



**Sustainability  
Report  
2017**



Acronyms

API	Active Pharmaceutical Ingredient
CDMO	Contract Development and Manufacturing Organization
CEO	Chief Executive Officer
CFO	Chief Financial Officer
cGMP	Current Good Manufacturing Practice
COO	Chief Operating Officer
COS	Certificate of Suitability
DMF	Drug Master File
DRA	Drug Regulatory Affairs
EDQM	European Directorate for the Quality of Medicines
FDA	Food and Drug Administration
FOCA	Federal Office of Civil Aviation
GRI	Global Reporting Initiative
HR	Human Resources
HS	Health and Safety
HSE	Health Safety and Environment
HVAC	Heating Ventilation and Air Conditioning
IRB	Istituto Ricerche Biomediche
ICT	Information Communications Technology
J-DMF	Japan Drug Master File
KPI	Key Performance Indicator
KAM	Key Account Manager
LOG	Logistics
PMDA	Pharmaceuticals and Medical Devices Agency
PROD	Production
ROI	Return of Investment
ROW	Rest of the World
QA	Quality Assurance
QC	Quality Control
R&D	Research and Development
SME	Small Medium Enterprise
SUPSI	Scuola Universitaria Professionale della Svizzera Italiana
SDGs	Sustainable Development Goals
US-DMF	United States Drug Master File
VOC	Volatile Organic Compound



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## Statement from Top Management

Dear Stakeholder,

We are very pleased to share our 2017 Sustainability Report, the second for our group. In the past two years, our business has significantly grown and developed in both chemical and biological divisions. Sustainability aspects are becoming more and more integrated in our day-to-day activities and our stakeholders have expressed their support for Cerbios on this path. More than ever, we want to take care of our society, reduce our impact on the planet and improve our profitability in the long-term.

Nowadays, sustainability has become a core objective for Municipal, Cantonal and Federal authorities. In 2015, 193 countries including Switzerland signed the 2030 Agenda, formalizing their commitment to the United Nations Sustainable Development Goals (SDGs). For this reason, this second sustainability report includes references to the SDGs towards which we contribute through our daily activities and operations.

Some KPIs contained in the 2015 report had to be revised and adapted. This was a relevant endeavor in light of our project of setting new long-term goals.

Furthermore, we decided to interview some of our stakeholders to receive their feedback on the importance, from their standpoint, of key materiality aspects. By comparing the assessments of the Board of Directors, our employees, customers and potential customers, we found that their priorities are fairly aligned. This is a welcomed result, as it will help us focus on few but essential aspects in the future.

We would like to thank all our stakeholders for their active participation, ideas and input: their engagement helps us in defining the path towards becoming more and more sustainable.

We hope you will enjoy reading our report and look forward to receiving your feedback.

**Gabriel Haering**  
CEO

**Anton van Troostenburg de Bruyn**  
Chairman



# About this Report

This Sustainability Report covers the years 2016-2017 and makes reference to the previous published report and data. Our goal is to communicate in a transparent and open manner in order to provide our stakeholders with a solid tool to monitor our performance over time. By combining our ethical values with our growing commitment towards sustainable development we believe we will be able to build a stronger and innovative organization, more responsible towards our society and our planet, at the same time guaranteeing a long-term, sustainable growth.

This report has been prepared in accordance with the GRI Standards: Core option. We decided to adhere to the GRI Standards Framework to ensure that our performance can be measured and compared objectively by our stakeholders.

Our material areas are those that may significantly affect our performance, both at the financial and non-financial level, and may therefore influence our stakeholders when they form an opinion or make a decision concerning Cerbios and its activities.

As required by the GRI Framework, we conducted a new materiality analysis in order to reassess and rank the most significant aspects for our company and our stakeholders. An illustration of our results can be found on page 25.

Noteworthy is also the integration of the SDGs as a global framework to assess and measure our contribution to sustainable development and to monitor our progress over the next years.

We decided not to submit this report for an external audit as most of the relevant information has already been audited and/or complies with the most rigorous standards. This report has been submitted to GRI for the 'Content Index Service', which was successfully completed. Project coordinator is Mrs. Flavia A. De Marco (HSE Manager) under the supervision of Dr. Gabriel Haering, CEO.

The scope of this report includes the activities at our Lugano site. Activities carried out by our sister company, located in Western Switzerland, and our minority partnerships in Sweden and Italy, are not included.





Organizational  
Profile



Cerbios-Pharma SA

**13'481**m<sup>2</sup>  
of Surface  
Headquarters  
in Barbengo/Lugano,  
Southern Switzerland

**132**  
Employees

**> 5'000**  
Training Hours  
an average of 38 hours  
per employee/year

**+36%**  
volume  
growth  
Production  
of probiotics for  
animal feed  
and pet-food

from  
2015

**+28%**  
volume  
growth  
Leading player  
in the Folates area

**Dun & Bradstreet**  
Risk Indicator 1  
Confirming minimum  
default risk for  
**7 years**  
in a row



# Our Values



**EXCELLENCE**  
In working together with our partners and colleagues



**RESPECT**  
People as individuals and team members for who they are



**OPEN COMMUNICATION**  
Sharing information and advice frequently and constructively



**INNOVATION**  
Through continuous improvement at all levels by promoting innovation



**CUSTOMER CENTRICITY**  
Eliminating all “non-value” activities and applying all the previous values consistently keeping in mind the benefits for all CERBIOS’s stakeholders

# Ethics

Our ethical code follows the guidelines of Farma Industria Ticino, the Association of chemical and pharmaceutical industries in the Canton of Ticino, of which Cerbios is a founding member and where our CEO sits in management committee.

- 1. Person Centrality
- 2. Personal Integrity Protection
- 3. Fairness and Impartiality
- 4. Human Resources Development
- 5. Transparency and Correctness
- 6. Health and Safety
- 7. Environmental Protection



# Business Model

Thanks to our unique expertise we provide world-class products and services to our partners, mostly large Pharma companies. Our company produces Active Pharmaceutical Ingredients (APIs), which cover small molecules (Chemical Division) and large molecules (Biological Division). A dedicated production unit manufactures probiotics for pharma and feed applications.

Our products are sold worldwide, mainly to companies based in Europe, North America and Japan. The strong synergies of both divisions as well as our expertise and know-how, allow us to offer fully integrated contract development and manufacturing solutions to originators working on innovative, highly sophisticated and potent medicines that will be marketed in the future.

## VISION

*“To provide excellent services, helping our partners to achieve their core business objectives”*

## MISSION

*“To be a leading company in distinctive chemical and biological API products and services”*

## MOTTO

*“Fostering Value through Innovation”*

The support provided by Cerbios as exclusive manufacturer covers the supply of clinical batches and process improvements supported by a quality by design (QBD) approach to ensure a successful process validation and DMF approval by the regulatory agencies.

For more information about our activities and our company, please visit [www.cerbios.ch](http://www.cerbios.ch) where our corporate brochure can be downloaded.

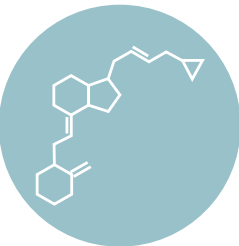
## Audited by key authorities



# Products and Services

Our exclusive Contract Development and Manufacturing Services as CDMO start from Pre-clinical through clinical stages to commercial supply.

Our four key areas of expertise are:



**HPAIs**  
High Potency Active Ingredients

**APIs**  
Active Potency Ingredients



**ADCs**  
Antibody Drug Conjugates



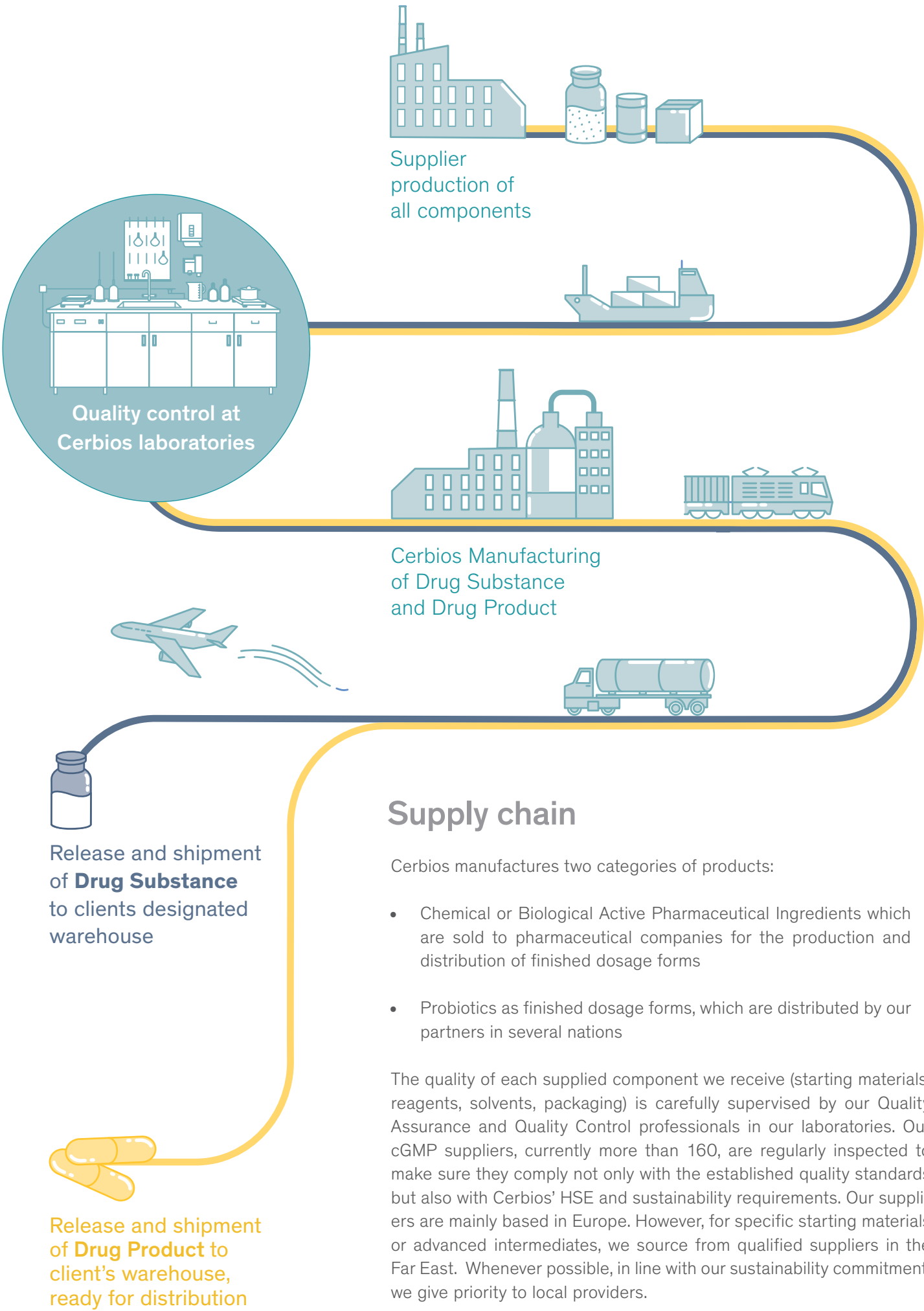
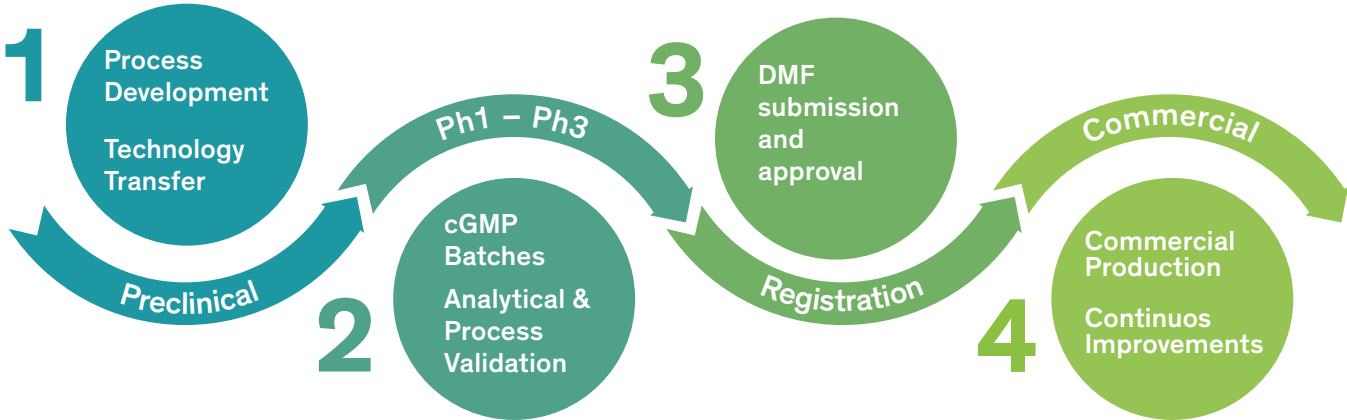
**Pharmaceutical Probiotics**



**mAbs**  
Recombinant Proteins and monoclonal Antibodies

# Project Management

From proof-of-concept to commercialization, we provide scientific and regulatory strategy advice to our partners for chemistry, manufacturing, and control (CMC). A professional Project Management Office coordinates all our development projects to guarantee the quantitative and qualitative targets and commitments are met.



## Supply chain

Cerbios manufactures two categories of products:

- Chemical or Biological Active Pharmaceutical Ingredients which are sold to pharmaceutical companies for the production and distribution of finished dosage forms
- Probiotics as finished dosage forms, which are distributed by our partners in several nations

The quality of each supplied component we receive (starting materials, reagents, solvents, packaging) is carefully supervised by our Quality Assurance and Quality Control professionals in our laboratories. Our cGMP suppliers, currently more than 160, are regularly inspected to make sure they comply not only with the established quality standards but also with Cerbios' HSE and sustainability requirements. Our suppliers are mainly based in Europe. However, for specific starting materials or advanced intermediates, we source from qualified suppliers in the Far East. Whenever possible, in line with our sustainability commitment, we give priority to local providers.



\* the Ryman Eco  
is a sustainable free font  
which uses 33% less  
ink than standard fonts



## Sustainability

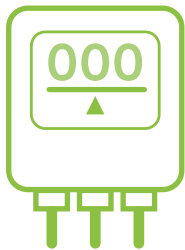
For us, sustainability means adopting a balanced and integrated approach to our economic, environmental and social impacts in the long run.

This philosophy has been at the heart of our operations ever since our foundation more than 40 years ago. We have always done our utmost to expand and develop our business responsibly, and at the same time staying true to our core values and providing top quality products and services while safeguarding the environment and guaranteeing the highest health and safety standards. Since 2016, with the publication of our first sustainability report and the support of our shareholders, sustainability has become a core component of our culture and a formal part of our long-term strategy.

We are aware that businesses cannot succeed if they do not commit to protecting the environment and creating shared value in the communities where they operate. We strongly believe in the potential of business to be a force for good. We are determined to find a solution to these pressing concerns afflicting today’s society and to integrate them in our way of doing business.

Through a more efficient use of resources, the minimization of our ecological footprint, our offer of added value solutions to our clients and the creation of positive impact on the local community and our stakeholders, we strive to continuously improve our sustainability approach and the quality of life of present and future generations. We are convinced that only by taking these goals seriously is it possible to be successful in the long run.

# Sustainability Highlights 2016-2017



**INSTALLATION OF WATER AND ENERGY METERS**  
In order to obtain detailed and accurate information regarding our energy and water consumption, we are installing water and energy meters in all sensitive areas in our building



**PINCH-ANALYSIS**  
After a first Pinch-Analysis conducted in November 2017, a more detailed assessment was carried out to verify the estimated saving potential and investment costs related to the active heat recovery system



**ENVIRONMENTAL ASSESSMENT FOR POTENTIAL SUPPLIERS**  
We have recently included a sustainability-related questionnaire in our supplier assessment form and we have introduced sustainability evaluation procedures that are conducted during site audits



**ENAW CERTIFICATION SINCE 2012**  
We have been working with the Swiss Energy Agency for the Private Sector (ENAW) since 2012 and have successfully adopted the energy management model for SME, with the goal of improving our energy efficiency and reducing our emissions



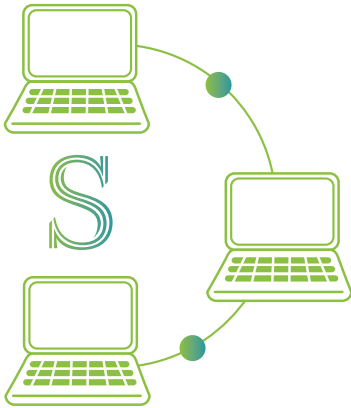
**INTRODUCTION OF PAYROLL SOFTWARE**  
In order to reduce our paper consumption, all payroll-related documents is now sent electronically to our employees and to authorities



**PILOT PHASE WITH MOBALT**  
In late 2017 we started a pilot phase with MobAlt, the local provider of corporate mobility services. This initiative aims to reduce traffic congestion and to incentivize a more flexible mobility by introducing a centralized mobility service which coordinates and incentivizes the use of car sharing and public transport

64%

**ENERGY MIX**  
Percentage of renewable electricity in the mix purchased from AIL SA

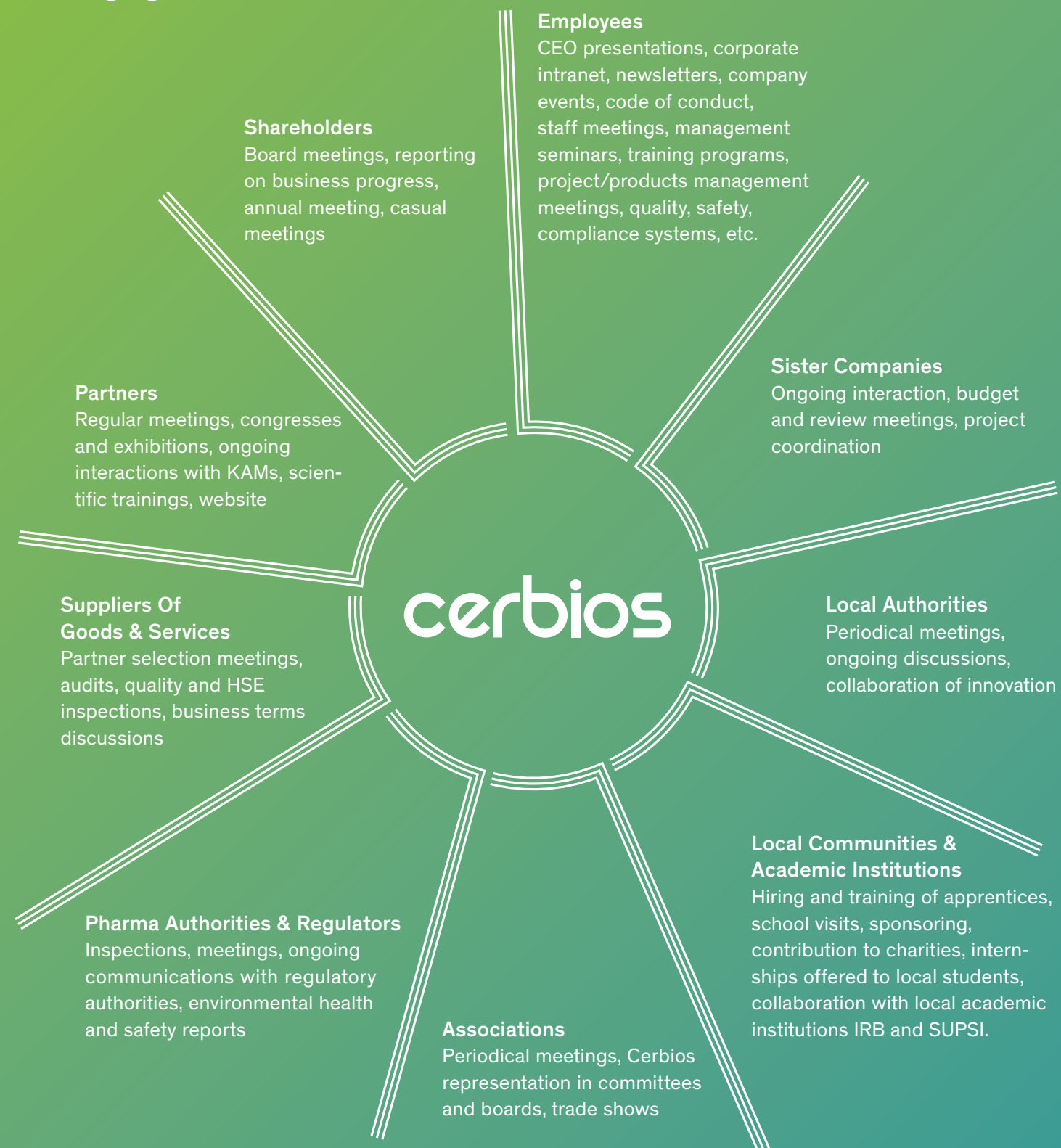


**INTRODUCTION OF A DEDICATED SUSTAINABILITY SECTION IN OUR INTRANET**  
In 2016 we introduced a specific section with sustainability-related news, updates and information





## Stakeholder Engagement



In order to tackle the most urgent social, economic and environmental challenges that we have identified, it is essential to maintain solid and mutually-beneficial relationships with our stakeholders, as well as to engage with them in a constant and well-structured manner. By doing so, we can make sure that our expectations are aligned to theirs and that we are able to create shared added value. We have therefore identified the groups of stakeholders with whom we interact on a regular basis and the main channels we use to interact with them.



# Our Engagement

We are aware that achieving the SDGs by 2030 is an ambitious challenge, which requires an important change of mindset and habits. However, we strongly believe that only by adopting innovative, responsible and inclusive business models and uniting our efforts at the government, business and civil society level, we can create shared value for our society and safeguard the world’s natural resources. We give our contribution towards the SDGs through the following actions and behaviours:



3

GOOD HEALTH AND WELL-BEING

- Provide excellent working conditions for our employees
- Constantly improve health & safety procedures through training
- Our probiotic feed additives promote food security and contribute to the reduction of the use of antibiotics in animal nutrition

4

QUALITY EDUCATION

- Invest in continuous internal training and external courses in order to strengthen or increase know-how
- Offer internships and apprenticeships
- Promote skills training

5

GENDER EQUALITY

- Guarantee equal opportunities and remuneration policy

6

CLEAN WATER AND SANITATION

- Reduce water consumption: year after year we strive to reduce our water consumption by adopting technological improvements

7

AFFORDABLE AND CLEAN ENERGY

- Adopt internal measures to constantly improve our energy efficiency

8

DECENT WORK AND ECONOMIC GROWTH

- Support local sourcing and manufacturing
- Grow our business, create new jobs and redistribute the value created

9

INDUSTRY, INNOVATION AND INFRASTRUCTURE

- Our investments in new buildings and equipment follow sustainability criteria and aim to improve our environmental performance
- Promote inclusive and sustainable development in our region and our industry

12

RESPONSIBLE CONSUMPTION AND PRODUCTION

- Adopt improved processes to reduce waste (reuse and recycle)
- Improve traceability of products

13

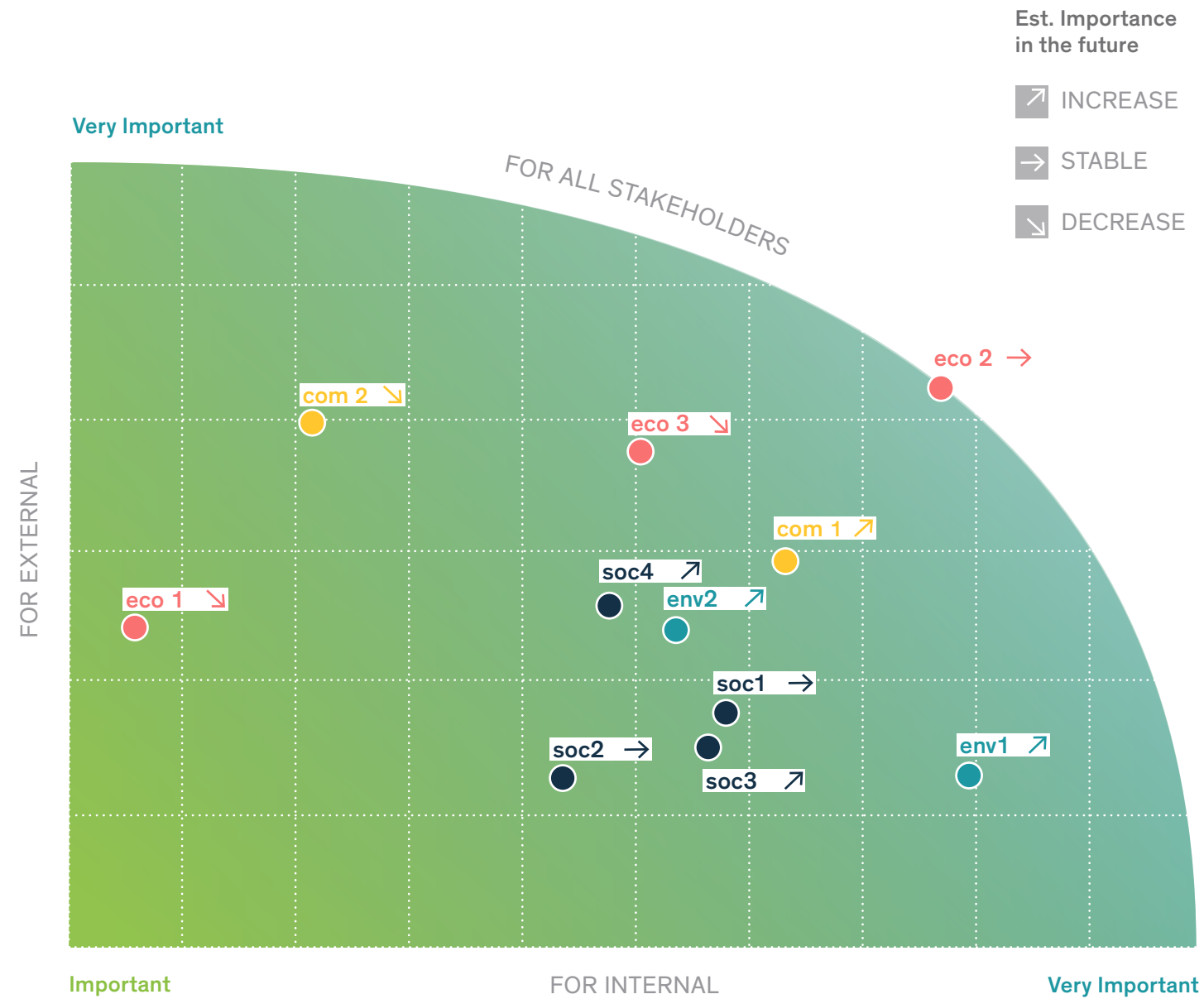
CLIMATE ACTION

- Reduce carbon footprint and increase energy efficiency
- Measure progress or action against climate change and report in a transparent way
- Identify energy wasting equipment or processes and invest in improvements
- Reduce emissions by promoting the use of public transport



Materiality Analysis

			WHERE IMPACTS OCCUR	
			Internal	External
Enviromental	1	Reduction of VOC emissions and wastewater	●	●
	2	Reduction of CO <sub>2</sub> emissions, water and energy consumption in our operations	●	●
Social	1	Gender equality in compensation and opportunity	●	
	2	Training of apprentices and contribution to youth education	●	●
	3	Regular employee training	●	
	4	Positive working environment, employees commitment, respect and transparency	●	
Economic	1	Preference to local suppliers		●
	2	Long-term business growth	●	●
	3	Value creation for customers through innovative products and services	●	●
Combined	1	Employees health, safety and well-being	●	
	2	Supply chain sustainability and transparency	●	●



A materiality analysis is a central element of a sustainability strategy and defines which topics are most relevant for a company’s business strategy and their potential impact on the ability to create environmental, economic or social value. After re-assessing and updating the material aspects that were highlighted in our last sustainability report, we asked three stakeholder groups – our board of directors, our employees and our partners – to assess the most important sustainability aspects from their point-of-view. The results obtained are very encouraging as all three stakeholder groups agree on the significance of our key material aspects. This will allow us to fine-tune our long-term strategic plans with a clearer insight into our stakeholders’ needs, priorities and expectations. With this set of data, we have created our materiality matrix,

which portrays the areas of relevance that are at the core of our sustainability plan and define the way we will implement it in the future.

These aspects:

- Are related to laws, standards, regulations and international agreements
- Affect stakeholders or their evaluations and decisions
- Have an influence on our values, policies, strategies and objectives
- Represent a concern or expectation of our stakeholders or are a matter of discussion with them

- Are a risk or an opportunity for Cerbios
- Are an industry issue reported by our peers and competitors

Our Materiality Matrix lays out the results of our surveys and shows a summary of the top 11 key material aspects in terms of importance for Cerbios (horizontal axis), importance for our partners and potential partners (vertical axis) and the relevance of these aspects in the future (represented by the arrows). It shows that the most significant aspects for both our company and our clients are long-term business growth and value creation for customers through innovative products and services. Our clients also considered supply chain sustainability and transparency important, while the

reduction of VOC emissions and wastewater scored high among our employees and board of directors. Including our clients’ feedback in our materiality analysis has been an important step towards establishing regular and mutually-beneficial collaborations. We will work to enhance this collaboration with our clients and other stakeholders’ group in the future.





## Environmental Performance

We are convinced that every organization has a duty to minimize its environmental impacts. It is now universally recognized that climate change and environmental degradation are crucial issues that need to be urgently tackled. Since our beginnings we have made our utmost to minimize our environmental footprint and improve resource efficiency, and we will always strive to continue on this path. By working closely with our stakeholders and pushing to be constantly more efficient in our processes, we succeed in reducing our costs, hence improving our competitiveness.

We have been working on the installation of water, gas and electricity meters in all main areas of our building. This allows a better understanding of how resources are used and helps us to develop appropriate measures in order to rationalize consumption where it matters and to increase our efficiency.

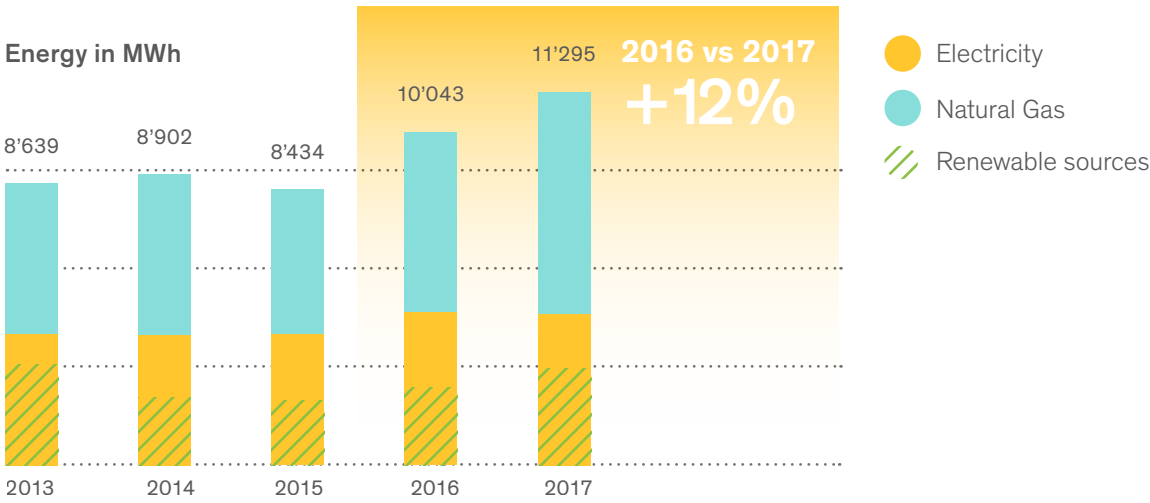


Energy

We have two sources of energy: ● Electricity ● Natural Gas

We regularly upgrade our equipment to minimize energy consumption. In 2017 steam traps were renewed and plate heat exchangers were replaced. Insulation, pneumatic components and consumption measurement devices were also improved. Several rooms were also renovated and lightbulbs in the warehouse and technical highway were replaced. All new lightbulbs installed since 2016 are LED.

Production and its secondary activities, especially prolonged batch processes, are particularly energy-intensive due to repeated heating, cooling and a high HVAC activity: we are constantly searching for new ways to reduce our energy consumption. An initial basic Pinch-Analysis assessment in November 2017 revealed a significant saving potential for natural gas through the implementation of an active heat recovery system. Cerbios' Board of Directors has therefore agreed to proceed with a more detailed Pinch-Analysis to verify the estimated saving potentials and investment costs for the active heat recovery system proposed in the basic assessment. The main objective is to have an investment plan over the next years in order to address specific utilities and equipment and recover as much energy as possible with a sustainable ROI. Since 2012 we have been working together with the Swiss Energy Agency for the Private Sector (ENAW) and have successfully adopted the energy management model for SME, with the aim of enhancing our energy efficiency and minimizing our emissions. This long-lasting cooperation has successfully supported our efficiency efforts and has led to important achievements.



Total Energy Consumption  
per Batch produced (Intensity indicator)

Efficiency Total energy consumption  
index/turnover index (Base 1=2013)

Electric energy  
from renewables

Source AIL

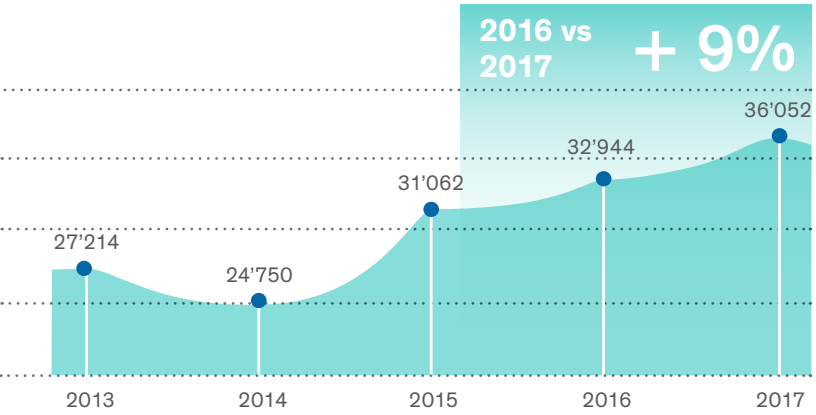
	2015	2016	2017
From Renewables %	49.6%	53.2%	63.6%
From Nuclear %	3.9%	6.9%	5.4%
From Waste %	2.3%	0%	0%
From Non-Specified Origins %	44.2%	39.9%	31.0%

During 2017 our electricity consumption decreased slightly, while our gas consumption grew by 24%, mostly because of a larger usage of HVAC caused by the opening of a new building dedicated to services as well as more intense activity in services and production, particularly for molecules that require a more energy-intensive process. The mix of electricity provided by Aziende Industriali di Lugano (AIL) saw an important increase (+24%) in the percentage of energy coming from renewable sources.

Water

The production of chemical and biological ingredients is a water-intensive activity, especially because large quantities of water are necessary to cool reactors (non-contact water). We are determined to continuously improve our water efficiency over time. We use high-quality drinking water (ISO22000-certified) for all our requirements. Our provider does not supply industrial water in the area. Between 5% (2015) and 3% (2017) of the water used is channeled to our treatment plant before being discharged into the sewage leading to the local treatment plant about 600 meters downstream. In 2016, a maintenance activity on mechanical seals in the P1 production unit allowed an important reduction in the consumption of cooling water. Different production processes require distinct quantities of water: the installation of meters in every production line, a project that started in 2016, allows a better understanding of water usage and results in increasingly greater efficiency in the use of this precious resource.

Total water consumption  
in m³



Treatment of waste water before  
discharging into the sewage



Total water consumption index/  
turnover index (Base 1=2013)



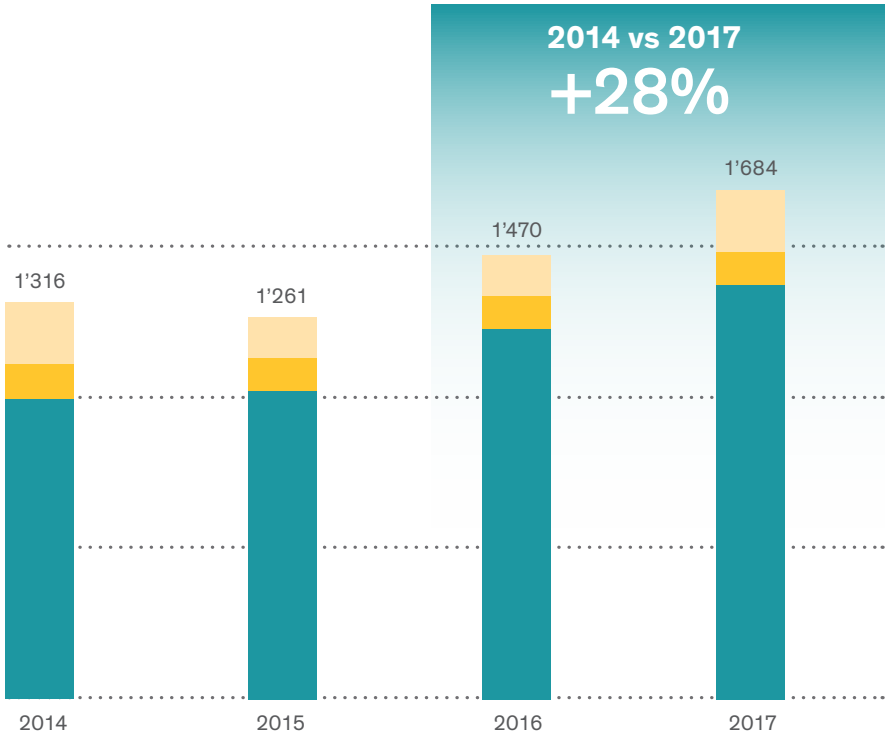
Emissions

Our CO<sub>2</sub> emissions mostly originate from our consumption of natural gas. We do not use other fossil fuels.

The growth in CO<sub>2</sub> emissions is mainly a consequence of an increase in production, a higher HVAC activity (mainly due to the opening in 2017 of the new R&D building) and more frequent airplane travel due to a more intensive commercial activity, especially overseas.

Regarding our emissions of Volatile Organic Compounds, in 2017 a new system was introduced in one of our production units that collects ethanol used for equipment maintenance and conveys it to a dedicated waste tank. Furthermore, the building of the new state of the art R&D laboratories has contributed to improved recovery of our VOC emissions.

Emissions in Tons



- Emissions from Airplane travel
- Emissions from Electricity Production
- Emissions from Stationary Combustion (gas)



Total CO<sub>2</sub> emissions per turnover (Base 1=2014)

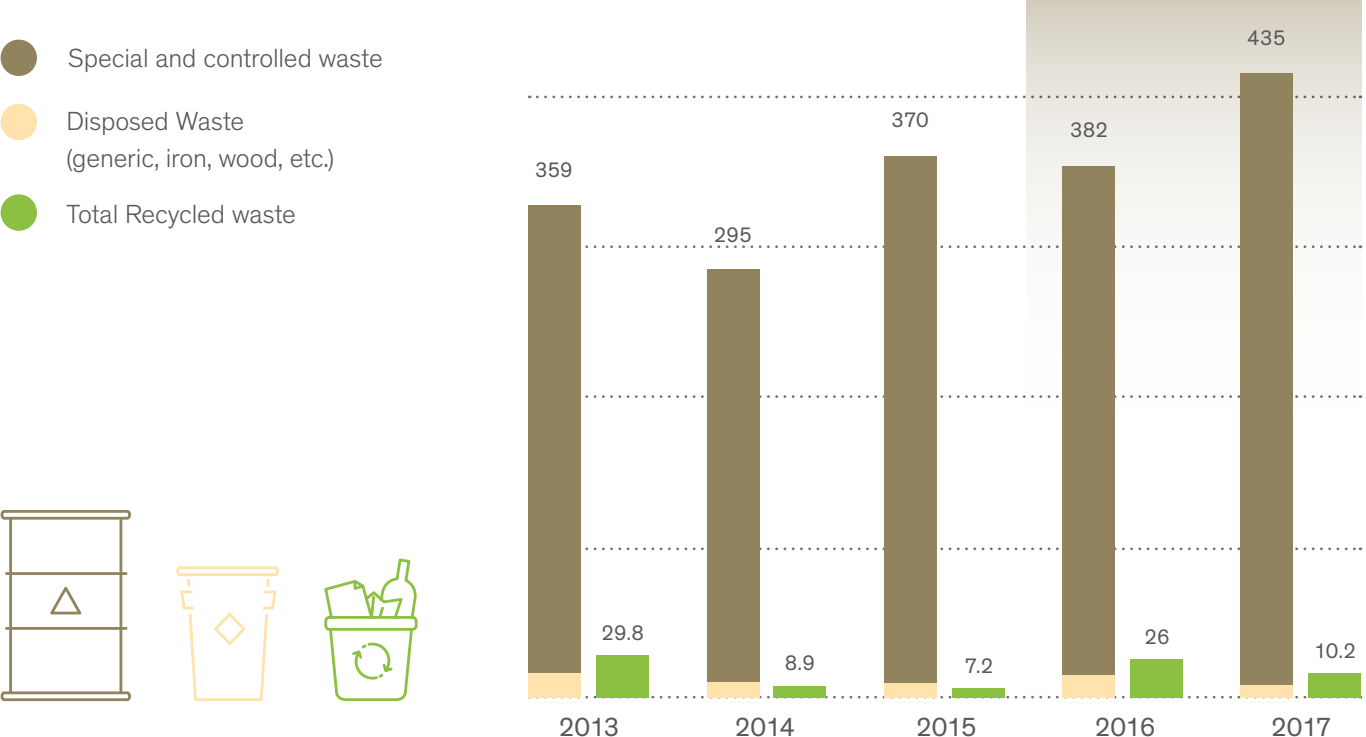
1 0.92 0.91 1.02

Waste

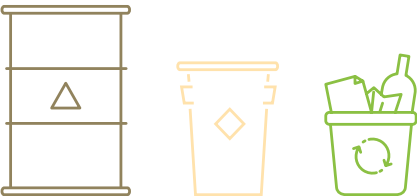
Our hazardous waste is collected and transported to Northern Switzerland, where it is processed and neutralized by a specialized company. No hazardous waste crosses the Swiss border, except for a limited amount of neutralized sludge which is transported to Germany.

Our performance in terms of waste management is satisfactory. We have substantially reduced the amount of waste per batch produced, and every year the quantity of waste we produce is approximately aligned with the evolution of our turnover. The negative efficiency trend in 2017 is due to an increase in production with, at the same time, a relatively stable number of employees, while the two peaks (2013 and 2016) in recycled waste were caused by the construction & remodeling of our building.

Total Waste in Tons



- Special and controlled waste
- Disposed Waste (generic, iron, wood, etc.)
- Total Recycled waste



Total waste consumption index/turnover index (Base 1=2013)

1 0.77 0.96 0.92 1.07

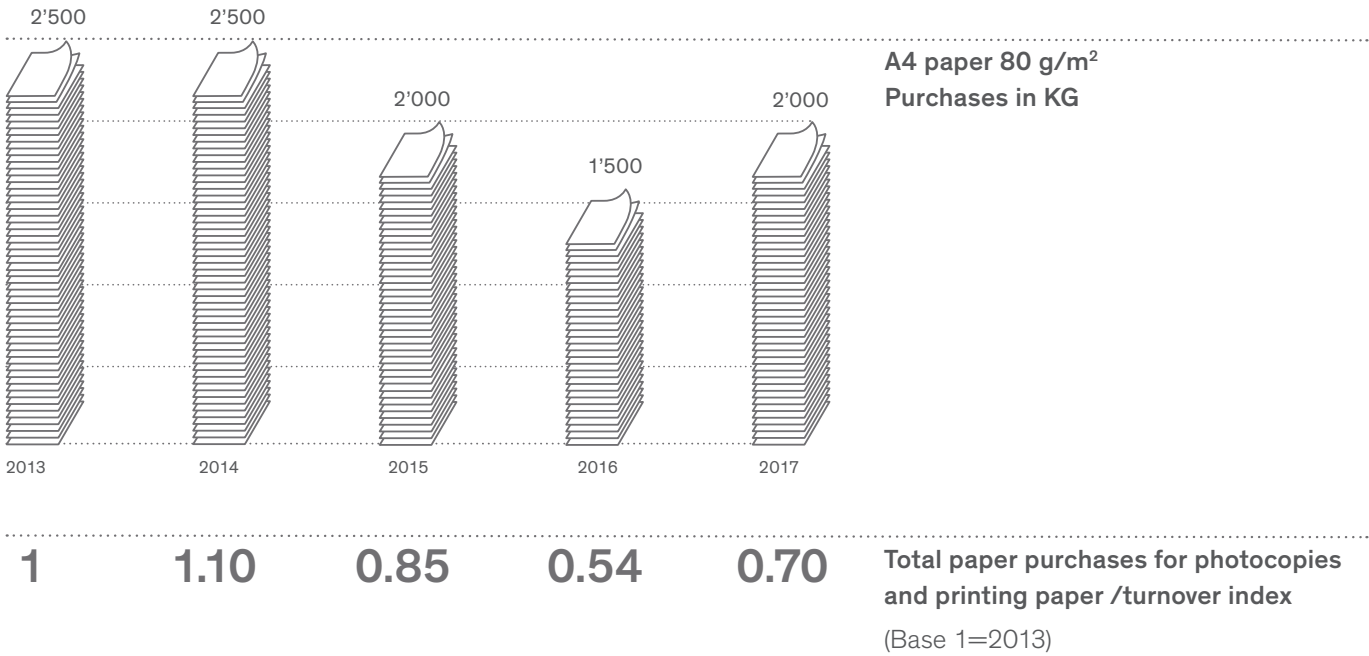


Paper

The below data represents the paper purchased. There is a high correlation between paper purchased and used as the stock we keep is rather stable. Every year we strive to reduce the consumption of paper by switching to electronic documents whenever possible. For instance, we recently introduced payroll software so that all salary documentation is sent electronically to our employees and to the authorities.

The quality system has been upgraded with paperless software with further upgrades planned in the future. We are also reducing the number of printers and moving to a centralized printing system with fewer but more powerful machines.

At company level, we are increasingly adopting a paperless policy, which is being rolled out over time.



Other

In late 2017 we started a pilot phase with MobAlt, a local provider of corporate mobility services. Together with several other companies in our area, the aim of this initiative is to reduce traffic congestion and to incentivize a more flexible mobility through the coordination of a centralized mobility service which manages and incentivizes the use of car sharing public transport. At the same time, we have introduced a monthly fee for our employees who use a parking space for their private vehicle. Both these measures should incentivize our staff to change their habits and to switch towards a more sustainable home-work mobility.

Additionally, we have been carrying out awareness activities with our cleaning contractor to minimize the use of detergents, and we have introduced several water dispensers in our offices to reduce the use of PET bottles and provide free water to our employees.

In 2016 we introduced a specific section with sustainability-related news, updates and information in our intranet, which is periodically updated.



Social Performance

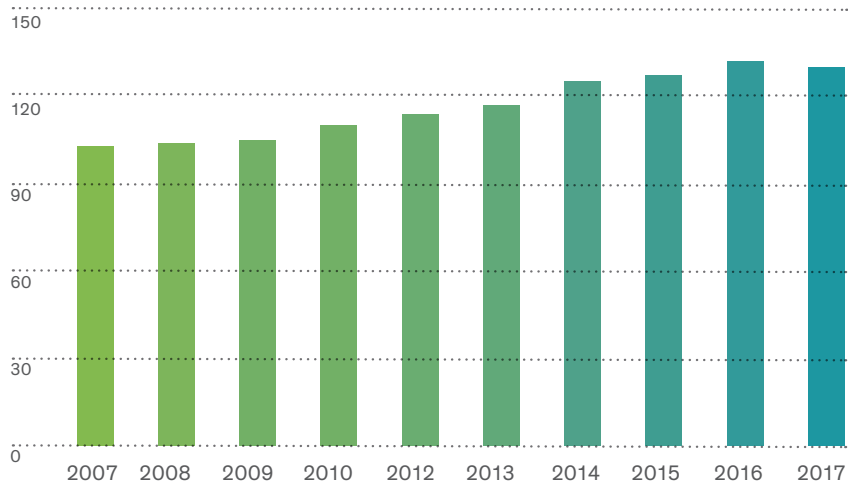
At Cerbios, we are committed to guaranteeing our employees' well-being and to recognizing their needs and aspirations in our decision making. We want to have a positive impact on the local community, to be an attractive employer, and to be perceived as an important actor in the local economy. We have always valued our people and we firmly believe they are the engine of our company's growth and development. We make our best effort to maintain an environment of mutual trust, transparency and equality.

At Cerbios there is no disparity of treatment between men and women. This includes the remuneration policy, as we have no gender-related differences in compensation for our staff at all levels. The remuneration of our employees is based exclusively on their skills, experience, qualification and performance. In the framework of our Management by Objectives system, every employee receives an annual performance appraisal, during which their career development is discussed.

Every two years we carry out an employee survey to assess the working climate and workplace satisfaction, and to understand what the areas of concern for our people are and work on possible improvements. The last survey took place in 2016 and will be repeated on a bi-annual basis.

Our People

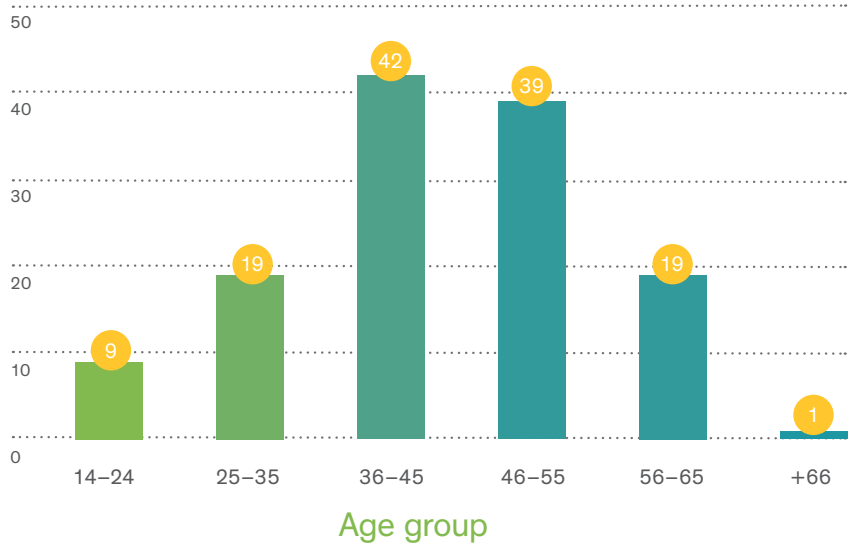
Headcount & Employment Contracts



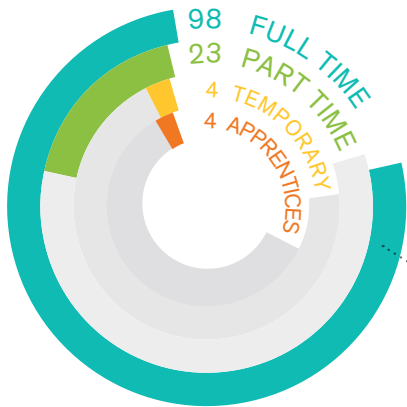
In the last 10 years our staff grew by **35%**

Full-time and part-time contracts significantly grew while temporary contracts slightly decreased in 2017. We are very proud of the high proportion of women in our staff (35%) and we believe it is a very good achievement considering we operate in the chemical and pharmaceutical manufacturing industry, where the proportion of males in the workforce is usually much higher. It is noteworthy to mention that in the Biological division the number of women is substantially higher than in the Chemical

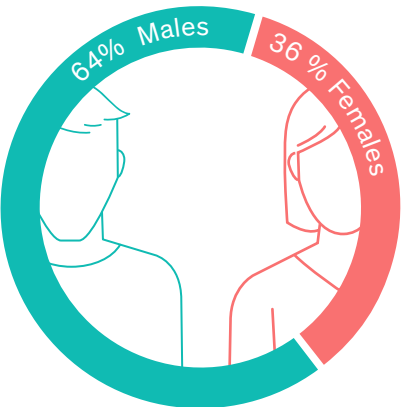
Number of Employees



Over the years, the employment rate by age group has remained fairly stable, confirming the local demographic trend.

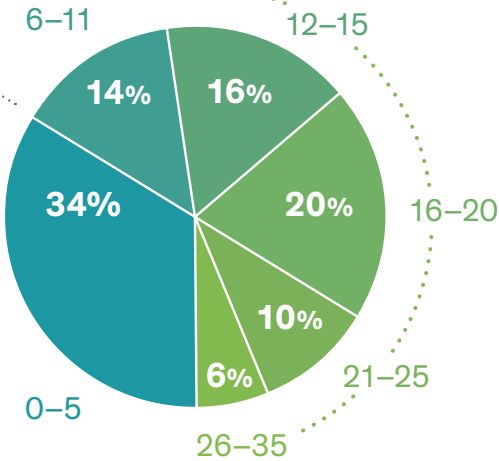


**129** Employees in 2017



**50%** of Employees is below 43 years old

**52%** of Employees working with us for more than 12 years



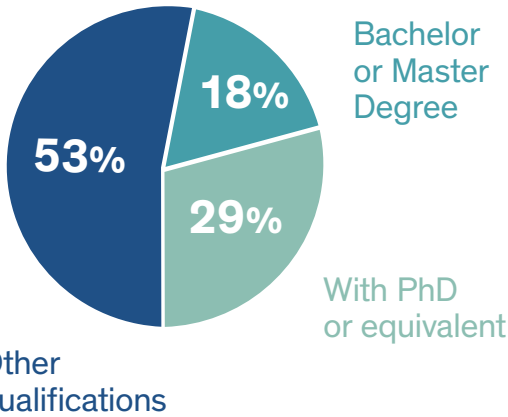
Years of Employment

Our efforts to maintain a good working environment have been rewarded by our staff loyalty: 52% have been working with us for more than 12 years and 16% for more than 20 years.

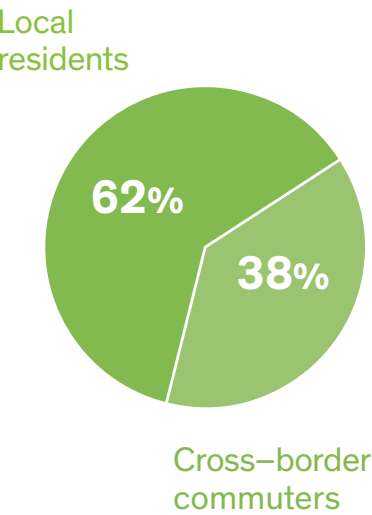


Educational Level

**47%** hold a University Degree



Staff Residence



The proportion of local residents and cross-border commuters has remained almost equal over the past years, with 62% of our employees living in the Ticino region in 2017. Compared with most industrial companies in our region, we employ a higher percentage of local residents.



We offer a mix of superior compensation packages and non-monetary incentives in order to motivate our employees and attract excellent candidates. No collective bargaining agreements are in place.

Our policy includes:



**Profit sharing scheme**  
for all employees



**Insurance premiums**  
for professional and  
non-professional injuries  
fully paid by Cerbios



**Significant discount**  
on the purchase  
of medicines and  
medical devices

**23 days off**

Minimum increasing based  
on working seniority



**Company covering 60% of  
mandatory pension plan (LPP)**  
Our retirement plan is managed  
by Swiss Life Ltd., based on  
our specifications in terms of risk  
profile and investment strategies.  
The coverage ratio is  
above 200%.

**40 hr**  
working weeks

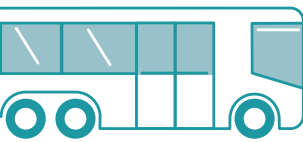


**Home office**  
based on function



**Flexible  
working time**

For apprentices



**50% discount**  
on public transportation  
passes

**25 days off**



**Cash prize at graduation**  
based on final mark

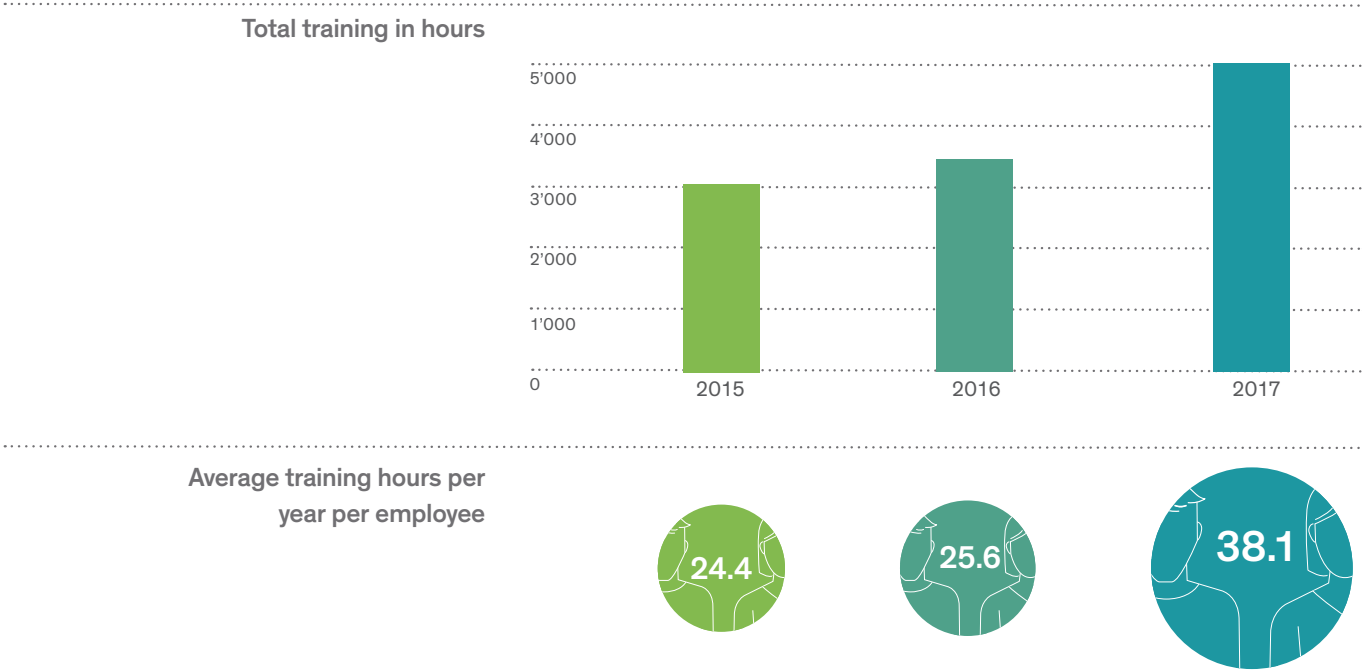
Training

At Cerbios, training and professional development of our employees is a top priority.

In 2017, the total training hours have increased by 45% compared to 2016. Our employees attended an average of 38 hours per year training each, 13 hours more compared to 2016. Out of 5,035 hours of training, 2,150 hours were delivered by external providers, and 2,885 by our internal experts and trainers on various subjects.

We invest in excess of 1,700 CHF/employee/year. The main subjects were in the areas of Health Safety & Environment, R&D, Quality Control, Quality Assurance, Technical & Production, Project Management, Management and Executive Training.

Thanks to our constant efforts, we have been officially recognized by the Swiss State Secretariat for Education as providers of vocational education and training for apprentices since 1994.



## Health, Safety & Environment

The Zero Accidents objective is one of our most important goals, and we believe it is essential to maintain a high awareness of safety issues among our employees through ongoing communication and training. Every action that has caused or may cause accidents or anomalies is recorded and corrective measures are adopted. In the past 5 years we never had a serious accident and we registered only 2 minor accidents, which led to a total loss of 22 working days in 2014. From 2015 to 2016 we did not have any accidents, while in 2017 we had two minor accidents which led to an absence of 4.5 days. The Zero Accident objective was missed for this year, and we took the necessary measures to make sure that these kinds of accident will not happen again.



## Philanthropy

Since 2009 we have been collaborating with Mawaba, Wings for Africa ( [www.mabawa.org](http://www.mabawa.org) ), a Swiss NGO active in the Great Lakes region, between the Democratic Republic of Congo and Rwanda. Every year, the amount of money we would normally spend on Christmas cards and gifts is instead devoted to supporting the healthcare needs of the Nyamyumba village in Rwanda.

Concerned by the continuous increase in epilepsy patients, with approximately 5% of the Rwandan population affected, in 2017 we decided to participate in the construction of a dedicated Epilepsy Care Centre in Nyamyumba. Construction was completed by mid-May 2017. Since then, every month about 100-120 patients are treated in the new epileptic Medical Centre.



## Memberships

We firmly believe that a constant cooperation with our peers as well as other stakeholders is an efficient tool to build synergies and create shared value. Our memberships include:

### Local and Swiss Associations



**AITI**  
Associazione  
Industrie Ticinesi



**Cc-TI**  
Camera di Commercio  
Industria e Artigianato



**FIT**  
Farma Industria  
Ticino



**AIF**  
Associazione Imprese  
Familiari Ticino



**AFTI**  
Associazione  
Farmaceutici Ticinesi



**SCG**  
Schweizer Chemische  
Gesellschaft



Swiss Biotech  
Association

### International Associations



**ISPE – USA**  
International Society  
for Pharmaceutical  
Engineering



**SOCMA – USA**  
Society of Chemical  
Manufacturers  
and Affiliates



**DCAT – USA**  
Drug Chemical  
& Associated  
Technologies



**EFCG - EU**  
European Fine  
Chemical Group





## Economic Performance

For us, economic sustainability means creating long-term shared value so that our company can keep growing and increase the positive impact it delivers on society and the local communities. As already mentioned, we are a private company, fully owned by our founding families and 100% self-financed. This allows for a large amount of independence and a responsive decision-making process, which are both fundamental elements for the delivery of fast and high-quality services to our business partners. As a private company, under Swiss law we are not required to publish our financial figures; therefore, as for the first report, we decided not to disclose our economic results, mainly for confidentiality reasons but also because this information is neither critical nor of considerable importance for the general quality of this report. The split between the chemical and biological division has remained largely balanced in the past years.



## Suppliers

	2016	2017
Total number of suppliers (goods & services)	> 1000	
Total number of cGMP suppliers	160	162

We intend to adopt a strict approach to monitor our suppliers in terms of their environmental and social performance. We have recently integrated two sustainability-related questions in our supplier assessment form and we have introduced sustainability evaluation procedures to be conducted during site audits.

## Turnover

The turnover in 2017 grew approximately 25% compared to 2014, mainly driven by the Chemical Division and particularly by contract manufacturing services. The turnover ratio of the Chemical versus Biological division in 2017 is 53/47, which shows a relatively stable trend in the past 5 years.

During the past three years our exports outside of Switzerland grew substantially, in particular North America and BRICS. In 2017, more than 90% of our Cerbios' turnover comes from outside of Switzerland. North America and USA in particular accounts for over 20% of the total, while Europe is the key geographic area with 44%.

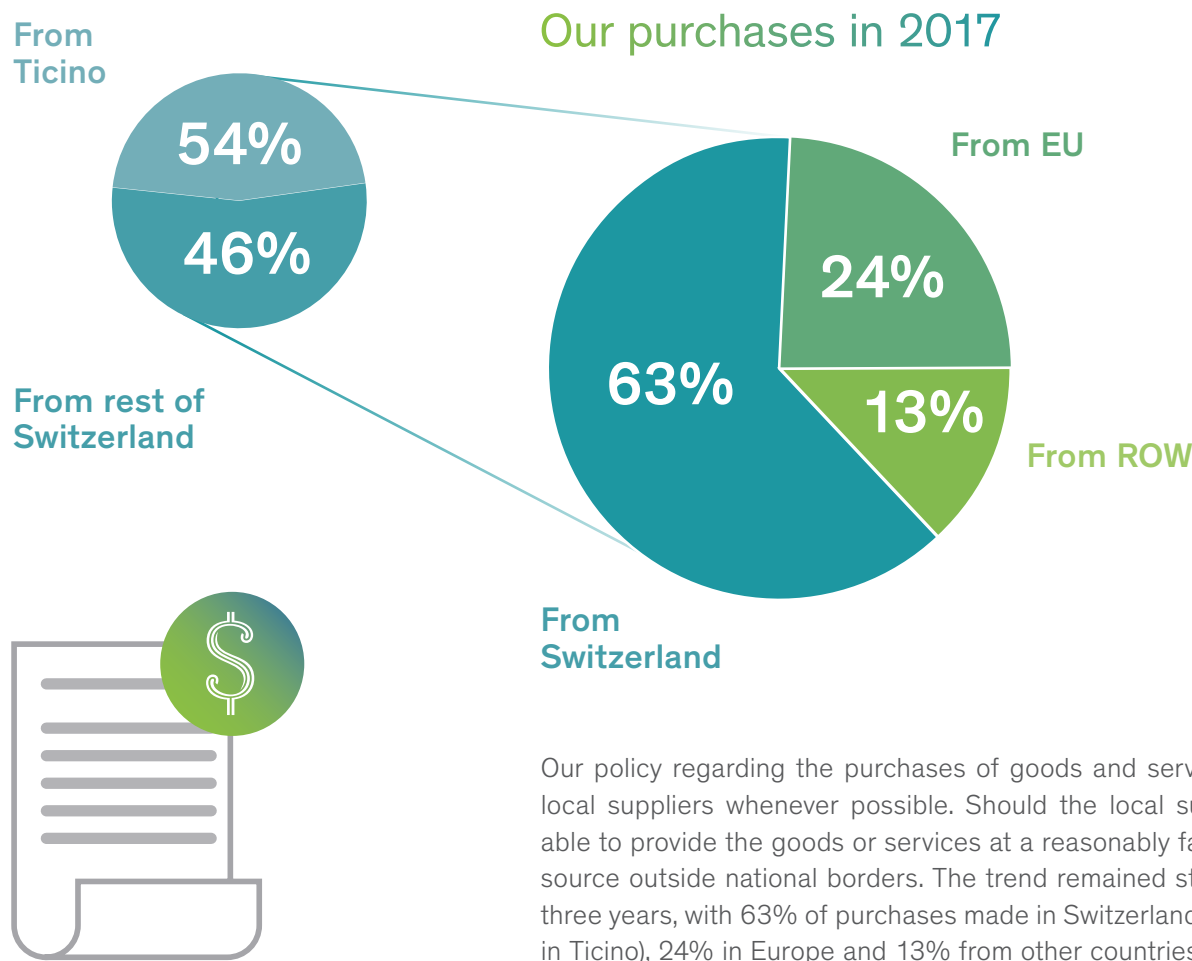
## Added Value Creation & Redistribution

The added value created by Cerbios is redistributed as follows:

- **To our personnel** (salaries, social charges, bonus, profit sharing, etc.)
- **To our providers of goods and services**
- **To shareholders** (dividends)
- **To institutions** (taxes, fees, etc.)
- **To our community** (sponsoring, contributions)
- **To our company** (reserves and capitalized profit)

## Infrastructure Investments & Purchases

In the past three years an average of 45% of the turnover has been invested in the purchase of goods and services, and 11% in the improvement of our production capabilities. Of the latter, 5% has had a direct impact on the improvement of our environmental performance.



Our policy regarding the purchases of goods and services is to favor local suppliers whenever possible. Should the local suppliers not be able to provide the goods or services at a reasonably fair price, we will source outside national borders. The trend remained stable in the last three years, with 63% of purchases made in Switzerland (34% of which in Ticino), 24% in Europe and 13% from other countries in 2017.

## Financial Assistance from Government

The financial assistance received from the Ticino Canton in 2016 and 2017 amounted to CHF 73'000. These sums were invested in our participation to international fairs and the Horizon 2020 program funded by the EU and the Swiss Government, which aims to facilitate the integration of young people in the labour market.





## GRI Content Index



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