



**ACTIONS
PIERRE FABRE**

september 2006

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY, LOCAL ECONOMIC DEVELOPMENT COMMITMENTS TOWARDS THE GLOBAL COMPACT

Respecting the environment: a responsible and efficient approach



Pierre Fabre Laboratories are proud to participate to the Global Compact policy. *We are aware of our responsibility; we are committed to preserving the equilibrium of the natural environments while contributing to sustainable growth and guaranteeing the well-being of a large number of people. On a daily basis, our commitment translates initially into the issue of producing products in a clean and safe manner. We have therefore adopted an environmental approach to all our industrial activities. From the production of raw materials to the manufacture of pharmaceuticals, respecting the environment and controlling risks related to our activities within the Pierre Fabre Group constitute a dual commitment:*

Protecting natural resources

- By developing knowledge about plant heritage and sharing this knowledge through educational initiatives; this is the role of the Klorane Institute;
- By limiting the use of natural resources through actions to reduce the consumption of water and energy in our industrial units.

Limiting our environmental impact

- By reducing discharges into the air and water;
- By eliminating the use of solvents in our manufacturing processes, where possible;
- By developing an active policy for sorting waste;
- By monitoring the transport of dangerous materials.

▶ Monitoring environmental risks at the main ICPE sites

Of all our sites in France, 17 sites are classed subject to declaration and 10 are classed subject to authorisation. A Classified Facility for the Protection of the Environment (ICPE) is an installation that monitors the seriousness of dangers or any issues that may arise in this domain. These may be:

- Non-classified: in this case the facility is not subject to any specific obligation;
- Classified and subject to declaration at the prefecture: in this case the facility must respect the prescribed bylaw relating to the classification category. This bylaw applies to all facilities of the same type;
- Classified and subject to prefectural authorisation: the facility must respect the specific instructions defined in an authorisation bylaw. This bylaw is drawn up specifically for each installation.

The monitoring of risks and the reduction of dangerous substances is a constant concern at ICPE sites. For this reason each site has a Safety/Environmental Officer who manages: environmental impact studies, hazard and noise studies, safety procedures, waste management and the correct functioning of installations so that all possible industrial risks can be monitored.

▶ Managing environmental performance

We are putting in place a software programme for the piloting, operational and centralised management of environmental actions undertaken across our sites. The use of such an IT system will enable us to respond globally to environmental requirements (waste management, the prevention and management of industrial risks, the reduction of environmental impacts, the optimisation of treatment costs, etc.), to ensure that all our operations are managed and traceable and adhere to regulations in force.

The module will therefore measure sustainable development in terms of economic, social and environmental performance

▶ Main initiatives undertaken in 2005

Optimising the management and sorting of waste

The beneficiation of waste is one of the key areas in our environmental policy. At the production site in Soual a study led to the identification of all waste flows and the implementation of a suitable beneficiation system. In 2005, more than 14 275 pallets and over 31 tonnes of plastic were recycled and in excess of 282 scrap metal drums were reused. In addition each year, new systems are established: for example, the implementation of insulating boxes has resulted in a safe transport system for bacteriological waste.



At the distribution site in Ussel, similar initiatives were undertaken, including the beneficiation of plastic waste, cardboard packaging and wood. In 2005, we set up a baling press (a compression system), which enabled us to beneficiate 12 tonnes of plastics. We also used a compactor, which was installed on the site in 1999, to recycle over 153 tonnes of cardboard. Pallets that could not be reused were processed at an energy recycling facility.

Furthermore, waste management operations are regularly undertaken at our sites. At the research and development site in Péraudel, stations are provided for the recovery of used batteries. Information campaigns have also been carried out to raise awareness among teams of the waste management procedures.

Prioritising renewable energy

Energy saving studies are carried out through the PRELUDE programme (the regional programme for greenhouse gas control and sustainable development). Their main objective is to identify and quantify the main areas of improvement, which enables energy expenditure to be lowered at a site thereby reducing the impact on the environment.

Within this framework, the Pierre Fabre Active Ingredients site at Gaillac undertook an exhaustive energy diagnostic based on predefined specifications. The results revealed that the installations at this site are well maintained and managed and have been developed over a period of time with a view to continually monitoring energy consumption. Actions will be implemented in 2006 to reduce the annual consumption of natural gas by approximately 13%, the annual consumption of electricity by 4% and the yearly consumption of town water by close to 10%. In order to achieve this, a new boiler able to heat 15 tonnes of water per hour will be installed and fed with reverse osmosis water.

▼ In 2005, the dermo-cosmetic production site of Soual was equipped with a fire protection sprinkler system



▲ Managing and optimising waste: our priority

Minimising the environmental impact

• Controlling emissions of volatile organic compounds (VOC)

We are undertaking campaigns to control emissions of volatile organic compounds (VOC) and their sources, which will enable us to implement procedures to reduce emissions at source and subsequently during the processing of waste.

At the production site for active compounds at Gaillac, our initiatives have led to a reduction in the number of collection points at each workshop and have enabled us to process VOCs on site. The objective for 2006 is to create a single collection point for the entire site, then to design a suitable, effective processing facility (processed by catalytic oxidation).

The Gien site also studied the impact of VOCs produced at its installations, which led to the company drawing up a Solvents Management Plan and an Emissions Control Programme. By gradually reducing chlorinated solvents with high VOC content and replacing them with aqueous-phase products, the VOC emission levels have been stabilised.

• Controlling fires with sprinkler systems

The entire Soual site is now equipped with a sprinkler system. This system has a dual purpose: to detect the start of a fire and to stop it from spreading. More than 2 000 sprinkler heads cover the entire site. A tank of over 7 metres high and 12 metres in diameter, located outside the site, will feed the system in case of a fire. Soual therefore joins the Gaillac, Muret and Ussel sites, in having a fire protection system.

Training staff

The Pierre Fabre Group has more than 20 Transport Safety Advisers, who help prevent risks (to persons, goods or the environment) inherent to the activities at each site. This qualified staff is principally responsible for ensuring regulations relating to the transport of dangerous material are adhered to, but also for advising sites on all queries and/or undertakings regarding this area.

For a number of years, the company has taken responsibility for providing the training for a transport safety certificate. With this training each successful candidate will be qualified to apply the ADR (European Agreement concerning the International Carriage of Dangerous Goods by Road) regulations. These regulations relate not only to the transport of dangerous goods, but also to packaging, loading/unloading operations and load factors.

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY, LOCAL ECONOMIC DEVELOPMENT

A committed company



« Given Pierre Fabre Laboratories' importance in the local economy of its home region, the company undertakes its responsibilities seriously. Pierre Fabre's commitment is illustrated by partnerships in sport, culture and business. In addition to this strong participation in the region, we are also involved in national and international humanitarian aid programmes and sponsorships. In 2005 we backed a major event: the 'Year of France' in China.»

Xavier Patier, Director of Communications and Strategy.

► Establishing our activities in the region while expanding internationally

At the same time as pursuing an international growth strategy, our company opted to establish its main installations in France, principally in the Midi-Pyrénées region. Decision-making centres are therefore located in Castres and our main sites are situated in the south-west, which makes our company the N°. 1 employer in Tarn and the second biggest private sector employer in Midi-Pyrénées. The company is committed to assuming its economic and social responsibility and as such we are supporting «Tarn Entreprendre», an organisation helping young entrepreneurs. Since 1997 this organisation has contributed to creating over 300 jobs.

► Supporting sporting and cultural life

Our company sponsors *Castres Olympique*. For over a decade this rugby club has been one of the best European clubs and has helped improve Castres' reputation. Like rugby, our company shares common values: surpassing oneself, team spirit and a will to triumph. We are also partners in other clubs and associations in the Midi-Pyrénées in various sports. Our actions, on both a sporting and cultural level, convey our willingness to participate in local life. We are also patron of the arts of the Goya museum in Castres, the second largest museum of Spanish paintings after the Louvre museum. Our strong desire to participate in culture is also illustrated by our partnership with a ceramics house at Giroussens and Mr Pierre Fabre's involvement with the Heritage Foundation where he is an honorary trustee. The aim of the Heritage Foundation is to preserve and restore the traditional, non-listed architectural monuments in the region.

► Developing sustainable partnerships with the education system

Partnerships with universities and schools (for the most part regional) are an integral part of the development strategy of Pierre Fabre Laboratories. One of the objectives is to promote the professional integration of young people into the world of work. These partnerships are strengthened through: the participation of company employees at advisory boards and examination boards within the education system; sponsorships and tutored projects; the involvement of company executives in education; offering trainee positions; participation in forums. The company also assumes part of the cost of the apprenticeship tax. The most noteworthy partnerships over the last few years include those developed with the Ecole des Mines of Albi, the Chemistry Department at the University Institute of Technology (IUT) in Castres, the Castres school of Medical reps at

Pierre Fabre Laboratories, partner for the «Year of France » in China



Representatives from France went to China to meet their counterparts with a view to exchanging experiences and dialogue. This second stage of the «Year of France» in China promotional events was organised by the Presidents of the two countries. From October 2004 to September 2005, the number of events at the «Year of France» in China multiplied.

The result was a better mutual understanding between the two countries: it enabled France to appreciate the richness and diversity of the Chinese society and its culture. Present in China since 1997, Pierre Fabre wished to support this important occasion to bring together France and China and it was the sponsor for the main opening event, a concert by Jean-Michel Jarre in the Forbidden City of Peking.

Paul Sabatier University (apprenticeship-based DEUST diploma), the Social Science University of Toulouse (Pierre Fabre Chair of International Management, Corporate Culture Research Convention, Masters Degree in Human Resources). In 2005, new partnerships were established. Agreements were signed with the Engineering Department for Packaging at the IUT in Castres and the Pharmacy Faculty/Montpellier 1 University. This last partnership resulted in the creation of 2 Franco-Chinese degrees in pharmacy and a medico-pharmaceutical sales executive course with the Shanghai Second Medical University and a planned 3rd degree for clinical research assistants. Lastly, the l'Ecole Supérieure de Commerce in Toulouse was identified in 2005 as the future partner college for product managers at the Pierre Fabre Training Centre, with a view to running a specialised Masters Degree in Health Management and Health Industries with a speciality in «medical-marketing Health/Beauty».

We have a strong and regular partnership with the **Red Cross**; in crisis situations we support their actions. **In 2005**, we sent more than **40 tonnes of medicines** to this and other organisations within the framework of humanitarian projects, in particular following the tragedy that occurred in Asia after the tsunami.

A company that listens to retail pharmacies



Retail pharmacies are currently at the centre of tomorrow's public health issues. First, patients are more and more being cared for outside the traditional hospital and outpatient systems. New health care networks will expand, such as home support and home hospitalisation. Second, hospital reform entails significant change, which will greatly modify the role of the pharmacist. Chemists will have to distribute medicines that are currently administered by hospitals. Lastly, they will be involved more in tackling serious diseases, such as for example cancer.

Future changes to the role of the pharmacist and his team means they will have to modify and increase their continued training

For us, assisting pharmacists and their teams in this process of change was a natural and essential step. This is because we have always considered health professionals as special partners.

As a consequence, **Pierre Fabre Laboratories are offering these professions, and more particularly pharmacists, suitable care and training services via its various entities.** These units were implemented progressively from 2002, with the support of the regional authorities in Midi-Pyrénées.



▶ Training

Professional training modules continue over the short and long term. Training for home care professions is also offered to health professionals.

- **Carla Université**, certified ISO 9001 V 2000, was created at the end of 2002 to work alongside pharmacists and retail pharmacy teams in pharmacy management. It also helps them in advising clients with short-term training programmes, which for the most part are undertaken through the OPCA-PL and FIP-PL (two organisations promoting and financing training in the liberal professions). This very practical training has been undertaken since 2005 on a regional basis, covering themes based on the following areas: management, communication services, advisory services, business strategy, IT. In 2005, more than 850 trainees attended the courses at the abbey school in Sorèze. Note: the success of Carla Université in Greece.



- **Carla Ecole** was created in January 2004 to offer pharmacy staff the opportunity to specialise through 6 credits: dermo-cosmetics, phytotherapy-aromatherapy/dietetics and nutrition, homeopathy, home support and care, veterinary and family medication. The courses encompass 460 hours of training and 140 hours of work experience in a pharmacy. The objective is simple: to enable retail pharmacy staff to become real managers of the pharmacy.

- **Carla Services - Inav*** offers semi-introductory training to the State Diploma in Auxiliary Social Work («Diplôme d'État d'Auxiliaires de Vie Sociale, DEAVS»). Auxiliary social workers provide home support to people with social difficulties and to fragile or dependent persons who have temporary difficulties as a consequence of their age, illness or disability.

▶ Care services

- **Carladom** is a national platform of services that enables retail pharmacists to have a true coordinating role in the home care of their patients. They provide individuals who have lost their autonomy or are suffering from a physical disability, with an indispensable all-round offering:

- Transportation and help for persons with limited mobility;
- Link between home nurses or medical auxiliaries;
- Tele-assistance, home delivery of meals;
- Help at home;
- Supplying of medical equipment etc.

- **Carla services** provide support services aimed at the development and better management of the pharmacy outlet: administration (secretarial work, legal assistance), business (window displays, merchandising), audit, quality assurance etc.



SOCIAL AND ENVIRONMENTAL RESPONSIBILITY, LOCAL ECONOMIC DEVELOPMENT

The Klorane Institute



The Klorane Institute, a corporate foundation that promotes the protection and good use of the plant heritage celebrated its 11th anniversary in 2005. Since its creation, it has continually demonstrated its enthusiasm to help discover or rediscover the wealth of the plant world. Initiatives with its main partners, the national education system and pharmacists, have increased substantially.

In 2005, new educational tools were created. Various materials were developed: posters (dye-producing plants, fibre plants etc.), monograph books (argan, mango etc.), brochures (carnivorous plants, mushrooms etc.), guides (wild berries etc.), botanical reports for scientific events and conferences etc.

In addition, in 2005 **5 000 children took part in initiatives to raise awareness of the plant world**, in particular during botany day events. A number of schools across France, selected by retail pharmacists, benefited from a complete educational programme: with the aid of the Klorane Institute, these pharmacists made presentations in schools and botanical gardens. The retail pharmacists also received new support material: posters, brochures, a book and file on plants (published by SEDRAP), monographic books and botanical reports. In this field, pharmacists play the expert role and must continually update their level of knowledge.



The Klorane Institute also assists other organisations that work to protect and preserve our plant heritage. This support is both scientific and financial (donations, sponsorships). In 2005, donations were once again made to botanical organisations and the cultural sponsorship of the Natural History Museum in Paris continued.

The Klorane Institute supports future pharmacists who are writing theses related to endangered plants, plants threatened with extinction or allergenic plants (respiratory, skin or food allergies). In 2005, 3 theses were successfully defended out of a total 15. Lastly, The Klorane Institute gives pharmacy students or those studying a CFA degree in pharmacy, the opportunity to get closer to and better understand nature. It does this by organising with the students, herbarium competitions and visits to botanical gardens and conservatories.

▲ *Velin Calendula*, sponsored in association with the Natural History Museum in Paris



