AN UNUSUAL STORY

The story of a pharmacist, botanist, and passionate entrepreneur...

... who left his entire company to a government-recognized public-interest foundation

Pierre Fabre (1926-2013)

Sickle cell disease screening to the Hospital center Monkole in Kinshasa (DRC)

Pierre Fabre grew his dispensary into an international Group, rooted in his home region and loyal to the humanist values that he always defended.

An original shareholding structure to ensure the Group’s independence and continuity.
Pierre Fabre Laboratories is owned by a government-recognized public-interest foundation.

- The Pierre Fabre Foundation owns 86% of the Group’s capital via the controlling company, Pierre Fabre Participations.
- The remaining 14% is divided among the employees and the company itself (treasury stock).
- Profits realized by the company are very mainly reinvested for its development but...
- ... dividends and contributions are paid to the Foundation to enable it to successfully carry out its mission.

A SHAREHOLDING FOUNDATION

EMPLOYEE SHAREHOLDERS

PIERRE FABRE FOUNDATION (main shareholder)

PIERRE FABRE Participations (controlling Company)

PIERRE FABRE SA

PIERRE FABRE PHARMACEUTICALS

PIERRE FABRE Dermo-Cosmetics

3 KEY ACTIVITIES

PHARMACEUTICALS
ONCOLOGY
ETHICS

CONSUMER HEALTH CARE
PIERRE FABRE HEALTH CARE
PIERRE FABRE ORAL CARE NATURACTIVE

DERMO-COSMETICS
PIERRE FABRE DERMATOLOGIE
DUCLAY
EAU THERMALE AVÈNE
A-DERMA
Klorane

ELANCYL
GALÉNIC
RENÉ FURTERER
DARROW (Brazil)
GLYTONE (USA)
KEY FIGURES 2017

- **13,500 employees**
- **1,410 M€ Demo-Cosmetics**
- **886 M€ Pharmaceuticals**
- **22 M€ Other activities**

**REVENUES**

- **2,318 M€**
- **1,425 M€ INTERNATIONAL 61.5%**
- **893 M€ FRANCE 38.5%**

NATURE AT THE HEART OF OUR MODEL

- 40% of net sales are generated by products with natural active ingredients (plants)
- **Historic R&D expertise**
  - Cyclo 3, made from butcher's broom, was the 1st product launched by Mr. Pierre Fabre in 1960
- **18,000 plant samples** i.e. the biggest private collection in the world
- 3 to 5 new plant-based extracts developed each year
BOTANICAL EXPERTISE PIERRE FABRE
A certified process* for the responsible development of innovative, safe, and effective plant-based active ingredients

*Process recognized by the European label EFQM (European Foundation for Quality Management)

Pierre Fabre aromatherapy porté-folio
Pierre Fabre drug status products
EO = Active Pharmaceutical Ingredients (API)

- Lavender, peppermint, clove, thyme EO
- Bronchial disorders
- Oral form

- Clove, lavender, peppermint, rosemary, wild thyme EO
- Cold treatment
- Inhalation

- Hamamelis water distillate
- Eye inflammation
- External use

Other status: food supplement, cosmetic...
EO = ingredients

- Single EO

- Mixtures of EO
## EO Monographs in EMA list

<table>
<thead>
<tr>
<th>Latin name of herbal substance</th>
<th>Botanical name of plant</th>
<th>English common name of herbal substance</th>
<th>Use</th>
<th>Date added to the inventory</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rosmarini aetheroleum</td>
<td>Rosmarinus officinalis L.</td>
<td>Rosemary Oil</td>
<td>Circulatory disorders, Gastrointestinal disorders</td>
<td>14/01/2009</td>
</tr>
<tr>
<td>Juniperi aetheroleum</td>
<td>Juniperus communis L.</td>
<td>Juniper Oil</td>
<td>Pain and inflammation, Urinary tract and genital disorders, Gastrointestinal disorders</td>
<td>25/10/2009</td>
</tr>
<tr>
<td>Hamamelidis folium et co</td>
<td>Hamamelis virginiana L.</td>
<td>Hamamelis Distillate</td>
<td>Skin disorders and minor wounds, Eye discomfort</td>
<td>23/11/2005</td>
</tr>
<tr>
<td>Melaleucae aetheroleum</td>
<td>Melaleuca alternifolia (Maiden and Betche) Cheel</td>
<td>Tea-tree oil</td>
<td>Mouth and throat disorders, Skin disorders and minor wounds</td>
<td>31/10/2007</td>
</tr>
<tr>
<td>Anisi aetheroleum</td>
<td>Pimpinella anisum L.</td>
<td>Anise Oil</td>
<td>Cough and cold, Gastrointestinal disorders</td>
<td>23/11/2005</td>
</tr>
<tr>
<td>Valerianae aetheroleum</td>
<td>Valeriana officinalis</td>
<td>Valerian essential oil</td>
<td>Sleep disorders and temporary insomnia, Mental stress and mood disorders</td>
<td>5/05/2015</td>
</tr>
<tr>
<td>Matricariae aetheroleum</td>
<td>Matricaria recutita L.</td>
<td>Matricaria Oil</td>
<td>Skin disorders and minor wounds</td>
<td>7/09/2007</td>
</tr>
<tr>
<td>Carvi aetheroleum</td>
<td>Carum carvi L.</td>
<td>Caraway oil</td>
<td>Gastrointestinal disorders</td>
<td>31/10/2007</td>
</tr>
<tr>
<td>Lavandulae aetheroleum</td>
<td>Lavandula angustifolia Mill. (L. officinalis Chaix)</td>
<td>Lavender Oil</td>
<td>Sleep disorders and temporary insomnia, Mental stress and mood disorders</td>
<td>15/01/2009</td>
</tr>
<tr>
<td>Thymi aetheroleum</td>
<td>Thymus vulgaris L.; Thymus zygis Loefl. ex L.</td>
<td>Thyme oil</td>
<td>Cough and cold</td>
<td>7/09/2007</td>
</tr>
<tr>
<td>Caryophylii floris aetheroleum</td>
<td>Syzygium aromaticum (L.) Merrill &amp; L. M. Perry</td>
<td>Clove oil</td>
<td>Mouth and throat disorders</td>
<td>15/07/2010</td>
</tr>
<tr>
<td>Cinnamomi corticis aetheroleum</td>
<td>Cinnamomum verum J. S. Presl (Cinnamomum zeylanicum Nees)</td>
<td>Cinnamon Bark Oil</td>
<td>Gastrointestinal disorders</td>
<td>11/11/2009</td>
</tr>
<tr>
<td>Foeniculi amari fructus aetheroleum</td>
<td>Foeniculum vulgare Miller s subs p. vulgare var. vulgare</td>
<td>Bitter Fennel Fruit Oil</td>
<td>Cough and cold</td>
<td>31/10/2007</td>
</tr>
<tr>
<td>Menthae piperitae aetheroleum</td>
<td>Mentha x piperita L.</td>
<td>Peppermint oil</td>
<td>Gastrointestinal disorders</td>
<td>23/11/2005</td>
</tr>
</tbody>
</table>
### 4.1 Therapeutic indications

<table>
<thead>
<tr>
<th>Well-established use</th>
<th>Traditional use</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Oral use</td>
<td>Traditional herbal medicinal product</td>
</tr>
<tr>
<td>1. Herbal medicinal product for the symptomatic relief of minor spasms of the</td>
<td></td>
</tr>
<tr>
<td>gastrointestinal tract, flatulence and abdominal pain, especially in patients with</td>
<td></td>
</tr>
<tr>
<td>irritable bowel syndrome.</td>
<td></td>
</tr>
<tr>
<td>• Cutaneous use</td>
<td></td>
</tr>
<tr>
<td>2. Herbal medicinal product for the symptomatic relief of mild tension type</td>
<td></td>
</tr>
<tr>
<td>headache.</td>
<td></td>
</tr>
</tbody>
</table>

- **Traditional use**

  - Cutaneous and transdermal use
  1. For the relief of symptoms in coughs and colds
  2. For the symptomatic relief of localized muscle pain
  3. For the symptomatic relief of localized pruritic conditions in intact skin

  - Inhalation
  4. For the relief of symptoms in coughs and colds
  5. For the relief of symptoms in coughs and colds

The product is a traditional herbal medicinal product for use in specified indications exclusively based upon long-standing use.

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**Pharma specificities**

**Regulation of EO as API**: Pharmaceutical EU-GMP, Annex 7 (plant based products) + Q&A EMA/HMPC/41500/2010

2 possibilities

- Distillation close to the fields, organized by farmers; reference text = GACP (Good agricultural and Collection Practices)
  - EO is considered an agricultural product
  - Pharmaceutical quality is ensured by the user company (production of final EO: mixture of batches in the company facility, not at the distillation point. Risk analysis on water quality)

- Distillation by an industrial company; reference text = GMP (ICH Q7)
  - EO is considered an API
  - Pharmaceutical quality is ensured by the producer
  - The producer is audited and accredited by the national drug agency
  - Quality and traceability should be according to pharma standards.
Sustainability and pharmaceutical industry

Pierre Fabre Sustainable supply chain management

- Internalization
  - France
  - Madagascar

- Partnership thanks to our subsidiaries/offices
  - China
  - Madagascar
  - Cambodia
  - Vietnam

- Suppliers with audit quality/CSR

- Promotion of local economy and benefits sharing:
  - Long partnership
  - Sharing our knowledge to improve production and quality
  - Control the good conditions of workers
  - Help to find new opportunities for development: co-innovation
  - Risk analysis on the supply chain: fair trade, deforestation,...
  - Construction of CSR project to improve the way of life

Training Green Mission Pierre Fabre - Cambodia - 2019 June 5th-7th
Sustainable supply chain management

**WHAT IS A SUSTAINABLE SUPPLY CHAIN ?**
- Internalisation of the production or long term partnership
- Respect of biodiversity and environment
- Direct link with producers-suppliers
- Labellisation of raw material = guarantee of third party control
- Audit of our supplier from the fields according to quality and CSR requirements (decomposition of the price to control the fair price of the market)
- Complete traceability from fields to factory
- Evaluation of the CSR practices of our suppliers with recognized tools (ERI360)
- and compliance to pharma regulations

Full sustainable evaluation points

**Environment**
- WATER
- SOILS
- BIODIVERSITY
- ANIMAL BREEDING
- FORESTS AND TIMBER PRODUCTS
- MARINE ECOSYSTEMS & PRODUCTS
- HUMANIZATION OF TERRITORIES
- ENERGY
- OTHER RESOURCES
- OTHER POLLUTIONS
- CLIMATE

**Business**
- GOVERNANCE / LAW
- PRODUCT QUALITY
- QUANTITY
- TRACEABILITY
- REPUTATION
- INNOVATION / TREND SETTER / LEADER
- CAPABILITIES OF ORGANIZATION
- LONG-TERM PERMANENCE

**Social**
- EMPLOYMENT
- HEALTH AND SAFETY
- LIVELIHOOD
- PATRIMONY
- EDUCATION AND EMPowerment
- SOCIAL COHESION
- FAIR TRADE
- SOCIETY / HUMAN RIGHTS
**Internal audit guideline : pharma + CSR**

<table>
<thead>
<tr>
<th>Section</th>
<th>Subsection</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Présentation de la société</td>
</tr>
<tr>
<td>2.</td>
<td>Système qualité</td>
</tr>
<tr>
<td>3.</td>
<td>Personnel</td>
</tr>
<tr>
<td>4.</td>
<td>Locaux</td>
</tr>
<tr>
<td>5.</td>
<td>Matériels</td>
</tr>
<tr>
<td>6.</td>
<td>Processus de production</td>
</tr>
<tr>
<td>7.</td>
<td>Semences et Plants</td>
</tr>
<tr>
<td>8.</td>
<td>Culture</td>
</tr>
<tr>
<td>9.</td>
<td>Collecte</td>
</tr>
<tr>
<td>10.</td>
<td>Récolte</td>
</tr>
<tr>
<td>11.</td>
<td>Transformation primaire</td>
</tr>
<tr>
<td>12.</td>
<td>Conditionnement, stockage, expédition</td>
</tr>
<tr>
<td>13.</td>
<td>Contrôle de la qualité</td>
</tr>
<tr>
<td>14.</td>
<td>Traçabilité</td>
</tr>
<tr>
<td>15.</td>
<td>Traitement des réclamations, NC</td>
</tr>
</tbody>
</table>

**Green lines : CSR points in the pharma audit frame**

**Exemples of supply chains**
**Hamamelis water distillate production**
internalisation: Pierre Fabre subsidiary

- Hamamelis fields, in the Pyrénées
- Distillation unit
- GMP certified by ANSM
- Organic certified
- Reverse osmosis concentration unit

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**Matricaria EO**
internalisation: Pierre Fabre subsidiary

- Organic cultivation & distillation
- CAMOMILLE MATRICAIREFRANCE
Support from our Malagasy subsidiary:
Validation of botanical identification of the plant *Hedychium coronarium*
Local partnership for collect and distillation

**Futur ?**
What do we need for the future?

For CSR side:
Organic products as a standard
Fair trade supply-chains when possible

For scientific side:
More toxicological data needed => development of in-silico strategies
More robust clinical data

For pharma side:
Development of new products with a more scientific basis.
But: regulation is poor, agencies are reluctant, good quality clinical studies are very expensive