

Corporate



Lonza

Communication on Progress 2010

UN Global Compact



Lonza's Communication on Progress 2010 further expands the topics addressed in 2009 by covering the areas human rights and labour standards. All of these topics are underpinned with articles, which have also been published in the Lonza Activities 2010.

6 Foreword from the Chairman of the Board of Directors

Dear Customers, Employees, Shareholders and Friends of Lonza,
It is a real pleasure to present you with this overview of our activities in 2010. The Activities 2010 report provides a summary of Lonza's financials and explains our strategy. It also offers overviews and insights into our culture, vision and objectives, and reflects on the most important markets we serve.

8 Company profile

Lonza is a global company serving the needs of the life-science industry. Over a century ago, Lonza began as a small Swiss electricity company, making a few chemicals on the banks of the river Lonza in the Valais region of the Swiss Alps.

10 Sustainability

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14 Improving the work environment

Surveys are a great tool for organizations intent on improving the working environment for their employees on a sustainable basis. Lonza has been successfully conducting its global employee survey "life@Lonza" at 18-month intervals since 2006. The aim is to gain feedback and information about areas for improvement and strengths.

16 Labour standards at suppliers

For Lonza, corporate social responsibility is not just a technical term, but an active commitment that is essential to all our employees. We are committed to acting in accordance with all legal, environmental and social requirements, while pursuing our economic goals. Lonza has always sought to ensure that our suppliers embody the same commitment towards business partners, employees and the environment.

18 School inauguration in Jiaoling, China

At the end of November 2010, Lonza inaugurated the Youkeng Primary School in Jiaoling, China. It was the highlight of a sponsorship program in which Lonza supported the reconstruction and renovation of this school. Sponsoring, donations and memberships are integral elements of Lonza's commitment to social responsibility.

20 Lonza shaping trends in natural cosmetics

Lonza's product offerings to the personal care market address growing consumer awareness of issues relating to the safety and environmental impact of cosmetics. Our portfolio includes ingredients which are naturally derived from renewable resources and meet new industry standards for natural and organic designation.

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FOREWORD

Dear Customers, Employees, Shareholders and Friends of Lonza,

It is a real pleasure to present you with this overview of our activities in 2010. During the year, the industry saw a number of changes and we initiated activities aimed at reducing our costs, while continuing to pave the way for future growth. The Activities 2010 report provides a summary of Lonza's financials and explains our strategy. It also offers overviews and insights into our culture, vision and objectives, and reflects on the most important markets we serve.

2010 was characterized by the appreciation of the Swiss franc against all important trading currencies, a more short-term orientation of customer ordering behavior, with a focus on net working capital and cash conservation, and more stringent approval processes required by the regulatory authorities for new pharmaceutical drugs. Despite these trends, Lonza was able to deliver a robust business performance in 2010 as a result of higher capacity utilization, especially in Biological Custom Manufacturing. We were also able to increase visibility through a substantially improved project pipeline in Custom Manufacturing and Bioscience. The signing of new contracts in all sectors, combined with the conclusion of new pipeline deals, showed that the outsourcing trend is intact. Other concerted activities in the Life Science Ingredients sector led to a stable result.

The re-engineering project to reduce the overall cost structure by CHF 70–80 million was implemented. By the end of 2010, about 75% of the cost-savings program was finalized. The main cornerstones of this program were:

- Closure of the Wokingham (UK) and Shawinigan (CA) sites and divestiture of the plant at Conshohocken (Riverside), PA (USA)
- An overall reduction in personnel of 470, without jeopardizing any growth projects
- The flexibility of most of the biopharmaceutical manufacturing plants was increased, meeting the requirement for small- and mid-scale capabilities and multiple-site sourcing
- Merger of the chemical R&D organizations into one platform, with a stronger focus on Asia
- Increased resources in sales and business development and alignment of the entire organization with customer projects

Despite the remaining volatility of the economic environment in 2010, we continued to prepare the ground for future growth. The milestones achieved were:

- Realization of all major expansion projects (China: L-carnitine, Niacin, pyromellitic dianhydride (PMDA); Singapore: Mammalian cell culture, Cell Therapy; Walkersville: Cell Therapy)
- Signing of 15 new cell-line license deals in microbial and mammalian technologies
- Sales force expansion in Asia to drive business growth
- Successful implementation of operating efficiencies to reduce break-even utilization in Chemical Custom Manufacturing
- Signing of several multiple-product/pipeline deals (e.g. GSK)
- The TEVA/Lonza joint venture started phase-I clinical trials for its first biosimilar equivalent
- The new Nucleofector™ platform was launched in the fourth quarter of 2010
- The roll-out of MODA paperless quality-control solutions
- The acquisition of Vivante (viral vaccines) and the subsequent integration were successfully finalized

In 2010, we also prepared our new branding, which is designed to make us more aligned with customers' needs by focusing our external brand communications on the major markets we serve: BioResearch, Pharma&Biotech, Nutrition, MicrobialControl, Agriculture, MaterialsScience and PersonalCare. The detailed description of these markets will be one of the key areas of this year's Activities report.



To explain how Lonza works, we have chosen the analogy of a plant cell to provide an insight into Lonza as an influential, enterprising and connected organization. As with the cell, Lonza is not about hierarchy, but working together tirelessly for the benefit of our customers.

With our growth projects and many strategic and operational initiatives, we remain confident of being able to take advantage of the opportunities that will deliver value growth in the future. After having built up our global biopharma network over the past few years, Lonza will maintain capital expenditure structurally below CHF 400 million in 2011. This will further strengthen our cash flow generation and the balance sheet structure. The increased financial flexibility will open up specific expansion opportunities in our life-science-focused value chain.

Lonza remains fully committed to its vision and long-term objectives. We strive to be the leading supplier using science and technology to improve the quality of life. We would like to thank our customers for their continued trust, our employees for all their efforts throughout another challenging year and our shareholders for their ongoing support.

A handwritten signature in black ink, appearing to read 'Rolf Soiron'.

Rolf Soiron
Chairman of the Board of Directors

A handwritten signature in black ink, appearing to read 'Stefan Borgas'.

Stefan Borgas
Chief Executive Officer

COMPANY PROFILE

Lonza



Company profile

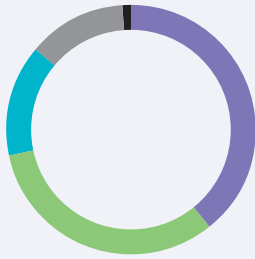
Lonza is a global company serving the needs of the life-science industry. Over a century ago, Lonza began as a small Swiss electricity company, making a few chemicals on the banks of the river Lonza in the Valais region of the Swiss Alps. Now, more than 110 years later, Lonza is a leading supplier to the pharmaceutical, health-care, and life-science industries. We offer over 4 000 products and services to more than 60 000 customers worldwide. From 1897 to the present day, combining Swiss tradition with global experience, the company has had an enterprising character, adapting its offerings and services to the needs of customers and to changing technologies. Throughout our history, we have maintained a strong culture of performance, results, and dependability that is valued by all of our diverse customers.

Organized around customers

To provide optimal support for our customers, we are organized in businesses and markets that focus on specific sets of customers and their exact needs. We operate as three divisions: Life Science Ingredients, Custom Manufacturing, and Bioscience; and serve the following seven markets: BioResearch, Pharma&Biotech, Nutrition, MicrobialControl, Agriculture, MaterialsScience and PersonalCare.

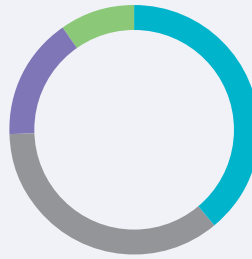
Our customers are located across the globe. To ensure the close connection necessary to serve their needs to best effect, we have production and R&D activities at 28 sites around the world. In addition, we have a global network of sales offices, with representatives who are close to our customers, speak their language and understand their needs.

Sales third-party by geographical location of customers



America	CHF 1 092 mn
Europe	CHF 853 mn
Asia	CHF 374 mn
Switzerland	CHF 339 mn
Other	CHF 22 mn

Capital expenditures including customer financing



Asia	CHF 117 mn
Switzerland	CHF 107 mn
America	CHF 47 mn
Europe	CHF 29 mn

Products and services for our customers

Our strategy is to target the life-science industry with two fundamental technologies: chemistry and biotechnology. Using these two technologies, we offer both products and custom manufacturing services to the pharmaceutical, biotech, and life-science industries.

In our Life Science Ingredients division, we offer products used in nutrition, microbial control, as well as in selected industrial markets. In these businesses, we produce the ingredients that make our customers' products effective. Our customers are manufacturers of consumer and health products, distributors, formulators, and service companies. Our ingredients range from the active biocides that make hospital disinfectants effective, to the nutritional ingredients that support improved health, and include complex chemical intermediates for the agricultural industry.

In our Custom Manufacturing division, we are a partner to our pharmaceutical and biopharmaceutical customers for their manufacturing needs. Using a variety of technologies, we make

the ingredients that are ultimately used in many critical drugs, treating patients in areas such as cardiovascular diseases, cancer, neurological and infectious diseases. Our product capabilities include both small and large molecules, resulting from technology processes such as advanced chemical synthesis, peptide synthesis, microbial fermentation and mammalian cell culture.

In our Bioscience division, we make the tools that life-science customers use to discover, develop, make and test therapeutics. Our customers are worldwide, in pharmaceutical and biotechnology companies, as well as in academic and government research organizations. Our products range from cell culture and molecular biology tools for life-science research to media used in the production of therapeutics and tests for microbial detection. We also offer custom manufacturing services to cell therapy companies.

You can read how these services and offerings relate to our seven markets on pages 32 to 49.

SUSTAINABILITY



Sustainability

“Water is the coal of the future” was written 140 years ago by the French visionary author Jules Verne in his novel ‘The Mysterious Island’. No more than a vision in the realm of science fiction at the time, this is now a near-future reality with sizeable potential.

Until science has caught up, and it may still take many years, society will have to deal with fossil-based energy sources, and we are well advised to use them in a responsible and efficient way, for the benefit of mankind and the global economy. Energy is a key resource for Lonza and we are continually intensifying our efforts to use it in the most efficient way possible. The Lonza Community Practice in Energy (CoPE) project was set up in late 2008 with the aim of saving 10% of the annual energy costs over the 2007 baseline. The energy we use today is always bound up with the release of additional, fossil-based carbon dioxide (CO₂); implementation of novel energy efficiency measures,

paired with the substitution of fossil fuels, has the direct benefit of reducing man-made CO₂ emissions to the atmosphere. The Lonza CoPE project is thus also an important tool for sustainable development, benefiting the environment, economy and society. Lonza’s CoPE is a global initiative encompassing 68 energy-saving projects, 15 of which have already been realized at the Visp plant in Switzerland, while 53 others are at a pre-project or conceptual stage in Europe – Visp (CH), Kouřim (CZ), Slough (GB) and Verviers (BE) – and in China (Nansha). In 2010, the 15 projects realized in Visp saved 170 gigawatt hours of natural gas, which corresponds to a reduction of 33 600 metric tons of CO₂.

A highlight of the reporting year came at the end of October with the completion of a project to use steam from the regional waste incineration plant in the upper Valais. This initiative has ensured that excess steam from the municipal waste incinerator, which was previously wasted, is now fed into Lonza’s Visp plant via a five-kilometer steam pipeline, thereby substituting around 100 gigawatt hours of energy, formerly produced conventionally by consuming fossil fuels. This has reduced fossil CO₂ emissions by 22 000 metric tons per year, a record for a single project. Besides pipeline construction, the project involved the modification of the steam compressors and gas turbines on both



ends, and was financed entirely by Lonza. This initiative is a good example of private-public cooperation for the benefit of all parties involved.

Many more projects seeking to further operational excellence in safety, health and environmental management and operations (SHE) were realized or initiated in 2010 across Lonza sites worldwide. Slough achieved a reduction in water consumption through investment in bag fermentation technology, which will significantly reduce cleaning cycles and water usage. At Williamsport, PA (USA), we achieved a general reduction in water usage and waste production by feeding reject water from reverse osmosis into the water cycle of the cooling towers. Also at Williamsport, the halohydantoin process was modified to recycle caustic chemicals and chlorine from the vapor scrubber, thereby minimizing the hazardous properties of the plant's waste stream. At Braine (BE), we made progress with

the recycling and reuse of solvents. Environmentally problematic substances such as halogenated volatile organic compounds like dichloromethane, trifluoroacetic acid and diisopropyl ether are a top priority in the efforts to improve recycling efficiency. At Waldshut (DE), the photovoltaic power station, completed in 2008 on the south slope of the former industrial site's remediated landfill, proved its production stability in the second year of operation, delivering 814 500 kilowatt hours of electricity and offsetting about 750 metric tons of fossil CO₂, if produced at a coal-fired power plant.

There was further progress in strengthening the corporate SHE management, with five new or amended guidelines on chemical occupational exposure, health surveillance, containment strategy and safe working practices. Lonza joined the UN Global Compact in 2009 and submitted its first progress report in March 2010. A new Supplier Code of Conduct

was also adopted in the reporting year. It has been benchmarked on codes similar to those recently developed by key customers, and requires that our suppliers meet accepted standards in business ethics, employee relations, safety, health and environmental protection.

Lonza commits substantial financial and human resources to SHE activities. At the end of the reporting year, a total of 221 people, 2.7 % of our 8 258 employees, worked in the SHE field, including the regulatory department. SHE cost reporting has been centralized and redefined, and cannot be directly compared with previous years. Capital expenditure on SHE was CHF 45.6 million, equivalent to 1.7 % of sales and 16 % of the Group's total investment in fixed assets. The operating expenses for SHE amounted to CHF 54 million.

SUSTAINABILITY

Goals

An outstanding safety record in 2010, outperforming the already very satisfying result of the previous year, prompted Lonza to revise its 2015 goal and set it to 1.0 LTIFR (formerly 1.5). Lonza is confident of achieving this goal through systematic application of the already high safety standards and sustained motivation of all employees worldwide.

Safety ¹	Basis 2000	Status end 2006	Goal 2010	Status end 2010	Goal 2015
LTIFR² Frequency of accidents (per 1 million hours worked)	9.5	3.1	2.0	1.5	1.0
LTISR³ Severity of accidents (per 1 million hours worked)	1 460	556	330	183	250

Environment ¹	Basis 2000	Status end 2006	Goal 2010	Status end 2010	Goal 2015
CO₂ emissions⁴ in 1 000 metric tons	930	418	400	398	360
VOC emissions⁵ in metric tons	759	576	300	549	270
Air impurities⁶ in metric tons	1 485	1 180	900	1 012	810

Indicators

Intensities 2010 ⁷		Change on 2009
Energy intensity	23.1 GJ/t	-4.4%
Industrial water intensity	14.3 m ³ /t	-4.4%
CO ₂ intensity	1 094 kg/t	-0.5%
Air impurity intensity	2.8 kg/t	-7.8%
Hazardous waste intensity	206 kg/t	-19%

In 2010, all indicators showed an improvement on the previous year. The 12% growth in finished goods production was accompanied by only slight increases in demands on resources and pollutant emissions, while waste generation was actually reduced.

¹ Includes all active production and R&D sites as well as headquarters in the referenced years.

² Lost-time injury frequency rate: number of accidents per 1 million hours worked

³ Lost-time injury severity rate: number of hours lost through accidents per 1 million hours worked

⁴ Carbon dioxide (fossil- as well as non-fossil-based)

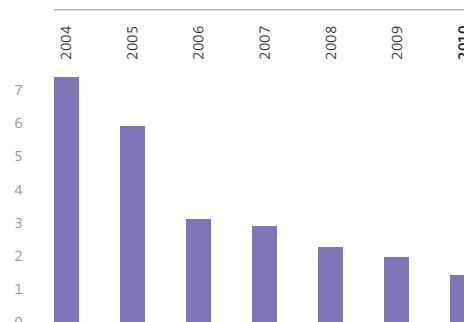
⁵ Volatile organic compounds

⁶ Air impurities comprise VOC, nitrogen oxides (NO_x), sulphur dioxide (SO₂) and particulate matter

⁷ Intensity: Consumption of a resource or emission of a pollutant in relation to the production of one metric ton of finished goods.

Occupational accidents

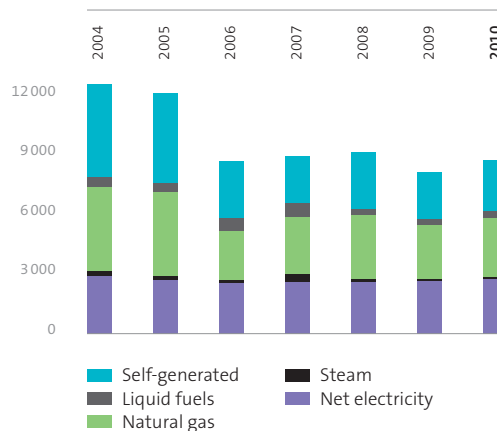
per 1 000 000 hours worked (LTIFR)



The accident frequency rate in 2010 was 1.5 accidents per 1 million hours worked, 23% down on the previous year. Already in 2010, Lonza attained the target level originally set for 2015. Continued strict adherence to existing safety guidelines, the corresponding training, and the incorporation of the issue in the personal goals of each co-worker are key to this success. Lonza has therefore reset the goal and now aims to reduce accident frequency by a further 33% to a rate of 1.0 by 2015.

Energy

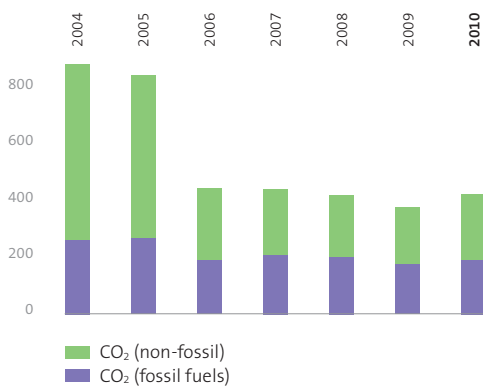
in terajoules



The total energy requirement in the year under review was 8 406 terajoules, 7.6% up on the previous year. The main energy sources used by Lonza in 2010 were: natural gas (34%), electricity (32%) and utilization of waste (29%). Liquid fossil fuels accounted for 4% of the overall energy consumption. Energy from renewable sources accounted for 3% of the electrical energy consumed, a significant decrease from the level of 15% recorded the previous year. One of the main reasons is the electric power market in Switzerland, where Lonza focuses on balancing economic and ecological aspects.

CO₂ emissions

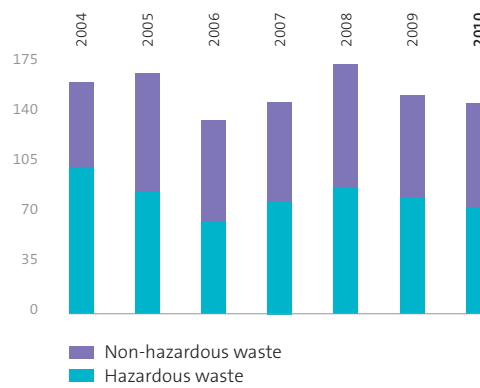
in 1000 metric tons



Total output of carbon dioxide in 2010 was 398 000 metric tons, 12% up on the previous year (the fossil-based fraction increased by 9%). The positive economic development in the reporting year is chiefly responsible for the increase; significant measures to reduce CO₂ will kick in in 2011 and the years to come. CO₂ generated by the incineration of fossil fuels was 45% of total CO₂ emissions in 2010. Carbon dioxide equivalents from other greenhouse gases amounted to 15% of direct CO₂ emissions and are not reflected in the graph.

Waste categories

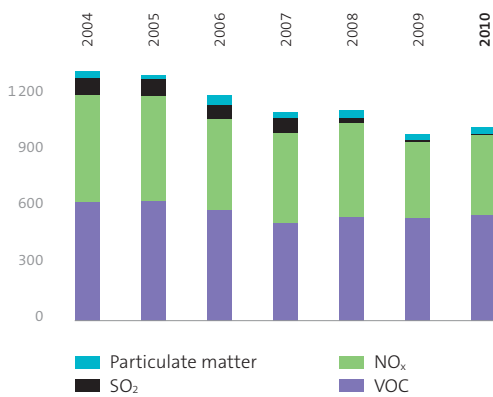
in 1000 metric tons



The total quantity of waste produced by Lonza in 2010 was 148 000 metric tons, of which 75 000 metric tons consisted of special (hazardous) wastes and 73 000 metric tons of non-hazardous wastes or inert materials. Lonza has a specialized waste disposal concept at all its sites, dedicated to the principle of avoidance, recycling and environmentally sound disposal. The categorization into special (hazardous) waste and non-hazardous waste conforms at all sites to the applicable national legislation.

Air impurities

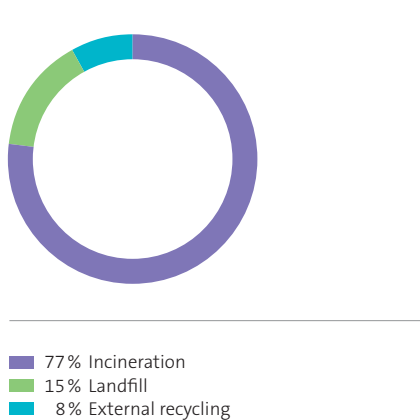
in metric tons



Volatile organic compounds (VOC) and nitrogen oxides (NO_x) were responsible for 96% of all air impurities, totalling 1 012 metric tons in 2010, up 4% on the previous year. While NO_x are generated essentially by incineration processes, VOC emissions are the result of solvent use in production and cleaning processes. To achieve the set goals, Lonza continues to concentrate on measures at the three main emitting sites, Visp, Braine and Liyang, representing 86% of total VOC emissions. At 98 metric tons, halogenated VOC represent 18% of total VOC output. Lonza expects a significant improvement in the emissions situation by 2015.

Final destination of special waste

2010



In the reporting year 85% of hazardous waste materials were incinerated or externally recycled, and 15% went to secured landfills, while hazardous waste generation in total fell by 9%. All companies involved in the transportation, processing and final disposal of wastes are known to Lonza. Waste treatment is a matter of trust. The selection of the vendors is based on quality and SHE criteria as well as on economic factors. As a matter of principle, they are reputable firms which comply with all legal requirements.

IMPROVING THE WORK ENVIRONMENT



Ensuring a continuously improving work environment

Surveys are a great tool for organizations intent on improving the working environment for their employees on a sustainable basis. Lonza has been successfully conducting its global employee survey “life@Lonza” at 18-month intervals since 2006. The aim is to gain feedback and information about areas for improvement and strengths.

How can we strengthen customer communication? How can we link performance management more effectively with career opportunities? How can we improve the empowerment and engagement of our employees in a more participative environment? These are only three of many issues raised by the results of the latest life@Lonza survey. They form an ideal basis on which to build and achieve real improvements. In 2010, the life@Lonza online questionnaire was sent out to our employees worldwide. In order to reach all of

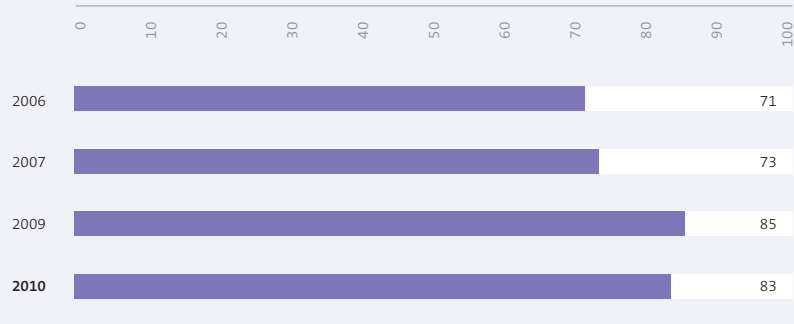
them, the questionnaire and the reports on the results were translated into the company’s six most common working languages: English, German, Chinese, Czech, French and Spanish. In order to ensure scientific accuracy and data protection, the survey was administered by an external provider. The participation rate for the survey was again very high, reaching 83% in 2010. Over the last few years, the overall rate increased from 71% in 2006 to 85% in 2009. Clearly, Lonza employees feel involved and are willing to share

their feedback and opinions on various topics related to customer orientation and the working environment.

To provide clear guidance, the survey results are benchmarked against different peer groups. This enables us to identify the strengths and weaknesses of several key players in the organization, such as team leaders, middle management, senior management and the Management Committee. Global areas such as customer focus, performance management and commitment can also be monitored.

Response rate life@Lonza survey

in %



The overall participation rate is high and on a best-in-class level. As we conduct the survey every 18 months, no questionnaire was launched in 2008.

Benchmarking can be categorized in three layers, starting with historical benchmarking, which shows the development of different areas (e.g. “performance management” or “efficient cooperation”) over time; secondly, the higher organizational unit and/or business sector peer group, in which several department results are integrated, providing a benchmark for the departments in the same organizational unit; and finally, the external benchmarking against the global, high-performance companies index, as well as specific national norms for the USA, China and Switzerland.

In order to ensure that we learn and benefit from the survey findings, the follow-up phase of the questionnaire is an essential part of the project. The organization and all its key players are eager to learn about our strengths and weaknesses. With results and feedback workshops, concrete ideas can be gathered and improvement measures proposed. During this process, the line management and employees focus on the areas to be improved, as well as the strengths identified in the survey. In a top-down and bottom-up approach,

valuable information is gathered and concrete action plans are worked out and aligned to the general strategic orientation of the organization. This allows Lonza to further strengthen key topics such as customer orientation, performance management and commitment, as well as the working environment. One example is the increasing number of customer visits that enable us to learn more about the value of our products in the market and how they generate added value for our partners.

The life@Lonza employee survey underpins the implementation of Lonza's core values “influential”, “enterprising” and “connected”, while encouraging all employees to act accordingly. Furthermore, the results allow benchmarking in all sectors, sites, organizational units, departments and teams. This connection provides an opportunity to learn from each other across the different sectors and functions. It enables employees, as well as middle, senior and top management, to receive more information, from the bottom up and the top down. Key players can act entrepreneurially in feedback workshops and use the survey outcomes to bring about continu-

ous improvement. The findings of the feedback workshops help to enhance the organization and bring greater success for all employees.

These statistical and benchmarking tools, in combination with the survey results, are used to improve and renew the quality of work at Lonza and ensure an attractive work environment for all employees.

LABOUR STANDARDS AT SUPPLIERS



Labor standards at suppliers

For Lonza, corporate social responsibility is not just a technical term, but an active commitment that is essential to all our employees. We are committed to acting in accordance with all legal, environmental and social requirements, while pursuing our economic goals. Lonza has always sought to ensure that our suppliers embody the same commitment towards business partners, employees and the environment.

In 2010, Lonza decided to take a more active role in ensuring our suppliers meet accepted standards in business ethics, employee relations, safety, health and the environment. It is no longer enough for suppliers merely to offer the right quality and service at a fair price; they need to emulate the mindset adopted by Lonza and its customers. In choosing a supplier, Lonza has to ask the following questions: Is this a company we can trust? Does it treat its employees properly? Does it do business ethically? Does it take the necessary environmen-

tal precautions? If the answer to any of these questions is 'no', then Lonza will not do business with that company.

In order to clarify our approach in this matter, we have developed a new Supplier Code of Conduct. This code clearly spells out the rules of engagement for suppliers to adhere to. The code is based on current best practice in our industry and is now publicly available in several languages on the Lonza website. To back up our commitment to improved standards, we



have also amended the various Purchase Terms and Conditions to include the Supplier Code of Conduct.

In the course of 2011, Lonza will further step up activities in this area. All key suppliers will receive official notification of the new Supplier Code of Conduct. Our strategic suppliers, especially those based in low-cost countries such as India and China, will be audited by our SHE (Safety, Health and Environment) staff.

In 2010, Lonza was confronted with a prime example of why such a Code of Conduct is vital. A multinational supplier suffered an accident at one of its Chinese facilities, which injured several workers. Initially, the supplier refused to provide any information about the nature and cause of the accident. Later, once the supplier had relented and allowed a Lonza SHE audit, it was revealed that the root cause of the accident was poor training of personnel. When the supplier refused to accept the recommendations of

the report (which focused on training, protective equipment and emergency procedures), Lonza chose to break off the relationship. Lonza is not willing to develop a relationship with a supplier that knowingly fails to do its utmost to secure the safety of its employees.

The management of Lonza firmly believes that working with strong suppliers who meet our business standards is good for our business, our customers and our suppliers. Our new Supplier Code of Conduct is a key step towards ensuring this.

Pictures: Lonza's Supply Chain ensures smooth operations when it comes to the acceptance, control, storage and clearance of goods.

SCHOOL INAUGURATION IN JIAOLING, CHINA



“Please trust us, we will surely win”

At the end of November 2010, Lonza inaugurated the Youkeng Primary School in Jiaoling, China. It was the highlight of a sponsorship program in which Lonza supported the reconstruction and renovation of this school. Sponsoring, donations and memberships are integral elements of Lonza’s commitment to social responsibility.

Happy smiling children, bright flowers, lively marching music and curious villagers – for Stefan Borgas and his colleagues the opening of the Jiaoling Primary School was a special event full of emotion, away from the usual business routine. The joy and curiosity of the children during the science lesson held by Lukas Utiger and the R&D specialists Jingjun Wei and Xiaohong Liu from the Nansha site, as well as the participation of Stefan Borgas, Alfred Lim and Roman Quinter in the English lessons, providing students with English names, were memorable for visitors and pupils alike.

“Over a year ago, when I heard about this project for the first time, I was really enthusiastic. Today, I am very happy and deeply touched to see a brand-new school in front of us, with modern teaching facilities such as the multi-media room, the PC room and the science lab, in which children can train their brains and teachers enjoy their work. And of course I am proud that the Youkeng Primary School has decided to bear Lonza in its name in the future,” stated Stefan Borgas in his opening remarks at the ceremony. “This project is a globally visible example of

a public-private partnership that really works, resulting from a shared vision of improving the quality of life of the people in our neighborhoods.”

The support for the Youkeng school was part of our 2010 sponsorship activities. A strong commitment to good corporate citizenship is one of Lonza’s core values. We want to be a reliable, long-term and active partner, and engage at the earliest possible stage of any project to optimize the use of available resources. Accordingly, we focus our resources on a small number of projects where



our engagement can make a significant difference. Another important criterion for us is to sponsor projects that are located in or related to the communities where we work and live, with a focus on science, schools, education, charity, health, social welfare, culture, community and youth.

With that in mind, Lonza chose to support the building, establishment and educational program of the Youkeng school, which was recommended by the Nansha District Government and Jiaoling Education Bureau. Lonza donated RMB 1.5 million (approximately USD 200 000) for a new building of 500 square meters, renovation of the existing two-storey classroom building, a new sports- and playground, as well as equipment such as computers, a science lab and furniture.

“After six months of construction work, a wholly new-looking Youkeng Primary School is appearing in front of you. Lonza not only focuses on its business development, but also dedicates itself to education and social welfare. Its donations to mitigate the effects of poverty, with a focus on education, set an

excellent example to society at large. To commemorate Lonza’s generosity and make it more widely known, we would like to rename the school Youkeng Lonza Primary School,” said Mr Jianxiong Lin, Chief Executive of Jiaoling.

To provide sustainable support, Lonza also encourages and supports its employees in providing voluntary services to help those in need with their knowledge and skills. A team of Lonza volunteers from Nansha and Guangzhou will come back on a regular basis to assist in teaching, with a focus on science. In this way, Lonza will continue to be connected with the school for a long time to come.

“With the generous help of Lonza, we have witnessed a big change taking place at our school. Now we have a new classroom building, covering 500 square meters, a proper playground and lots of modern teaching facilities, enabling us to enjoy the same standards as children in cities do. You cannot imagine how excited and grateful we are. We all realize that, without your concern and support, our dreams could not come true,” said the student speaker Shuru Yang, and

concluded: “We would like to take this opportunity to say thank you very much once again to all the people from Lonza. We promise, we will study hard and will not disappoint you. Please trust us, we will surely win.”

Picture 1: Students and Stefan Borgas watering the tree especially planted for the inauguration of the Youkeng Lonza Primary School.

Picture 2: Pupils playing in front of the newly renovated classroom building during a break.

Picture 3: Schoolgirl gets involved in chemical experiments during the science class held by Lonza’s volunteers.

LONZA SHAPING TRENDS IN NATURAL COSMETICS



Lonza shaping trends in natural cosmetics

Lonza's product offerings to the personal care market address growing consumer awareness of issues relating to the safety and environmental impact of cosmetics. Our portfolio includes ingredients which are naturally derived from renewable resources and meet new industry standards for natural and organic designation.

Lonza provides personal care product manufacturers with preservatives, thickeners, and active ingredients, as well as tools and services to help develop and test new personal care product formulations. We are actively shaping the growing market for natural and organic personal care products, collaborating closely with key national and international certification bodies.

Certification of cosmetic products according to natural standards is increasingly important, as they help consumers to identify the products that are truly natural or organic. The following definition of natural and organic has gained wide acceptance in the market: a cosmetic in-

gredient is natural or ecological if it is of natural origin, and it is organic or biological if it is grown and cultivated without the use of synthetic chemicals.

There are many different certification bodies and all of them have their own rules detailing which ingredients are permitted and which are not. Lonza aims to remove any doubts on the part of cosmetic manufacturers about whether certification will be awarded or not by offering a range of raw materials that themselves are approved by several certification bodies. The following ingredients are approved by ECOCERT, NATRUE and The Soil Association:



ECOCERT is an independent company headquartered in France that certifies natural and organic cosmetics. Its standard is widely accepted around the world.



NATRUE is an international, non-profit organization of cosmetic manufacturers that has been certifying raw materials since 1 March 2010.



Soil Association Certification Ltd is a standard for organic cosmetics, best known in the UK market.

Lonza and its local distributor have been working with The Soil Association to explore and develop the idea of an approved list of suppliers of raw materials. As a result, Lonza is proud to offer the first cosmetic ingredients formally approved by The Soil Association for use in organic formulations.

The Geogard™ series encompasses preservatives that enable customers to protect their formulation from microbial contamination, while avoiding the use of controversial preservatives. These Lonza ingredients are globally accepted in most types of personal care formulations.

LaraCare™ A200, a highly effective natural enhancer for skin care actives, extracted from larch trees.

Finally, the Polyaldo™ series, which features natural, multifunctional actives that can replace several ethoxylated ingredients and eliminate concerns about 1,4 dioxane. These can be used as emulsifiers, moisturizers and solubilizers in personal care formulations.

Personal care consumers are increasingly seeking naturally based products derived from renewable resources. The perception that products from the sea will enhance health and beauty is another growing industry trend.

An example of a marine-derived natural product is Lonza's SeaPure™ Agarose, a highly purified gelling polymer, derived from various species of red seaweed that are sustainably harvested in the wild. SeaPure™ Agarose offers characteristics that make it possible to manufacture formulation concepts previously unobtainable in a natural product format. Several household brands have recently formulated agarose for use in products such as deodorant sticks, face creams, hand lotions and under-eye patches. Our customers have found that using SeaPure™ Agarose in a formulation enhances the feel of the skin and improves the delivery of actives, as well as reducing the overall number of ingredients required to generate the product.

Picture: Red seaweed which is used for Lonza's natural SeaPure™ Agarose product.

LONZA GLOBAL MAP



North America

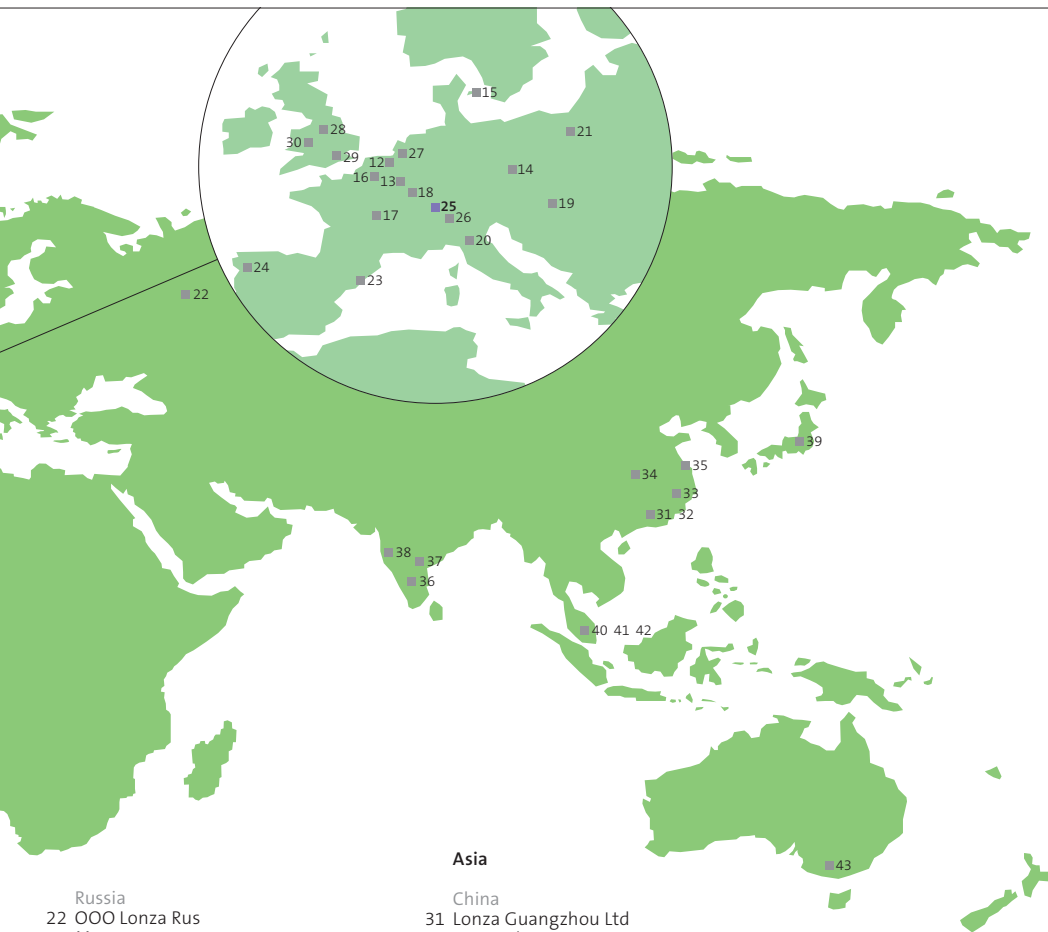
- USA
- 1 Lonza Inc. Allendale
- 2 Lonza Inc. Cohasset
- 3 Lonza Biologics Inc. Hopkinton
- 4 Lonza Houston, Inc. Houston
- 5 Lonza Inc. Mapleton
- 6 Lonza Biologics Inc. Portsmouth
- 7 Lonza Rockland, Inc. Rockland
- 8 Lonza Walkersville, Inc. Walkersville
- 9 Lonza Wayne, Inc. Wayne
- 10 Lonza Inc. Williamsport

South America

- Brazil
- 11 Lonza São Paulo São Paulo

Europe

- Belgium
- 12 Lonza Braine SA Braine-l'Alleud
- 13 Lonza Verviers Sprl Verviers
- Czech Republic
- 14 Lonza Biotec sro Kouřim
- Denmark
- 15 Lonza Copenhagen ApS Vallensbaek Strand
- France
- 16 Lonza France Sàrl Levallois-Perret Cedex
- 17 Lonza Saint Beauzire SAS Saint-Beauzire
- Germany
- 18 Lonza Cologne GmbH Köln
- Hungary
- 19 Lonza Ltd Representation Office Budapest
- Italy
- 20 Lonza Milano S.r.l. Treviglio
- Poland
- 21 Lonza Ltd Representation Office Warsaw



Asia

- Russia
- 22 OOO Lonza Rus
Moscow
- Spain
- 23 Lonza Ibérica S.A.U.
Barcelona
- 24 Lonza Biologics Porriño, S.L.
Porriño
- Switzerland
- 25 Lonza Group Ltd
Global headquarters, Basel
- 25 Lonza Sales Ltd
Basel
- 25 Lonza Ltd
Basel
- 26 Lonza Ltd
Visp
- 26 Lonza BioPharma Ltd
Visp
- The Netherlands
- 27 Lonza Benelux BV
Breda
- United Kingdom
- 28 Lonza Biologics plc
Cambridge
- 29 Lonza Biologics plc
Slough
- 30 Lonza Biologics plc
Tewkesbury

- China
- 31 Lonza Guangzhou Ltd
Guangzhou
- 32 Lonza Guangzhou Nansha Ltd
Guangzhou
- 32 Lonza Guangzhou Research and
Development Center Ltd
Guangzhou
- 33 Lonza Liyang Chemical Co Ltd
Liyang
- 34 Lonza Nanjing Ltd
Nanjing
- 35 Lonza (China) Investment Co Ltd
Shanghai
- India
- 36 Lonza India Private Ltd
Bangalore
- 37 Lonza India Private Ltd
Hyderabad
- 38 Lonza India Private Ltd
Mumbai
- Japan
- 39 Lonza Japan Ltd
Tokyo

- Singapore
- 40 Lonza Microbial Control Asia
Pacific Pte Ltd
Singapore
- 41 Lonza BioSciences Singapore Pte Ltd
Singapore
- 42 Lonza Biologics Tuas Pte Ltd
Singapore

Australia

- 43 Lonza Australia Pty Ltd
Mt Waverely

www.lonza.com

All policies can be found at:

<http://www.lonza.com/group/en/company/about/governance/policies.html>

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