



the vital link in healthcare

EUROPEAN HEALTHCARE
DISTRIBUTION ASSOCIATION

ANNUAL REPORT 2018-2019





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we have manoeuvred a number of adaptations to our governance structure to closely fit with the sector's environment and priorities. As the market was quickly integrating, we saw it beneficial to open direct company membership and welcomed the main European healthcare distribution companies and groups as full members of GIRP. They created great value within the GIRP managing structure and shared valuable input and recommendations in the way we operate and liaise with European institutions and other stakeholders.

It was also then and there that we oversaw the name change from the European Association of Full-Line Wholesalers to the European Healthcare Distribution Association with the aim to better reflect the range of products that healthcare distributors handle and the expansion of our range of services. We aimed to truly represent the role we play in providing innovative and efficient healthcare products and services to improve the health and wellbeing of European citizens and by doing so, to support the sustainability of the healthcare systems.

Dear colleagues, dear friends,

After 14 years at your service as GIRP President, time has come for me to hand the baton over to the next generation. I have tremendously enjoyed collaborating with you all during my time at GIRP's helm and I am extremely proud of the work we have accomplished together.

Over the years, the sector has greatly evolved, and our profession has embraced change and innovative disruptions to keep offering to our customers and to patients the best service and to facilitate safe and efficient access to medicines throughout Europe.

We, at GIRP, also took these major evolutions onboard and adapted our services to members and our activities to better reflect the profession. Over the last 14 years, we have endeavoured to represent healthcare distributors to promote the vital work we operate within the supply chain. To do so,

“I am truly honoured for the trust you put in me over the last 14 years and thankful for your collaboration.”

Indeed, as our technologies kept advancing, our supply chain operation practices became increasingly interconnected. We saw a growing need for healthcare distributors, industry and other supply chain stakeholders to deepen ever-more our understanding of how the other operates and develop closer relationships to meet the demands of patients and create value from new, promising technologies. In response to this need, GIRP established in 2015 the European Healthcare Value Chain Network, built as a true multidisciplinary network of partners and providing a forum for connecting peers from leading pharmaceutical and healthcare companies / organisations with a shared vision for the future of the healthcare value chain. I am very proud to have seen this network grow over the years and lead to new and innovative projects among participants.

More recently, GIRP along with its members strived for years to reach a goal which was set for February 9th, 2019. I was equally proud and impressed to witness the level of preparedness achieved and the commitment healthcare distributors and GIRP put in being ready to comply with the Falsified Medicines Directive, together working towards enhanced patient safety.

It has been an educational, challenging and invigorating experience to represent healthcare distributors. I am truly honoured for the trust you put in me over the last 14 years and thankful for your collaboration. I will keep being active as part of GIRP and look forward to seeing the great developments to come by in the future. We are paving the way for a better future for European patients and citizens, together with our partners. Healthcare distributors, more than ever, will play their part in building tomorrow's society!

All the best to GIRP and to you all.

René Jenny
President, GIRP

THE EVOLVING ROLE OF HEALTHCARE DISTRIBUTORS

Healthcare distributors provide customised solutions to meet a diverse range of supply chain needs. Ensuring the availability and continuity of supply of all healthcare products and services to their customers stands at the forefront of their activities. As they are in a unique position connecting crucial supply chain stakeholders, healthcare distributors have an in-depth view of the flow of medicines in the supply chain. Thus, they are able to provide a full range of important services to all partners in the supply chain that ultimately benefit the patient.

ADDING VALUE TO THE SUPPLY CHAIN

Healthcare distributors increasingly add value to the supply chain. Because pharmaceutical full-line wholesaling lies at their core, healthcare distributors have both the scope and the scale, in terms of product assortment and volume, to develop and deliver products and services for combination therapies involving pharmaceuticals and medical devices. Clients include pharmacists and manufacturers, but also patients (e.g. homecare delivery in accordance with national legal frameworks). Moreover, healthcare distributors have the scale and the knowledge base to support pharmacists in safeguarding patient compliance. In the event of any harmful interactions, they can support pharmacies in quickly shifting to an alternative medicine. This makes GIRP members true full-service healthcare distributors.

97%* of countries in Europe provide emergency services to pharmacies

INVISIBLE, BUT CRUCIAL IN THE SUPPLY CHAIN

Many services that healthcare distributors provide to the manufacturing industry and pharmacists are invisible to the patient, but complement the distribution of medicines, such as documentation and scientific information, reverse logistics, systems for stock management, marketing support, pharmaceutical databases or IT management and monitoring. Healthcare distributors therefore add value by undertaking services that are non-core to supply chain partners, but that are of tremendous benefit, enabling all actors involved to focus on the patient.

93%* of countries in Europe provide reverse logistics, including recalls and returns services

72%* of countries in Europe provide computer systems for stock management to pharmacies

72%* of countries in Europe provide collection services of medical waste from pharmacies

Many other services have been added in the recent years that are driven by new societal needs. These services include customised care to meet the unique needs of individual patients. Examples include the provision of self-diagnostics and customised medicine delivery, monitoring and nursing services. When operating in their core role, healthcare distributors and pharmacists also work together in steering volume and assortment in an optimised way. Downstream activities include repackaging medicines into weekly doses to meet patients' needs in terms of controlled and timely intake and cost effectiveness. Logistics innovations can support compliance and therefore better health.

90%* of countries in Europe provide training on medicines and medical devices to pharmacists while

62%* provide educational leaflets for pharmacists' use.

(*GIRP member countries in Europe, excluding Malta, Cyprus, Latvia)



CORE SERVICES¹

MANUFACTURERS

For all products: Rx, Gx, OTC, medical devices, in-vitro diagnostics, food supplements, para-pharmaceuticals, pharmacocosmetics:

LOGISTICS SERVICES:

- Storage, pick, pack & ship according to GDP
- Cold chain, specialty, orphan products and narcotics distribution
- Reverse logistics

INVENTORY AND STOCK MANAGEMENT:

- Quantity-based buffer function

FINANCING:

- Pre-financing of medicines supplies



- Unaltered product quality and falsified medicines prevention
- Permanent medicines availability

PATIENTS AND SOCIETY

POINTS OF DISPENSE *

- One stop shop for all products sold
- Stock management and just-in-time delivery according to GDP
- Automated order processing
- Permanent medicines availability
- Micro-logistics
- Recalls and reverse logistics
- (Pre) financing

* PHARMACIES, HOSPITALS, NURSING HOMES, DOCTORS

VALUE-ADDED SERVICES¹

MANUFACTURERS

- Logistics services/Pre-wholesaling
- Product Track & Trace
- Market Intelligence
- Market access services
- Quality and professional services
- Waste management services
- Clinical trial logistics



- Individual patient packaging services
- Patient communication services
- Monitoring services
- Holding national security emergency

PATIENTS AND SOCIETY

POINTS OF DISPENSE *

- Marketing & Sales support
- Education and training
- Patient Services support
- Logistics platform of health services
- Individual patient packaging
- Product specific training

* PHARMACIES, HOSPITALS, NURSING HOMES, DOCTORS

¹ List of services non-exhaustive

² While services related to patients are normally performed by qualified pharmacists, some health-care distributors support pharmacies in carrying out their services

Ladies and Gentlemen, dear GIRP members,

Our societies increasing request for wellbeing and a bit of a focus on “work-life balance” as well as the “work smart not hard” attitude are certainly contradictions to our industry’s requirements which are – almost instantaneous and accurate deliveries to clients whenever and wherever – i.e. provide healthcare almost for convenience.

The increasing use of the IoT – the internet of things – and the increasing digitalization does not only generate this contradictive situation but luckily, also, helps to resolve the situation. New challenges as well as opportunities are coming up, the e-prescription being just only one of the news on the horizon.

Clever use of available data by means of predictive analytics helped to develop new products like KNAPP’s Smart Services or redPILOT, the MHE award winning software to optimize logistics operations. The ability to manipulate data on large scale, like as within picture recognition applications or in machine learning applications, allows us to bring the Pick-it-Easy Robot systems to the market. KNAPP combines high-end, leading-edge technology with industry knowledge in a sensible way so that best fit system solutions can be designed. Designed to serve almost instantaneous, accurate deliveries to customers in a “work smart not hard” environment to the benefit of all of our “work – life balance”

Clearly, the combination of well-established business partnerships, you, dear GIRP members on the one hand and KNAPP on the other hand as well as a highly active and professional association, namely GIRP, will help to master future challenges. On behalf of KNAPP, thank you all for your partnership.

Horst Matzer, Dipl.-Ing.

KNAPP AG

Vice President Healthcare Solutions

HEALTHCARE DISTRIBUTION IN DATA

THE 5 CORE FUNCTIONS OF HEALTHCARE DISTRIBUTORS

1. FULL SUPPLY AND STOCK-KEEPING FUNCTION

FULL SUPPLY AND STOCK-KEEPING FUNCTION

Ensures that the needs of the pharmacists and of the patients are met, by guaranteeing the continuous availability of a complete assortment of products, in range and depth as set by the authorities and the market.

FACTS AND FIGURES

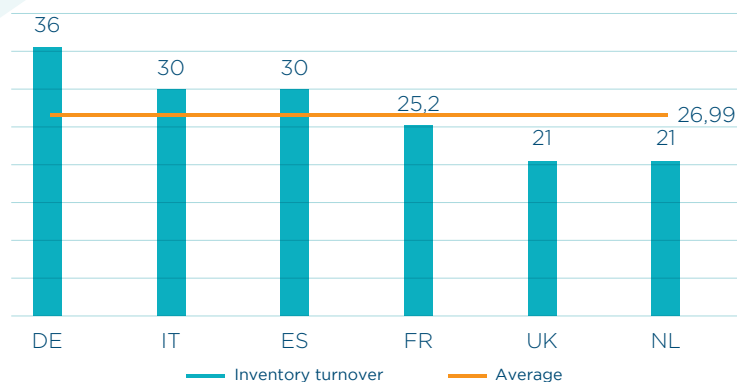
Items on stock held by healthcare distributors: 18,650 – 100,000 (depending on the size of the market and the number of products authorised to be marketed).

Healthcare distributors deliver the required amount of medicinal products by:

- Having established close-knit distribution networks and high delivery frequencies of their warehouses
- Holding safety stock to meet unexpected peaks in normal demand patterns

INVENTORY TURNOVER DIFFERS FROM PRODUCT TO PRODUCT, RANGING FROM A MONTH TO ONLY A FEW DAYS

- Countries' average: 27 days, which means stock turnover takes place on average 13 times a year



2. IMMEDIATE MEDICINES AVAILABILITY AND DELIVERY FUNCTION

IMMEDIATE DELIVERY OF MEDICINES















- Healthcare distributors guarantee efficacious patient treatments by delivering the needed medicinal products in the required quantity and just-in-time.
- Healthcare distributors protect the healthcare sector from high additional costs that would be caused by delays in delivering urgently needed medicine.

WHY IS THE IMMEDIATE AVAILABILITY VITAL?

- In Europe, non-adherence to medicines and medication plans costs governments an estimated € 125 billion and contributes to the premature deaths of nearly 200,000 Europeans a year¹. If medicines are not available when and where needed, patients are unable to start or continue their treatment.

¹Source: EFPIA

DELIVERY TIME & FREQUENCY

	Pharmaceutical full-wholesalers	Short-line wholesalers	Direct sales from manufactureres
Average delivery frequency (hours)	2.5 hrs 	20.5 hrs  	57.86 hrs   
Average deliveries per week	15.9     	4.34  	3.66 

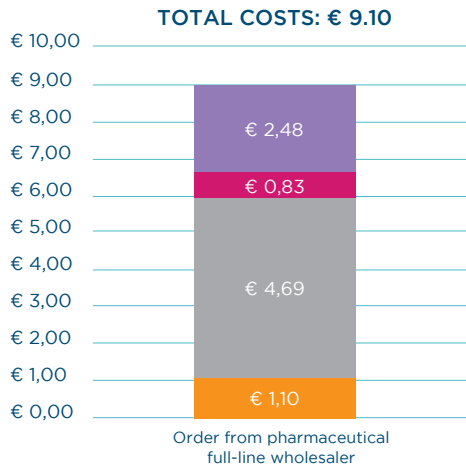
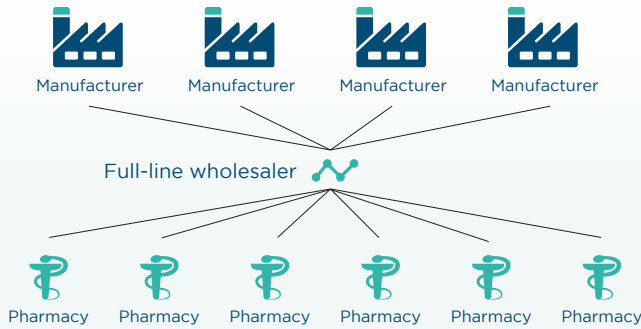
Weighted average in DE, ES, FR, IT, NL, UK

3. BUNDLING FUNCTION: POOLING OF PRODUCTS AND TRANSACTIONS

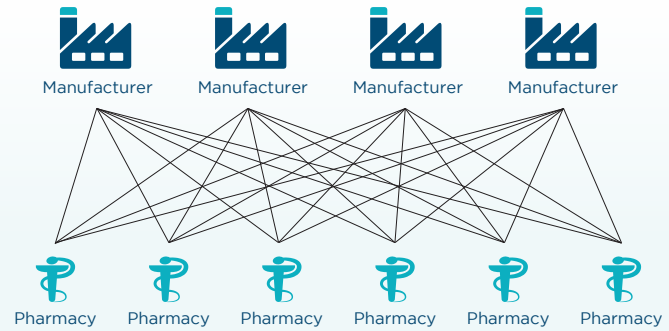
SAVING COSTS FOR CUSTOMERS

- Pharmaceutical full-line wholesalers are pooling on average products of 18.8 manufacturers per delivery.
- The cost difference between a delivery from a single manufacturer compared to a delivery from a pharmaceutical full-line wholesaler is € 3.87.
- The bundling of products from 18.8 manufacturers in one delivery through a wholesaler saves € 234.84 in order management cost for a pharmacy.

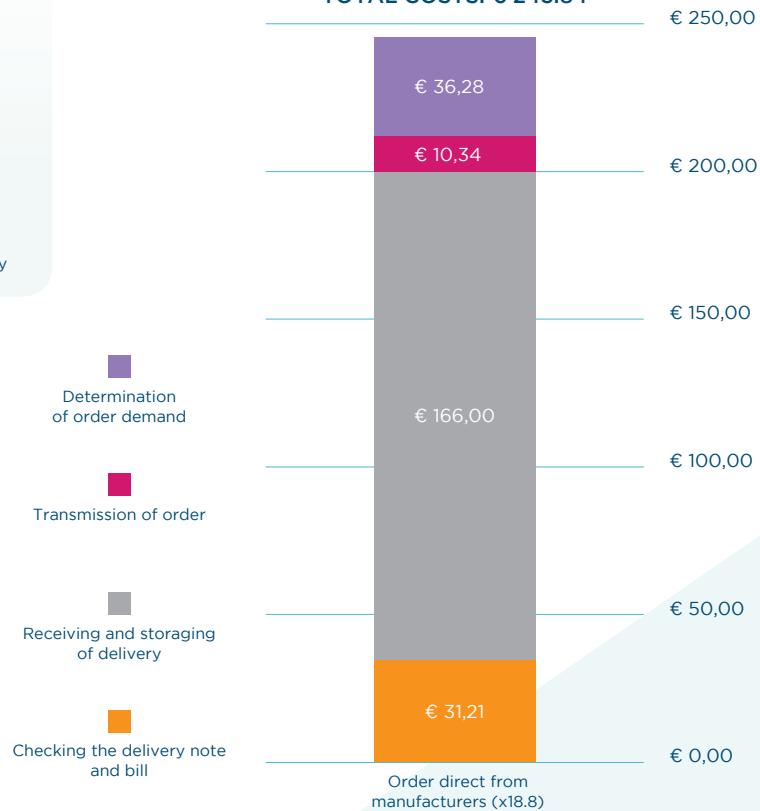
Order from a full-line wholesaler



Direct orders from the manufacturers



TOTAL COSTS: € 243.84



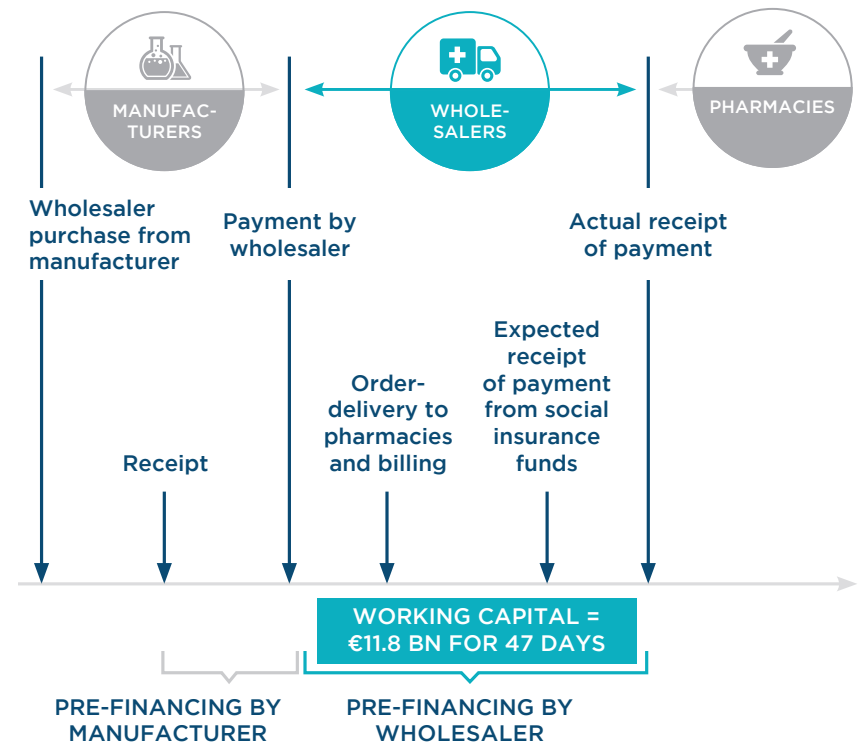
4. QUALITY ASSURANCE FUNCTION

Healthcare distributors' quality assurance systems ensure that:

- Medicinal products are procured, held, supplied or exported in a way that is compliant with the requirements of GDP (2013/C 343/01)
- Management responsibilities are clearly specified
- Products are delivered to the right recipients within a satisfactory time period
- Records are made and kept contemporaneously
- All personnel involved in wholesale distribution activities is continuously trained and deviations from established procedures are documented and investigated
- Appropriate corrective and preventive actions (commonly known as CAPA) are taken to correct deviations and prevent them in line with the principles of quality risk management.
- Since February 9th, 2019 and the implementation of the Falsified Medicines Directive and its Delegated Regulation, healthcare distributors also have complied to further protect the supply chain from entry of falsified medicines.

5. FINANCING FUNCTION

- Healthcare distributors are the only ones to assume a financing function towards manufacturers and pharmacies.
- Healthcare distributors guarantee the continuous supply of all medicinal products and also secure the cash flow of the social insurers.
- The financing function can be expressed in terms of working capital.
- Healthcare distributors finance on average € 11.8 bn over a period of 47 days. In total, this sum is financed approximately 7.8 times per year, and represents a total annual volume of € 92 bn.



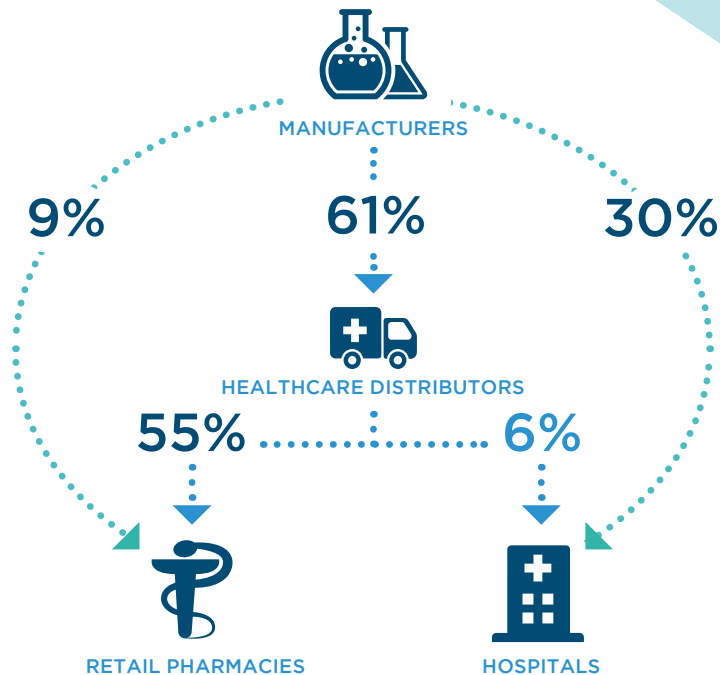
IQVIA (NYSE:IQV) is a leading global provider of advanced analytics, technology solutions and contract research services to the life sciences industry. Formed through the merger of IMS Health and Quintiles, IQVIA applies human data science — leveraging the analytic rigor and clarity of data science to the ever-expanding scope of human science — to enable companies to reimagine and develop new approaches to clinical development and commercialization, speed innovation and accelerate improvements in healthcare outcomes. Powered by the IQVIA CORE™, IQVIA delivers unique and actionable insights at the intersection of large-scale analytics, transformative technology and extensive domain expertise, as well as execution capabilities. With more than 58,000 employees, IQVIA conducts operations in more than 100 countries.

IQVIA is a global leader in protecting individual patient privacy. The company uses a wide variety of privacy-enhancing technologies and safeguards to protect individual privacy while generating and analyzing information on a scale that helps healthcare stakeholders identify disease patterns and correlate with the precise treatment path and therapy needed for better outcomes. IQVIA's insights and execution capabilities help biotech, medical device and pharmaceutical companies, medical researchers, government agencies, payers and other healthcare stakeholders tap into a deeper understanding of diseases, human behaviors and scientific advances, in an effort to advance their path toward cures.

To learn more, visit www.IQVIA.com

THE HEALTHCARE DISTRIBUTOR: A CRITICAL PARTNER IN THE SUPPLY CHAIN

CHANNELS OF DISTRIBUTION



* IQVIA estimates 2018

HEALTHCARE DISTRIBUTION A HIGHLY REGULATED SECTOR

As the vital link in healthcare, healthcare distributors ensure that the right medicine is delivered to the right patient at the right time in a safe and reliable manner. In order to do so, distributors adhere to the Good Distribution Practice (GDP) and many other legislative measures, which obligate them to ensure and maintain the quality and integrity of medicinal products from the warehouse to the patient.

HEALTHCARE DISTRIBUTORS ARE FACING AN INCREASINGLY COMPLEX AND HEAVY REGULATORY BURDEN AT EU AND NATIONAL LEVEL

FALSIFIED MEDICINES DIRECTIVE AND ITS DELEGATED REGULATION

- Significant investments in hardware and software, business processes, increased costs connected with hiring additional personnel, and staff training.
- Fees for medicines verification systems.
- Investments associated with burdensome batch tracking requirements (applicable since 9 February 2019).

MEDICAL DEVICES AND IN-VITRO DIAGNOSTIC MEDICAL DEVICES REGULATIONS

- Costs in relation to new business process, sampling of products, traceability requirements, need to invest in additional personnel and staff training.

VETERINARY MEDICINES REGULATION

- Costs for adopting new business process, new specific GDPs for veterinarian products, additional personnel, and training.

EU LEGISLATIONS ON ENVIRONMENT

- Healthcare distributors are involved in different ways in each country in the management of pharmaceutical waste. The topic is high on the agenda at EU level as part of the discussions around Pharmaceuticals in the Environment (PIE).

And even more happening or likely to happen in the coming period ...



INSIGHT HEALTH™

INSIGHT HEALTH ENABLES DIGITAL PLATFORM SOLUTIONS

Complexity in the pharmaceutical supply chain is ever-increasing. While business needs for new individualised therapies become more and more specific, the supply chain community faces additional price pressure for established products and new competition through e-commerce activities. A better workflow with customers and new and improved data to push new business opportunities is in everyone's interest.

With our platform solutions for merging and analysing data, INSIGHT Health enables stakeholders to make business options visible and implement digitalisation strategies. We support our clients in the pharmaceutical supply chain to work efficiently with big data applications, push in-depth market analysis and offer clients a data-based platform solution.

Our digital data platform creates in-depth market insights for wholesalers as well as for pharmacies and facilitates real time marketing approaches to better address patients – either in the community pharmacy or online.

INSIGHT Health looks forward to continue supporting GIRP and its members with our custom-made solutions on this digitalisation pathway.

**Further information can be found at:
www.insight-health.de**



AN EVER-EVOLVING ENVIRONMENT

1. DIGITISATION

Supported by authorities globally and at the European level, digitisation in healthcare is having a great impact on the delivery and dispensing of treatments as well as on the collaboration between supply chain stakeholders. A major development is the implementation of e-prescriptions which will transform pharmacies' structure and thus impact the healthcare distribution.

Healthcare distributors, with their logistic, storage, transportation and communication services within the supply chain already fulfil high standards of digitalisation and continue investing in more effective digital processes and data management.



transporting and storing specificities. It also offers a wide range of opportunities to offer patients the connected interfaces to manage their health and wellbeing.

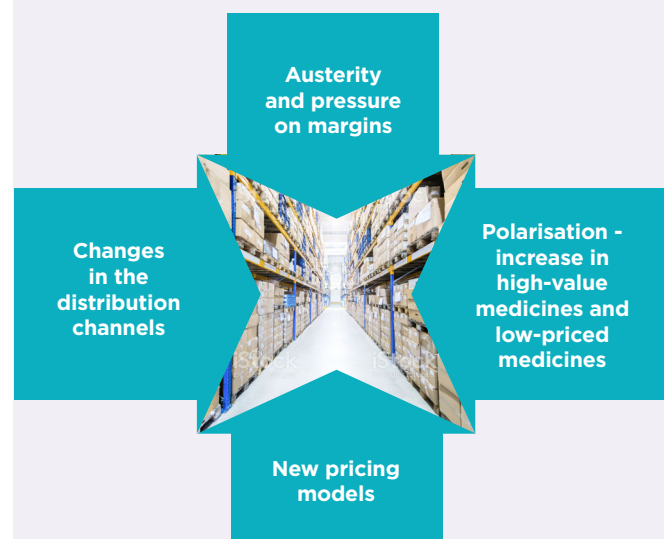
2. PERSONALISATION OF MEDICINE

Advancements in genomics and precision medicine as well as the explosion of connected sensors, wearables and mobile devices and their capture of biomarker data have rendered personalised treatment and prevention the new trend. The biologics and biosimilar markets are becoming very competitive with great promises for patient care. We also see an important rise in specialty medicine and innovative therapies to treat complex diseases while still focusing on personalising to the needs of the patients. This has consequently led the supply chain to manage a great deal of complex products each with their own

3. ECONOMIC PRESSURES

Converging pressures of an ageing population and the growing burden of chronic diseases have come to constitute important challenges for the sustainability of healthcare systems. More specifically, healthcare distributors have seen their activity impacted over the years by increasing product polarisation which sees the traditional wholesale channels losing out to alternative models of distribution, with the effect of increasing healthcare costs related to medicines' distribution overall, putting the sustainability of healthcare system further at risk and threatening medicines access to citizens.

CHALLENGES FOR HEALTHCARE DISTRIBUTORS



ABOUT GIRP

The premier platform reaching across Europe and beyond with expertise and experience for our partners' excellence

33
European
countries



750+ pharmaceutical wholesalers
1,260 warehouses



Safe and sufficient supply
of over **100,000 products**



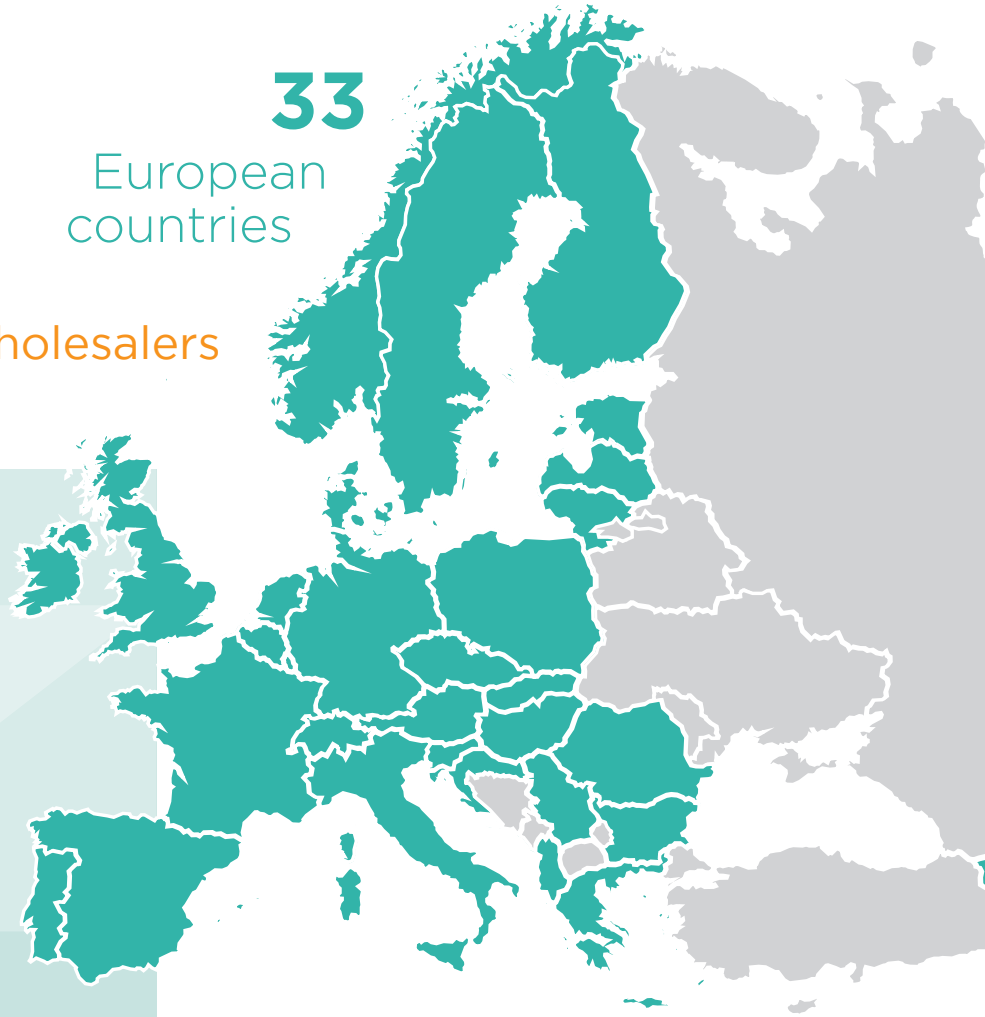
15 bn packs of medicines/year
62 mio packs of medicines/day



From **3,500 manufacturers** to



**200,000 pharmacies
& healthcare professionals**
across Europe



2.5h*
Average
delivery
time



35
Different
products
per delivery



18.8
Different
manufacturers
per delivery



Quality, integrity, excellence

GIRP members are trusted supply chain partners
the vital link in healthcare

* Average number from DE, ES, FR, IT, NL, UK

GIRP IN ACTION

>30
Internal events held

>65

External events attended by GIRP staff

7

Answers to consultations

>20

presentations given at conferences

>75

External meetings

>830

Participants at GIRP events

>60

Number of newsletters sent

967

Twitter followers

>90

FMD related meetings



Rowa® Technologies

BD Rowa™ stands for innovative and reliable solutions related to drug logistics. As a pioneer in automation and digitalization, the company develops and manufactures solutions for pharmacies, hospitals, the pharmaceutical industry and pouch packaging centers at its headquarters in Kelberg (Germany). BD Rowa has implemented more than 8.000 automated solutions worldwide.

The focus is on holistic system integration within the framework of optimal business processes. When dealing with pharmaceutical distribution centers, BD Rowa focuses on automation of slow and medium movers, reintegration of returned pharmaceutical products into the distribution process, as well as automated picking of narcotics and cold storage goods. BD Rowa is specialized in identification, inventory management and dispensing of single pharmaceutical products and facilitates to comply with the GDP guidelines. We are working together with strong partners, like SSI Schäfer, ensuring your competitive advantage through innovation and high performance.

Worldwide, 800 employees are committed to the competent and reliable customer care. BD Rowa is part of the global medical device company Becton Dickinson (BD), with whom we share a vision for advancing the world of health.

For further information, please check:
www.rowa.de/en/pharmacist



1996-2016, 20 years of creating packaging solutions. CAPPI first started out in the design and manufacturing of plastic shipping totes dedicated to pharmaceutical wholesalers. Driven by innovation, CAPPI invests in the development and testing of customized packaging for the transport of temperature-controlled products year-on-year. A leading company in the French market, CAPPI continues its international growth in three strategic markets: pharmaceutical manufacturers, pharmaceutical wholesalers and the food industry.

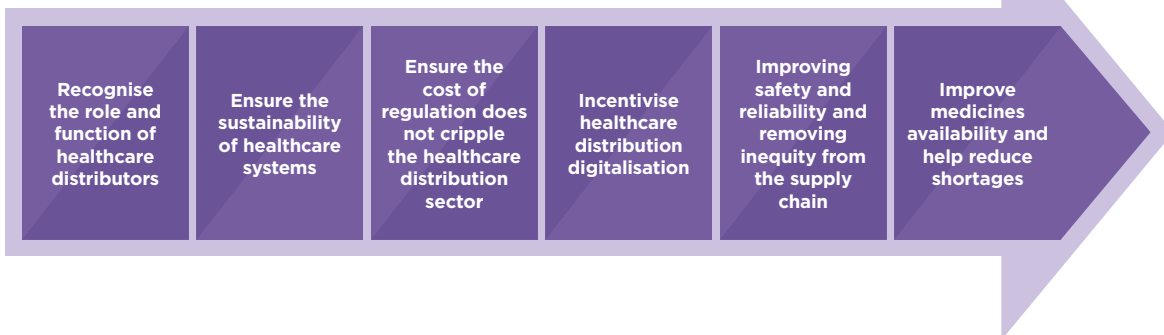
CAPPI meets demands from all across the pharmaceutical supply chain, from manufacturer to wholesaler and from wholesaler to pharmacy. Our range of plastic shipping totes for pharmaceutical wholesalers are designed and tested to integrate automated order preparation processes. Equipped with a qualified, isothermal protection inlay to respect any temperature range during transport: guaranteed to satisfy all mechanical and thermal needs.

Learn more at: www.cappi.fr

GIRP KEY PRIORITIES AND UPCOMING EVENTS

In view of the upcoming European Parliament elections, GIRP has designed a manifesto outlining the key policy recommendations defined as priorities for our sector.

GIRP MANIFESTO EUROPEAN ELECTIONS 2019



GIRP UPCOMING EVENTS

26 May 2019 Stockholm, SE	EUROPEAN HEALTH POLICY BRIEFING & GENERAL ASSEMBLY
27-28 May 2019 Stockholm, SE	60TH ANNUAL MEETING AND CONFERENCE
12 November 2019 Brussels, BE	EUROPEAN HEALTH POLICY BRIEFING & GENERAL ASSEMBLY
13 November 2019 Brussels, BE	AUTUMN CONFERENCE
16 January 2020 Brussels, BE	EUROPEAN HEALTHCARE VALUE CHAIN FORUM
12-13 March 2020 Vienna, AT	5TH SUPPLY CHAIN CONFERENCE
24 May 2020 Berlin, DE	EUROPEAN HEALTH POLICY BRIEFING & GENERAL ASSEMBLY
25-26 May 2020 Berlin, DE	61ST ANNUAL MEETING AND CONFERENCE

YEAR IN REVIEW

1. 27-29 May 2018



GIRP 59TH ANNUAL MEETING AND CONFERENCE

“ENTREPRENEURSHIP IN HEALTHCARE: POWERING INNOVATION”

GIRP held its 59th Annual Meeting and Conference in Dublin, Ireland, where expert speakers exchanged views on innovation as the key factor driving change and transformation in the pharmaceutical value chain. Across the two-day conference, artificial intelligence, big data analytics, sensor technology were described as “valuable entrepreneurial opportunities benefitting both patient care and delivery processes”.

2. 5 September 2018



MEETING WITH COMMISSION VICE-PRESIDENT JYRKI KATAINEN

Meeting with Mr Jyrki Katainen, European Commission Vice-President for Jobs, Growth, Investment and Competitiveness, in an effort to promote the role of healthcare distributors and share with him the challenges faced in having free movement of medicines across Europe to ensure safe and equal access to treatments for all European citizens.

3. 14 September 2018

GIRP REGIONAL MEETING

4. 8 November 2018

GIRP AUTUMN MEETINGS “FALSIFIED MEDICINES DIRECTIVE: THE FINAL COUNTDOWN”

5. 30 January 2019

EUROPEAN HEALTHCARE VALUE CHAIN FORUM

“CREATING VALUE BEYOND THE PILL - A STAKEHOLDER ENDEAVOUR”

6. 1 February 2019



GIRP LAUNCHES WEBINAR PROGRAMME

GIRP held its very first webinar on ‘Updated guideline to EU-FMD Compliance’ where members got to clarify on the last steps of the implementation before the deadline was reached. The webinar was held in collaboration with our partner Excellis Europe. A subsequent webinar was organised on 25 April 2019 to offer insights to our members on compliance to the General Data Protection Regulation.

7. 9 February 2019



FMD IMPLEMENTATION DATE

Over the years, healthcare distributors across Europe have been committed to prepare for the implementation and have achieved a high level of readiness for FMD compliance when the deadline hit on February 9th, 2019.

GIRP is proud of its involvement in this first of its kind stakeholder-driven initiative for patient safety. On February 8th, 2019, GIRP took part in the EMVO press conference.

8. 28-29 March 2019



4TH SUPPLY CHAIN CONFERENCE, CANNES, FRANCE

“PHARMA DISTRIBUTION 4.0 - TOGETHER TRANSFORMING DELIVERY”

Building on the observations and exchange from the previous editions, the GIRP Educational Academy Supply Chain conference, “Pharma Distribution 4.0 – together transforming delivery” brought forward the latest innovative solutions for managing temperature-sensitive transportation and transformative technologies for pharma distribution. Our audience got the chance to discuss on transforming B2B Supply Chain operations using new technology models and blockchain-enabled solutions for stability budget tracking of medicinal products.

59TH ANNUAL MEETING AND CONFERENCE, DUBLIN, IRELAND

“ENTREPRENEURSHIP IN HEALTHCARE: POWERING INNOVATION”

From 27th – 29th May 2018, the GIRP 59th Annual Meeting and Conference saw 14 sessions exploring innovative solutions and business models to reinforce the healthcare distributors’ position as the crucial element in the healthcare supply chain in the face of current challenges and this in close partnership with stakeholders. Executives across the value chain dug into their experience and expertise to bring different perspectives on how to build efficient and resilient healthcare systems and on the power of a solid cooperation to improve outcomes. Our panellists offered case studies and best-in-class operating practices to support their input.



“We, at GIRP, firmly believe in the power of collaboration to delve healthcare value chain levers and put them into motion. We believe that a strong relationship through and throughout the supply chain contributes to building efficient and resilient healthcare systems. A stable collaboration will at the same time add significantly to the knowledge-based economy. In turn, this will favour innovation and bring forth better adapted solutions to healthcare globally.”

René Jenny, GIRP President

Giving a truly inspiring introduction to our two-day conference, Dr. Severin Schwan, the CEO of Roche shared his vision for a fully digital healthcare in Europe. He brought a precise vision, complemented by successive panels, of how new technologies, Artificial Intelligence and Big Data can lead us

to smarter and more efficient R&D, improve access to personalised patient care, make our supply chain evolve and better inform regulatory decisions.

Under the title “Global insight in the healthcare world”, a panel, composed of top-level executives from both the pharmaceutical industry and the healthcare distribution sector provided the audience with a presentation of the current market as well as the overarching trends and developments in the European and international healthcare distribution and services sector at present and in the foreseeable future.

Speakers on stage showcased how pharmaceutical distributors have been extending their value proposition and how informed stakeholders and close collaboration is key in today’s market.





GIRP REGIONAL MEETING, SOFIA, BULGARIA

Every second year, GIRP organises a Regional Focus Meeting, welcoming experts of the sector from different countries.

The meeting traditionally concentrates on a specific geographic area, and this year we decided to look at the Central and Eastern European markets, focusing on Bulgaria, Croatia, Czech Republic, Hungary, Romania, Slovakia and Slovenia.

This meeting represents a great opportunity to get insights on current facts and trends as well as future challenges of the pharmaceutical healthcare distribution market. In 2018, GIRP held its conference in Sofia, Bulgaria on 14 September.

The conference was a resounding success, welcoming experts from across the region, and represented a great opportunity to get closer to our members in a designated region and to gain first-hand insights on the evolution of the sector.



TEMPERATURE-CONTROLLED SOLUTIONS TO MAINTAIN THE QUALITY AND INTEGRITY OF MEDICAL PRODUCTS DURING TRANSPORT

The design and qualification of suitable transport equipment to ensure that the required storage conditions of medicinal products are maintained, is a critical requirement of the new Good Distributions Practice (GDP) guidelines.

Thermo King PharmaSolutions offers a wide range of GDP qualified transport equipment to fit every stage of the distribution process, from trailers transporting goods from manufacturing facilities to distribution centers, to vans in the last mile distribution. Along with initial temperature mapping, documentation of the four stages of qualification based on Good Manufacturing Practice (GMP) Annex 15, Thermo King offers strong expertise with a wide European service network of more than 1400 CERTI-TECH trained and certified technicians.

Thermo King, as the leading manufacturer of transport temperature control systems, helps you meet additional GDP requirements, by providing GAMP5 validated real-time temperature monitoring, preventative maintenance, easy access to service and calibration activities on transport equipment and monitoring devices, 24/7 assistance as well as training.

For further information, please visit www.thermoking.com.



Sensitech Inc. is focused on delivering supply chain visibility solutions that track, monitor and protect products for global leaders in the food, life sciences, consumer goods, and industrial markets.

Our solutions are focused in three key areas: quality and compliance, supply chain security, and logistics performance management. Quality and compliance solutions address temperature-sensitive, complex supply chains focused on delivering the highest quality possible, while our supply chain security solutions help to mitigate risks associated with theft, diversion and chain of custody. Sensitech's logistics performance solutions deliver origin-to-destination, real-time transparency to any in-transit journey.

For more than 25 years we have helped our customers to deliver higher quality products, ensure patient safety, comply with regulatory requirements, protect brand equity, and increase profitability.

To find out more, please visit:
www.sensitech.com

GIRP AUTUMN MEETINGS, BRUSSELS, BELGIUM

“FALSIFIED MEDICINES DIRECTIVE: THE FINAL COUNTDOWN”

Every year, GIRP organises the Autumn Conference in Brussels for its members, including GIRP's partners in the healthcare value chain from across Europe.

The conference aimed at:

- updating and informing GIRP members about new developments in the pharmaceutical distribution sector;
- offering the opportunity to participants to expand their networks, share ideas and engage in discussions with colleagues and peers;
- identifying opportunities for collaboration in the supply chain.

In 2018, GIRP held its Autumn Conference on Thursday 8 November on the topic of “Falsified Medicines Directive – The Final Countdown”.



In the final stretch ahead of the operational phase, GIRP had convened a strong array of panellists from stakeholders to European institutions representatives to cover all last segments of the matter, from the master data and designated wholesalers to article 23 actors and from the status of the technical onboarding to vaccines decommissioning.

GIRP members from across the supply chain and across Europe joined the event and seized the opportunity to share their concerns and challenges encountered in the last steps towards implementation.



Mr Andrzej Rys, Director for Health Systems and Products at the European Commission DG SANTE, joined the meeting and addressed the GIRP audience. He encouraged all stakeholders to “keep going together for the last 90 days and keep informing each other about challenges!”

EUROPEAN HEALTHCARE VALUE CHAIN FORUM, BRUSSELS, BELGIUM

“CREATING VALUE BEYOND THE PILL - A STAKEHOLDER ENDEAVOUR”



On 30th January, members and friends of the European Healthcare Value Chain Network met for their annual forum and networking reception in Brussels, Belgium.

The European Healthcare Value Chain Forum is part of the network's recent rebranding process, which aims to create an independent joint platform for exchange between supply chain stakeholders. The forum serves as a dedicated yearly event to bring high-level representatives from healthcare distributors, the pharmaceutical industry and pharmacists together to exchange ideas and share views on how to “create value beyond the pill”, discussing new business models and ways to achieve better connectivity in the supply chain.

With the patient in focus, the forum this year looked at technology trends impacting the supply chain and best practice examples of strategic partnerships amongst supply chain actors. “With a joint value approach, we can build long lasting partnerships in the supply chain. This will create triple-win situations: for suppliers, distributors, and, of course, our patients”, Stefan Jung, Head of Corporate Pharma Services & Sourcing at PHOENIX Group told the audience.



Wolfgang Mähr, Head of Supervisory Board, Alliance Healthcare Deutschland shared his insights on technology trends and big data as opportunities for supply chain cooperation in healthcare logistics. “With patient value at the centre of our collaboration, big data has the ability to remove silos between all actors in the supply chain - by supporting and adding value to product flow, cash flow and information flow processes. We need to build partnerships and ask the right questions to turn Big Data into value”, he emphasised.



Movilitas is a long-term trusted partner specializing in SAP Solutions for small, medium and large companies with deep expertise in the field of digital manufacturing, traceability, warehouse logistics, custom mobility solutions, and also provides a SaaS for FMF, traceability and warehouse operations known as Movilitas.Cloud (www.movilitas.cloud). In our core areas, we are a global leader with a long record of proven success and an exceptionally close relationship to SAP for many years.

It is one of our daily paradigms to provide constantly new innovative approaches and solutions in our core and related areas. Paired with our deep expertise and our enthusiastic and dedicated employees, this motivation enables us to build the foundation for Industry 4.0 and the Internet of Things to help you outperform your competitors. We deliver you the digital enterprise of the future by providing pioneering innovation.

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SSI FLEXI SHUTTLE – NOMINATED FOR BEST INDUSTRIAL PRODUCT

High-value products require logistics solutions that guarantee safe handling and adapt to new types of packaging. Drugs from various temperature areas or fragile cosmetics in high-quality packaging – SSI Schaefer achieves a significant increase in performance with maximum process security. The single-level shuttle SSI Flexi convinces with intelligent functional variety and maximum modularity – also within deep-freeze environments.

The rack concept with dynamically adaptable storage location sizes, no assigned x-storage positions and tailored scalability of lifts and shuttles provide a maximum storage density and highest throughput. SSI Flexi combines sustainable technical components with aesthetic aspects, since the product design won the German Design Award 2019 in the category industry. Thus, the innovation driver complies with one of the basic criteria for the Best of Industry Award for which SSI Schaefer is nominated in the category “Material Flow”. The nomination for the award as best of the best industrial products is a high appreciation for the intralogistics expert’s sustainable system development.

4TH SUPPLY CHAIN CONFERENCE, CANNES, FRANCE

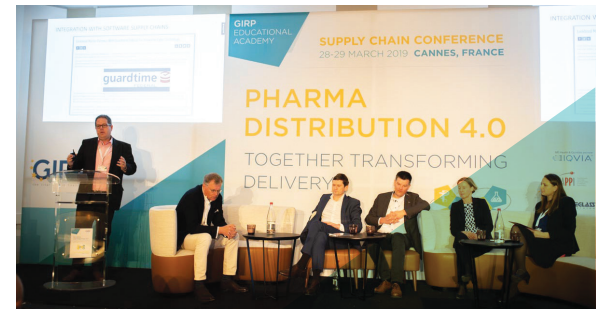
“PHARMA DISTRIBUTION 4.0 – TOGETHER TRANSFORMING DELIVERY”

Under the umbrella of the GIRP Educational Academy, GIRP’s Supply Chain Conference took place on 28 and 29 March 2019, where for the fourth consecutive time a record number of 120 delegates and speakers gathered to exchange and network at the seaside in Cannes, France, on topics such as the latest innovations for temperature control during last mile distribution, latest technologies in supply chain automation and the status of FMD implementation.

Titled “Pharma distribution 4.0 – together transforming delivery” the conference’s overarching theme this year was how actors in the supply chain can harness opportunities from latest supply chain innovations and data driven technologies. Building stronger networks and connecting supply chain operators is one of the key demands in creating more efficient and effective supply chain operations.



Presenting as part of a high-level panel on blockchain technology for the healthcare supply chain, Mr. Brian Thornley, VP Supply Chain at MSD Europe, called for “a culture of collaboration with wholesalers, distributors and suppliers beyond compliance and operational efficiencies” that would “enable new business models, greater automation and connectivity across networks for a more safe and sustainable supply chain with a focus on patients”.



Another highlight of the conference was once again the discussion with our European GMMP inspectors, who joined the event this year from Austria, Belgium, Ireland, the Netherlands, Spain, and the United Kingdom. While the conference participants were able to share ideas and ask their most pressing questions, inspectors and regulators welcomed the practical insights from stakeholders. “It was [...] a good opportunity to learn what is actually happening on the ground, which is invaluable at this stage of implementation of the safety features”, Isabel Holmquist from the European Commission explained.

EUROPEAN HEALTHCARE VALUE CHAIN NETWORK

The European Healthcare Value Chain Network dedicates itself to a new way of thinking about healthcare: the patient-centred approach. It considers that all medical care should respect individual patient needs, preferences and values and focuses on outcomes of treatments rather than inputs.

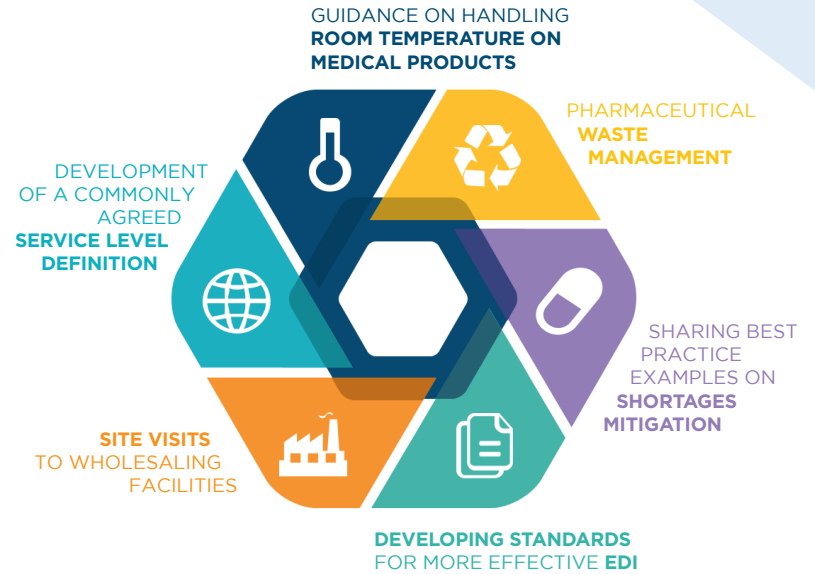
The provision of medicines is a crucial component in providing efficient patient-centric care. Ensuring that patients receive the right treatment at the right time, requires a complex and carefully organised chain of products and services. As such, stakeholders in the pharmaceutical supply chain (pharmaceutical specialty, branded and generic industries, healthcare distributors and healthcare providers) are bound into a

complex and dynamic chain that has patients' wellbeing at their very core.

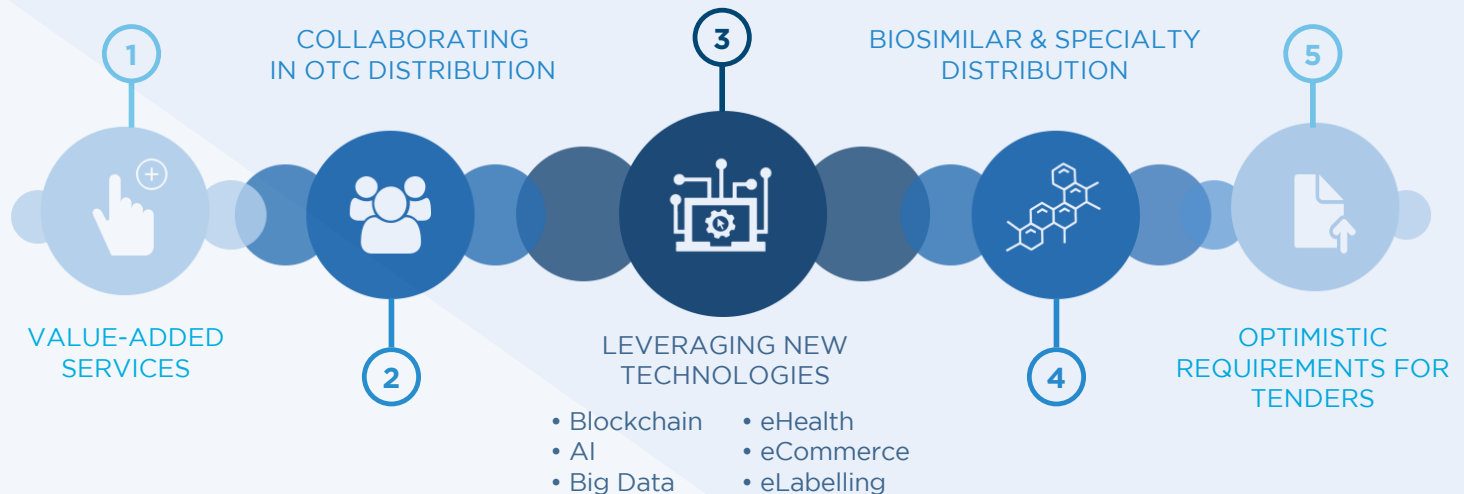
Members of the Healthcare Value Chain Network understand that collaboration in the healthcare sector has never been as important as today. Increased collaboration brings new opportunities, sustainability and new business models and can help deliver meaningful solutions catering a patient-focused approach and better outcomes in care.

As a platform for exchange, the Healthcare Value Chain Network aims to facilitate the sharing of information, expertise and solutions in the pharmaceutical supply chain and provides the right environment for trust building and creating lasting relationships amongst value chain stakeholders.

FOCUS OF JOINT MEETINGS AND EVENTS IN 2018



FUTURE AREAS OF COLLABORATION





Excellis is a global leader in strategy and implementation consulting services with a focus on value creation throughout the Life Sciences and Healthcare industries supply chain.

We are proud to have helped hundreds of manufacturers, CMOs, 3PLs, wholesalers, retail pharmacies and hospitals to establish strategies and deliver their readiness to achieve their business goals, from strategy to sustainability.

With more than 130 employees within a world wide structure and a Pan- European team, Excellis can rely on its experts, a proven methodology and wide range of best-in-class use cases to deliver value and success for our customers.

We specialise in supply chain solutions for serialization, track & trace and brand protection (anti-counterfeiting/diversion); we are also providing ERP, QMS, WMS, master data integrity and validation services and bring the industry's best SMEs, validation resources, project managers and technical consultants to deliver excellence for our customers.

Excellis has an established thought leadership position through working with EFPIA, EMVO, GS1 Healthcare, GIRP and the HDA, allowing us to offer unique insights into the wider serialization and traceability landscape world-wide.

We are able to leverage a strong partner network through the European pharma Ecosystem and beyond, while remaining agnostic in our approach to vendors and their solutions.

Contact us at getsecured@excellishealth.eu

GIRP AND THE FALSIFIED MEDICINES DIRECTIVE

On Saturday 9 February 2019, the major deadline set by the EU Delegated Regulation (DR) on Safety Features to the Falsified Medicines Directive (FMD), was reached. A Europe-wide process to verify medicines, based on the European Medicines Verifications System (EMVS) and the Point-of-Dispense (PoD) process went live across Europe.

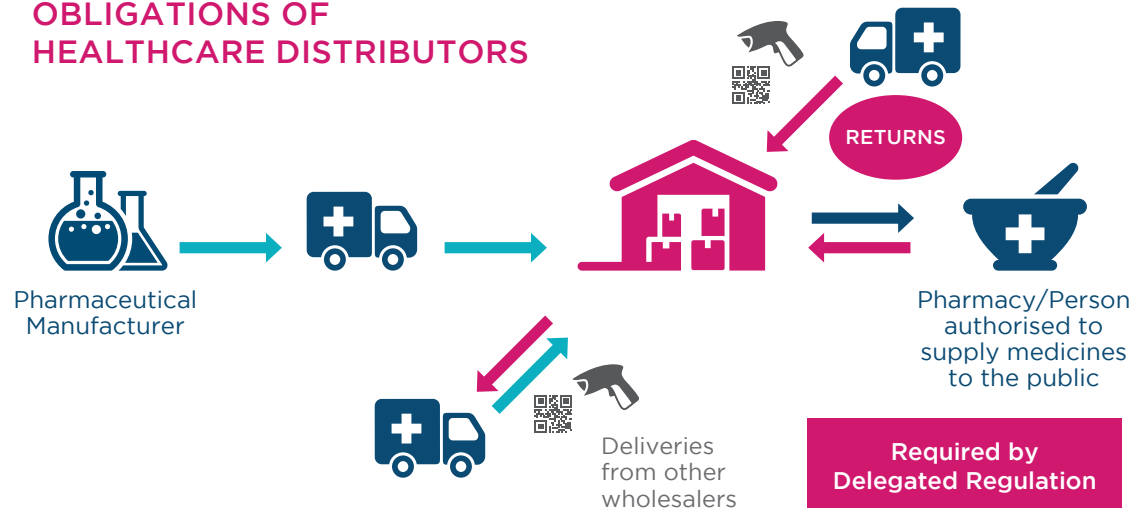
EMVS KEY NUMBERS

1. 9 February 2019 - implementation deadline and start of the Operational Phase.
2. 28 European countries are participating in the EMVS. These 28 countries are all in the European Economic Area (EEA) (Italy and Greece will make use of a longer implementation period, Switzerland has a special status).
3. More than 6,000 wholesale distribution authorisation holders will be connected to the EMVS.



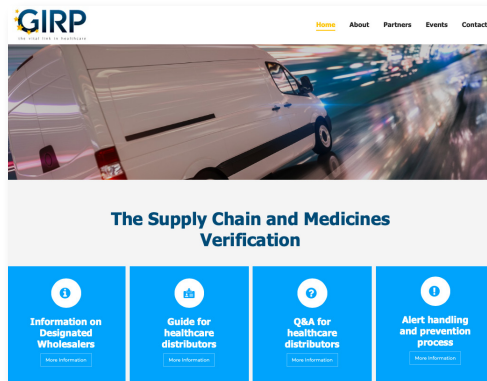
In the course of last year, GIRP has been working closely with its members for a smooth and timely implementation of the Falsified Medicines Directive and its Delegated Regulation. We are glad to confirm that healthcare distributors across Europe achieved a high level of readiness for compliance with the Falsified Medicines Directive and its Delegated Regulation.

OBLIGATIONS OF HEALTHCARE DISTRIBUTORS



On November 2018, GIRP and Excellis Europe released a guidance document to support wholesalers, and other logistical service providers in the supply chain to ensure a safe and efficient implementation of the new regulation.

The document provides background for the reader to understand the basics of this important regulation impacting the packaging and transactions associated with the movement of prescription medicines in this supply chain.



GIRP also launched a new website, “**The Supply Chain and Medicines Verification**”, dedicated to the main issues faced by distributors. The website provides background information to wholesale distributors and other logistical service providers in the supply chain on what to expect from suppliers and how to meet the regulatory requirements as

impacting the wholesale distribution of prescription medicines.

On 1 February, GIRP and Excellis Europe held a webinar on ‘Updated guideline to EU-FMD Compliance’ where members had the occasion to clarify remaining issues during the last steps of the implementation before the deadline was reached.



The 9 February 2019 marked the start of the so-called Operational Phase. Despite the achievements reached across all EU countries so far, much remains to be done to ensure a smooth functioning of the system. In this phase, patient health and safety as well as the continuous supply of medicines remain of the utmost importance to all stakeholders, who continue to closely work together in these first months after the implementation deadline to face the remaining challenges.

“Healthcare distributors have their essential role to play to keep falsified medicines out of the legal supply chain by verifying all medicines they do not receive directly from manufacturers, MAHs and their logistics providers. They also verify all returned medicines to avoid infiltration by backwards logistics.”

Monika Derecque-Pois, GIRP Director General
8 February 2019

EMVO (European Medicines Verification Organisation) proved to be a unique collaboration between supply chain stakeholders comprised of EU medicine manufacturers, parallel distributors, healthcare distributors, pharmacists, hospitals and hospital pharmacists. GIRP has been working closely with its partners across the supply chain to deliver an operational system in time.

ABOUT GIRP

GIRP, the European Healthcare Distribution Association, is the umbrella organisation for pharmaceutical full-line wholesalers and distributors of healthcare products and services in Europe. It represents the national associations of over 750 pharmaceutical wholesalers serving 33 European countries, as well as major international and pan-European healthcare distribution companies. GIRP members employ over 140,000 people and distribute around 15 billion packs of medicines as well as a wide range of healthcare products per year. As the vital link in healthcare, they are committed to developing and providing innovative and efficient healthcare products and services to improve health and wellbeing of patients across Europe.

GIRP offers its members individual as well as collective support services and assistance affecting on a daily basis the business of pharmaceutical full-line wholesaling. GIRP works with national association and company members through the provision of advice, information, statistics and other data. The aim is to provide tailor-made services to match members' unique needs, priorities and challenges.

GIRP firmly believes that rigorous and continuous cooperation at all levels of the healthcare supply chain is key to the safe and efficient distribution of medicines from the manufacturer through to the patient.

THE GIRP TEAM



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Judith Kalina
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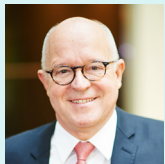
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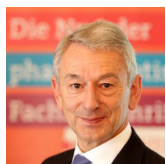
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(Pharma Privat)

GIRP MEMBERS

AUSTRIA	PHAGO Verband der Österreichischen Arzneimittelvollgroßhändler	LITHUANIA	LAPW Lithuanian Association of Pharmaceutical Wholesalers
BELGIUM	NVGV – ANGR Association Nationale des Grossistes- Répartiteurs en Spécialités Pharmaceutiques	LUXEMBOURG	HANFF - Global Health Solutions
BULGARIA	BATEL Bulgarian Association of Pharmaceutical Wholesalers	NETHERLANDS	BG Pharma
CROATIA	PHOENIX Farmacija, Medika, Oktal Pharma, Medical Intertrade	NORWAY	NAPW Norwegian Association of Pharmaceutical Wholesalers
CZECH REPUBLIC	AVEL Asociace velkodistributorů léčiv / Czech Association of Full-line Wholesalers	POLAND	Pelion
DENMARK	MEGROS Foreningen af medicingrossister / Danish Association of Pharmaceutical Wholesalers	PORTUGAL	ADIFA Associação de Distribuidores Farmacêuticos GROQUIFAR Associação de Grossistas de Produtos Químicos e Farmacêuticos
ESTONIA	ERHL Estonian Association of Pharmaceutical Wholesalers	ROMANIA	ADRFAR Asociatia Distribuitorilor si Retailerilor Farmaceutici din Romania
FINLAND	Tamro Finland	SERBIA	Serbian Chamber of Commerce - Group of Pharmaceutical Wholesalers
FRANCE	CSRP Chambre Syndicale de la Répartition Pharmaceutique	SLOVENIA	TZS Slovenian Chamber of Commerce, Pharmaceutical Full-line Wholesalers
GERMANY	PHAGRO Bundesverband des pharmazeutischen Grosshandels	SLOVAKIA	AVEL Asociácia velkodistribútorov liekov/ Association of Medicines Distributors
GREECE	PAPW Panhellenic Association of Pharmaceutical Wholesalers and Qualified Pharmacists	SPAIN	FEDIFAR Federación Nacional de Asociaciones de Mayoristas Distribuidores de Especialidades Farmacéuticas y Productos Parafarmacéuticas
HUNGARY	HAPW Hungarian Association of Pharmaceutical Wholesalers	SWEDEN	LDF Läkemedelsdistributörsföreningen / Swedish Association of Pharmaceutical Wholesalers
ICELAND	Distica	SWITZERLAND	Pharmalog.ch Swiss pharma logistics association
IRELAND	PDF Pharmaceutical Distributors Federation	UNITED KINGDOM	HDA UK Healthcare Distribution Association
ITALY	ADF Associazione Distributori Farmaceutici		
LATVIA	LZLA Latvian Association of Pharmaceutical Wholesalers		

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HEALTHCARE VALUE CHAIN NETWORK



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