds: 8,756.676 kg
- Transport packaging: 7,132.90 kg

There is no data for the quantities of packaging materials used in previous years, as Hevert is reporting on their consumption for the first time.

All of the paper used for the outer boxes and packaging inserts of medicinal products is FSC®-certified. FSC stands for "Forest Stewardship Council®". It is an international certification system for more sustainable forestry. Hevert-Arzneimittel does not yet use recycled source materials in the manufacture of its products. The use of recycled plastic for some packaging is currently being looked into. (301-2)

Returned products are not recycled (301-3)



## 4.2. Energy

Through specific energy efficiency measures and the use of renewable energies, Hevert wants to make a mark in environmental protection. An energy consultation with the support of the Rhineland-Palatinate Energy Agency was conducted in August 2018. A detailed energy audit under DIN EN 16247 is scheduled for 2019. The aim is to plan energy-saving measures on the basis of a current-state analysis of energy-related aspects.



The Hevert photovoltaic system in Nussbaum

In addition to using 100% green power, Hevert has invested in solar energy. A photovoltaic plant on the roof of the Nussbaum company headquarters feeds some 100 GJ of green power into the public power grid. (302-1)

In 2019, the existing photovoltaic system will be expanded and a new system will be installed on the roof of the Hevert Daycare Center. As a result, Hevert-Arzneimittel expects to be able to produce an extra 200 GJ of electricity each year for its own consumption.

Despite steady growth, in the 2018 reporting year, Hevert kept its total energy consumption at almost unchanged levels. Some 10,400 GJ of power and heat were consumed. Both the number of produced packages and the number of employees were used as references to visualize the annual development of power use.

### Energy consumption per site:

Year	Electric power consumption [GJ]	Gas consumption [GJ]	Total consumption [GJ]
<b>2016</b>	6,140	4,505	10,645
<b>2017</b>	6,080	4,330	10,410
<b>2018</b>	6,093	4,277	10,370

Conversion factor: 1 GJ ≈ 278 kWh (G4-EN3)

### Annual power consumption per produced package:

Year	Electric power consumption [GJ]	Packages produced [units]	Rate [GJ/unit]
<b>2016</b>	6,140	3,039,217	0.0020
<b>2017</b>	6,080	4,307,897	0.0014
<b>2018</b>	6,093	3,712,669	0.0016

(302-3)

**Annual power consumption per employee:**

Year	Electric power consumption [GJ]	Employees	Rate [GJ/employee]
<b>2016</b>	6,140	175	35.09
<b>2017</b>	6,080	187	32.75
<b>2018</b>	6,093	197	30.93

(302-3)

To heat the business premises and prepare warm water, Hevert uses gas, 30% of which is biogas.

To permit an annual data comparison, the rate of gas consumption is calculated with reference to the number of produced packages in 2018, the number of employees, and the total area in square meters.

**Annual gas consumption per produced package:**

Year	Gas consumption [GJ]	Packages produced [units]	Rate [GJ/unit]
<b>2016</b>	4,505	3,039,217	0.0015
<b>2017</b>	4,330	4,307,897	0.0010
<b>2018</b>	4,340	3,712,669	0.0012

**Annual gas consumption per employee:**

Year	Gas consumption [GJ]	Employees	Rate [GJ/employee]
<b>2016</b>	4,505	175	25.74
<b>2017</b>	4,330	187	23.16
<b>2018</b>	4,340	197	22.03

**Annual gas consumption per square meter:**

Year	Gas consumption [GJ]	Area [m <sup>2</sup> ]	Rate [GJ/m <sup>2</sup> ]
<b>2016</b>	4,505	6,900	0.6530
<b>2017</b>	4,330	6,900	0.6275
<b>2018</b>	4,340	6,900	0.6290

(302-3)

To reduce energy consumption and save resources, Hevert has successively switched all lighting systems to LED since 2014. This switchover currently saves some 144 GJ of power per year. (302-4)

**4.3. Water**

Alongside the special water treatment required for manufacturing medicinal products, a conscious approach to handling water resources and proper disposal of medicinal product remnants and chemicals plays an important role in Hevert. Drug substances and chemicals are separated into designated containers and properly destroyed by a special disposal service.

The water consumption at Hevert-Arzneimittel does not adversely affect water sources (running water, groundwater, lakes, or similar). In addition to saving water in the bathrooms (by using sinks with flow reducers, water-saving toilet handles, etc.), Hevert would like to increase employee awareness of this vital resource. For instance, the use of virtual water is taken into account as well. Virtual water is defined as water used in the production and manufacture of our everyday goods (the so-called water footprint of goods). Through the implementation of the following measures, Hevert is making a mark in terms of "reducing the consumption of virtual water":

- In 2016, new pants made of organic materials were introduced for all employees in addition to the white We Love Nature tops made of organic cotton. In 2017, this workwear concept was completed by shoes and blouses/dress shirts made of organic materials. Due to the reduced use of substances and chemicals that have to be washed out after each production stage, the production of organic cotton requires less water.
- Organic fruit provided to employees is purchased seasonally and regionally if possible.
- Cell phone collection campaign: Hevert offers employees at all sites the option of properly disposing of defective cell phones, smartphones, and/or tablets. The old devices are recycled, which means that particularly rare earths from the devices are reused. The mining of rare earths requires enormous amounts of water and also minimizes the limited resources of these earths.

The water withdrawn from the municipal power supply rose by 23% in 2018 (303-3). Production as well as the administration area of all three company locations were included in the data. In Haystrasse, the increase in water consumption was due to the need to water the roof in order to keep warehouse temperatures within the permissible range during the high temperatures recorded in the summer. The holding of numerous events, such as the Hevert Organic Christmas Market, company tours and seminars, was another factor in the rise in water consumption. The causes of the increase in water consumption are analyzed in depth in order to implement water-saving measures.

#### Water consumption per site in megaliter:

Year	Nussbaum [MI]	Bad Sobernheim Eckweiler Str. [MI]	Bad Sobernheim Haystraße [MI]	Total volume [MI]
<b>2016</b>	5.92	2.174	0.451	8.545
<b>2017</b>	5.762	2.734	0.546	9.042
<b>2018</b>	7.058	3.034	1.635	11.727

(303-3)

## 4.4. Biodiversity

Biodiversity is actively promoted.

With its big park, vineyard, and blooming field of medicinal plants, the Hevert premises are perfect for accommodating all sorts of insects.

In 2016, insect hotels were set up at the three company locations as well as in the medicinal plant gardens of the Bad Sobernheim outdoor museum and museum of local history, which are also maintained by Hevert. The insect hotels offer native insects the protection that they have lost due to restrictions of their natural habitats through road construction, agriculture, etc.



Beehive at the Nussbaum Location

In the immediate vicinity of the well-visited insect hotel, two beehives were placed on the extensive Hevert park premises in Nussbaum, and Hevert harvested its own honey for the first time in 2017.

Insect hotels and beehives are actively presented to visitors in order to raise their awareness of insects dying out. Information on the issue is also disseminated via brochures and online channels.



Beekeeping and insect hotels are great additions to the environmental plan to stabilize the small ecosystem surrounding company headquarters. Most importantly, the insect hotel and beehives are supposed to raise awareness among the many groups of visitors for the sensitivity of ecosystems. In addition, bees moved into their new home at our location in Berlin in summer 2018. The worker bees will cover a radius of two kilometers, gathering pollen and nectar in Kreuzberg, Neukölln, Tempelhof, and Schöneberg. As there is hardly any agriculture in cities, the honey of “urban bees” is not affected by pesticides.

Furthermore, the Environmental Management working group intensively addressed the issue of “birds hitting glass at Hevert-Arzneimittel” in 2018. In the summer, Hevert employees notified the environmental team of multiple fatal bird collisions with the glass facade of the main building in Nussbaum. Following a major fact-finding operation and consultations with bird protection specialists, the Environmental Management working group presented the management with possible solutions. The Idea Management working group also helped to find solutions.

The Nahe Valley is a habitat for a large number of plants and animals. The importance of regional conservation areas must be noted. All company locations based in the area are located within the Soonwald-Nahe Nature Park. Some Hevert plots are part of protected habitats. A fauna and flora habitat (FFH) area, “6212-303 Nahe Valley between Simmertal and Bad Kreuznach”, is situated near Hevert’s headquarters in Nussbaum. (304-1)

#### 4.5. Emissions

At Hevert, only indirect energy-related greenhouse gas emissions are produced. Other emission sources are currently irrelevant at Hevert. According to our electricity provider, no CO<sub>2</sub> is generated in the production of 100% green power (Germany-wide average: 435 g/kWh). (305-2)

Hevert uses a gas mixture containing 30% biogas for heating purposes. Biogas also releases CO<sub>2</sub> during combustion, but only exactly the same quantity that its starting materials extracted from the atmosphere beforehand. Consequently, the CO<sub>2</sub> cycle is closed and the climate footprint remains neutral. Only 70% of the consumed resource (3038 GJ or 844,564 kWh) is included in the emissions calculation. According to the online portal “Klimaneutral handeln”, 0.22 kg CO<sub>2</sub> per consumed kilowatt hour is emitted. Therefore, CO<sub>2</sub> emissions totaled approx. 185.8 t in 2018. (305-2)

In addition to reducing the greenhouse gas CO<sub>2</sub> by using a high percentage of renewable energies, Hevert can reduce its emissions by switching lighting to LEDs and by offering two electric cars and e-bikes for company travel between sites. (305-5)



The Hevert medicinal plant field in bloom is a source of food for insects and bees

As a rule, Hevert employees try to travel to business meetings by train or other public transport or to avoid unnecessary travel and conduct video or telephone conferences with partners. With the train trips alone, Hevert saves about 20 tons of CO<sub>2</sub>. If it is not possible to use trains or similar means of transport, employees rely on the Hevert company car fleet, which consists of very fuel-efficient car models as well as two electric cars. In order to minimize emissions while driving, the company organizes and finances eco-driving courses for its field service team and for other employees as required. The driving technique of the eco-driving method has many benefits. It can reduce long-term fuel consumption by 15–20% and cut accidents in half through anticipatory driving. If flights must be booked, an emission calculator is used to determine how many climate gasses the trip causes and a corresponding financial contribution for a recognized climate protection project is made.

Hevert-Arzneimittel has been using a heavy goods vehicle powered by natural gas for transportation between the sites in Bad Sobernheim and Nussbaum. Natural gas is clearly superior to conventional fuels in terms of environmental performance, and is used as an environmentally friendly alternative to petrol and diesel.



The new natural gas-powered truck is a big hit with logistics employees Klaus Philippi (left) and Managing Director Marcus Hevert (right) from Hevert-Arzneimittel.

#### 4.6. Water and Waste

Wastewater is fed into the communal sewerage system. Waste is disposed of by a regional disposal service provider. The company waste can largely be sent for reuse or recycling. Biodegradable wastes are generally used for biogas generation. Only medicinal product and solvent waste as well as waste with hazardous components are destroyed.

#### Wastewater in megaliter:

Year	Nussbaum [MI]	Bad Sobernheim Eckweiler Str. [MI]	Bad Sobernheim Haystraße [MI]	Total volume [MI]
<b>2016</b>	4.626	1.957	0.406	6.989
<b>2017</b>	4.543	2.461	0.491	7.495
<b>2018</b>	4.303	2.731	1.471	8.505

(306-1)

The increased water consumption in 2018 led to a rise in the quantity of wastewater.

#### Annual wastewater per produced package:

Year	Wastewater [MI]	Packages produced [units]	Rate [l/Stck]
<b>2016</b>	6.989	3,039,217	2.29
<b>2017</b>	7.495	4,307,897	1.74
<b>2018</b>	8.505	3,712,669	2.37

\*Conditional -> Assumption + 3% yoy (306-1)

#### Annual wastewater per employee:

Year	Wastewater [MI]	Employees	Rate [MI/employee]
<b>2016</b>	6.989	175	0.04
<b>2017</b>	7.495	187	0.04
<b>2018</b>	8.505	197	0.043

(306-1)

Key to waste types	Waste classification according to the European List of Wastes	2018[t]	2017 [t]	2016 [t]
<b>150106</b>	Mixed packaging	25.34	23.91	30.94
<b>180109</b>	Pharmaceuticals except those falling under 180108*	13.84	21.00	19.90
<b>200101</b>	Paper and cardboard	9.77	10.79	11.87
<b>200201</b>	Compostable waste	76.32	99.80	80.05
<b>150107</b>	Glass packaging	7.54	6.23	9.05
<b>150102</b>	Plastic packaging	6.40	3.30	5.71
<b>150101</b>	Paper and cardboard packaging	129.16	129.75	100.50
<b>140603</b>	Other solvents and solvent mixtures	5.36	0.70	0.98
<b>160213</b>	Discarded equipment containing hazardous components	0.03	0.33	0.00
<b>160506</b>	Laboratory chemicals consisting of or containing hazardous substances...	0.07	0.11	0.25
<b>170107</b>	Mixtures of concrete, bricks, tiles, etc.	0.00	0.00	2.31
<b>170201</b>	Wood	2.04	1.84	14.76
<b>170204</b>	Glass, plastic and wood containing or contaminated with hazardous substances	4.30	3.21	22.87
<b>170904</b>	Mixed construction and demolition wastes	0.66	1.55	1.02
<b>Gesamt</b>	All waste types	280.83	302.23	300.21

\*Wastes from human or veterinary medical care or research  
(306-2)

#### Annual amount of waste per produced package: except cytotoxic and cytostatic medicinal products:

Year	Waste quantity [t]	Packages produced [units]	Rate [g/unit]
<b>2016</b>	300.21	3,039,217	98.7
<b>2017</b>	302.23	4,307,897	70.2
<b>2018</b>	280.83	3,712,669	75.64

#### Annual quantity of waste per employee:

Year	Waste quantity [t]	Employees	Rate [kg/employee]
<b>2016</b>	300.21	175	1,715.48
<b>2017</b>	302.23	187	1,616.24
<b>2018</b>	280.83	197	1,425.53

(306-2)



#### 4.7. Economics – procurement

The deliberate purchase of sustainably produced goods makes a long-term contribution to protecting nature and the environment. The purchase costs of these sustainably manufactured products are typically higher than those of conventional goods and therefore increase the manufacturing costs of the resulting products. Our family-run company accepts this competitive disadvantage. (102-15)

Since the beginning, Hevert has worked with a broad network of selected partners with whom we have, for the most part, maintained long-term relationships. Whenever possible, Hevert relies on regional partners. In 2018, expenses of €1,173,718 were generated with suppliers located within a radius of 30 kilometers of company headquarters. (204-1)

Hevert seeks out partners based not only on their professional expertise, but also on their environmental and social standards and for existing partners encourages their orientation towards sustainability. Examples include promoting certification such as that of the Forest Stewardship Council® (FSC®) or the requirement to supply controlled, organically farmed products. The partner's ethical standards, such as avoidance of biopiracy or child labor, even in precursor products, are monitored by Hevert Purchasing by means of audits and questionnaires sent beforehand. This way the company positively influences the purchasing behavior of its partners, supports them in their efforts to practice sustainability and paves the way for other environmentally conscious companies.

##### 4.7.1 Exchange with suppliers and service providers

To determine the satisfaction of suppliers and service providers, a supplement to the established partnership survey was developed as a first step. In the future, questions about the satisfaction of the respective party with the business relationship it maintains with Hevert will be included as well. This includes general questions on satisfaction with the collaboration, communication, timeliness, and continuity. (102-43)



## 5. WE LIVE PARTNERSHIP

Our dealings with our customers and partners are characterized by honesty, loyalty, friendliness and responsible behavior. Together with its partners, Hevert aims to live up to its promise of sustainability.

### 5.1. Compliance and Integrity

Actions speak louder than words The impression made by a company is more intensive and sustainable than than the effect communicative measures.

At Hevert, the term corporate compliance refers to the entirety of all measures that are the basis for the rule-compliant behavior of a company, its organizational members, and its employees regarding all legal requirements and prohibitions. Furthermore, entrepreneurial behavior should meet all social guidelines and values, morals, and ethics.

Hevert-Arzneimittel strives to successfully compete on the basis of expertise, quality, and reliability. In this process, company-specific and legal regulations must be met. However, where other companies have to explicitly set down new rules, Hevert has been practicing them already:

- Awareness of and compliance with applicable laws and regulations
- Respectful and inclusive dealings with colleagues and customers
- Practiced commitment to environmental preservation and the sustainable use of resources

Hevert-Arzneimittel invites all employees to use the necessary sources of information and offers consultation to prevent violations of laws and regulations.

There were no cases of non-compliance with laws and/or regulations in the social and commercial area in the reporting period. (419-1)

### 5.1.1 Transparency is the top priority in the pharmaceutical industry

Hevert stands for transparency, trustworthiness, and reliability in the collaboration with health care practitioners, pharmacists, patients, and other partners in health care. The pharmaceutical industry is often publicly criticized of unduly influencing physicians and others in the health care industry. Such practices do not stand a chance at Hevert because integrity and the focus on purely professional exchange with various cooperating partners have always defined the collaboration with external stakeholders and are a decisive factor for company success.

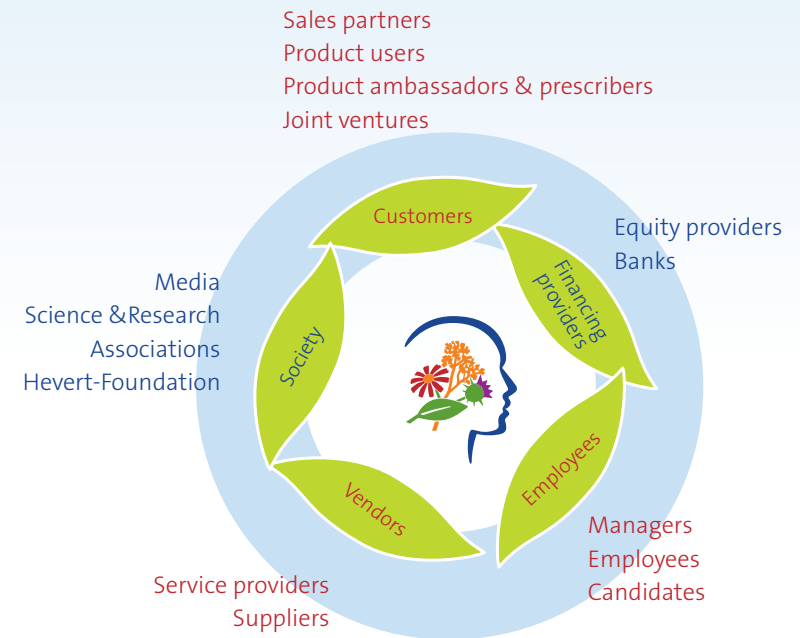
(102-40, 102-42)

In this context, Hevert initiates and supports numerous events to promote the continuing education of physicians and other cooperating partners and to facilitate the exchange of scientific information. The company focuses on professional discussion; leisure activities are never the focus of events, but at most appropriately complement them.

The principles of collaboration with our partners have been set down in the Hevert Mission Statement and can be viewed on our website by anyone.

"Small presents keep a friendship alive" – everyone likes to get presents, and individuals are often deserving of presents as well because they completed a task by going above and beyond the call of duty. In the future, such presents will still be permitted at Hevert – provided they are reasonable. If employees want to give a present, for example to a supplier's employee whose personal effort made it possible to receive an important delivery earlier, the present must be agreed with the appropriate head of department. This procedure is set down by an internal policy. When receiving a present, employees are also asked to inform their supervisor and department head about it and to decline it if the situation requires.

### Central stakeholder groups of Hevert-Arzneimittel



(102-40)

"Celebrate the parties as they come" – in terms of events, similar guidelines apply. An invitation to lunch or dinner is generally no problem, particularly if a working meal is planned. However, invitations to luxury restaurants and hotels should always be considered as to whether they are appropriate. If in return, the employee promises the inviting party services or information that he or she would not have otherwise received, the invitation should be declined. Again, in case of doubt, the supervisor should be consulted. Hevert hosts its guests in an appropriate setting. Luxury is avoided entirely. (102-17)

## 5.2. Providers/suppliers

### 5.2.1 Supply chain

The characteristics of procured services are of critical importance to performance quality, and hence to customer safety. For this reason, Hevert places great emphasis on a comprehensive supplier management system that focuses on quality aspects. In so doing, Hevert must comply with the legal framework under Section 11 AMWHV (Ordinance on / Decree for the Manufacture of Medicinal Products and Active Pharmaceutical Ingredients).

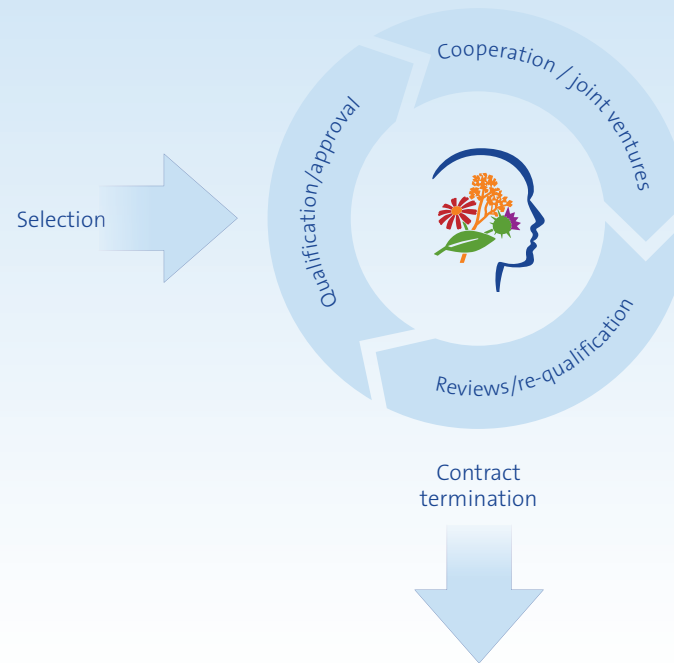
### 5.2.2 Our vendor management system

Hevert has a holistic, company-wide system for vendor qualification. As a basis for decisions on future cooperation with the GxP vendor, we evaluate regulatory (GxP) compliance, as well as criteria related to environmental management and corporate responsibility.

In the case of established GxP vendors, the quality of the service provided must also be taken into account in the evaluation (quality of goods supplied, products manufactured or services provided).

Evaluation of the GxP vendor should serve as a basis for discussions of service improvements in the various areas mentioned previously, and result in working with the best vendors in the long term.

The process of vendor management is categorized into the five core steps:



### 5.2.3 Number of rated vendors

We aim to purchase products or services for the manufacture, inspection or storage/distribution of our products only from qualified vendors.

Number of rated GxP vendors	2018	2017
Number of GxP vendors	200	195
Number of rated GxP vendors	100%	100%



Based on the approval period defined for the individual vendor, before the qualification expires, the Quality Management department conducts a re-qualification process. The aforementioned criteria are reviewed again. The new assessment takes account of the changes vs. the prior qualification period and the fulfillment of the requirements per se.

In the 2019 financial year, the activities for re-qualification of our vendors will also be continued with the assistance of external providers. (102-9, 308-1, 414-1)

### 5.3. Customer satisfaction and reputation

In customer communications, Hevert roughly differentiates three different target audiences. The largest group are end users, followed by pharmacies (pharmacists and pharmaceutical-technical assistants) and health care practitioners (physicians and natural practitioners). Within the company, the support of these target groups is provided by different subdepartments, which plan and conduct measures tailored individually to each target group.



The Hevert consulting team

Hevert hopes to achieve a long-term increase in customer satisfaction through various measures. As part of services, regional and supraregional events, and financial commitment at various levels, the company creates regular touch points for exchange, communication, and relationship management. (102-42, 102-43)

The reporting of customer satisfaction and creation of tools to determine customer satisfaction is part of the CSR process as well. The CSR working group Customer satisfaction/reputation can develop supplementary measures and implement them with the responsible line management. However, the working group has not been active for some time and needs to be reactivated. (102-42, 102-43)

#### 5.3.1 Exchange with professionals

The dialog with physicians, natural practitioners, pharmacists, and pharmaceutical-technical assistants is particularly important to Hevert. A field service team with 25 staff members maintains this dialog and is, in turn, in close contact with office sales staff and can rapidly query additional information or clarify questions. All contacts and topics of conversation, whether personal or on the phone, are recorded in a so-called customer relationship management (CRM) system. CRM systems are software specially tailored to customer relations management. Through continuous entries, topics that were of interest to the specific customer, that could be expanded upon, or mentioned unfulfilled wishes can be traced back. All regulations relevant to data protection take top priority. There were no substantiated complaints regarding breaches of data privacy or losses of customer data in the reporting period. (418-1)

In addition, a free hotline provides a competent consulting team of pharmacists and natural practitioners to answer questions about Hevert medicinal products, therapeutic areas, and the use of medicinal products every day and to provide support through the collective expertise gained from years of experience. (102-43)

With comprehensive service, information and continued education offers, Hevert supports physicians, natural practitioners, and pharmacies in meeting the growing demand of patients for natural medicinal products with few side effects. To strengthen expertise in therapy and consultation, the Hevert website offers a central point of contact. (102-43)

### Hevert Academy for Naturopathy

In cooperation with the Hevert Foundation, Hevert-Arzneimittel has been offering scientific continued education courses under the “Hevert Academy for Naturopathy” name since 2016. In addition, the software designed specifically for the Hevert Academy, the Academy learning portal, went live in mid-2018. All continued education courses (pharmacist and pharmaceutical technical assistant symposia, physician and natural practitioner conferences, and webinars) will be managed via the learning portal in the future.



### What the Hevert Academy offers

We make every effort to offer our customers continued education that is up-to-date and tailored to their needs. The new online platform has many advantages: It provides a structured overview of the topics of interest to customers, external speakers and relevant continued education courses. Webinars and classroom-based events can be booked with just a few clicks. Downloadable handouts, and tests in some cases, provide opportunities for further study and success monitoring. Certificates, including for related course units, can be requested easily. Last but not least, Hevert continued education credit points are now more transparent: Customers can see at a glance how many points are credited for a continued education course and how many points they have already accumulated – provided that they have registered for the Academy at [www.hevert-akademie.de](http://www.hevert-akademie.de).

The range of scientific continued education courses will be expanded in 2019 under the “Hevert Academy for Naturopathy” name and supported by the Academy learning portal.

### Events and continued education for professionals:

- Overview of the continued education events held in 2018:

	Number of
Hevert specialist conferences for naturopathy	2
Physician conferences for naturopathy	3
Hevert pharmacy symposia	2
Pharmaceutical technical assistant symposia	2
<b>Total lectures</b>	<b>95</b>
<b>Classroom lectures</b>	<b>84</b>
<b>Live webinars</b>	<b>11</b>

- Symposia for pharmacists and pharmaceutical-technical assistants

In 2018, two pharmacists' symposia were held, both with a parallel program for returning participants (alumni). In all, Hevert-Arzneimittel welcomed 166 participants to the two-day event. The goal is to not only provide customers with further knowledge about naturopathy but to also strengthen the company's reputation, increase customer loyalty to Hevert, and ultimately increase sales. Invitations to the event were passed out by the field service staff to provide opportunities for contact and topics for discussion during subsequent visits following the event as well.

This year, two continuing education courses for PTAs were also held for 88 participants. It should also be noted that the symposiums are certified annually by the Regional Chamber of Pharmacists.

In 2019, two pharmacy symposia will be held with alumni programs, along with two symposia for pharmaceutical-technical assistants. (102-43) In addition, six regional pharmaceutical technical assistant continued education courses were held throughout Germany in 2019.

- Naturopathy Conferences

The Hevert Naturopathy Conferences have been established for many years and are always tailored to an audience of health care providers. The fact that pharmacy staff members regularly participate as well is certainly due to the interesting topics. Since 2018 the conferences are distinguished by customer group. Two "Hevert naturopathy conferences" for the target group of natural practitioners and three doctors' conferences (with CME certification) were held. (102-43)



- Live-webinars

Alongside on-site conferences, Hevert-Arzneimittel offers live webinars and recorded webinars on various naturopathy topics.

In 2018, a total of 11 live webinars were offered. With 880 active participants, the average participation rate per webinar was 80 participants, which is a very good result.

### 5.3.2 Exchange with end users

#### Digital Media

The online Hevert "We Love Nature Magazine" about health, and naturopathy as well as various product guide pages for end users combines information from a wide range of areas, such as holistic well-being, natural healing methods, news from research, herbal pharmacy, living environments, and natural indulgences. Through these channels as well as social media, particularly Facebook, Hevert strives to inform about natural health, to critically discuss, enable diversity of opinion, and to invite a dialog. All visitors are invited to enrich the conversation with their ideas, suggestions, and criticisms. (102-43)



All regulations concerning data protection also enjoy top priority in digital exchanges with end consumers. There were no substantiated complaints regarding breaches of data privacy or losses of customer data in the reporting period. (418-1)



### Regional events for end users



Hevert Organic Christmas Market in 2018

In 2018, Hevert continued to put on successful events that have become fixtures in the event calendar of the Nahe valley, including the Hevert Cup soccer tournament that has been held every two years since 2010 and the annual Organic Christmas Market that was first held in 2015. An important goal of the event is to contribute to the attractiveness of the Nahe region as a place to live and do business.

These events share the integration of various approaches for social commitment. Since it was first held in 2010, the Hevert Cup has been supporting a regional fundraising project. The motto of the colorful soccer event is "Doing good together." With the Organic Christmas Market, in contrast, the company sets an accent for greater sustainability and for organic products. (see also 5.4) (102-43)

### 5.3.3 Company tours for all target groups

In 2018, a total of 39 company tours were conducted, 12 for professionals and 27 for consumers.

In all, 740 participants visited Hevert-Arzneimittel and its production facility at the Nussbaum location. Depending on the visitor group, the event includes a greater or lesser number of professional presentations conveying information on health and naturopathic therapy.

A company tour lasts between one and four hours.

Hevert welcomed 271 experts (pharmacists, pharmaceutical technical assistants, natural practitioners, physicians, student nurses, and pharmaceutical-technical assistants and natural practitioner schools and associations) and 469 consumers. (102-43)



Hevert pharmacy symposia



## 5.4. Local communities and social commitment

Hevert would like to help those who are less fortunate to share in the success of the company, so it takes responsibility by supporting charitable causes.

Since the family-run company has always considered itself a strong partner in the Nahe region, Hevert has decided to distinguish between requests for donations and sponsoring from the immediate vicinity of Hevert headquarters in Nussbaum (radius of less than 50 km) and those from elsewhere. The decision to support a request is not arbitrary, but is based on established criteria, both for regional requests and those from beyond.

### 5.4.1 Supraregional involvement

In 2018, the family-run company received many requests for donations or sponsoring from associations and organizations from all over Germany and abroad. The support of such supraregional requests was considered on the basis of the following criteria: support of the socially disadvantaged, increase in national recognition, reference to the sector and conformity with the Hevert mission statement.

The following overview results from this evaluation:

	Total number of requests	Pledge	Denial
Financial support	14	5	9
Donations in kind	50	32	18

In pledging to provide financial support for a measure or to make donations in kind for an event, any resulting promotional benefit plays no role. The amount of requests that have to do with the assessment criterion "support of the socially disadvantaged" is rather low. Only about half of all requests deal with the support of socially disadvantaged groups of people in a wider sense. The figures are even lower for requests "relating to the pharmaceutical sector." Less than one third of requests related to health.

To complement donation requests addressed to Hevert, the family-run company actively approaches social institutions and associations, particularly through the Hevert-Foundation, which was established for this purpose. In the relatively short time since its establishment, the Foundation has been able to select steady partners who will receive long-term support. In the selection of partners, the established assessment criteria are also taken into account, and they are regularly fully met.

In addition to the more general requests, the family-run company intensively supported the following project in 2018:

#### Processing of medicinal product donations

Due to the refugee situation throughout Europe, increasing requests for donations of medicinal products were already received since the end of 2015. Because not all requests can be met, the requests had to be coordinated, and an equitable distribution had to be ensured. In a workshop with various departments held in early 2016, a process was established that represents the internal processing of medicinal product donations, assigns responsibilities, and results in faster processing times. Since 2017, for instance, the "Town Hall for Lüneberg" has been supported.

### 5.4.2 Regional involvement

Regionally, Hevert aims to increase the attractiveness of the Nahe region as a place to live and work as well as enhance the regional recognition of Hevert-Arzneimittel and preserve the heritage of Emanuel Felke.

In 2018, the company also received a multitude of donation or sponsoring requests from the region. As described, the decision to support a request is not arbitrary, but is based on established criteria: Close proximity to the company headquarters (less than 50 km distance to the Nussbaum headquarters), increase of regional recognition, preservation of the Felke heritage, cost assessment (amount of internal staff and financial resources required to implement), and conformity with the mission statement.

The following overview results from this evaluation:

	Total number of requests	Pledge	Denial
<b>Financial support</b>	14	9	5
<b>Donations in kind</b>	14	12	2

The majority of all inquiries, sixteen to be precise, come from the immediate vicinity of the company headquarters. The headquarters or location of respective institutions, associations and clubs or other applicants are no further than ten kilometers away from Hevert. In pledging to provide financial support for a measure or to make donations in kind for an event, any resulting promotional benefit plays a subordinate role. Unfortunately, the percentage of inquiries that refer to the evaluation criterion "Preservation of the Felke heritage" is extremely low. Still today, a large number of the formulas upon which Hevert medicines are based were created in collaboration with students of the famous Pastor Emanuel Felke, one of the pioneers of naturopathy and the co-founder of complex homeopathy. Felke practiced for many years in Bad Sobernheim, not far from Hevert's current headquarters. Thus caring for this personal heritage is important to Hevert and plays a role in the assessment of requests.

In addition to the more general requests, the family-run company intensively supported the following projects and organizations in 2018.

### Laufen für den guten Zweck



2018 corporate run in Bad Kreuznach

The Bad Kreuznach corporate run took place in June. In spite of the summer heat, lots of sporty Hevert employees joined the party once again in 2018, including Managing Director Mathias Hevert. "Hevert-Arzneimittel always enjoys taking part in the corporate run, as it supports charitable organizations every year," said Mathias Hevert. "In addition, our participation helps to build our team spirit and encourage lots of people to get involved in sport. It is a real highlight in the Nahe region's event calendar." This year's fundraising project was the Bad Kreuznach Art Workshop.

### Cooperation with Monzingen elementary school

- Climate education concept

A climate protection conference...for grade schoolers? – for the third year in a row, Hevert-Arzneimittel sponsored a climate conference in June for the third graders of the nearby Monzingen grade school. For four school days, the experts from the environmental campus of Birkenfeld were on site.



Using colorful examples, role play and experiments, the environmental campus team explained climate change to the children. They described terms such as CO<sub>2</sub>, the greenhouse effect, and renewable energies, and told the children how they can help the environment themselves by saving energy.

Since 2008, the primary school in Monzingen has been active with climate protection projects. Hevert-Arzneimittel is a strong partner and sponsor of the school in its efforts. (413-1)

- Adventure day for fourth graders

For the seventh consecutive year, the fourth graders of the elementary school took a break from their classrooms on two June days in 2018 to attend a workshop with the cooperating partner Hevert-Arzneimittel. The pupils visited the Hevert company headquarters in Nussbaum in order to experience the family business and homeopathy up close. Instead of a company tour, a contest awaited them: In three workshops, their knowledge of homeopathy, homeopathic active substances and the human body was put to test with playful assignments.



A Hevert employee explains the human body to pupils.

### Hevert-Cup 2018

The Hevert Cup 2018 was full of good deeds and fun. On the Corpus Christi public holiday, over 1,000 spectators gathered at the sports field of VfL Nussbaum to cheer on 24 recreational and company teams from the region at the charity soccer tournament. The total proceeds from the day were donated via the the Lützelsohn booster club to Luna, a girl who suffers from leukemia, and her family.



After the soccer cup and thanks to the daily receipts and donations of the volunteers, the organizers and the Hevert-Foundation were able to present an incredible 17,000 EUR in a symbolic check presentation ceremony to Lana and her family.



### Hevert Organic Christmas Market

The Hevert Organic Christmas Market opened in stylish surroundings on St. Nicholas' Eve 2018. As a unique event in the Nahe valley, the market features creative treasures as well as many delicacies to eat there or give as presents, all in organic quality.

Erecting tents, constructing stalls, hanging up fairy lights, decorating Christmas trees – Hevert employees pitched in wholeheartedly with setting up the market. During the event, they demonstrated their selling and cooking skills, acted as childminders and parking attendants, and helped out at the Hevert stand, where selected products were on sale.

Like every year, the charitable cause was an important element of the 2018 event. The many volunteer hours were either credited to the employees' personal time accounts or donated. A total of EUR 800 – EUR 10 per volunteer hour – was handed over to the Sophia Kallinowsky Foundation via the Hevert Foundation as a Christmas donation.



Santa Claus gave out apples and read from his golden book.







## 6. GENERAL INFORMATION ON THE REPORT AND OUTLOOK FOR 2019

The sustainability report is generated annually and reviews the 2018 business year (1 January–31 December 2018). When generating the report, Hevert applied the revised GRI guidelines of the Global Reporting Initiative, particularly for the selection and definition of performance indicators. In addition, Hevert already attempted to optimally implement the GRI reporting principles. In the process, weaknesses were identified that are to be eliminated in the 2019 and subsequent reports. (102-50, 102-52, 102-54)

In addition, the following measures are planned for 2019:

### Environmental management

- Since September 2018, the management has been receiving specialist support on environmental issues through the appointment of an environmental management officer. The company's aim is to gradually build up an environmental management organization so that it can deal with environment-related tasks even more effectively. Hevert-Arzneimittel started a project to devise and introduce an environmental management system in February 2019.
- In 2019, the existing photovoltaic system will be expanded and a new system will be installed on the roof of the Hevert Daycare Center. As a result, Hevert-Arzneimittel expects to be able to produce an extra 200 GJ of electricity each year for its own consumption.
- Managing Director Marcus Hevert is considering switching to an electric car in 2019. Market research is currently being conducted. Switching further parts of the company fleet to electric cars is also being examined.
- A field for vegetable cultivation is to be laid below the medicinal plant field. Any interested employees can get involved and share in the produce.



### Occupational Health Management

- Regular communication will bring employees even closer to the topic occupational health management, while a further increase in collaboration with the occupational health management ambassadors will also play a role in this process. Hevert also intends to meet the demand for permanent exercise classes. At the world café, colleagues also requested events on nutrition and weight loss. To this end, cookery courses and weight loss coaching are planned.
- In the context of occupational health management, Hevert-Arzneimittel is looking into offering a “Mein-Dienstrad” bicycle scheme for its employees in 2019. At present, the family-run company is promoting e-mobility with two e-bikes and two electric cars that it makes available to all employees for short work-related journeys between the Nussbaum and Bad Sobernheim locations. In addition, Hevert employees have been involved in the “Bike to Work” campaign on several occasions. Mein-Dienstrad combines two ideas: Bicycles can be leased in the same way as company cars. They do not necessarily have to be e-bikes, as other bicycle types are also included in the program. Service centers for repair and maintenance are available throughout the region.

### Social Commitment

- To mark the tenth anniversary of “10 years together for Gando – 10 years of 1 cent per pack of medicinal product sold”, Mathias Hevert, Managing Director of Hevert-Arzneimittel and member of the Management Board of the Hevert Foundation, plans to travel to Burkina Faso in spring 2019 to see the progress of the sponsored projects for himself. His journey is to be documented and published in a video. The aim of the video is to show customers what can be achieved with their support – buying Hevert medicinal products – and to illustrate the long-term nature of the family-run company’s social commitment in the context of the Hevert Foundation.
- Under the auspices of the Hevert Foundation, kinderherzen e. V. is planning a healthy heart-themed action day for the pupils of Monzingen elementary school. The aim is for the children to learn about the human heart and how it works.

No external audit of the sustainability report has been conducted. (102-56)

### 6.1. Contacts

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(102-53)



## 6.2. GRI Index (102-55)

	GRI-Standards	Indicator	Reference	
GRI 102				
Organizational profile	102-1	Name of the organization	14	
	102-2	Activities, brand, products and services	16	
	102-3	Headquarters of the organization	15	
	102-4	Location of operations	15	
	102-5	Ownership and legal form	14	
	102-6	Markets served	17	
	102-7	Size of the organization	13, 16, 19	
	102-8	Information on employees and other workers	20	
	102-9	Supply chain	53	
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	102-13	Memberships in associations and interest groups	38, 39, 40	
	Strategy	102-14	Statement from senior decision-maker	4
		102-15	Important effects, risks, and opportunities	13, 22, 50
Ethics and integrity	102-16	Values, principles, standards, and codes of conduct	5, 7, 12	
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	GRI-Standards	Indicator	Reference	
Company management	102-18	Leadership structure	17, 29	
	102-20	Executive-level responsibility for economic, environmental, and social topics	6, 8	
	102-22	Composition of the control organ and its bodies	17	
	102-23	Chair of the highest governance body	18	
	102-26	Role of the highest governance body in setting purpose, values, and strategy	18	
	102-28	Evaluating the highest governance body's performance	18	
	102-32	Highest governance body's role in sustainability reporting	18	
	102-33	Communicating critical concerns	18	
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		102-44	Key topics and concerns raised	31

	GRI-Standards	Indicator	Reference
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	102-52	Reporting cycle	61
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	102-54	Claims of reporting in accordance with the GRI Standards	61
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GRI 103			
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	301-3	Reclaimed products and their packaging materials	43
GRI 302			

	GRI-Standards	Indicator	Reference
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	302-3	Energy intensity	44, 45
	302-4	Reduction of energy use	45
GRI 303			
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GRI 304			
Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	47
GRI 305			
Emissions	305-2	Indirect energy-related THG emissions (scope 2)	47
	305-5	Reduction of THG emissions	47
GRI 306			
Waste Water and Waste	306-1	Water discharge by quality and destination	48
	306-2	Waste by type and disposal method	49
GRI 307			
Environmental compliance	307-1	Non-compliance with environmental laws and regulations	42



	GRI-Standards	Indicator	Reference
GRI 308			
Supplier environmental assessment	308-1	New suppliers that were screened using environmental criteria	53
GRI 401			
Employment	401-1	New employee hires and employee turnover	21
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	22
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	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	28, 29
	403-3	Workers with high incidence or high risk of diseases related to their occupation	29
GRI 404			
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GRI 413			

	GRI-Standards	Indicator	Reference
Local communities	413-1	Operations with local community engagement, impact assessments, and development programs	8, 59
GRI 414			
Supplier social assessment	414-1	New suppliers that were screened using social criteria	53
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Customer health and safety	416-1	Assessment of the health and safety impacts of product and service categories	--
	416-2		35
GRI 417			
Marketing and labeling	417-1	Requirements for product and service information and labeling	35
GRI 418			
Customer privacy	418-1	Substantiated complaints regarding breaches of customer privacy and losses of customer data	53, 55
GRI 419			
Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	51

## 7. ATTACHMENT

### 7.1. Glossary (alphabetical)

#### GxP:

GxP denotes, in summary form, all “good practice” guidelines which have special significance in medicine, pharmacy and pharmaceutical chemistry. The “G” stands for “Good” and the “P” for “Practice.” The “x” in the middle is replaced by the respective abbreviation for the specific application area—for example, Good Manufacturing Practice (GMP).

#### Complementary medicine:

Complementary medicine involves diagnostic or treatment procedures that are outside the mainstream of conventional medicine but, as the name suggests, aim to complement conventional medicine. Complementary medicine differs from alternative medicine in that it does not aim to replace conventional medical procedures. Unlike alternative medicine, complementary medicine strives to achieve synergistic effects through the combination with conventional medicine.

#### Micronutrients:

Micronutrients include some 45 vitamins, minerals, and trace elements as well as several thousand substances of plant origin (secondary phytochemicals).

#### Neural therapeutics:

Neural therapeutics (“nerve block agents”) are substances used for local anesthesia such as procaine. They are injected into or close to nerves to block the transmission of pain signals. Sometimes this can achieve long-term pain relief.

#### Peer review:

A peer review is a method used in science to assess scientific works, and scientific publications in particular. Independent experts (peers, i.e. people of equal standing, or referees) from the same specialist field as the authors are used to assess the quality.

#### Pharmacovigilance:

An umbrella term for all activities associated with monitoring the safety of medicinal products or detecting and reducing drug risks in the clinical trials phase and after the marketing authorization is granted.

#### Power from renewable energies:

Unlike fossil fuels such as oil, coal, and gas, renewable energies are forms of energy that do not use exhaustible resources. The increased use of renewable energies is an essential part of enhancing sustainability. Using solar, wind energy, water energy, bioenergy, or geothermal energy can reduce CO<sub>2</sub> emissions and simultaneously the dependence on fossil fuels. In Germany, laws are regularly adopted to promote the use of renewable energies and increase energy efficiency (e.g., Renewable Energies Act (EEG, Erneuerbare-Energien-Gesetz), Renewable Energy Heating Act (EEWäremeG), Energy Saving Act (EnEV)).

#### Sustainable Development Goals:

The Sustainable Development Goals (SDGs), or Objectifs de développement durable in French, are political objectives by the United Nations meant to ensure sustainable development on an economic, social and environmental level. The goals were defined on the basis of the development process for the millenium development goals (MDGs) and took effect on January 1, 2016, for a term of 15 years (until 2030).

### 7.2. Required information

#### Calmvalera Tropfen

The indications are derived from the homeopathic remedy profiles. These include: nervous disorders such as sleep disorders and restlessness, depressive moods. Contains 48% alcohol by volume.

#### Calmvalera Tabletten

The indications are derived from the homeopathic remedy profiles. These include: restlessness and sleep disorders due to nerves.

#### Calmvalera Globuli

The indications are derived from the homeopathic remedy profiles. These include: neurasthenia, nervous irritability. Contains sucrose (sugar).

**Calmvalera inject**

The indications are derived from the homeopathic remedy profiles. These include: Improvement of complaints due to nervous disorders. Talk to your healthcare provider if you experience persistent, vague or recent onset complaints, because this may require medical evaluation.

**Contrallergia Hevert Heuschnupfentabletten**

The indications are derived from the homeopathic remedy profiles. These include: Improvement of complaints due to allergic rhinitis, e.g., hay fever.

**Contrallergia Hevert Heuschnupfentropfen**

The indications are derived from the homeopathic remedy profiles. These include: Improvement of complaints due to allergic rhinitis. Talk to your healthcare provider if you experience persistent, vague or recent onset complaints, because this may require medical evaluation.

**Contrainfect Hevert Erkältungstabletten**

The indications are derived from the homeopathic remedy profiles. These include: Relieving the symptoms of inflammation of the upper respiratory tract.

**Contramigren Hevert bei Kopfschmerzen**

The indications are derived from the homeopathic remedy profiles. These include: Headache. – If you experience fever, vomiting, neck stiffness, cramps, loss of consciousness, or vision disorders, or headaches that last longer than three days, it is urgently necessary to consult a doctor for clarification. Contains 36% alcohol by volume.

For risks and side effects read the package leaflet and ask your doctor or pharmacist. Important note: All information is based on the marketing authorization of the medicinal product in Germany.