From health to beauty

PIERRE FABRE LABORATORIES
ACTIVITY AND CORPORATE SOCIAL RESPONSIBILITY REPORT

2016 - 2017
Proud of how far we have come, realistic about the future

As I write these lines, the renovation work on the Péraudel site in Castres is entering its final stage. The site will be inaugurated next July, in the presence of the future site employees and their families. Four years after his death, how could we imagine a stronger symbol of the longevity of the company Pierre Fabre created and managed for over half a century? It is at Péraudel, in July 1962, that the Group’s industrial adventure began. At that time, Parmentier, and with the support of all the governance bodies - allow me to highlight a few facts:

- Today, we are the only French industrial pharmaceutical laboratory in Europe, No. 2 worldwide. Our research and production capacity represents over 50 nationalities and to make them share the values of a Group which has always attached great importance to its roots in the Tarn, and which, against all odds, favors the “Made in France.”
- • Our employees stock exchange savings plan has now been extended to nine subsidiaries, including Poland since 2014. This plan calls upon the Group for the development and marketing of latest-generation molecules.
- • The Pierre Fabre Oncology brand would become the partner of a US biotechnology company and more on strategic partnerships, in line with the one we have established with Array BioPharma in oncology.
- • The Pierre Fabre Foundation, they contribute significantly to the Group’s longevity and independence. Who would have thought four years ago that almost 50% of employees - allow the company to overcome with such efficiency the death of a founding chairman who steered it through until his dying breath.
- • In four years, our activity has increased by over €275m on our international markets. And yet, it was difficult to foresee four years ago that China would become the number one subsidiary of Pierre Fabre Dermo-Cosmetics, that our Eau thermale Avène brand would be the most widely sold dermo-cosmetics brand in the world, and that Pierre Fabre Oncology would become the partner of a US biotechnology company for the development and marketing of latest-generation molecules.
- • In the last four years, we have hired an additional 2,500 employees, most of them recruited by our international subsidiaries. Not everyone, however, was convinced of our capacity to incorporate talented people representing over 50 nationalities and to make them share the values of a Group which has always attached great importance to its roots in the Tarn, and which, against all odds, favors the “Made in France.”
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The history of the Pierre Fabre Group is first and foremost that of one man, a dispensary pharmacist and an enthusiastic entrepreneur. Pierre Fabre grew his dispensary into a pharmaceutical laboratory on an international scale, rooted in his home region and loyal to the humanist values that he always defended.

**More Than 50 Years of Innovation from Health to Beauty**

- **1951**
  - Purchase of the pharmacy on place Jean Jaurès in Castres (Tarn)

- **1959**
  - Launch of Cyclo 3®, venotonic from butcher’s broom (Ruscus aculeatus)

- **1962**
  - Launch of the 1st subsidiary in Spain
  - Opening of the 1st Research Center in Castres and launch of the Oral Care activity

- **1965**
  - Start of the dermo-cosmetics activity

- **1968**
  - Opening of the 1st Research Center in Castres and launch of the Oral Care activity

- **1970**
  - Opening of the 1st subsidiary in Spain

- **1971**
  - Creation of Phytofilière®, which would become Botanical Expertise Pierre Fabre

- **1974**
  - Purchase of the hydrotherapy center in Avène-les-Bains (Hérault)

- **1979**
  - Launch of the Elancyl Institute, a corporate foundation for the protection and promotion of our natural plant heritage

- **1989**
  - Purchase of the hydrotherapy center in Avène-les-Bains (Hérault)

- **1990**
  - Launch of the Nature Open Library and oncology partnership with Array (USA)

- **1994**
  - Creation of the Pierre Fabre Fund for Innovation

- **1999**
  - Launch of the Pierre Fabre Foundation, a government-recognized public-interest organization

- **2000**
  - Launch of the Nature Open Library and oncology partnership with Array (USA)

- **2001**
  - Opening of the Oncopole campus in Langlade (Toulouse)

- **2005**
  - Opening of the company’s share capital to employees

- **2010**
  - Opening of the R&D center on the Oncopole campus in Langlade (Toulouse)

- **2015**
  - Creation of the Pierre Fabre Foundation for Innovation
A humanist dispensary pharmacist, always ready to listen, Pierre Fabre made the human being his highest concern. He had a constant concern for the well-being of patients and consumers. He built long-lasting relationships with his customers and partners. He had both a benevolent and challenging relationship with his employees. Thanks to this relationship, he was able to share his entrepreneurial passion with them and take care of as many people as possible. Today these values underlie our unique and original development model.
Pierre Fabre had a passion for plants. This passion was evident when he presented new projects and when he held impromptu discussions. One day, when making a particularly difficult decision, he exclaimed: “Do you realize what you are asking me? It is as if you were to ask me to cut down a tree.” That said it all: demonstrating the carnal side of this passionate and emotional attachment.

He loved plants for their beauty but not that alone. He was fond of their “content.” He loved getting to know their utilities. He was fascinated with the living part of the plant, its history, its ties with mankind and its environment. For him, discovering a new plant was a real pleasure, synonymous with a new story to be written. He favored oat. He was able to provide this humble grain, used to feed horses, with a noble status. In the cosmetics world, which favors sophistication, and that of dermatology, which relies above all on chemicals, it was a pleasure for this man, who appreciated rural life, to be able to make this little plant into an authentic active ingredient designed for fragile skin and recognized by dermatologists.
LE DOMAINE DU CARLA - THE CARLA ESTATE
Built in 1875, it is an exceptional place perched above Castres and surrounded by nature. Dedicated to meetings and exchanges, it is the place where the Group’s partnerships materialize. Every year, it receives some 6,000 visitors from all over the world.

CASTRES OLYMPIQUE
The company supports Castres Olympique for two reasons: unconditional attachment to the town of Castres and the similarity between the values of rugby – solidarity, synergy, respect for others, a winning spirit – and those of our company.

SOUAL PLANT
Located about ten kilometers from Castres and opened in 1968, the Soual plant is the historic industrial site of Pierre Fabre Laboratories. Dedicated to dermo-cosmetics, it expanded by 13,000 m² in 2012, particularly to incorporate the production of Sterile Cosmetics. This expansion was an opportunity to experiment with the HQE® approach in industrial buildings.

TERRE D’AVOINE – LAND OF OATS
The Terre d’Avoine site is nestled at the heart of the Tarn, in Puylaurens. It is a fortified farmhouse dating back to 1640, surrounded by fields of Rhealba® Oat, an oat variety with exceptional dermatological properties. Organized in collaboration with the Natural History Museum of Toulouse, inaugurated in 2013, this place tells the story of the A-Derma brand.

LES CAUQUILLOUS
In 2000 the headquarters for our dermo-cosmetics activity were transferred to Lavaur (Tarn), to a place called les Cauquillous. The building, with its futuristic curves inspired by the company logo, is surrounded by a forest and a Mediterranean garden consisting of about thirty varieties of medicinal plants.

TOULOUSE – ONCOPOLE
Built on the rubble of the AZF factory, the Oncopole project is a flagship for innovation and public health for the whole of the Midi-Pyrénées region. The Pierre Fabre Research and Development Center was the first to settle there in 2011. The Group thus asserts its drive to be an internationally recognized player in oncology while focusing its R&D efforts in France and, more specifically, in its region of origin.

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I HAVE MORE OF A TASTE FOR ACTION, FORECASTING, PREPARING FOR THE FUTURE THAN FOR LOOKING BACK ON THE PAST.

MR. PIERRE FABRE
DECEMBER 2006
**PROFILE**

**KEY FIGURES AS OF DECEMBER 31, 2016**

- **13,000 EMPLOYEES**
- **130 COUNTRIES**
- **2,835 ASIA / OCEANIA**
- **2,355 EUROPE**
- **395 AFRICA**
- **6,535 FRANCE**
- **1,095 AMERICA**

**PRODUCTS DISTRIBUTED IN 130 COUNTRIES**

**SUBSIDIARIES AND OFFICES IN 47 COUNTRIES**

**RESEARCH & DEVELOPMENT CENTERS**

- **PIERRE FABRE RESEARCH AND DEVELOPMENT CENTER**
  - Oncology, Dermatology, New Chemical Entities, Pharmaceutical development, Pre-clinical and clinical development, Translational Medicine, Pharmacology, Toxicology, Pharmacokinetics, Regulatory, Pharmacovigilance, Advanced Analytical Chemistry, Quality Assurance (France)
- **PIERRE FABRE IMMUNOLOGY CENTER**
  - Oncology, Immunology, New Biological Entities, and Biotechnological Productions (France)
- **PIERRE FABRE RESEARCH CENTER**
  - Nervous System, Developability, Translational Medicine (France)
- **PIERRE FABRE RESEARCH CENTER**
  - Consumer Health Care (France)
- **PIERRE FABRE DERMOCOSMETICS ASIA INNOVATION CENTER**
  - Tokyo (Japan)

**PRODUCTION CENTERS**

- **PRODUCTION AND PACKAGING OF PRESCRIPTION DRUGS AND HEALTH CARE PRODUCTS**
  - Gien (France)
  - Hong Kong (China)
  - Tokyo (Japan)
- **PHYTOTHERAPY AND AROMATHERAPY**
  - Castres (France)
- **ASEPTIC CYTOTOXIC PRODUCTION**
  - Gaillac (France)
- **PRODUCTION AND PACKAGING OF DERMOCOSMETICS**
  - Toulouse (France)
  - Cincinnati (USA)
  - Shanghai (China)
- **PRODUCTION OF ACTIVE INGREDIENTS IN PHARMACEUTICALS, NUTRACEUTICALS AND COSMETICS**
  - Gaillac (France)
  - Toulouse (France)
  - Bagnères-de-Bigorre (France)
  - Palézieux (Switzerland) - Virrey del Pino (Argentina)
- **HARD-BOILED PHARMACEUTICALS LOZENGES**
  - Aignan (France)

**DISTRIBUTION CENTERS**

- **DERMOCOSMETICS AND HEALTH CARE PRODUCTS**
  - Muret (France)
  - Ussel (France)
- **PHARMACEUTICALS**
  - Vichy (France)

**FOCUS FRANCE**

- **48 SITES IN FRANCE**
- **27 SITES IN THE TARN REGION**
- **200 HECTARES OF TERRITORIAL AGRICULTURE to organic farming in the Tarn region**
- **over 90% of PHARMACEUTICALS PRODUCTION is carried out in France**
- **100% of DERMOCOSMETICS RESEARCH is carried out in France**

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PROSPECTS

Remaining agile so we can continue to reinvent ourselves

How does the Pierre Fabre Group perform in 2016?

BP: Like for like, our net sales progressed by 3.6% and reached 2,312.2 billion euros. This overall increase is driven by our international activities, which show an organic growth of 7.2% and now represent 60% of our overall activity. The Pharmaceuticals division continues to exceptional stability to be seen with an 8% increase of sales at a constant exchange rate. The healthcare segment has recorded a 3% increase in its international activity. For its part, the Pharmaceuticals division keeps showing strong resilience in a regulatory context which is as hostile as it is complex. Unlike some of our competitors, we do not lose sight of the opportunities that are still there: a constant exchange rate, but keep increasing on the international market (+ 2%).

As in 2015, the Group will have its budgetary commitments in terms of operational result and our capital expenditure progression to 3.5% for a recurrence of funds higher than 220 million euros. In addition, we have once again closed the year free from all financial debts, a situation which allows us to go and find growth drivers.

But it seems that the conditions were more difficult in 2015 than in the preceding years.

BP: That is correct; in 2016, we were faced with a particularly volatile and uncertain environment. Regulatory measures which penalise companies beyond what is reasonable. The pharmaceutical industry kept being impacted by exchange rates were unfavorable, and in France the particularly volatile and uncertain environment. The Pharmaceuticals division keeps showing strong resilience in a regulatory context which is as hostile as it is complex. Unlike some of our competitors, we do not lose sight of the opportunities that are still there: a constant exchange rate, but keep increasing on the international market (+ 2%).

As in 2015, we have decided to focus on four strategic actions: consumer healthcare and pharma business models. I specifically mean innovation in both the Rx pharmaceuticals and dermo-cosmetics consumer healthcare, with growth drivers based on the pharmacists who recommend them. We are also of the dermatologists who defend the interest of their patients, i.e. differentiation, i.e. positions are highly complementary: three dermo-cosmetics brands as such (Eau Thermale, Ducray, A-Derma), two more family-oriented brands (Klorane, Elancyl) and two brands in a more premium position (A-Derma, Ducray). A dermo-cosmetics for the sale of a pharmaceutical drug, they meet the need for safety and efficacy, but also make sure that each can assert its specific identity through a dedicated innovation program and an original communication territory.

Your main shareholder is a government-recognized public-interest foundation, the Pierre Fabre Foundation. What are the main stakes of this foundation?

Bertrand Parmentier
CEO of the Pierre Fabre Foundation

BP: Being part of a foundation allows us to protect the long-term term and strategy over tactics. The Group has always given priority to reinventing its profits in order to develop sustainable growth. It is not by the need of the market, but our shareholder’s long-term approach mitigates the short-term focusing which is all too often imposed by listed companies. This is a precious advantage. In addition, being part of a government-recognized public-interest foundation strengthens the employees’ commitment to the company’s project, with everyone being aware that his or her work contributes to a humanitarian and superlative cause rather than the greater than the individual. Our employees are proud of being part of a company that is highly recognized in France. It is not above the iron law of the market, but our shareholder’s long-term approach mitigates the short-term focusing which is all too often imposed by listed companies. This is a precious advantage. In addition, being part of a government-recognized public-interest foundation strengthens the employees’ commitment to the company’s project, with everyone being aware that his or her work contributes to a humanitarian and superlative cause rather than the greater than the individual. Our employees are proud of being part of a company that is highly recognized in France.
The Pierre Fabre Group has a unique shareholding structure that guarantees its continuity and independence, in line with the values of our founder. The substantial-majority shareholder is the Pierre Fabre Foundation. It has also developed its employee stock ownership plan, and employees thus form the second-largest group of shareholders. This structure is unique in France and is aimed at ensuring the long-term stability of the company’s capital.

**THE PIERRE FABRE FOUNDATION**

It is the Group’s main shareholder (holding 86% of the shares) through its controlling company, Pierre Fabre Participations (PFP). As the Foundation is dedicated first and foremost to its public interest mission, it delegates the supervision of the Group’s management to its subsidiary Pierre Fabre Participations. It is chaired by Pierre-Yves Revol.

**PIERRE FABRE PARTICIPATIONS**

The controlling company validates the Group’s strategy, appoints its main executives and ensures that the continuity mission defined by Pierre Fabre is respected:

- Ensuring the Group’s independence
- Maintaining both the Pharmaceuticals and Dermo-Cosmetics activities
- Reinvesting a significant proportion of profits in R&D
- Prioritizing long-term value creation over short-term financial profit
- Maintaining the Group’s footprint in its birth region and its culture of corporate social responsibility
- Allowing the Pierre Fabre Foundation to pursue its objectives through a suitable dividend payment policy

Its Board is chaired by Pierre-Yves Revol.

**PIERRE FABRE SA**

It is the Group’s holding company. It elaborates the Group’s overall strategy, consolidates and coordinates its activities, and hosts support functions and shared services. Its Supervisory Board is chaired by Roch Doliveux. Pierre Fabre Pharmaceuticals and Pierre Fabre Dermo-Cosmetics are the main subsidiaries of Pierre Fabre SA and are in charge of the pharmaceutical and dermo-cosmetic businesses, respectively.
The Ruscus plan, given its name as a tribute to the first plant used by Pierre Fabre when the company was created, is a major factor in the way the Group organizes its capital. It also helps to make the Group’s know-how and values available, which upholds the values of our founder: independence, entrepreneurial drive, continuity and team spirit.

With this stock ownership plan, employees become joint owners of the Group and are more closely involved in corporate performance via their careers, workers were able to receive the equivalent of at least one year’s salary, taking the company matching contribution into account. The Ruscus plan was rolled out in France in 2005, and in 2008 it was extended to six European countries: Germany, Belgium, Spain, Greece, Italy and Portugal.

In 2008 it was extended to a new zone outside the euro zone to join the shareholding plan. In 2017 the plan will be opened up to Philippines. By 2018, two more countries are due to be included.

Through the stock ownership plan, employees have been highly motivated and engaged. The Group employees have been highly engaged. The plan has contributed to employees’ understanding of the Group’s activities, the Group’s involvement and development of new initiatives to extend the shareholding plan.

In 2016, Poland became the first country outside the euro zone to join the shareholding plan. In 2017 the plan will be opened up to Philippines. By 2018, two more countries are due to be included.

With a strictly humanitarian aim, the Pierre Fabre Foundation, a government-recognized public-interest organization, has the main objective of improving access to quality medication and health care in the least developed and emerging countries in the Global South. Its four areas of intervention are:

- **Tropical Dermatology**
  - With an average prevalence rate of 30%, skin diseases constitute a worrying public health problem in the Global South. Their negative impact is aggregated in resource-poor tropical countries due to the acute shortages of dermatologists and limited access to essential medications. This has resulted in diagnostic errors and lack of adequate treatment. The Pierre Fabre Foundation is working in Mal to roll out teledermatology in three regions, then across the whole territory. Since 2010, it has been supporting two programs in Tanzania and Malawi for the prevention of skin cancer among albinos.

- **Sickle-cell disease**
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- **Malaria**
  - The Foundation supports two programs in Tanzania and Malawi for the prevention of skin cancer among albinos.

- **Maternal, Newborn and Child Health**
  - The Foundation supports two programs in Tanzania and Malawi for the prevention of skin cancer among albinos.

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GOVERNANCE & ETHICS

The fact that our company belongs to a foundation that is a government-recognized public-interest foundation, gives us the independence we require to ensure our activities are in line with a long-term vision and encourage responsible growth. We thus place the importance of corporate social responsibility (CSR) at the heart of our development model, loyal to the values and values of our founder. In 2015, AFNOR Certification, an independent organization, assessed our CSR approach in accordance with the AFAQ 26000 method and granted us the level “exemplary,” which was a first for a French company with over 10,000 employees.

KNOWLEDGE & NATURE CONSERVATION

Nature is a source of inspiration, innovation and knowledge and our activities are built around its wealth. Today, almost 70% of the company’s net sales rely on the marketing of products whose active ingredient comes from nature. Therefore, whether it be through the development of natural active ingredients or through the use of processes resulting from plant-based chemistry, respect for natural resources is profoundly rooted in our values.

PEOPLE & REGIONS

We believe in the employees, our economic partners and local communities in the regions where we operate, and we fit this dialog into a process based on constructive collaboration and a sense of joint responsibility. Employers and partners alike contribute to our influence and performance. In return, we support the professional development of our employees and, insofar as possible, contribute to the economic, social and cultural dynamism of the regions where we operate.

IN 2015, PIERRE FABRE LABORATORIES OBTAINED THE "EXEMPLARY" LEVEL IN THE AFAQ 26000 ASSESSMENT

EXEMPLARY LABORATORIES OBTAINED THE IN 2015, PIERRE FABRE

IN THE AFAQ 26000

ECODESIGN & INDUSTRIAL FOOTPRINT

Throughout the life cycle of our products, from the purchase of raw materials and their production to being placed on the market and their use, we ensure that our actions fit in with respect for our suppliers and reduce our impact on the environment.

CODE OF ETHICS

Our company strives to adhere to the principles of business ethics and to work with partners sharing these principles. To do so, we adopted a Group Code of Ethics. This is a document that lists the commitments, practices, and behaviors chosen and adopted by our company and which will govern both its internal and its external relationships. The code of ethics serves as a point of reference and officially defines the ethical obligations of all employees to ensure they act appropriately and make responsible decisions in their day-to-day work.

The Pharmaceuticals Division has rolled out an “Ethics and Compliance” program relating to best advertising practices and relations with health care players. This program notably includes transparency of relations and a training plan for employees assigned to pharmaceutical operations in France and abroad.

Our code of ethics is based around six main themes:
- Meet all the needs of the users of our products, from health to beauty.
- Develop relationships based on trust with health care professionals.
- Act ethically with the public authorities and all stakeholders.
- Be a socially responsible company committed to protecting the environment.
- Recognize the importance of our employees, who play a crucial role in the success of our development and commitments.
- Protect our assets to guarantee our company’s long-term success.

FIND OUT MORE: CODE OF ETHICS


KNOWLEDGE & NATURE CONSERVATION

Nature is a source of inspiration, innovation and knowledge and our activities are built around its wealth. Today, almost 70% of the company’s net sales rely on the marketing of products whose active ingredient comes from nature. Therefore, whether it be through the development of natural active ingredients or through the use of processes resulting from plant-based chemistry, respect for natural resources is profoundly rooted in our values.

PEOPLE & REGIONS

We believe in the employees, our economic partners and local communities in the regions where we operate, and we fit this dialog into a process based on constructive collaboration and a sense of joint responsibility. Employers and partners alike contribute to our influence and performance. In return, we support the professional development of our employees and, insofar as possible, contribute to the economic, social and cultural dynamism of the regions where we operate.

IN 2015, PIERRE FABRE LABORATORIES OBTAINED THE "EXEMPLARY" LEVEL IN THE AFAQ 26000 ASSESSMENT

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In 2016, the Pierre Fabre Group generated €2,282 million of revenues. The Group is experiencing strong growth that is set to continue over the coming years.

A STRATEGIC POSITION THAT SETS US APART

As a dispensary pharmacist, Pierre Fabre transposed his medical mission on an industrial scale with the drive to provide a global response to the therapeutic needs and well-being of patients. The Pierre Fabre Group has a continuous of activities that run from Rx pharmaceuticals to dermo-cosmetic care, oral care, family health care and natural health care. To put this unique “from health to beauty” approach upon health care professionals whose confidence in us has reached a peak in all the countries we operate in. Pierre Fabre researches new plant-based active ingredients for both pharmaceuticals and dermo-cosmetics. To our knowledge, no other pharmaceutical or cosmetic laboratory brings together such a continuum of expertise in botany, agronomics, extraction of plant-based active ingredients, formulation and preparation of plant-based pharmacological and cosmetics. Likewise, through its Eau thermale Avène brand, Pierre Fabre has acquired unparalleled expertise in understanding dermatological mechanisms of thermal spring water. In addition, Pierre Fabre pharmaceutical research has become a recognized player in the field of targeted biotechnologies (monoclonal antibodies, immunocorticoids and cell therapies). The dermo-cosmetics division can also rely on our cutting-edge biotechnology expertise when developing new care solutions from biological active ingredients. Pierre Fabre has become a recognized player in the field of targeted biotechnologies (monoclonal antibodies, immunocorticoids and cell therapies). The dermo-cosmetics division can also rely on our cutting-edge biotechnology expertise when developing new care solutions from biological active ingredients.

A CONTROLLED DRUG VALUE CHAIN

When it comes to active pharmaceutical ingredients, the Group is its comprehensive and integrated control of the drug value chain, from research and development to manufacturing, quality management and marketing. This expertise allows us to build partnerships of a diverse nature with the largest international laboratories or innovative biotech companies. We have reached a globally recognized level of technical skill in the development and manufacture of natural or biological active ingredients, cancer drugs (particularly in an injectable form) and hard-boiled pharmaceuticals. Today, these areas of expertise allow us to propose an integrated industrial subcontracting offer to the most demanding American, European or Japanese laboratories.

In December 2014, the Pierre Fabre Group presented its new strategic plan, named TRAJECTOIRE 2018, based on innovation, international development and sustainable value creation. Ever since, we have been implementing the plan.

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The fourth franchise is the COMO® business, a significant growth driver for our pharmaceuticals division. The Oncology franchise is made up primarily of chemotherapy specialties Navelbine®, the Group’s one of the leading pharmaceutical brands. The Oncology division is made up of three main franchises:

- Oncology
- Ethics
- Consumer Health Care

Oncology is our main priority.

We dedicate a level of investment to R&D that places us in the middle bracket of the industry: 14% of our pharmaceutical net sales in 2016. Conscious of our responsibility in research and development, the Group spends close to 15% of our net sales on R&D each year. We are looking for opportunities to license or integrate molecules already under clinical development or maximum 18 months away from this threshold, which led us in December 2015 to sign a large-scale partnership agreement with our partner Array BioPharma. The agreement concerns the development and marketing of two molecules in the latest-generation Tyrosine Kinase inhibitor class, binimetinib and encorafenib. They have already completed two Phase 3 studies, which proved positive on the whole, in the treatment of BRAF and BREF melanomas. These 2 products are currently being negotiated with the regulatory authorities, particularly in Europe (EMA).

Moreover, at the end of 2016, we set up a new Phase 3 initiative with Eribulin, developed recognized expertise in the area of monoclonal antibodies, enabling us to take part in the immuno-oncology revolution.

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DERMOCOSMETICS

As the inventor of dermo-cosmetics, Pierre Fabre Dermo-Cosmetics offers innovative skin care and hair care solutions following a sacrosanct principle: making beauty ethical. As the only international dermo-cosmetics player present in the field of therapeutic dermatology, we are making this activity the flagship for our relationship with dermatologists. We are committed to supporting patients and healthcare professionals throughout the course of treatment, with follow-on or supplementary products to the therapeutic treatment.

Our products are recommended to meet the specific needs of everyone.

We design our dermo-cosmetic products to the specific needs of everyone.

Recommended and explained by the pharmacist, exclusively in the pharmacy channel or equivalent.

We make patient support our priority.

Dermo-cosmetic care products are often recommended by dermatologists to support or aid patient compliance with a medical treatment and help improve quality of life. It is totally the case in cancer treatment, an area where treatment causes side effects with two impacts on quality of life: skin discomfort or even pain and the effect on self-confidence. Pierre Fabre Dermo-Cosmetics prioritizes support for patients and their care professionals by developing specific programs.

One SMILE (Office Education & Skin-side effects - Minimized for Living Even better) developed by the dermatological laboratory in conjunction with leading onco-dermatologists. This program is designed to provide an educational description of the range of dermatological symptoms that result from cancer treatments. The aim is to help medical staff manage side effects and support patients in regaining self-confidence.

www.care-smile.fr

Hydrotherapy treatment: the Avène Hydrotherapy Center offers a 3-week post-cancer hydrotherapy program (based on clinical study versus control group), both in improving the skin and patient quality of life.

Foundation for Atopic Dermatitis: created in 2004, in particular helps finance research and clinical studies on atopic dermatitis. In addition, it develops and organizes educational initiatives and creates, produces and distributes information materials intended for practitioners, patients and the general public.

www.fondation-dermatite-atopique.org/en

How is your dermatological Rx activity coming along?

E. D.: PFDC is the only international cosmetics company which develops and markets dermatological specialties, for the last three years, we have been pursuing the international expansion of Hemangiol®, the first, and to date the only, specific treatment for infantile hemangioma, a benign tumor which affects almost 10% of infants and can, in some cases, turn out to be harmful. In addition, in March 2017 we entered into an agreement with the American laboratory, Hyl Dermaceutically, regarding the marketing of Tisal®, starting initially with the U.S. only. This pharmaceutical drug is prescribed for the topical treatment of actinic keratosis, a skin disease whose prevalence increases as the population ages and is more frequently exposed to the sun. We are therefore confirming our strategy for development in dermatology and our determination to become a key player on the U.S., which is by far the leading market worldwide in dermatology.

What are your growth prospects for the coming years?

As part of the Trajectoire 2018 strategic plan, we are aiming at a 30% growth in sales over the 2015-2018 period. We have already covered about two thirds of the way. We will continue to develop the reputation and penetration of our brands worldwide by relying more and more on digital technologies. We must be able to create global brands while ensuring they remain relevant in their local markets. For instance, we are relying on our A-Derma innovation center in Tokyo to develop dermatology products especially designed for Asian skins. Tomorrow’s com
derators, particularly from Asia, do not yet have a strong foothold in Europe but Pierre Fabre Dermo-Cosmetics has a duty to do its groundwork to fend off challengers and remain the global challenger.

Eric DUCOURNAU
CEO Dermo-Cosmetics Division

What were the key highlights for Pierre Fabre Dermo-Cosmetics (PFDC) in 2016?

In contrast to the global dermo-cosmetics market, which saw its growth halted compared with 2015, PFDC has experienced strong growth during the year. At a constant exchange rate, our net sales have increased by 11.2%, reaching 3.3 billion euros*. Our international activity showed a two-digit organic growth for the second year in a row. It now amounts to almost 65% of our sales. In 2016, for the first time in its history, our Klorane, René Furterer and A-Derma brands have generated more net sales on the international market than in France. A-Derma alone appeared to be the most buoyant region, particularly China, which has boosted our number one subsidiary since 2015, closely followed by Latin America. We opened two new subsidiaries, in Denmark and Hong Kong, thus completing a major effort to open 9 subsidiaries on the five continents within 5 years. All our brands have innovated, including A-Derma, which has released a new brand offer on the key sun protection segment, and Galénic, which thoroughly renovated its offer in premium skin care. The opening of a new hotel at the Avène hydrotherapy center in June 2016 should also be mentioned. This establishment, with its exceptional environmental performance, will accommodate visitors in a peaceful setting with a level of comfort that you would expect from a leading international dermo-cosmetics brand.

We will continue to develop the reputation and penetration of our brands worldwide.

*+6.1% compared with 2015 according to published figures
Through a network of subsidiaries in 47 countries, including all the major emerging markets, and distribution of our products in over 130 countries, we generate 60% of our net sales in foreign markets. In total, 6,680 people are employed outside of France.

**OUR MARKETS**

The global pharmaceutical market grew by 4.8% in 2016 to reach 1,085 billion dollars, driven by North America for 47% of sales (+6%), Africa/Asia-Pacific for 24% (+4%), Europe for 22% (+5%), and Latin America for 7% (+7%).

The global cosmetics market reached 338 billion dollars in 2016, up 4.8%.

All regions in the world are growing, including Western Europe. The development forecasts between 2017 and 2021 are estimated at an average of +4% to +5% per year, due to strong projected growth in Asia, Latin America, Africa and the Middle East. The USA, the leading global cosmetics market, should remain in the top spot until 2021. The dermo-cosmetics market is estimated at $16.8 billion (€15.2 billion), or around 5% of the overall cosmetics market.

Driven at a very early stage by the desire to have a presence outside of France, the Pierre Fabre Group initially turned to Southern Europe. A natural step for a company located in the Tarn, close to Spain. Incidentally, the Group opened its first subsidiary in Barcelona in 1970. This was followed by Portugal, Italy and Greece. Our dermo-cosmetics brands now have a prime position in these four countries.

Our international development follows the model that made the company a success in France. Regardless of the country in which we are operating, the virtuous continuum principle – doctor, pharmacist, patient – prevails. This is necessary for pharmaceuticals, but also for dermo-cosmetics. It is, however, a model that we know how to adjust to take into account the specific features of each market where distribution through pharmacies is more or less developed.

Being attentive to all cultures, creating relationships based on trust with local health care professionals, adapting to the realities of the distribution channels of each market without ever surrendering our requirement for professional advice provided in an environment that is consistent with the highly technical nature of our products: this is our approach for internationally building upon what we have constructed from our native land for over half a century.
WE HAVE CREATED NUMEROUS PRODUCTS, GOOD PRODUCTS, DESIGNED WITH PASSION AND CARE; WE HAVE DONE USEFUL THINGS FOR HEALTH.

MR. PIERRE FABRE
JUNE 2005
Caring for the human being as a whole. In order to do this, we design and develop innovative solutions that contribute to people’s better-being, from health to beauty. We achieve this by cooperating with healthcare professionals, our trusted partners worldwide, by drawing relentless inspiration from nature and plants, and by placing pharmaceutical ethics at the very heart of our operations.

MISSION

Health is a unified whole. It is not just about being free from disease or disability. As the World Health Organization (WHO) says, it is a state of complete physical, social and mental well-being. The Pierre Fabre Group took on the ambition to meet this need for well-being, with a constant concern for proven efficacy and the highest level of safety, from pharmaceuticals to dermocosmetic care, from health to beauty. Men, women and children, ill, recovering or in good health, from birth to their last days, Pierre Fabre products care for everyone.
Investments in R&D reflect the importance that we attach to the discovery and development of innovative therapeutic and well-being solutions, from health to beauty. Pierre Fabre combines pharmaceutical research and dermo-cosmetic research, thus creating novel links between these different fields. The Group makes use of cross-functional expertise, in particular, research on plants and expert knowledge on active ingredients of natural or biotechnological origin.

**Oncology:** We are allocating 50% of our medical research budget to oncology, which is the priority area for innovation. Our research is focused on areas with major medical needs, mainly solid tumors, notably cancers of the aerodigestive tract such as colon cancer, head and neck cancers, or cancers of the urogenital tract, such as bladder cancer, as well as skin cancers (melanomas) and certain blood cancers such as leukemia. At the crossroads of our expertise in dermatology and oncology, onco-dermatology has become a vital area of our R&D in recent years.

**Central nervous system:** Our researchers are working to develop therapeutic solutions in the treatment of schizophrenia, bipolar disorders and depressive disorders.

**Dermatological Rx:** In this area, we are focusing our innovative efforts on treating infantile hemangioma, atopic dermatitis, orphan diseases and onco-dermatological illnesses. The development of new topical treatments for the management of these skin cancers – notably basal-cell carcinomas and actinic keratoses – are our priority now more than ever.

**Consumer Health Care:** Our consumer health care innovation unit covers a broad spectrum of solutions in the areas of family health care, oral care and natural health care. In this domain, we are developing drugs as well as medical devices, dietary supplements and cosmetics, with the aim of meeting every individual’s needs on a daily basis.

**Dermo-cosmetics:** Our researchers are identifying potential active ingredients and new targets. They are developing suitable knowledge and methods to better understand the physiology of normal skin and skin suffering from a condition, to provide the most comprehensive cosmetology offer possible, from support for skin problems to care for the skin and scalp.

**5 AREAS OF INNOVATION**

**Oncology**

**Central nervous system**

**Dermatological Rx**

**Consumer Health Care**

**Dermo-cosmetics**

The emerging scientific discipline of translational medicine bridges the gap between fundamental research carried out in laboratories and clinical research carried out on patients. The aim is to have laboratories, practitioners and patients working closely together to make new treatments – cancer treatments in particular – available as quickly as possible. Committing to the realization of the Oncopole project in Toulouse at the turn of the millennium, with its campus housing researchers, clinicians, practitioners and patients on the same site, Pierre Fabre Laboratories took an interest in translational medicine very early on. Everything is now up and running.

The Pierre Fabre Research Center is just over the road from the Toulouse University Cancer Institute - Oncopole (IUCT-O). The IUCT-O clinic receives 10,000 patients a year and is the first French treatment establishment to be awarded ISO 9001 certification for its management of clinical trials in cancer treatment. In 2016, the Group formed a partnership with the Toulouse Cancer Health Foundation and the French Institute of Health and Medical Research (INSERM), a translational medicine research chair focusing on immuno-oncology. It is backed up by the IUCT-O and integrated into the Cancer Research Center of Toulouse (an INSERM structure).
From health to beauty

Natural substances:
Plants and water are a source of multi-disciplinary scientific experiments with the aim of developing original active ingredients used in the fields of pharmaceuticals, family health care and dermo-cosmetics.

Immunoconjugates:
At the crossroads of chemistry and biotechnologies, they are currently a booming class of pharmaceuticals for cancer treatment because they allow the active components to be delivered to the very core of a cancerous cell without affecting the healthy cells. Our research teams have complementary know-how for designing, producing and assessing such molecules, by combining the expertise of targeted biotherapies developed in Saint-Julien-en-Genevois, knowledge on the cytotoxic agents studied at Toulouse-Oncopole and the chemistry know-how of the teams in Toulouse.

New chemical entities:
Technological advances in molecular and cellular biology, structural biology, molecular modeling and medicinal chemistry contribute to the discovery of innovative therapeutic principles. These therapeutic principles are approved through the implementation of pharmacological models similar to situations tested during clinical studies on patients, and are therefore highly predictive. Today, this expertise is an essential line of research, particularly in oncology and neuropsychiatry.

Biotherapies:
Based on monoclonal antibodies and recombinant proteins, biotherapies are also at the cutting edge of Pierre Fabre research, and have been studied by us for over 15 years. The interest in monoclonal antibodies lies in their highly targeted mode of action, their efficacy and their greater tolerance in relation to chemotherapy treatments.

Immunoo-oncology:
Alongside surgery, radiotherapy, chemotherapy and targeted therapies based on kinase inhibitors, immuno-oncology is now the No. 5 course of treatment for cancer. This new-generation treatment is mainly based on monoclonal antibodies, the molecules naturally produced by our immune system to fight against molecules identified as being foreign by the body.

The Pierre Fabre Immunology Center (CIPF) started looking at antibodies in the early 2000s. While chemotherapy molecules affect cancerous and non-cancerous cells indiscriminately, the CIPF wants to develop new antibodies that specifically recognize tumorous cells, preventing their growth while reducing side effects.

The advent of antibodies has opened up a whole field of research into their derivatives. For the past three years, the stars of cancer treatment have been immunomodulators. These antibodies help patients’ immune systems to “unlock themselves” and fight the tumor. At the CIPF, we are trying to find the right antibody formula for each type of cancer. Current research involves combining several immunomodulators with each other and combining immunoconjugates and immunomodulators, to improve the efficacy of the molecules even further.

Text from Figaro Partner, published on May 23, 2016 in the health care section of Le Figaro

PHARMACEUTICAL INNOVATION

The development of a pharmaceutical drug is a long and complex process, which on average takes 15 years, requiring 10,000 synthesized molecules to market one drug. To rise to this challenge, Pierre Fabre R&D relies on five main areas of expertise.

5 SCIENTIFIC EXPERTISE

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Translational medicine:
To move more quickly and safely from pure research to proof of concept then to the drug administered to the patient, Pierre Fabre R&D now uses translational medicine, an accelerated clinical development strategy based on innovative clinical designs.
To enhance our offer of dermo-cosmetic products, our researchers are identifying new active ingredients of natural, biological or chemical origin and exploring the cutaneous and capillary mechanisms on a tissue, cellular and molecular scale. They are focusing on seven areas of research and six areas of scientific expertise.

**Lines of Research**

1. **Photoprotection:** Studying combinations of filter systems meeting various criteria: broad absorption spectrum, water resistance, etc., cosmetic absorption spectrum, water criteria: chemical (broad filter systems meeting various requirements) and six areas of scientific expertise. They are focusing on seven areas of research on skin aging and offering new anti-aging targets and active ingredients.

2. **屏障 function:** Better understanding the biology of the epidermal barrier and identifying active ingredients that foster skin hydration, strengthening the barrier function, resistance to different types of stress or even cell repair.

3. **Barrier function:** Understanding the mechanisms involved in the skin aging process and developing new anti-aging active ingredients.

4. **Pigmentation:** Identifying active ingredients to support the treatment of pigmentation disorders.

5. **Hair biology:** Studying the cellular and molecular mechanisms that contribute to regulating the hair cycle, sebum production, hydration and scalp sensitivity, to improve the treatment of various types of hair loss and other disorders associated with the scalp.

6. **Cell and skin modeling:** Pierre Fabre has a cell-specializing in skin tissue engineering, which makes it possible to develop skin models from fibroblasts and keratinocytes. With a high predictive value for tolerance and efficacy of active ingredients, these models fall into a transversal assessment logic (from in vitro studies to clinical studies in humans).

7. **Formulations:** Emulsions, foams, lotions, sticks, powders, soaps, etc. Our raw materials are selected to combine oils, etc. Our raw materials are selected to combine oils, etc. Our raw materials are selected to combine oils, etc. Our raw materials are selected to combine oils, etc.

**Scientific Expertise**

- **Sterile Cosmetics:** Developing a truly "sterile," dermo-cosmetics that promotes and restores the diversity of microbial skin flora, researchers from Pierre Fabre Dermo-Cosmetics have put in place an innovative treatment with effective and well-tolerated care.

- **Microbiota:** By developing a truly “microbial,” dermo-cosmetics that promotes and restores the diversity of microbial skin flora, researchers from Pierre Fabre Dermo-Cosmetics have put in place an innovative treatment with effective and well-tolerated care.

- **In the area of dermo-cosmetics, microbiology relies on extensive experience and expertise in developing high-tech pharmaceutical processes: culture in bioreactors, production of active ingredients from plant cells or microorganisms.

- **Dermatology hydrotherapy:** The treatment of patients affected by atopic dermatitis or psoriasis at the Avène Dermatology hydrotherapy center has clearly demonstrated the therapeutic benefits of its thermal spa water. To better understand its composition and mechanisms of action, Pierre Fabre Laboratories has created the Water Laboratory.
SHARING DEVELOPING AND INNOVATING TOGETHER

We have always favored a partnership-based approach, convinced that synergy and sharing of expertise are business and innovation accelerators. 30 years after our first historic partnership agreement with the CNRS, we are continuing our collaboration with French public research bodies (Teaching Hospitals, INSERM, etc.), universities (École polytechnique de Lausanne, Université de Saclay, etc.), biotech companies (Array BioPharma, AlloCheck, Collector, etc.) and international pharmaceutical laboratories (Allergan, Abbvie, etc.). In 2015, we wanted to go further by launching two major open innovation accelerators. 30 years after our first historic partnership agreement with the CNRS, we are continuing our collaboration with French public research bodies (Teaching Hospitals, INSERM, etc.), universities (École polytechnique de Lausanne, Université de Saclay, etc.), biotech companies (Array BioPharma, AlloCheck, Collector, etc.) and international pharmaceutical laboratories (Allergan, Abbvie, etc.). In 2015, we wanted to go further by launching two major open innovation initiatives.

PIERRE FABRE FUND FOR INNOVATION: SUPPORTING INNOVATIVE PROJECTS

For over 50 years, we have been managing the supply chain to develop and produce innovative active ingredients from plants for health care and dermo-cosmetics. With the launch of Nature Open Library in 2015, we would like to share our expertise in the research, development and industrialization of plant-based active ingredients with private and public players heading innovative projects. This program notably results in providing a multi-disciplinary team of experts in the physi-industrial value chain (botanists, agronomists, chemists, production engineers, specialists in regulatory affairs, legal experts, etc.) and the opening of our plant extract sample library. With over 15,000 listed samples from 7,000 species, including some rare ones, it is one of the largest private collections in the world. Eight partnerships have already been signed in 2016, with French or international biotechnology companies, and with major groups.

http://nature-open-library-pierre-fabre.force.com

SHARING OUR PLANT HERITAGE NATURE OPEN LIBRARY:

Many ideas never come to fruition due to the lack of sufficient expertise to make the transition from the early discovery stage to clinical development. The provision of funds alone does not guarantee the success of a promising drug project. For this reason, we are offering to support project leaders by providing them with our expert teams. Among the skills offered by Pierre Fabre are pharmacology, new chemical entities, biotherapies, project leaders by providing them with our expert teams. Among the skills offered by Pierre Fabre are pharmacology, new chemical entities, biotherapies, translation medicine, pre-clinical and clinical development, the manufacture of clinical batches, market access, etc.

With the Pierre Fabre Fund for Innovation initiative, we are enabling biotechs, start-ups and public players heading innovative projects. This program notably results in providing a multi-disciplinary team of experts in the physi-industrial value chain (botanists, agronomists, chemists, production engineers, specialists in regulatory affairs, legal experts, etc.) and the opening of our plant extract sample library. With over 15,000 listed samples from 7,000 species, including some rare ones, it is one of the largest private collections in the world. Eight partnerships have already been signed in 2016, with French or international biotechnology companies, and with major groups.

http://nature-open-library-pierre-fabre.force.com

For over 50 years, we have been managing the supply chain to develop and produce innovative active ingredients from plants for health care and dermo-cosmetics. With the launch of Nature Open Library in 2015, we would like to share our expertise in the research, development and industrialization of plant-based active ingredients with private and public players heading innovative projects. This program notably results in providing a multi-disciplinary team of experts in the physi-industrial value chain (botanists, agronomists, chemists, production engineers, specialists in regulatory affairs, legal experts, etc.) and the opening of our plant extract sample library. With over 15,000 listed samples from 7,000 species, including some rare ones, it is one of the largest private collections in the world. Eight partnerships have already been signed in 2016, with French or international biotechnology companies, and with major groups.

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Avène thermal spring water is a unique property of its unique composition. Its therapeutic reputation has been recognized since 1736 and scientifically proven. Properties are harnessed by this precious, secret water during the long journey it makes towards the spring. First, there is rain. Rainwater falls over an area of around 20 km² called the impluvium, which collects the surface water and directs it towards the underground reservoir. The water gradually infiltrates a permeable rock, and it starts on a long, underground journey during which it collects minerals and trace elements. Gradually, during this descent, which is over 1,500 m deep, the water heats up, reaching 60-65°C. Via a natural phenomenon called thermosiphon, these hot masses are pushed to the surface and reach the spring via cracks in the rock. Avène thermal spring water owes its properties to a dual heritage. On the one hand, it benefits from a unique, invariable composition of minerals (bicarbonate, calcium and magnesium) and trace elements. On the other hand, its mineral content is low, balanced and most of all perfectly constant. Why? It remains underground for over fifty years.

To be researched, in particular phytochemistry, chemotaxonomy and metabolomics. Our researchers are working on identifying molecules that are responsible for the activity of a plant, through the extraction process guaranteeing a constant active ingredient content and a method ensuring the reproducibility of this content in extracts produced on an industrial scale. In parallel, our agronomists are selecting the variety that is richest in active molecules, and defining the optimum cultivation and harvesting techniques.

### THE PROPERTIES OF AVÈNE THERMAL SPRING WATER

Avène thermal spring water has been recognized for over two centuries for its soothing and anti-irritating properties. It is the essential active ingredient for a wide range of care products for the most sensitive, intolerant and allergic skin types. To deepen our knowledge of its composition and mechanisms of action, with the support of water agency, Pierre Fabre research teams are leading multi-disciplinary programs. These have unlocked the secret of its unique mineral composition: an underground journey of over 50 years, which takes it to a depth of up to 1,500 meters, during which it takes in minerals and trace elements. Recently, our researchers also brought to light the biological characteristics of the spring water.

### EXPLORING MARINE BIODIVERSITY

In order to increase our access to original natural materials (particularly in orchidology, oncology and dermatology) while preserving marine biodiversity, in 2001, we created a mixed research team at the Oceanological Observatory at Banyuls-sur-Mer (Laboratoire d’Aquitaine) in conjunction with the Pierre and Marie Curie University (Paris VII) and CNRS (National Center for Scientific Research). This team specializing in microbial ecology is studying marine micro-organisms, a renewable source of original biological active ingredients and is contributing to a better characterization of this biodiversity, which still remains almost unknown.

Its collection of microorganisms is registered at the World Federation for Culture Collections and includes over 2,000 species. To enrich this collection, the Oceanological Observatory takes part in the oceanological campaigns on different seas of the world, such as the campaign organized by the explorer Jean-Louis Etienne on Clipperton Island deep in the Pacific. It is the essential active ingredient for a wide range of care products for the most sensitive, intolerant and allergic skin types. To deepen our knowledge of its composition and mechanisms of action, with the support of water agency, Pierre Fabre research teams are leading multi-disciplinary programs. These have unlocked the secret of its unique mineral composition: an underground journey of over 50 years, which takes it to a depth of up to 1,500 meters, during which it takes in minerals and trace elements. Recently, our researchers also brought to light the biological characteristics of the spring water.

### DISCOVERING THE BENEFITS OF PLANTS

Convinced that the 250,000 flowering plants listed to date, and those that remain to be discovered, may hold health and beauty benefits, we have made research into plant-based substances a major focus to date, and those that remain to be discovered, to create a 138-hectare nature reserve on its own land to protect and list the species endemic to southern Madagascar. This reserve, named Soténa (from the name of the river flowing through our land) was established in collaboration with the Madagascar Ministry of Water Resources and Forestry and was granted a status recognized by order of the Directorate General for the Environment and Forests of Antananarivo. The partial inventory of flora at the reserve reached 160 species, including 20 species protected by international legislation. This transition forest (between dry forest and rainforest) is primarily dominated by the species Osyosulonje alabaster, Emera sp., Rhigozum madagascariense, Convolvus sp., Aloe divaricata and Ascutia modesta. Other observations are due to take place at different times to better record the existing biodiversity.
From health to beauty
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We have chosen to intensify the design and manufacture of the greater part of our products, from research to distribution, to guarantee quality by controlling the entire logistics chain. Our manufacturing applies innovative processes, based on a progress initiative, which constantly raises the standards and the overall level of quality.

SPECIFIC KNOW-HOW

Cytotoxic molecules and products in oncological conditions
Specialized in aseptic filling using biotechnological technology to manufacture cytotoxic molecules (Pyrénées-Atlantiques) was the first French pharmaceutical site to gain approval from the American Food and Drug Administration (FDA) in 1995.

Pharmaceuticals in dry forms and liquid forms
Conceived in 1983 by Rhône-Poulenc, the Gien site (Loiret) was integrated into Pierre Fabre Laboratory in 1995. Today it is the Group’s largest pharmaceutical production site. It manufactures and packages pharmaceutical and cosmetic products and medical devices in dry forms (such as capsules, tablets and sachets), as pastes and liquids.

Paste forms and toothpastes
The Gien site also produces toothpastes to pharmaceutical standards. A new workshop was built to accommodate this production, transferred from the Château-Renard site. The Elgydium toothpaste and other toothpastes to pharmaceutical forms and medical devices in dry forms (such as capsules, tablets and sachets), as pastes and liquids.

Sterile Cosmetics and Dermocosmetics
The Gien site (Loiret) was the first to manufacture and package dermo-cosmetic active ingredients. It uses innovative, constant flow production technology, with standards and the overall level of quality.

Purified waters and biotechnological waters
The production of purified bases for pharmaceutical products is the core business of the Aignan site (Gers). It uses innovative, constant flow production technology, with many benefits for our European and American partners. In 2016, part of the packaging was transferred to the Cahors production site.

From health to beauty
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ATTENTIVENESS

PROVIDING SUPPORT, FROM PRESCRIPTION TO ADVICE

The Pierre Fabre Group is committed to improving the treatment, health and well-being of patients and consumers. To carry out this mission, we form partnerships based on trust all over the world and at home with health care professionals who are in the best position to prescribe or recommend the Group's products. They know their patients' needs and can provide them with necessary information for the correct use of their products better than anyone else.

SUPPORT AT THE HEART OF THE MODEL

Whatever the extent of the disease or discomfort from which the patient or consumer is suffering, we consider it a health risk. Based on that principle, our vision is that everyone should benefit from advice and monitoring, where appropriate, by a health care professional: doctor, pharmacist, dental surgeon, midwife, podiatrist, nurse, etc. We believe that only health care professionals are in a position to identify the most suitable solution with patients for their pathology or needs.

Of course, we apply this vision to pharmacists but we also apply it to dermo-cosmetic products, which we feel, in certain cases, should be recommended by a dermatologist and systematically prescribed by qualified individuals or people trained to give suitable advice.

TRAINING AND INFORMATION

All health care professionals, in particular doctors and pharmacists, are involved in our research and receive regular information on our specialties. We provide them with training tools and information in order to support them in their task of diagnosis, advice and therapeutic education. The Foundation for Atopic Dermatitis, as well as Club dermaweb and Club pharmaweb, are three significant examples of this.

To meet patient and consumer needs, we develop tools for use throughout their course of treatment.

Prescription and advice in the e-health age

The Pierre Fabre Group brands develop a great many educational applications or platforms to access the variety of their ecosphere. It also enables them to improve their medical monitoring using a digital approach. The foundation for atopic dermatitis, as well as Club dermaweb and Club pharmaweb, are three significant examples of this.

SKEINS, developed by Club Dermaweb, is the first mobile teledermatology application for diagnostic support in dermatology for health care professionals. It can be used to optimize the treatment and advice to the patient and to provide diagnostic and therapeutic support within 48 hours.

DERMOCONTROL®

developed by Ducray, is a free mobile application enabling people to live more comfortably with partners in the French eczema association "La Fondation pour la dermatite atopique" (the Pierre Fabre Group foundation for atopic dermatitis) and the "Réseau National de Surveillance de la Dermatite atopique" (R.N.S.A) (French national network of epidemiology monitoring), a help for patients, for instance, to assess the severity of their eczema. It also enables them to improve their medical monitoring using a digital approach.

FEADAP, an educational, adaptable online platform developed by Pierre Fabre Médicament, which raises patients’ awareness of the importance of regular exercise for their health.

Skinsight, a mobile application for teledermatology, has been developed by Club Dermaweb, is the first mobile application for teledermatology in the world and is available in 2 versions: with a dermatologist and systematically prescribed by qualified individuals or people trained to give suitable advice.

The Pierre Fabre Group has launched SKINDIAG, a free mobile application developed by Ducray, is a free mobile application enabling people to live more comfortably with partners in the French eczema association "La Fondation pour la dermatite atopique" (the Pierre Fabre Group foundation for atopic dermatitis) and the "Réseau National de Surveillance de la Dermatite atopique" (R.N.S.A) (French national network of epidemiology monitoring), a help for patients, for instance, to assess the severity of their eczema. It also enables them to improve their medical monitoring using a digital approach.

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2 hackathons were organized to devise innovative solutions for patient better-being in the urology and acne area.

The Castres-Mazamet e-health Summer University is one of the unmissable health innovation events. In 2016, it celebrated its 10th year. In the course of this years’ event, Pierre Fabre presented the e-Health Award, which it sponsors. This award was granted to an innovative project in mobile health: JokkoSanté, a Senegalese start-up. JokkoSanté, an efficient virtual community pharmacy, provides a simple and innovative solution to the problems of accessing medicines in Senegal based on mobile telephony. The application allows faster access to medicines through a very original circular economy and solidarity financing mechanism.

I use my dentist: Pierre Fabre Oral Care puts at the disposal of French dental surgeons a virtual world in which they can learn about the stress that may be felt by their patients. Thanks to Virtual Reality (VR), professionals can put themselves in the patient’s shoes in just a few minutes.
PREVENTION

Convinced of its mission, caring for the human being as a whole, the Pierre Fabre group has been committed for several years to supporting the prescription and practice of Health and Adapted Physical Activity (APAS).

To this end, a number of actions and tools have been developed for the benefit of health care professionals, patients and caregivers, from documents enabling health care professionals to screen and monitor their chronic patients, to support throughout the domestic territory, to programs on therapeutic education or on the awareness of the benefits of the practice of APAS.

Since March 2017, doctors – general practitioners or specialists – are responsible for the prescription of this APAS for patients suffering from chronic conditions (diabetes, HBP, etc.) and must, during a dedicated consultation, make their patients aware of the importance of this practice.

To help and encourage them in this public health approach, the Pierre Fabre group developed FeelCaps*, a free digital service accessible to all. Both an e-learning and serious game platform, FeelCaps explains to the patient, through a gaming session, the advantage of moving around more. Doctors, for their part, monitor their patients’ progress. Thanks to this, FeelCaps makes it possible to develop exchanges between patients and health care professionals, creating the link required for this prevention mission and the compliance with the prescription.

* FeelCaps: online therapeutic education tool on how physical activity contributes to health.

COMPREHENSIVE TREATMENT OF PATIENTS

In order to do this, we are developing programs that support the work of health care professionals. Our goal: to ensure that the health of patients suffering from severe or chronic pathologies is not worsened, and to help healthy individuals stay in good health.

PREVENTING SKIN CANCER

The Eau thermale Avene brand is involved in numerous actions worldwide:

• Supporting the Day for Preventing and Screening Skin Cancers in France, Spain and Mexico

• In partnership with the European Skin Cancer Foundation, a foundation which aims to improve knowledge on skin cancers and to support research projects in this therapeutic field

• Creating websites dedicated to sun protection in Italy and Spain: www.benvenutosole.it and www.saludysol.es

• Production of a public-domain documentary, in Spain, on the public interest of our protection to prevent skin cancer “la Memoria a flor del piel” available on YouTube

• Educating children about sun protection, particularly in Turkey, using fun and educational materials

SMOKING CESSATION

Committed to smoking cessation for over 20 years, Pierre Fabre Health Care is involved in public health actions that target the general public and health care professionals:

• Taking part in the World No Tobacco Day, via awareness-raising operations on stopping smoking, led in both French hospitals and pharmacies, for patients, hospital staff and pharmacy personnel

• Observational study in pharmacies over more than a year, aiming to assess the effectiveness of individual meetings on smoking cessation in pharmacies, and encourage the treatment of tobacco addiction

• Performing a STOP study over one year in pharmacies in South-West France, with the objective of assessing the effectiveness of individual interviews in pharmacies on stopping smoking

• Organizing conferences on the subject of “women smoking” to encourage interdisciplinary discussions on the dangers and general management of smoking amongst women

• Providing tools (tests, brochures, CO analyzers) to help health care professionals raise awareness on smoking cessation among the general public

PREVENTION IN ORAL CARE

Based on our unique experience in oral care, Pierre Fabre Oral Care is getting involved in awareness-raising and prevention actions. The objective is to raise awareness among the general public, and children in particular, on the rules of good oral hygiene and the importance of regular dental check-ups.

• In France, educational tools and applications are being developed to motivate children to brush their teeth and support is provided to numerous charities offering dental care to the poorest people

• Creation of the “Oral Care Coach” and “Oral Care Kids” mobile apps in Switzerland

• Play written in Portugal and Bulgaria that is performed in schools and libraries to raise awareness about the importance of good oral care

• Participation in the national program in Singapore to raise awareness on oral hygiene for children under the age of 7, providing toothbrushes and toothpastes to all children in nursery school

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CONTRIBUTING TO PUBLIC HEALTH CHALLENGES

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From health to beauty

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and specific educational and training
and pharmacists with new treatments
and dermatologists, general practitioners
we are innovating to provide patients,
In dermatology and dermo-pediatrics,
AT THE HEART OF
the Foundation for Atopic Dermatitis
dedicated to the fight against eczema:
Creation of a corporate foundation fully
dermatology.
Creation and management of Club
dermaweb and Club pharmaweb,
two free websites for dermatologists,
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INNOVATION
ONCO-DERMATOLOGY
A PUBLIC HEALTH ISSUE
Skin cancer rates have risen steadily for 30 years. This has become a major public health issue, both in terms of prevention and therapy. We estimate that one in six people will develop a skin cancer in the future. The development of new treatments for managing these cancers, especially melanomas, which is the most dangerous form, has become a public health priority. With our proven expertise in both oncology and dermatology, onco-dermatology has become a natural, vital area for our research.

3 RESEARCH CENTERS
• Pierre Fabre Research and Development Center
• Dermatology for the pharmaceutical, toxicological
• Skin Research Center (Hôtel-Dieu, Toulouse)

SHARING
INFANTILE HEMANGIOMA
A SUCCESSFUL PUBLIC-PRIVATE PARTNERSHIP
Infantile hemangiomas, which affects 10% of infants, is a benign tumor that appears in the first weeks of life. It can have major functional and aesthetic consequences. In 2007, the Bordeaux teaching hospital (Hôpital Nord, Université Bordeaux II) contacted Pierre Fabre Dermatology for the pharmaceutical, toxicological and clinical development of this drug in its new pediatric dermatology indication. Seven years after the start of this collaboration, in March and April 2014, the drug obtained two market authorizations, one for the U.S. and the other for the whole of the European Union.

CLINICAL TESTING
Infantile hemangiomas are the most dangerous form of hemangiomas. It is a benign tumor that appears in the first weeks of life. It can have major functional and aesthetic consequences. In 2007, the Bordeaux teaching hospital (Hôpital Nord, Université Bordeaux II) contacted Pierre Fabre Dermatology for the pharmaceutical, toxicological and clinical development of this drug in its new pediatric dermatology indication. Seven years after the start of this collaboration, in March and April 2014, the drug obtained two market authorizations, one for the U.S. and the other for the whole of the European Union.

FROM RESEARCH TO THERAPY
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INNOVATION
DERMO-COSMETICS
SKIN EXPERTISE
As the inventors of dermo-cosmetics, we offer innovative skin care and hair care solutions following a sanocratic principle: making beauty ethical. Our dermo-cosmetic researchers have developed undeniable expertise in the interlinked areas of dermatology and cosmetology. In close collaboration with the best international specialists, they conduct various clinical studies, thus helping to develop new dermo-cosmetic concepts and building on knowledge of the skin. Our dermo-cosmetic care products are recommended by health care professionals and administrated by staff trained in our ethical approach to beauty, thus guaranteeing individually tailored solutions.

科目 dermaweb  & Club pharmaweb
Club dermaweb, dermatology website for doctors
Club dermaweb is a unique site for dermatology training and information for doctors. It offers medical content written up by experts, approved by a scientific committee and updated weekly. Club dermaweb has been awarded numerous prizes and recommended by international scholarly societies. Available in five languages (French, English, Spanish, Portuguese and Chinese), it has over 23,000 registered members in over 130 countries, including approximately 75% dermatologists.

Club pharmaweb, dermatology website for pharmacists
Club pharmaweb supports pharmacists in giving dermatology advice. It offers comprehensive scientific content on dermatological conditions. The content is approved by a scientific committee and is regularly updated. The site offers free access for pharmacists and pharmaceutical personnel. It has almost 11,000 registered members in over 40 countries.

Focus on the Skin Drug Reactions Base this mobile application enables doctors and pharmacists that are Club dermaweb members to easily find out about the skin reactions attributed to a drug, by searching by drug (and finding the list of reactions) or skin reaction (and finding the list of medications that can cause it). It also offers a drug, by searching by drug (and finding the list of reactions) or skin reaction (and finding the list of medications that can cause it). It also offers a drug, by searching by drug (and finding the list of reactions) or skin reaction (and finding the list of medications that can cause it) 

SUPERTIP: EDUCATION
A FOUNDATION DEDICATED TO ATOPIC DERMATITIS
Created in 2004 by Pierre Fabre Derma-Cosmetics, the Foundation for Atopic Dermatitis helps fund research and clinical studies on atopic dermatitis. For over 10 years, the Foundation has been helping to treat patients by developing centers in France and abroad and funding clinical studies. It has helped create and develop 56 Atopy Schools in Europe, China, Colombia and Mexico to develop therapeutic education. In addition, it develops and organizes educational initiatives and creates, produces and distributes information materials intended for practitioners, parents and children.

INNOVATION
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THE SAME ADVENTURE WHICH ALLOWS US TO SHARE STRONG VALUES

MR. PIERRE FABRE  DECEMBER 2009
Values at the heart of corporate culture

The Pierre Fabre culture is built on nine strong values shared by all members of the company. These values, directly inherited from the humanist and entrepreneurial spirit of our founder, shine through on a daily basis in our collective practices and our individual actions.

We promote these values among new employees and in all regions where the company operates, particularly through the training program “Culture & Avenir” [Culture & Future]. Combined with our business model, our values make work meaningful, and make Pierre Fabre Laboratories an employer of choice.

COHESION
PHARMACEUTICAL PRECISION
INDEPENDENCE
A HUMANIST APPROACH
INNOVATION
ENVIRONMENTAL FRIENDLINESS
ATTENTIVENESS IN THE FIELD
ENTHUSIASTIC ENTREPRENEURSHIP
PERFORMANCE RECOGNITION

OHSAS 18001 CERTIFIED SITES
We have chosen to obtain certification according to the OHSAS 18001 standard for our two main production sites for active ingredients, in Gaillac (Tarn) and in Virrey del Pino in Argentina, as well as at our Skin Research Center at Hôtel-Dieu (Toulouse), where we carry out clinical studies.

This occupational health and safety management system helps to ensure a structured approach, focused on the principle of continuous improvement, and demonstrates our commitment to sites presenting significant potential risks or risks concerning voluntary participants in our clinical studies.
AN ACTIVE INTERNATIONAL ACADEMIC PARTNERSHIP POLICY

For many years now, Pierre Fabre Laboratories has been implementing an active policy promoting relations with schools and universities in our home region and we are currently developing these relations throughout the world. Due to the diversity of our activities and the wealth of our business areas, we are taking action at all training levels, from high schools to universities and prestigious graduate schools. The interlinked collaboration between Pierre Fabre Laboratories and the schools and universities can take several forms:

- Regularly taking part in recruitment drives and selection panels
- Participating in events on campuses to present the company and its business areas
- Involving company managers in teaching, at conferences or round-tables.
- Helping create degree programs
- Creating teaching chairs
- Funding student scholarships
- Welcoming young students during internships or work/study training programs
- Conducting company projects and site visits

PROGRAMS OF EXCELLENC FOR YOUNG GRADUATES, SPRINGBOARD FOR AN INTERNATIONAL CAREER

To attract young talent, Pierre Fabre Laboratories is offering a range of programs and measures with an international dimension.

Excellence Marketing program
In partnership with the Toulouse Business School, this program, leading to a diploma, is designed to train Product Managers with high international potential. These young graduates then join the company, often through positions under the Volunteer for International Experience program. We have also opened up this excellence in marketing program to talent coming from our international subsidiaries to help their integration and quick immersion into the culture and methods of the Group.

VIE (Volunteer for International Experience)
Each year, more than forty young graduates join Pierre Fabre Laboratories for a 12-24-month assignment to be trained in various positions such as product manager, management controller, logistics project manager, etc. The VIE program is a real opening to the international arena, and provides the opportunity to reveal the potential of young graduates hoping for an international career.

A COMMITMENT TO ACADEMIC RESEARCH ON OUR CORE BUSINESS

The "Supply Chain Agile" chair at the École des Mines in Albi: in April 2016, Pierre Fabre and the École des Mines d’Albi created a corporate chair on agility in supply chains. Each chair gives our managers the opportunity to develop their skills through specific exchanges and training programs. This chair is both the result of over 15 years of collaboration between the school and the company and the creation of dynamic cooperation, which is a vector for future innovation in an area of excellence for both partners. Aiming to accelerate the distance between the industrial and academic worlds, the Chair aims to encourage engineers and PhD students to carry out applied research, notably on real Group situations, to ultimately develop new concepts and tools that may improve the agility of our supply chains.

Pierre Fabre International Graduate Program
To offer high-potential young talent an innovative, appealing career, the Pierre Fabre Group launched its first International Graduate Program in 2015. This program is a real pathway to excellence and a career booster, and aims to offer unique international experience for our future managers. This program offers an 18-24-month immersion course in various company departments, alternating between France and abroad, with operational assignments and strategic project management. The aim is to understand the Group’s culture and operations before joining a subsidiary at the end of the program.

FIND OUT MORE

93% of students in work/study training programs or internships with Pierre Fabre recommend the company

During the last “Happy Trainees” survey conducted by an independent website, meilleures-entreprise.com, students taking part in internships and work/study training programs with Pierre Fabre were questioned on the benefits of their assignments and the quality of welcome and support in the company. The figure proves our commitment to the development of our interns: they ranked us 16th in the “100 to 500 interns and work placement students” category, and 93% recommend us as a “company of choice” for internships.
CONTRIBUTING TO THE ECONOMIC AND SOCIAL DEVELOPMENT OF OUR REGIONS

TARN & MIDI-PYRÉNÉES, OUR NATIVE LANDS

Our company wishes to contribute to impacting the regions where we operate and share its development with the local communities. We support various projects, particularly in the Midi-Pyrénées region.

ECONOMY

- Tarn Entreprendre: association for helping new companies, created in 1997 at the initiative of Pierre Fabre.
- Installation of a high-speed network for southern Tarn: the Group is the founding shareholder of the mixed economy company, Intermédiasud.
- Tarn & Gers competitiveness cluster in Carcassonne.

EDUCATION

Partnerships with the education system: regional schools and universities to develop training programs.

CULTURE AND HERITAGE

- Supporting several museums: the Goya Museum, the Toulouse-Carcassonne Museum and the Dorn Robert Museum and the Abbaye School of Sainte (educational and cultural space, where Pierre Fabre has set up the Pierre Fabre University).
- The Pierre Fabre Foundation, a Corporate Foundation, supports the Great Green Wall program, which aims to slow down desertification in the Sahel by planting desert date trees: 60,000 planted in Senegal in six years.

SPORT

We support various athletes associations in the Tarn and we are the main partners of Castres Olympique, a French rugby team playing in the national league.


REGIONS

It is a shared story, a story of places and people, but also a way of claiming our identity and taking pride in our differences: the Pierre Fabre Group has always shown willingness to share our developments with the regions in which we operate and, more specifically, our native land.

No. 1 EMPLOYER IN THE TARN

1 of the 3 LEADING PRIVATE EMPLOYERS in Occitania

365 MILLION EUROS INVESTED in greater southwestern France between 2014 and 2016

70% OF OUR PURCHASES come from French companies

OF OUR SUPPLY CHAINS
FAIR TRADE, SUPPORTIVE AND ACCOUNTABLE SOURCING

ETHICAL SHEA BUTTER FROM BURKINA FASO - RENÉ FURTERER

Founded in 2004, SOTOKACC, a small business based in Toussiana (Burkina Faso), through which our René Furterer brand obtains its shea butter, provides not only regular income and social autonomy for its 16 female employees, but also for over 1,500 women who produce and harvest the nuts.

Our supply contract with this small business is set for five years, with a pre-financed 100% Shea butter order.

In 2015, the René Furterer brand funded a socio-economic impact study by the firm UTOPIES. The aim was to assess the impact of René Furterer procuring shea butter on the number of direct, indirect and spin-off jobs created in Burkina Faso.

The total ethical shea butter production activities of SOTOKACC in 2014 sustained 192 jobs in Burkina Faso.

This supplier is fair trade-certified.

MORINGA IN MADAGASCAR - RENÉ FURTERER

René Furterer is working on several major projects in Madagascar: first of all, economic and ecological missions, by providing technical support for farmers: improving yields, teaching good farming practices, crop diversification, etc. And many core missions will focus on fighting malnutrition: farmers are educated on the benefits of growing fruit trees and Moringa oleifera and using its leaves as vegetables, rich in vitamins and minerals. The Moringa chain used by René Furterer is managed by our Madagascar subsidiary, labeled a “responsible company” according to Ecocert’s ESR standard.

The Baobab des savanes company in Tsim, Semena provides us with dates from the desert date palms. In order to harvest the dates, this company works with two Economic Interest Groups (EIGs) in the Mbinda and Galaya regions of northern Senegal. These two EIGs include around 200 women who pick the dates on a farmed area of almost 300 hectares, which is certified organic. The Klorane Botanical Foundation, a Corporate Foundation, supports the Great Green Wall program, which aims to slow down desertification in the Sahel by planting desert date trees: 60,000 planted in Senegal in six years.

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THE DESERT DATE PALM IN SENEGAL - KLORANE

Klorane

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We are helping fight against malnutrition affecting children in Madagascar by paying 5% of our sales from the Centella Asiatica leaf to the National Office for Nutrition, so they can develop social projects. In addition, the Pierre Fabre Foundation contributed to renovating the Ranopiso maternity based on a proposal from our subsidiary.

Our 200 hectares of farmland and the Ranopiso Arboretum have Ecocert organic farming certification*. We also decided to create a 138-hectare nature reserve on our land to protect and list the species endemic to South Madagascar.

Its contribution to the national reforestation operation, “one child = one tree planted” as well as the employees planting 10,000 trees to make up for the carbon footprint generated by manufacturing our cancer drugs (made using tropical periwinkle, mainly grown in Madagascar), earned the subsidiary the Ecocert* “Reforestation and Solidarity” label.

An independent firm, Utopies, assessed the socio-economic impact of our subsidiary. The results show a significant effect on local employment with over 1,000 jobs supported. One job created by our subsidiary generates 27 additional jobs on the island.

Our subsidiary was labeled a “responsible company” according to Ecocert’s CSR (Fairness, Solidarity and Responsibility) standard*. It reached the Exemplary level in 2016.
**NATURE**

**PRESEVER BIODIVERSITY**

**AND SHARING OUR KNOWLEDGE**

Because biodiversity plays a crucial role in maintaining natural balances and provides many services to humanity, particularly in the fields of health and beauty, its preservation is a major concern for our Group.

**SHARING KNOWLEDGE**

In order to preserve and use nature’s treasures sustainably, it is first of all crucial to have good knowledge of them. Pierre Fabre Laboratories is convinced of this, so our researchers and experts are behind various initiatives for developing and sharing knowledge about plants and spring waters, particularly through exchanges with expert scientific institutions and local associations. The company has also created structures dedicated to developing knowledge on natural substances: the Water Laboratory and the Pierre Fabre Botanical Conservatory.

At the foot of the Cévennes, the Water Laboratory was created to protect and better understand the therapeutic value of Avène thermal spring water. This experimentation site shares its knowledge and discoveries on Avène water and its soothing, anti-irritating and healing properties, and more widely on water, particularly through communications intended for scientists or the general public.

In Soual in the Tarn region, we created the Pierre Fabre Botanical Conservatory in 2001, dedicated to research, protection and conservation. Nearly 1,000 plant species are represented, of which 30% are protected. In 2010, it became the 4th largest French scientific institution and the 1st private French organization to obtain approval from CITES*. In 2012, its herbarium received international recognition from the New York Botanical Garden.

*KLOT*: Convention on International Trade in Endangered Species

**140,000 trees planted since 2007**

- **MOORE**
  - 4,000 trees since 2010
- **SENEGAL**
  - 60,000 trees since 2010
- **MALI**
  - 2,286 trees since 2015
- **FRANCE**
  - 2,400 Km hedges since 2014
- **MADAGASCAR**
  - 60,500 olive trees since 2016
- **GRECE & ITALY**
  - 10,300 olive trees since 2007

Klorane Botanical Foundation, founded in 1994, is the corporate foundation of Pierre Fabre Laboratories. For over 20 years, it has been sowing the seeds of botanical passion all over the world. The Foundation’s commitment to promoting our plant heritage is rooted in three specific missions: PROTECT endangered plants, EXPLORE botanical treasures in order to better understand and protect them, SHARE its botanical passion with as many people as possible, particularly children.

Through its commitment to various programs, such as the Great Green Wall, UNESCO GREEN CITIZENS, and Botany for Change, Klorane Botanical Foundation gives back to plants the position they deserve in our lives and cities.

FIND OUT MORE
www.kloranebotanicalfoundation.org

*GCIT*: Convention on International Trade in Endangered Species
Our environmental strategy is based on two issues: saving resources and limiting discharges (water, air, waste) from design to the end of the product’s life cycle. This strategy is integrated into a global management system dedicated to health, safety and the environment. To determine suitable environmental action plans, we use assessment tools such as carbon analysis, analysis of product life cycles and energy diagnostics.

**HIGH ENVIRONMENTAL QUALITY®**

The “High Environmental Quality®” (HQE®) approach is based on reducing a building’s impact on the environment and optimizing the living environment for the comfort and health of users. An operations management system (quality system) and 14 targets are therefore used to determine the Environmental Quality of a building (e.g.: energy management, acoustic comfort, etc.).

**THE CIRCULAR ECONOMY**

The Pierre Fabre Dermo-Cosmetics plant in Soual (Tarn) is now equipped with a biomass boiler, destined to annually recycle 1,000 metric tons of plant residue from the extraction of two medicinal plants - tropical periwinkle and dwarf palm from Florida - and Rhealba® Oat, used by the A-Derma dermo-cosmetics brand. This residue is produced in Gaillac (Tarn), around 50 km from Soual, by the Pierre Fabre Pharmaceuticals plant, which specializes in the extraction of natural pharmaceutical and dermo-cosmetic active ingredients from plants. The residue, combined with woodchips, waste from the

**ENIRONMENTAL MANAGEMENT**

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The company is performing experimental HQE® operations for its three latest industrial investments: extension of the dermo-cosmetics plant in Soual (Tarn), extension of the Avène plant (Hérault) and construction of the antibody biotechnology unit in Saint-Julien-en-Genevois (Haute-Savoie).

**ISO 14001 CERTIFICATION PROCESS**

The ISO 14001 certification process is an environmental management system. It is being rolled out at the active ingredient production sites in Gaillac (Tarn), Palézieux (Switzerland) and Virrey del Pino (Argentina) as well as at the pharmaceutical production site in Pau (Pyrénées-Atlantiques) and the dermo-cosmetics production site in Soual (Tarn). It is used to guarantee a structured approach based on the principle of continuous improvement. To date, 100% of our chemical activities are covered, as well as both of the Group’s largest industrial sites. Our ambition is to continue to develop this certification at other Group industrial sites.

**Ecodesign in Practice**

Throughout the life cycle of Pierre Fabre products, from the purchase of raw materials and production to being placed on the market and their use, the Group ensures that our actions fit in with respect for our suppliers and reduce our impact on the environment.

To do so, the Group conducts ecodesign projects aiming to reduce the environmental footprint of our products compared to previous products or other offers on the market.

**Finding Out More**

A primary source of inspiration for Pierre Fabre Laboratories, the plant world is an endless but delicate source of creativity. Wanting to play their part in contributing to the challenges related to biodiversity loss while meeting the goals of innovation, safeguarding supplies and the quality of active plant ingredients, Pierre Fabre Laboratories has developed a responsible cross-functional approach across the Group called Botanical Expertise Pierre Fabre, which is EFQM* certified.

The Botanical Expertise Pierre Fabre approach is based on four founding principles: innovate, preserve, guarantee and respect. These principles give structure to the development of our plant-based active ingredients. Of the 418 plant extracts used by Pierre Fabre Laboratories, over 279 are included in the Botanical Expertise Pierre Fabre approach, including those used to develop the Group’s emblematic products and brands: Navelbine® and Javlor® (oncology), Permixon® (urology), A-Derma, Ducray, René Furterer, Klorane (dermo-cosmetics) and Naturactive (natural health care).

PLANTS AT THE CORE OF THE GROUP’S MANY PRODUCTS

- Bambusa® Oat - A Derma
- Tropical periwinkle - Navelbine® and Javlor®
- Senna repens - Permixon
- Foxglove hair care range - Ducray
- Shea - René Furterer hair care range
- Ruscus - Cyclo 3 - Naturactive
- Myrtle - Keracnyl range - Ducray

The Botanical Expertise Pierre Fabre approach is the name given to our approach to the responsible development of plant-based active ingredients, from research on plants - and their active ingredients - to the production of active ingredients, their use in the formulas of our products and their cultivation. This development is part of a virtuous circle aiming to develop innovation, preserve biodiversity, guarantee the efficacy and quality of our plant-based active ingredients and respect our partner farmers, growers and suppliers, contributing to the sustainable development of our sourcing regions and their communities since 2010, the approach has been recognized by the European label EFQM* awarded in France by the AFNOR group. A label combining Quality and Sustainable Development.

*European Foundation for Quality Management
EVENTS

2016 2017
As part of a revitalization convention signed with the French state, the group supports the creation of 230 jobs in the Tarn area over a period of three years. True to its territorial roots and to the entrepreneurial spirit of its founder, the group has set up an original financial scheme intended to accompany the development of local companies, or of companies wishing to settle in the region.

Developed in partnership with the Chamber of Commerce and Industry of the Tarn and with the Crédit Agricole Nord Midi-Pyrénées, this scheme includes two types of assistance plans, which can be combined if need be, depending on the nature of the project: a bank loan fund with bonus rates and a grant fund. This scheme will make it possible to support companies, and first and foremost, SMEs and ETI, over time, in association with all the players in the economic development of the region.

In partnership with the Sovereign Military Order of Malta, the aim of this mobile medical unit is to provide aid to the Syrian refugees and the local population with medical assistance.

In partnership with the Sovereign Military Order of Malta and the Pierre Fabre Foundation, the group has set up an original financial scheme intended to accompany the development of local companies, or of companies wishing to settle in the region.

To date, and after 10 years of experience in combating this disease, the Pierre Fabre Foundation’s four areas of intervention. In 2006, the Foundation set up a consortium to build a reference center for combating the disease in the Global South. The Sickle-Cell Disease Research and Control Center was inaugurated in 2010 in Bamako (Mali).

The fight against sickle-cell disease is one of the Pierre Fabre Foundation’s four areas of intervention. In 2006, the Foundation set up a consortium to build a reference center for combating the disease in the Global South. The Sickle-Cell Disease Research and Control Center was inaugurated in 2010 in Bamako (Mali).

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PIERRE FABRE ORAL CARE AND THE UNION FRANÇAISE POUR LA SANTÉ BUCCO-DENTAIRE ORAL CARE

A more than half of French people are anxious about oral care. Stressed, anxious, frightened... these are the words that 84% of French people use to describe their state of mind when going to or during a dentist appointment. As these feelings are not uncommon, it is essential to take the necessary steps to reassure their stressed patients. In February 2016, Pierre Fabre Oral Care launched a new digital health service named “FeelCaps” intended for chronic patients, which will have access to a VIRTUAL COACH in the form of an app designed to provide personalized coaching to or during a dentist appointment.

JANUARY 11, 2017

PIQUER AND PIERRE FABRE SIGN AGREEMENT TO ASSESS AND DEVELOP FORMULATIONS FOR CHRONIC PATIENTS

PIQUER Therapeutics AG, a Swiss company specialized in the development of pharmaceutical products in the field of neurology and neurodegenerative diseases, announces that it has entered into a research and development agreement with Pierre Fabre. PIQUER and Pierre Fabre have announced the signing of the collaboration agreement for the development of their Phase 1 drug candidate, which is a combination of the brown algae extract F17464 and an antagonist from Pierre Fabre Research in the Central Nervous System, which presents an original mode of action.

FEBRUARY 03, 2017

PIERRE FABRE PHARMACEUTICALS ANNOUNCE THE ORGANIZATION OF A RESEARCH PROJECT IN TRANSLATIONAL MEDICINE

Pierre Fabre announced the first results of the pivotal phase III COLUMBUS trial with the treatment combination binimetinib (bini) and encorafenib (enco) in BRAF-mutant melanoma patients. The study has achieved primary endpoint, with the biniciko combination significantly improving progression-free survival (PFS) compared with vemurafenib, a BRAF inhibitor, on its own. The biniciko combination was well tolerated on the whole, and the reported adverse events were overall consistent with previously published clinical trial results on the binici combination in BRAF-mutant melanoma patients.

JUNE 12, 2016

THE DAY ONE FORUM, ORGANIZED JOINTLY BY THE PIERRE FABRE RESEARCH INSTITUTE AND THE CANCER-BIO-HEALTH COMPETITIVENESS CLUSTER, BROUGHT TOGETHER MORE THAN 300 INNOVATORS IN ONCOLOGY, DERMATOLOGY AND ONCO-DERMATOLOGY AT THE ONCOPOLE SITE IN TOULOUSE.

The Group is launching an open innovation program, designed to enable start-ups and public and private research laboratories specializing in oncology or dermatology, as a priority in France and Europe.
In 1957, Mr. René Furterer launched his eponymous brand. His hair care products and rituals based on unique expertise, naturalness, sensoriality, and exclusivity. The same values that established his as a benchmark in hair care.

October 2016

DERMOCONTROL®: A MOBILE APPLICATION TO LIVE MORE COMFORTABLY WITH ECZEMA

Eczema affects almost 1 in 10 adults in France and is the most prevalent skin disease. Although it is “common,” this does not mean it is easy to live with. So how can “living with eczema” be improved? Our Ducray brand’s answer with a mobile application: DERMOCONTROL® by DUCRAY

This was developed in partnership with l’ Association Francaise de l’ Eczéma (the French eczema association), the Fondation for the dermatite atopique (the Pierre Fabre Group foundation for atopic dermatitis) and le Réseau National de Surveillance Aérobiologique (R.N.S.A) (French national network of aerobiological monitoring).

March 03, 2017

STRATEGIC PARTNERSHIP WITH THE AMERICAN LABORATORY HILL DERMACEUTICALS, INC. FOR THE MARKETING OF TOLAK®

Through the Botany for Change Award, launched in November 2015, Klorane Botanical Foundation called on students in botany, horticulture, architecture and landscaping to add plants to our lives by imagining “Tomorrow’s urban garden.” In May 2016, the four plant creations selected by the jury were revealed to the general public in the Paris’ Hôtel de Ville in Paris. For the 2017 event, on the “Botany and the 5 senses” theme, the award-winning plant creation will start to grow permanently in La Villette (Paris).

October 2016

KLORANE LABORATORIES PARTNERS OF THE AGENCE DU DON EN NATURE

In accordance with their CSR policy, the Klorane Laboratories donated 35,000 baby products as part of their partnership with the Agence du don en nature (ADN, Donation in Kind Agency). These products were distributed via a network of 700 partner associations in France.

January 2017

RENÉ FURTERER IS 60 YEARS OLD

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September 2016

OPENING OF THE NEW HOTEL IN THE AVÈNE HYDROTHERAPY CENTER

Pierre Fabre Dermo-Cosmetics (PFDC), has opened a hotel of international standing on the Avène-les-Bains Hydrotherapy Center site (Vaucluse, France). The center is specialized in dermatology and its public utility has been recognized for 142 years. This new hotel was designed by the architect Roger Taillibert.

July 02, 2016

SPORTSDAY, AN EVENT OF THE ATOPIC DERMATITIS FOUNDATION

For the first time, on Saturday July 2, 2016, the Foundation for Atopic Dermatitis organized a “Sportsday” event combining sports and eczema on the INSEP site in Paris.

This event, organized for the benefit of children suffering from atopic dermatitis, had two objectives:
• to discover sports never played before.
• to receive advice adapted to each sport so as to be able to best play it without being concerned about skin damage;
• to discover sports never played before.

The event was sponsored by Alain Bernard (swimming Olympic champion) and Émilie Gomis (Olympic finalist in basketball).

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