THERAPEUTIC INNOVATION FOR THE BENEFIT OF PATIENTS
Servier is an international pharmaceutical company governed by a non-profit foundation, with headquarters in Suresnes, France.

With a strong international presence in 148 countries and a turnover of €4.15 billion in 2017, Servier employs 21,600 people worldwide. Entirely independent, Servier reinvests 25% of its revenue (excluding generic drugs) in research and development and uses all its profits for development. Corporate growth is driven by Servier’s constant search for innovation in five areas of excellence – cardiovascular, immune-inflammatory, and neuropsychiatric diseases, cancer and diabetes – and by its high-quality generic drugs.
SERVIER, AN INTERNATIONAL PHARMACEUTICAL GROUP

Our Group is deeply involved in accompanying evolutions in the healthcare sector for the good of patients.

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P.10  GLOBAL REACH
P. 12  HIGHLIGHTS OF 2016-2017 FISCAL YEAR

CLEAR STRATEGY TO TAKE ON NEW HEALTH CARE CHALLENGES

To face the challenges ahead, we have defined a clear strategy for attaining a path of sustainable growth.

P.18  OBJECTIVES
P.20  GOVERNANCE THAT FOSTERS INDEPENDENCE AND CORPORATE SUSTAINABILITY
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EXPERTISE DEDICATED TO THERAPEUTIC PROGRESS FOR EVERYONE

Our diverse areas of expertise enable us to cover the entire drug chain and devote ourselves to addressing patient needs around the world.

P.26 PATIENT-CENTERED RESEARCH
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A RESPONSIBLE GROUP

As a significant healthcare provider, we are fully engaged with all of our stakeholders.

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2016-2017 FINANCIAL INDICATORS page 54
What have your priorities been since you were appointed head of Servier?

Taking the reins of Servier has been to embark on an exciting and unique entrepreneurial adventure, especially at a time of profound change in the industry and health care systems around the world. It also involves taking charge of a group of 21,600 employees devoted to therapeutic progress to serve patient needs. My priority has been to work together with the Executive Committee to clearly define our purpose and values, which are timeless, as well as to specify a timeline charting where we want to be in 10 years and what transformation plan will get us there. Our collective drive comes from an Executive Committee united with me in prioritizing team commitment and fulfillment.

How do you intend to lead the transformation of Servier?

To remain true to our corporate purpose in a rapidly changing and competitive industry, we need to undergo a transformation. To make our vision a reality, we have defined five strategic orientations:

1) Focus on 5 therapeutic areas; 
2) Dynamic and synergized generics; 
3) Differentiated geographic footprint; 
4) High-performing organization; 
5) Passionate and empowered people. Each of these orientations has been further broken down into very specific objectives.

On what assets can Servier draw to make a successful transformation?

Our core strength is our human capital. We are a company of 21,600 men and women committed to and part of the Group around the world. Other key assets are, of course, our brand medicines, which are recognized by health care professionals and used daily to treat 94 million patients around the globe. Our third most important asset is our established international footprint, which gives people access to our medicines even in remote parts of the planet. We are currently present in 148 countries, we have just opened subsidiaries in Peru and Nigeria, and we are expanding into the United States. Last but not least, our foundation is a key asset. It safeguards our independence and preserves our freedom because we are not beholden to shareholders or investors. This is a freedom of choice. That is, we can take risks and optimize our role as a manufacturer by investing in ambitious and innovative research projects early on so we can satisfy patient needs in the shortest time possible. Maintaining this independence over time, however, is a huge responsibility.
What are the priorities for 2018?

We had a good year in 2017 and want to keep this momentum going. We are committed to discovering and developing new drugs, which will drive the growth of tomorrow’s portfolio. We will accelerate our “Patient In” policy with the appointment of a Chief Patient Officer. We aim to consolidate our commercial presence in the United States. We also need to make sure our ranges of high-quality generics remain competitive in a past-changing global marketplace.

How can Servier best meet the needs of patients?

We must continue to develop an innovative pipeline that can provide effective health care solutions for the most important unmet needs. And we must also increasingly take account of the care pathway of the patient. Not only are we discoverers and manufacturers of high-quality drugs, but we are also interested in the patient’s environment, lifestyle, and want to provide the most appropriate treatments. This is one of the challenges of WeHealth by Servier, the new eHealth department we have developed within the Group. Working hand-in-hand with start-ups, this department is responsible for designing connected tools and devices to help patients in their daily lives and to provide enhanced medical monitoring.

What are your goals for Servier?

We have very specific objectives to achieve by 2021: the launch of a new molecular entity every three years; becoming a leading player in cancer; maintaining our positions in cardiology (No. 2 Europe, No. 8 worldwide) and diabetes; and attaining 5 billion euros in sales, with an 8% operating profit. In addition, we are collectively – along with the Group’s 21,600 employees – committed to fulfilling our purpose, our vocation. That’s what motivates us every day. To alleviate suffering, to care for, to heal. In addition our new research center in Saclay demonstrates that we want to establish an ecosystem that promotes discoveries that will ultimately benefit patients. We want to provide our researchers with a stimulating environment so they can express their ideas, openly and constructively, and network with combined expertise from all over the world. This project pays homage to our French roots, supports the emergence of an international ecosystem, and reflects Servier’s transformation and objectives: a group where innovation promotes patient welfare.

MINI BIOGRAPHY

• Olivier Laureau became president of Servier in 2014. He has spent his entire career at Servier, which he joined in 1982. His first post was in the Intellectual Property Division, followed by a position in the Legal Department. He joined the Finance Division in 2000 and became Chief Financial Officer of Servier in 2008.

• Olivier Laureau has been a member of the board of directors of G5, an organization of leading French pharmaceutical companies (see box on page 10), since 2014. He is also on the board of directors of the European Federation of Pharmaceutical Industries and Associations (EFPIA).

• Olivier Laureau holds a degree in private law (DEA) from the University of Paris II.

• Born in 1957, he is married and has five children.
The health care sector is undergoing a revolution worldwide. New therapeutic solutions will soon cure currently incurable diseases, improve the daily life of patients with disabling conditions, and increase life expectancy for everyone. Servier is fully committed, in France and abroad, to supporting these advances that benefit patients.
NO. 2 IN FRANCE AND NO. 30 WORLDWIDE

Founded in France in 1954, Servier is an international pharmaceutical group operating in 148 countries with a workforce of 21,600 worldwide. With a turnover of €4.15 billion for the 2016-2017 fiscal year, Servier is the second largest pharmaceutical company in France.

Governed by a foundation, all profits are reinvested in development and therapeutic progress for the benefit of patients. Growth is based on the search for innovative medicines in five areas of excellence - cardiovascular, immune-inflammatory, and neuropsychiatric diseases, diabetes, cancer - and on high-quality generic medicines.
94 million patients treated daily with Servier medicines

21,600 employees in 148 countries

€4.15 billion 2016 Revenue

5 therapeutic areas
Cardiology, diabetes, cancer, immune-inflammatory disease, neuropsychiatric disease

– Wide range of medicines resulting from Servier R&D (brand name drugs)
  – High-quality generic medicines
  – eHealth solutions

Servier awarded the Galien Prize in recognition of creativity in research

Launch of cancer drug Lonsurf in several European countries

Inauguration of Servier Research Center in Saclay (France)

1996
Inception of generics business in France with Biogaran

2002
Servier Founder and President deceased.

2014

2017
First bioproduction batches in Gidy (France)

2019

2021
Olivier Laureau appointed President of the Servier Group and the Servier International Research Foundation
An international group with French roots, Servier is present in 148 countries and operates 65 subsidiaries across the globe. We view our geographic footprint as an opportunity to provide the best possible range of products to meet the needs of patients, wherever they are in the world.

Servier is a member of several European and French bodies:
- Board member of the European Federation of Pharmaceutical Industries and Associations (Fédération européenne des associations et industries pharmaceutiques - EFPIA),
- Founding member and Board member of “G5 Santé”, a think tank that includes the main French healthcare companies,
- Founding member and Board member of the “French Healthcare” association, which promotes French healthcare abroad under the patronage of several French ministries.
For more information, please refer to the financial indicators section on pages 54 and 55.
AUTISM

Neurochlore offers innovative approach to treating autism in children

MARCH 2017 – Servier and Neurochlore entered an exclusive licensing agreement in March 2017 for the development and marketing of bumetanide for the treatment of childhood autism in Europe. A phase 2B trial has been conducted by Neurochlore in six centers in France, with nearly 90 children, and is showing promising results.

LEUKEMIA

Servier authorized to lead clinical development of UCART19, an innovative treatment for leukemia

MARCH 2017 – The US Food and Drug Administration (FDA) has granted Servier authority to lead the early clinical development in the United States of UCART19, a treatment of relapsed or refractory acute lymphoblastic leukemia in adults. Servier is the sponsor of this early study and will manage the clinical development of UCART19 in collaboration with Pfizer.
CARDIOLOGY

Authorization of Procoralan in Canada

JANUARY 2017 – The Canadian Health Authority has authorized the marketing of Procoralan (ivabradine) as Lancora. Procoralan is a medication used to treat heart failure. It works mainly by reducing heart rate by a few beats per minute. Heart failure is one of the leading causes of illness, hospitalization, and death in Canada.

EHEALTH

Creation of WeHealth by Servier

NOVEMBER 2016

Launched in November 2016, WeHealth by Servier is Servier’s eHealth brand. This new department embodies an open innovation approach and endeavors to bring innovative therapeutic solutions to market swiftly thanks to start-up-like operations and co-creation with partners.

INTERNATIONAL

New subsidiary opened in Peru

MAY 2017 – Servier opened a new subsidiary in Peru in May 2017. This reflects Servier’s wish to be present in a geographical area that is experiencing strong growth, and to address its unmet medical needs, notably in cardiology.

CANCER

Improved patient access to cancer drug Pixuvri

MARCH 2017 – Servier has expanded its commercial rights to market Pixuvri, which is approved in Europe for the single-agent treatment of adults with aggressive, relapsed or refractory B-cell non-Hodgkin’s lymphoma (NHL). NHL is a rare type of cancer of the lymphatic system.

AUTOIMMUNE DISEASE

Servier and ILTOO partner to treat patients with autoimmune diseases

JUNE 2017 – Servier and ILTOO Pharma have signed a partnership agreement for the clinical development and marketing of low-dose interleukin-2 for the treatment of autoimmune diseases. This partnership opens up new avenues for promising therapies in diseases with a high medical need.
**CANCER**

Lonsurf provides new treatment for colorectal cancer

2016-2017 — The European Commission has granted a marketing authorization for Lonsurf (trifluridine/tipiracil) in the European Union for treatment of metastatic colorectal cancer, the second leading cause of cancer death in Europe. Lonsurf was made available to patients in many European countries (Germany, United Kingdom, Netherlands, Switzerland, Austria, Slovakia, Slovenia, Ireland, Iceland, Norway, Sweden, Belgium, Hungary, Czech Republic, and Spain), throughout 2016 and 2017 as well as in Argentina.

**INNOVATION**

Servier partners with Harvard

OCTOBER 2017 – Servier has signed a three-year strategic research alliance with Harvard University to back multi-year projects dedicated to developing innovative treatments in our various fields of expertise. This collaboration signifies a major step towards Servier’s goal of establishing a presence in Cambridge, a research hub near Boston. As part of this new research alliance, Servier will fund a number of research projects involving in-depth studies of biological mechanisms, the identification of potential targets, and the preclinical validation of targets and candidates. Scientists from Servier will also be able to work directly with Harvard researchers as part of a residency program.

**INNOVATION**

Future Servier Research Center in Paris-Saclay

OCTOBER 2017 – Servier has confirmed its commitment to developing research activity in France with the establishment of a Servier research institute at Paris-Saclay. The 260-million-euro project is entrusted to the architectural firm Wilmotte et Associés and the center is set to be operational by 2021. It will operate according to high standards in quality of life in the workplace and preservation of biodiversity and will enable Servier researchers to interact with an international ecosystem at the forefront of innovation.
EHEALTH

Servier and Gaia partner to provide online therapy for managing depression

FEBRUARY 2017 – Servier has partnered with Gaia, a global pioneer in digital therapies, to offer Deprexis, an online cognitive-behavioral therapy program. Providing personalized therapeutic support to patients with depression, Deprexis is an innovative eHealth solution that complements traditional therapeutic options.

EHEALTH

Servier partners with Silicon Valley start-up incubator

JUNE 2017 – Servier has entered a three-year partnership with Plug-and-Play Health & Wellness, a global innovation platform that connects start-ups with large corporations. This is a first for a French pharmaceutical company. This partnership affords Servier access to emerging innovative technologies in California’s health care sector and will enable Servier to expand its digital health initiatives.

CORPORATE PHILANTHROPY

Creation of Mécénat Servier endowment fund

NOVEMBER 2016 – Mécénat Servier was created in November 2016 and marks a new stage in the Group’s philanthropic commitment. This endowment fund supports public interest initiatives in France and abroad in the following five areas: health care, research, community, education, culture. Group employees can get involved with the nonprofit organizations supported by the fund.

FRANCE

Mediator

SEPTEMBER 2017 – As of 30 September 2017, 2,946 patients have received offers of compensation totaling €71.4 million, of which €51 million have already been disbursed. In addition, on 30 August 2017, the investigating judges referred Servier to the criminal court.

FRANCE

Mediator

SEPTEMBER 2017 – As of 30 September 2017, 2,946 patients have received offers of compensation totaling €71.4 million, of which €51 million have already been disbursed. In addition, on 30 August 2017, the investigating judges referred Servier to the criminal court.
CLEAR STRATEGY TO TAKE ON NEW HEALTH CARE CHALLENGES

To face upcoming challenges in a competitive environment with major scientific, technical, and economic issues, we have outlined a clear strategic plan: 5 strategic orientations to make our ambitious vision a reality for the benefit of patients.
OBJECTIVES

Servier has set itself four objectives to achieve by 2021:
Launch a new molecular entity every three years; Become a key player in the field of oncology; Attain a turnover of €5 billion; Reach an operating profit of 8% to finance development.

To achieve these objectives, Servier has defined five strategic orientations and initiated a vast transformation program. The goal of these initiatives is to improve all dimensions of the Group’s performance, rapidly and sustainably, for the benefit of patients and employees worldwide, and to ensure the sustainability of Servier’s unique business model.

Focus on five therapeutic areas
Servier’s decision to focus on five therapeutic areas, and a limited number of diseases and key biological processes within those areas, is purpose-driven. That purpose is to address the most important medical needs and to provide patients with innovative solutions as effectively and as quickly as possible.

This focus has led Servier to concentrate its efforts on the areas where it can best position itself to provide truly innovative and even disruptive solutions. Taking oncology as an example, Servier has decided to devote half of its R&D investment to combatting cancer.

These efforts are to be carried out with partners who bring their own areas of expertise and innovative projects, by developing product licensing, thereby consolidating our portfolio.

Dynamic and synergized generics
Generic medicines are a major component of Servier’s current and future development and account for 30% of the company’s revenue. This distinguishes us from most major pharmaceutical firms, which tend to specialize in either brand name drugs or generics. Servier favors a synergy between brand name drugs and generics. The reason, simply put, is access: Servier wants to provide quality treatments to all patients according to their purchasing power no matter where they are in the world. In this way, Servier remains true to its vocation of making health care accessible to as many people as possible. Additionally, the generics businesses make it possible for Servier to benefit from synergies in terms of skills and tools.
High-performing organization

Performance for Servier involves furthering our purpose of therapeutic progress for the benefit of patients, preserving independence, and ensuring sustainability. Achieving a balance between therapeutic, social, and economic values is what guides Servier in the pursuit of this vision and the fulfillment of our vocation, with one main goal: creating a sustainable growth model.

Therapeutic value creation refers to the ability to deliver solutions typifying therapeutic progress, acknowledged by both patients and health professionals.

Social value creation involves improving employee working conditions and the environment of external stakeholders.

Economic value creation denotes the ability to generate a level of profit that ensures sustainable and responsible growth.

Differentiated geographic footprint

Fine-tuning our operations according to the uniqueness of each individual market is the key to reaching more patients. That is why Servier operates in both mature and emerging markets. Servier continues to invest internationally, including in regions considered “challenging”. Recent subsidiary openings in Peru and Nigeria demonstrate this commitment, as does the aspiration to be present in Japan and the United States, the world’s largest pharmaceutical market. The year 2017 marks for Servier the first step into the United States through the decision to open an office in the Boston area, and by signing of a strategic partnership with Harvard University.

Other international projects include forming the Servier Research International Network with representations in San Francisco, Melbourne, and Shanghai. In addition, our plant in Tianjin, China is being expanded to meet growing market demand, and we are examining the value of branded generic medicines in Brazil.

Passionate and empowered people

Choosing to devote a strategic orientation to the women and men of the company reflects the importance Servier places on human capital. This orientation is based on the three pillars of attractiveness, employee development, and empowerment.

Being attractive is a priority for Servier. This means maintaining team commitment and motivation at the highest level, as well as attracting new talent and partners. Being attractive also means proposing innovative work methods, flexibility, and an optimal work-life balance. For example, new options for part-time work and working remotely are being rolled out in 2017 and 2018, and workspaces are being re-designed to be more suitable, enjoyable, and more conducive to sharing, cross-functionality, and idea generation.

Developing employee talent is at the heart of the company’s strategy. Servier wants to ensure that employees can express their talents, develop their skills, and thrive. The employee journey within Servier begins with a period of individualized integration and evolves through shared opportunities. Servier’s HR strategy strives to make employees proactive in their own career development and to provide them with career prospects, to develop innovative training methods, and to facilitate mobility.

Servier wishes to strengthen employee autonomy and encourage an entrepreneurial mindset by fostering a culture based on trust, exemplarity, and mettle. Servier encourages initiative taking at all organizational levels in order to develop individual and collective performance.
Entirely independent, Servier is governed by a foundation – the Servier International Research Foundation (Fondation Internationale de Recherche Servier - FIRS) – which makes it possible to reinvest all profits in company development, particularly R&D.
The foundation comprises the following bodies:

**Foundation Council**
Includes:
- the President, who manages the Group;
- the Executive Committee, which assists the President and is consulted for agreements on major decisions;
- other members, who are consulted on matters pertaining to the Group’s general policy.

**Supervisory Board**
The mission of the Supervisory Board is to ensure that the founding principles of the Group are followed.

**A stable, sustainable, and independent company**
Servier’s legal structure was developed by Jacques Servier, the company’s founder, who conceived a company where independence, sustainability, and team unity would be safeguarded. His vision was that of a unique structure that would enable the company to reinvest all profits into the development of its own businesses and activities, particularly innovation, without having to distribute dividends or be beholden to shareholders. This independence in relation to markets is also what affords Servier the time to do research, a time-consuming endeavor, and allows it to be agile and able to invest in ambitious and innovative projects.

**Capital**
Forty-eight percent of Servier’s capital is held by French nonprofit organizations and the remaining 52% by the group itself (legal scheme enabling a company to hold its own capital). No natural person participates in the Group’s capital.
Servier is an independent pharmaceutical company that puts its values at the service of patients. These values that guide us and the vocation that inspires us are the bedrock of our strategy and nurture our commitment to therapeutic progress.

THE VALUES THAT GUIDE US

Vocation, Values, Vision

To contend with the challenges wrought by the revolution in the health care sector, Servier embarked upon a journey of transformation in 2015. The first step in this transformation involved defining the vocation, values, and vision of Servier, which in turn gives meaning to the actions of its employees and allows the company to carry out a smooth transformation.

People have always been at the heart of Servier’s values. Our ongoing commitment to the well-being and respect of patients. We at Servier have established long-standing and reliable relationships with partners and suppliers. Servier cares deeply about its employees and wants them to thrive in a trusting environment.

<table>
<thead>
<tr>
<th>Vocation</th>
<th>Committed to therapeutic progress to serve patient needs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Values</td>
<td>Care Commit to succeed Grow by sharing Dare to innovate</td>
</tr>
<tr>
<td>Vision</td>
<td>• Put patients and innovation at the heart of all our actions • Foster individual and collective commitment, the Group’s driving force • Guarantee our independence and our capacity for long-term investment • Be a Group with global reach Through our actions, we contribute to transmit to future generations a world that can ensure access to quality health care for all.</td>
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</table>
Patient In

The role of patients and patient organizations in the health care system has changed profoundly in recent years. Patients are better informed, more involved and connected, and they want to be recognized as key players and partners in medical and therapeutic progress. Servier has launched its “Patient In” strategy to provide a framework for a more open, more transparent, and more collaborative relationship with patients. In 2017, more than 25 initiatives were launched by Servier to facilitate the patient care pathway. All collaborations with patients are guided by four principles: transparency, independence, listening, and respect.

Responsibility

Servier’s uniqueness hinges on its mode of governance, which safeguards its independence. Being independent enables the Group to invest for the long term, for the benefit of patients, by avoiding the short-sightedness of financial markets. It is a tremendous opportunity that brings with it an enormous responsibility. Since the Group’s inception, this vision has guided our behavior and our commitments. Our aim is for Servier to be an involved player, recognized for its positive and responsible contributions to preserving the future for us all.

OUR GUIDING PRINCIPLES

Innovation

Servier gives innovation priority of place. As with all industries, Servier is currently faced with a profound evolution in the innovation process, which is becoming increasingly more open, collaborative, participatory, and geographically dispersed. Servier has therefore partnered with the best players in the health care industry, whether they be start-ups, biotech companies, large pharmaceutical companies, and/or academic teams.

Servier at the forefront of French and international
health tech ecosystems

This positioning is reflected in:

51 active alliances with biotechs, start-ups, and French and foreign pharma companies. Servier collaborates with Plug and Play, one of Silicon Valley’s leading start-up incubators, and the Korea Drug Development Fund (KDDF);

Partnerships with research institutes, major groups, universities;

Support from competitiveness clusters such as PULSe@MassChallenge in Boston and Scientopole in Paris (Saclay).

The future Saclay research center

Servier has decided to set up a research center at the heart of the Paris-Saclay scientific innovation cluster, in the distinguished company of many high-level institutions and bodies. By 2021, more than 600 of Servier’s researchers in France will be brought together in facilities featuring state-of-the-art technologies and ultra-modern infrastructures. Servier’s Paris-Saclay therapeutic innovation research center involves an investment of around €260 million and reflects the Group’s strategic ambition to become a key player in health care innovation. Covering a surface area of approximately 45,000 m², the building will feature a “project hotel” and foster a spirit of teamwork, cross-functionality, and openness, all in an environment favorable to expressing ideas and talents.
EXPERTISE DEDICATED TO THERAPEUTIC PROGRESS FOR EVERYONE

Through our areas of expertise, we cover the entire drug chain, from R&D to production to marketing. Our long-standing purpose is and always has been to develop innovative and high-quality therapeutic solutions. We are committed to satisfying the needs of patients, wherever they are in the world.
Servier has focused its R&D on the five therapeutic areas in which we have know-how and recognized expertise. Within each therapeutic area, Servier has chosen to specialize in a limited number of conditions where medical needs remain significant. Servier can also draw on a dynamic partnership policy to enhance innovation potential and provide patients with faster access to suitable medicines.

- **Investment**
  - **€800 Million**
  - Average Servier investment in research and innovation

- **Researchers**
  - **2,800**
  - Divided in 3 research centers around the world, of which 2 in France

- **Partnerships and alliances**
  - **47**
  - with biotechs, start-ups, and French and foreign pharmaceutical companies

- **Drug candidates**
  - **30**
  - in clinical development in 2017
Cardiovascular disease is a group of disorders that affect the heart and blood vessels. It is the leading cause of death in the world. Due to their massive impact on public health, these disorders have always been a primary focus of Servier’s research and development activities. Our goal is to strengthen our position as a leader in this field.

In Europe, Servier ranks 2nd place in cardiovascular disease and the leading company in hypertension. We have 14 drugs available to patients and doctors to treat heart failure.

- **14 medicinal products available** to patients and doctors
- **12 drug candidates** in development

#### Innovative approach to chronic heart failure treatment

In 2016, Servier signed an agreement with global collaboration partner, Amgen, to commercialize omecamtiv mecarbil for chronic heart failure treatment in the European Union and the Commonwealth of Independent States, including Russia. Patients receiving omecamtiv mecarbil, a novel cardiac myosin activator, showed improvements in left ventricular function in the phase 2 chronic heart failure study COSMIC-HF(1). This drug candidate represents a potentially innovative approach to treating chronic heart failure, a severe condition affecting more than 23 million people worldwide. Following positive results from the COSMIC-HF study, Amgen is continuing omecamtiv mecarbil development in phase 3, which includes the cardiovascular outcome study GALACTIC-HF, in collaboration with Cytokinetics and Servier.

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(1) Chronic Oral Study of Myosin Activation to Increase Contractility in Heart Failure

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### Diabetes

If no major shifts occur in lifestyle or new treatments over the next 10 to 15 years, 642 million people are expected to have diabetes by 2040, a 50% increase in just a quarter of a century. Recognizing that diabetes is the 7th leading cause of death in the world, as well as the leading cause of kidney failure, adult blindness, and lower limb amputation, type 2 diabetes and its complications remain one of Servier’s top priorities.

Servier is involved in the Innovative Medicines Initiative (IMI), a public-private partnership between the European Commission and the European pharmaceutical industry. In addition, Servier participates in three other programs – DIRECT, IMIDIA, and RHAPSODY – which promote access to innovation in the field of diabetes and whose ambition is to understand better why some diabetic patients have a more active disease than others. These initiatives should help to shed more light on the origin and progression of type 2 diabetes and to identify the groups of patients for whom an adapted and personalized treatment strategy is possible.

- **1 drug available** to doctors and patients: Diamicron
- **1 drug candidate** in development
- **4 research programs** underway
CANCER

Cancer is currently responsible for one out of six deaths around the globe and will number 233 million new cases by 2030. To meet the growing needs of patients, Servier has made oncology one of its high-priority areas for R&D. To illustrate, two years ago oncology accounted for 14% of R&D investments and efforts, but has now grown to 37% and is expected to reach 50% within the next two years. Servier’s R&D programs focus on tumor cell resistance to cell death (apoptosis) and immuno-oncology.

Apoptosis

With apoptosis, the main issue is to induce the death of cancer cells. Research conducted by Servier has shown that the BCL-2 family of proteins is over-represented in cancer cells and prevents them from undergoing apoptosis, that is, from dying. The goal, therefore, is to specifically target these proteins to trigger the mechanism of programmed cell death in cancer cells. Two protein-targeting medicines are currently being developed jointly with Novartis.

Immunotherapy

Immunotherapy is the second focus of research in oncology. The main idea with immunotherapy is to restore and boost the immune system so it can recognize and destroy cancer cells. The medicines administered to patients no longer target just the cancer cells but also stimulate the immune system to fight the tumor itself. Recent years there have seen spectacular advances in immunotherapy, including the use of monoclonal antibodies. However, monoclonal antibodies are not the only promising avenue; another is CAR-T cells. This technology has been developed by Cellectis, a French biotech from the Institut Pasteur, with which Servier has a partnership agreement. Since 2015, Servier has partnered with Cellectis and Pfizer to develop UCART19 in the treatment of relapsed or refractory acute lymphoblastic leukemia in adults (see Highlights).

Combined therapeutic options

Current Servier treatments can help to improve life expectancy and enhance quality of life and in some cases achieve long-term remission. Researchers agree, however, that the combined use of several therapeutic options leads to better results. All cancer types have the ability to develop and resist treatments, so they must be targeted with medicines that act on the different biological processes involved in carcinogenesis. Through partnerships and available resources, Servier is on the frontlines in the fight against cancer, a fight that is becoming increasingly targeted and sophisticated, promising hope for patients.

- 3 products available to patients and doctors: Muphoran, Pixuvri, and Lonsurf
- 11 drug candidates in development
NEUROPSYCHIATRIC DISEASE

Recognized in the field of neuropsychiatry, Servier has decided to focus its research activities on the most disabling diseases for patients: neurodegenerative diseases. In particular, R&D teams are targeting proteinopathy, that is, diseases characterized by the abnormal accumulation of certain proteins, including multiple sclerosis, autism, Parkinson’s, and Alzheimer’s. Extremely debilitating for patients, these diseases also have direct impacts on their families and loved ones.

- 4 products available to patients and doctors: Arcalion, Trivastal, Stablon, and Valdoxan
- 3 drug candidates in development

IMMUNE-INFLAMMATORY DISEASE

Immune-inflammatory disease, or immune-mediated inflammatory disease (IMID), is a term that describes any group of conditions or diseases, including autoimmune disorders, which are triggered or characterized by an inadequate immune-system response.

Servier has chosen to target its research efforts on three diseases for which there is a significant unmet medical need: systemic lupus erythematosus, systemic scleroderma, and Sjögren’s disease. Currently, 10% of systemic lupus erythematosus cases are severe and do not respond to treatment. Systemic scleroderma affects approximately 30,000 patients in Europe alone. And Sjögren’s disease is the second most common autoimmune disorder, affecting approximately 189,000 patients in Europe. The treatments for these diseases are limited to corticosteroids and immunomodulators. Biotechnology-derived treatment options have led to some progress in recent years, but are still inadequate. Available treatments are not curative and, on average, only one-third of treated patients will go into clinical remission, sometimes with numerous side effects and a significant risk of treatment failure. With this in mind, we have research programs underway with OSE Immunotherapeutics in Sjögren’s disease, as well as with ILTOO Pharma in systemic lupus erythematosus, with other autoimmune diseases to follow.

- 3 drug candidates in development

Multiple sclerosis: Hope for patients by targeting the disease-causing process

Finalized in November 2014, the agreement between GeNeuro and Servier focuses on the innovative approach of tackling the disease upstream of neuroinflammation and neurodegeneration, rather than confronting the symptoms downstream, the focus of most current treatments.

To that end, Servier and GeNeuro are working on the development of a monoclonal antibody specific to multiple sclerosis, GNbAC1. At the end of the phase 1 and 2 clinical trials, Servier will be entitled to exercise the product licensing option for all markets outside of the United States and Japan.
Our aim is to provide a broad selection of comprehensive patient-centered health care solutions to meet a variety of needs:

• Our wide range of medicines from Servier research, called brand name drugs, are used in an array of areas including cardiovascular disease, various cancer types, neuropsychiatric disease, diabetes, and chronic venous disease. To fulfill unmet medical needs, we are currently developing 30 drug candidates in our 5 research areas and forging research collaborations with scientific, academic, and industrial partners.

• Since 2016, we have also offered eHealth solutions beyond drug development. We take account of the entire patient care pathway, as well as patient environment and lifestyle, in order to offer adapted treatments to increase the chances of adherence and follow-through.

• We are committed to making high-quality generic medicines available to as many people as possible through our independent subsidiaries.
PATIENTS AT THE HEART OF THE CARE PATHWAY

Wide range of medicines resulting from Servier research

Our focus has always been on the research, fine-tuning, development, and marketing of innovative medicines. Our portfolio of Servier medicines encompasses more than 20 families of medicinal products throughout our areas of expertise.

High-quality generics

We can provide patients with high-quality medicinal products, with recognized effectiveness, whose patents are now in the public domain. Our current generics portfolio includes a broad array of 1,500 medicines covering most diseases.

New eHealth products and services

We are developing, alone or in partnership, eHealth solutions and innovative digital tools linked to our medicines so as to better support patients, doctors, and health care professionals.
**Broad selection of medicinal products from Servier R&D**

Our Servier medicines encompass cardiovascular diseases, various types of cancer, neuropsychiatric diseases, diabetes, and chronic venous diseases.

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**Cardiology**
- Procoralan
- Implicor
- Vastarel
- Carivalan
- Coversyl
- Cosyrel
- Coveram
- Natrilix
- Natrixam
- Preterax
- Triplixam
- Triveram
- Viacoram

Servier is the only pharmaceutical company to offer such an extended range of treatments to patients.

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**Neuropsychiatry**
- Arcalion
- Trivastal
- Stablon
- Valdoxan

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**Diabetes**
- Diamicron

- 12 million patients with diabetes are treated with Servier medications on a daily basis
- Diamicron is the No. 2 Servier product, confirmed by the WHO in 2017 as a benchmark product (with metformin) for diabetic patients

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**Cancer**
- Muphoran
- Pixuvri
- Lonsurf

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**Chronic venous disease**
- Daflon

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(**) Available on the market.

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**INNOVATION FOCUS**

**Improved patient adherence with fixed-dose combinations**

A fixed-dose combination is a single medicinal product containing several active ingredients. Fixed-dose combinations can facilitate and streamline a patient’s treatment. Servier currently has 8 fixed-dose combinations in cardiology (hypertension, angina, heart failure, cardiovascular risk prevention) and is developing 10 others. Available as single pill combinations (a combination of several drugs in the same indication) or poly pills (different indications in the same combination), fixed-dose combinations are particularly suitable for chronic diseases requiring long-term treatment. They provide numerous advantages, including the simplification of treatment, fostering patient adherence and follow-through, and preventing cardiovascular events and/or their recurrence. The extensive know-how and sophisticated technologies integral to Servier are required in order to develop complex fixed-dose combinations comprising several active ingredients and to ensure their high quality.
New molecular entities, new indications

- **Phase I**
  - S62798 Stroke TAFla Inhibitor
  - S95010 Heart Failure
- **Phase II**
  - S42909 Venous ulcers
- **Phase III**
  - S95000 Chronic heart failure

New fixed-dose combinations

- **Phase III**
  - S5151* Perindo/Ator/Aspi
  - S5162* Perindo/Inda/Atorva
  - S5164* TMZ/Biso
  - S5165* Perindo/Amlo/ASA
  - S5166* Perindo/Amlo/Biso
  - S5168* Perindo/Inda/Biso
  - S5169* Perindo/Biso/ASA
  - S5170 Perindo/Amlo/Inda

CARDIOVASCULAR DISEASE
Heart failure
12 drug candidates

CANCERS
Solid tumors and hematological malignancies
11 drug candidates

- **Phase I**
  - S49076 Solid tumors, IMET, AXL, FGFR Inhibitors
  - S81873 Oncology (undisclosed target)
  - S68587 Hematology, Mcl-1 Antagonist
  - S81694 Solid tumors, MPST Inhibitor
  - S68587 Hematology, UCART19
  - S64315 Hematology, Mcl-1 Antagonist
  - S55746 Hematology, Bcl-2 Antagonist
  - S95005 Colorectal cancer, 2L, Lonsurf
- **Phase II**
  - S80880 Hematology, AntiCD123
- **Phase III**
  - S95001 DLBCL, 2L, Pixuvri
  - S95005 Colorectal cancer, 1L, Lonsurf
  - S95005 Gastric cancer, Lonsurf

DIABETES
Type 2 diabetes, 1 drug candidate

- **Phase III**
  - S95002 Type 2 diabetes Exenatide Mini pump

IMMUNE-INFLAMMATORY DISEASES
Autoimmune diseases
3 drug candidates

- **Phase I**
  - S48168 Duchenne muscular dystrophy (DMD), RYR Modulator
- **Phase II**
  - S201086 Arthritis
  - S95007 Lupus

NEUROPSYCHIATRIC DISEASES
Neurodegenerative diseases
3 drug candidates

- **Phase III**
  - S95008 Autism, Bumetanide

(*) Excluding medicines in preclinical phase as of January 2018.

30 drug candidates* including 22 new molecular entities

Promising Pipeline
New eHealth products and services to better fulfill patient needs

Servier’s innovation now goes well beyond the discovery of medicinal products. With the boom in everything digital, eHealth is a burgeoning area in health care. Patient-focused digitalization involves such actions as launching connected products and devices, creating applications, and furnishing online support platforms.

Our eHealth approach will serve to:

• Improve monitoring and follow-up for patients monitored by their doctors in real time;
• Provide treatments that are better suited to patient needs;
• Reduce rates of re-hospitalization, which is restrictive for patients and costly for health care systems.

Servier’s eHealth brand, WeHealth by Servier, aims to co-develop simple-to-use products and/or services based on innovations from start-ups around the world. More than 50 products are undergoing feasibility studies.

Digital and connected products

Cardioskin In collaboration with BioSerenity, WeHealth by Servier developed Cardioskin, a connected medical device that tracks cardiac activity. Cardioskin consists of a smart wearable garment (light and washable), a mobile application, and a web interface. The garment, designed to be worn 24/7, has integrated sensors that measure cardiac activity in the same way as a 15-lead electrocardiogram. Transmitted to the doctor through the web interface, the data collected enable the doctor to make an accurate diagnosis. Cardioskin is to be launched in 2018.

Renal Cardiorenal are developing an individual box that can detect precursors of a heart problem through the analysis of biomarkers in a single drop of blood. These data are analyzed by a specific algorithm and transmitted in real-time to the doctor who can adjust the patient’s treatments to alleviate congestion while monitoring for side effects.

deprexis Servier has teamed up with Gaia, a global pioneer in digital therapies, to offer Deprexis, an online cognitive-behavioral therapy program that provides depression patients with individualized therapeutic support to complement drug therapy and professional follow-up.
High-quality generic medicines

Since the 1990s, Servier has been honing its expertise in the field of generics, followed by biosimilars (medicines produced by biotechnology companies with independent French and international subsidiaries: Biogaran, Egis, Pharlab, and Swipha). Servier’s generics businesses offer a range of nearly 1,500 products spanning a majority of diseases, employ nearly 4,500 people, and account for around one-quarter of sales, or 1.2 billion euros. Manufactured in Europe and in Servier factories, Servier Group’s generic medicines are distributed in France, Hungary, Russia, Central and Eastern Europe, Brazil, and Nigeria.

1,500 Generic medicinal products in Servier Group portfolio, encompassing a majority of diseases

4,500 people employed by the Group

€ 1.2 Billion Share of the Group’s generics business in total turnover (ie, ¼ of turnover)
GLOBAL PARTNERSHIP NETWORK

The scope and complexity of science today require an open and cooperative network between all stakeholders in research. Driven by an outward-looking mindset, Servier has signed numerous partnership agreements around the world.

Accelerate development of new medicines

The primary aim of our partnerships is to accelerate the identification and validation of new pharmacological targets, develop appropriate therapeutic models, and create the medicines of tomorrow, for the benefit of patients. Pooling expertise and resources with the best partners, as well as sharing the benefits and risks involved, boosts the development of new medicines and therapeutic solutions.

One of the key success factors for partnerships in the pharmaceutical industry is correct governance. Hence the crucial role of alliance management, in which Servier has recognized expertise. Dedicated professionals, certified by ASAP (Association of Strategic Alliance Professionals), bring long-standing personalized relationships to the Group’s innovative partnerships.

47 active partnerships* with biotechs, start-ups, and pharma companies.

* As of 1 October 2017.
A NETWORK OF INTERNATIONAL PARTNERSHIPS
INDUSTRIAL TEAMS COMMITTED TO QUALITY EXCELLENCE

In order to guarantee quality, Servier has chosen to internalize the design and manufacture of most of its medicinal products, from research to distribution, and to control the entire supply chain. Our industrial facilities utilize innovative processes driven by an excellence-based approach to continuously improve overall quality and performance.
Industrial quality of medicines helps ensure patient safety

Local and integrated production
Servier has 16 production sites strategically located in close proximity to its 94 million patients and customers worldwide (subsidiaries, partners, hospitals, wholesalers, and distributors). To guarantee the high quality of its products, Servier incorporates most activities within its industrial network, from industrial R&D to product batch release.

R&D is central to the industry
Servier has always recognized that producing medicinal products goes hand-in-hand with having skilled teams dedicated to industrial R&D. Therefore, we carry out our industrial R&D within certain chemical and pharmaceutical production sites, making it possible to industrialize the drug manufacturing process. In this way, we can escalate production from, for example, the 100 g batches made in the labs up to operating units ranging from 100 kg to more than 1,000 kg. Additionally, industrial R&D contributes to therapeutic unit production for clinical trials conducted in Servier’s 16 International Centers for Therapeutic Research (ICTR). Mainly carried out in France and Spain, and soon in China and Russia, our industrial R&D makes it possible to patent manufacturing processes and control product quality.

Opening of a bioproduction workshop
The biotechnology industry has been experiencing a period of intense innovation for several years. For that reason, Servier has established numerous partnerships in the field and will take over a portion of the production of biomedicines for clinical studies, particularly in oncology. This project will begin at the Gidy site in France in 2019. Servier’s BIO-S unit will be operational by the end of 2019.
Servier CDMO: Production open to third parties

In 2015, Servier launched “Servier CDMO” (Contract Development and Manufacturing Organization) with the purpose of applying our expertise and experience in the development and manufacture of pharmaceutical products to third-party companies. The services offered include the search for new synthetic routes, the production of clinical and commercial batches of active ingredients, and the development and manufacture of dosage forms.

Through the CDMO, Servier’s teams’ expertise and industrial network are made available to clients. 3,000 people in industrial research centers and manufacturing sites around the world. This service, open to third parties, meets Servier’s commitments regarding industrial performance, because it guarantees the quality of medicines manufactured on behalf of clients and preserves workforce employment.

The fight against falsified and counterfeit medical products

Counterfeit medicines are a threat to public health. They affect the entire global pharmaceutical market, including through online sales channels. To combat this scourge, Servier has set up a program that includes a reliable internal structure to expedite the detection and analysis of suspicious products. Servier also works with a network of external contacts through cooperation with law enforcement agencies and health authorities and joint actions with other pharmaceutical companies, in particular, through organizations such as the G5 (a group of French pharmaceutical companies), EFPIA (European Federation of Pharmaceutical Industries and Associations), PSI (Pharmaceutical Security Institute), and ASOP (Association for Safe Online Pharmacies). Servier has also developed innovative tools for safeguarding our products, such as Securistamp, a digital coded authenticator printed on 11 products in Russia, China, Ukraine, and Vietnam.

Servier is certified by seven bodies worldwide

French National Agency for the Safety of Medicines and Health Products (Agence nationale de sécurité du médicament et des produits de santé – ANSM), CFDA (China Food and Drug Administration), PMDA (Pharmaceuticals and Medical Devices Agency of Japan), FDA (US Food & Drug Administration), European Medicines Agency, Brazilian National Sanitary Surveillance Agency (Agencia Nacional de Vigilância Sanitária – ANVISA), and KFDA (Korea Food and Drug Administration).
Serialization and traceability of packages of medicines

In 2013 Servier launched a program called MATRIX to satisfy the various regulatory requirements for traceability of packs of medicine. By 2019, the aim is to establish serialization, aggregation, and traceability to combat counterfeiting and reimbursement fraud, and to keep the supply chain secure. The ultimate goal is to improve patient safety. Serialization involves assigning a unique identifier to each box of medicine. Aggregation involves assigning a code to each grouping of boxes in order to establish its affiliation. And traceability makes it possible to accurately track and trace the product’s journey throughout the distribution chain to the patient. In order to make the system operational, Servier is equipping its 50 packaging lines with a proven technical solution and is setting up a distribution system that can manage data exchanges with national and European databases.

Agile supply chain for better patient access to medicines

The Servier Supply Chain incorporates all stages of the manufacturing process, from preparing the marketing authorization (MA) to delivering products to end users in 148 countries. Servier is committed to providing customers with the right product, at the right time, in the right place, and at the best cost. To do so, Servier has an agile, flexible, and speedy Supply Chain. Servier also undertakes to minimize the environmental impact of its supply chain by, for example, promoting the least polluting modes of transport among other things.

Operational Excellence program for production sites

Servier has embarked upon an in-depth transformation of all pharmaceutical and chemical production sites to be completed by 2020. The challenges are to improve competitiveness, innovation, and employee development. Within this context Servier has launched an Operational Excellence program, called OPEX, which aims to reduce production costs by 25% and further improve quality and customer service. Successfully tested at Servier’s Arklow plant in Ireland, the OPEX initiative has been operational since September 2016 at the European sites of Gidy (France) and Anpharm (Poland). The program achieved €8 million in savings in 2016-2017. All of the Group’s pharmaceutical and chemical sites will become involved by 2020.

Servier saved €2.5 Million in distribution costs in 2017 due to Supply Chain performance.
Servier is present in 148 countries and has 65 subsidiaries in charge of medicinal product promotion and distribution. Subsidiaries are entrusted with the task of developing the potential of existing medicines, which account for 97% of Servier’s turnover, promoting drugs from local partnerships, a growing share of the company’s portfolio, and launching new products developed by R&D, notably in oncology. The one predominant and unifying goal is to provide patients with access to high-quality medical solutions around the world.
Deliver high-quality medical information

Marketing activities, in conjunction with medical affairs, aim to provide high-quality information to health care professionals on the proper use of our medicines in accordance with their marketing authorizations.

Our marketing teams are recognized for their particularly high scientific level, thanks to a demanding recruitment policy and rigorous internal training. Servier embodies a quality approach of continuous improvement in its information practices, in line with the Charter signed by the pharmaceutical companies association in France (Les Entreprises du Médicament - LEEM), the Economic Committee for Medicinal Products (Comité économique des produits de santé - CEPS), and other organizations around the globe.

Attentive to patients

Patients are increasingly informed and are becoming the main protagonists in their health care. It is therefore only natural that subsidiaries focus on patients in their activities, especially through close contact with patient groups, which is vital in the field of oncology. The challenge is to be attentive to the expectations of patients and their loved ones in order to target and satisfy their needs.

Always close by

Regardless of where patients are around the globe, Servier’s geographical considerations are guided by the desire to provide them with the most suitable and best possible products and services. The recent subsidiary openings in Peru and Nigeria bear witness to this, as does taking steps to expand into the United States.
Servier, as a significant global health care player, is keenly aware of its responsibility to take appropriate action with regard to society’s growing expectations regarding ethical business practices. We take very seriously our responsibility to the 94 million patients treated with our medicines daily, to health care professionals, to partners, and to our 21,600 employees. Therefore, our responsibility is embodied within Servier’s compliance and CSR strategy.
Servier recognizes that compliance is a strategic asset for the Group, fostering a culture of accountability and integrity.

Transparency is the cornerstone of the Group’s relationships with each of its stakeholders and is essential for maintaining patient confidence.

**Compliance and corruption prevention**

Compliance refers to all the rules of conduct arising from the Group’s ethics imperative. They are imposed on all employees in all countries where Servier is present. A Code of Conduct is currently under development. Compliance governance has been put in place within the Group through the creation of a Compliance Committee and compliance relays in the Group’s subsidiaries.

We are also committed to fostering collaborations with partners who share the same sound ethical standards.

In addition, within the context of the French law, Sapin 2, on transparency, combatting corruption, and the modernization of economic life, Servier has drawn up a corruption risk map and runs training programs with all employees on corruption in the public sector.

**Transparent relationships with the medical community**

Servier works with health care professionals in various ways, such as drawing on their expertise to define future research programs, identifying patient needs, and understanding the use of a medicinal product in real-life conditions. These collaborations are complex and require both communication and transparency. To that end, Servier is committed to declaring links with health care professionals and organizations through the Disclosure Code of the European Federation of Pharmaceutical Industries and Associations (EFPIA). Consequently, Servier informs each and every health care professional with whom it works of the collective commitment to the Disclosure Code as well as local laws, local rules, and local regulations, especially with regard to their rights.
Transparent medical information

Establishing a Medical Affairs division distinct from Marketing reveals Servier’s desire to have greater transparency in relations with the medical profession, partners, and patient groups. The goal of Medical Affairs is to provide healthcare professionals with objective, high-quality, and useful medical information about our medicinal products. This mission is all the more important because Servier has chosen to target specialist diseases, which involve medicines featuring increasingly complex mechanisms.

Clinical trial transparency for R&D dedicated to the benefit of patients

The transparency of clinical trials is a key element in improving the knowledge of medicinal products and contributing to medical progress. Data sharing should play an active role in improving public health, while continuing to respect and safeguard the rights of patients. To ensure clinical trial transparency, Servier is committed to providing all health care stakeholders, whether they be investigators, health care providers, or patients, with access to protocols and test results. This information is available on the Clinicaltrials.servier.com website. Servier also complies with the principles of transparency in clinical trials set out by the European Federation of Pharmaceutical Industries and Associations (EFPIA).

Personal data protection

Servier is committed to safeguarding personal data produced and processed in the course of its activities, including those of patients (especially those participating in clinical trials), employees, healthcare professionals, or providers. As part of the European General Regulation on the Protection of Personal Data and to strengthen protection measures, Servier is implementing a range of priority actions that include setting up a dedicated team, outlining a personal data policy, and establishing rules and procedures that guarantee the rights of individuals.

Europe: Transparency initiative representation

Servier operates with and promotes full transparency in all interests with institutions in the European Union. The Group has representation at these institutions in order to relay Servier’s vision in terms of drug policy and to promote the definition of a coherent European policy favorable to the discovery of innovative medicines. The list of representatives involved in European public affairs can be accessed on the servier.eu website.

Furthermore, Servier observes the rules set out in the Code of Conduct of the European Commission’s Transparency Register and EFPIA guidelines. Servier’s budget for European public affairs is available on the budget and membership page of servier.eu.
OUR SOCIAL RESPONSIBILITY

The pharmaceutical sector is by its very nature a central focus of societal and environmental issues. As such, the industry as a whole must now integrate society’s growing expectations on topics as broad as product safety, the conduct of clinical trials, access to therapeutic care, and the environmental impact of medicinal products, manufacturing, and company sites.

Recognized as an involved player and well-known for its social commitment, Servier Group has formalized a Corporate Social Responsibility (CSR) strategy. This policy results from joint cooperation between internal and external stakeholders.

KEY DATES

2016
• Creation of CSR department and keystakes assessment of CSR

2017
• Development of action plan

2018
• Policy launch and roll-out
• Creation of correspondent network
• Contribution of policy to UN Sustainable Development Goals

2019
• Publication of the first CSR report for 2017-2018
Approach rooted in Servier history

Servier has always cared deeply about social and environmental matters. CSR is firmly rooted in the Group’s culture. A shining example of this is Gidy, one of Servier’s French manufacturing sites. A true “village-factory”, Gidy has for more than 30 years been spearheading innovative social practices such as collective operations, flexibility of working hours, employee transportation shuttles, etc. Women constitute more than 50% of employees and more than one-third of executives. The year 2016 marked the advent of a structured CSR strategy within Servier, an inclusive and participatory approach that aims to spread social responsibility in each of the Group’s business areas.

Priority challenges

In order to build a robust CSR approach meeting stakeholder expectations and contributing to the company’s strategy a materiality analysis based on ISO 26000 standard allowed to identify the key CSR priorities for the company. Through more than 50 interviews with internal and external stakeholders, 17 priority stakes were identified from a 5- to 10-year perspective.

CSR as a transformation springboard for the Group

CSR is part of Servier’s transformation plan and contributes to its dynamic of openness. Communication with stakeholders strengthens Servier’s ability to anticipate emerging topics in order to create the right conditions for a more sustainable model.

The 17 priorities revolve around 4 areas of commitment involving all of the Group’s businesses and subsidiaries. They nourish the 5 strategic orientations of Servier’s vision. (See on page 18)

Prospects

Servier is committed to sharing the Group’s best practices and the progress of its CSR strategy in a transparent manner with all its employees, partners and stakeholders. This review will be the subject of a first CSR report to be published in 2019. The Group aspires to become a United Nations Global Compact signatory and to contribute to the United Nations Sustainable Development Goals.
4 COMMITMENT AREAS

In keeping with the Group’s values and strategic orientations, and to help make our vision a reality, our CSR policy focuses on four commitment areas: A company committed to health care; Focused on our business practices; Caring about people; Aiming for a positive footprint.

Our CSR strategy is designed to meet stakeholders’ expectations and is an integral part of all our operations, business areas and subsidiaries.

A company committed to health care

Our vocation drives our business. We are committed to therapeutic progress for the benefit of patients.

In order to meet patient expectations and needs, we are dedicated to providing safe, high-quality therapeutic solutions, while delivering a comprehensive approach to health care.

- Product safety and quality
  See on pages 39 and 41
- Anti-counterfeiting
  See on page 40
- Eco-design
- Global approach to health care
  See on page 30

Focused on our business practices

Stakeholders have high expectations for business ethics and transparency.

To fulfill these expectations, we promote open and direct communication with patients, employees, partners, public authorities, and civil society.

- Business ethics
  See on page 46
- Responsible purchasing
- Ethics and transparency of clinical trials
  See on page 47
- Responsible marketing and promotion
- Stakeholder engagement

Initiatives

- More than 200 employees dedicated to monitoring and risk assessment
- All employees trained in pharmacovigilance
- Optimization of packaging and development of green chemistry

Initiatives

- Servier ranked No. 2 in the international CenterWatch 2017 ranking on clinical trial quality
- Creation of a Responsible Purchasing Committee
- Buyer network trained in responsible purchasing and specially adapted and protected work environments (Secteur du Travail Protégé et Adapté - STPA)
Caring about people

Fully aware that people are our greatest asset, we are in the midst of implementing a proactive policy of well-being and safety in the workplace. Our corporate culture is fertile ground for ensuring team diversity, providing equal opportunities, and empowering people.

- Health and Safety at work
- Employee wellbeing
- Diversity and equal opportunities
- Managerial practices

Aiming for a positive footprint

We are mindful of the impacts our activities have on the environment, wherever we operate. We aim at eliminating negative impacts and increase positive ones beyond the environmental concern by enhancing links between our sites and local communities, job creation, respect for local culture, rules and traditions, and the accessibility of our therapeutic solutions.

- Climate change and responsible use of resources
- Effluents and waste management
- Access to healthcare
- Local development and community engagement See on page 52

Initiatives

- Roll-out underway of new managerial dynamic
- Great Place to Work and Aon Global Best Employer: Korea, Germany, Greece, Venezuela, Panama, Bulgaria, Hungary
- Ireland and Egypt sites have OHSAS 18001 certification
- Commitment to Mission Handicap since 2011

- 8 industrial sites hold ISO 14001 and/or ISO 50001 certifications
- Zero waste to landfill at Arklow’s site in Ireland and Warsaw’s site in Poland
- Training of young doctors organized jointly with Africa Diabetes Academy in Abidjan in January 2016.
Health, Research, Community, Education, Culture: these are the five areas in which the Mécénat Servier endowment fund intervenes to support general interest initiatives in France and abroad. Created in November 2016, the fund bears witness to Servier’s desire to expand its philanthropic involvement in continuation of commitments the Group has held for 50 years.

Being involved in helping others

Through skill sponsorship, Servier employees can get involved with nonprofit organizations the fund supports. Nearly 100 employees took part in various missions in 2017, in particular with L’Envol, which organizes recreational therapy stays for children with severe diseases.

Mécénat Servier also provides financial backing for specific projects. For example, funding the training of medical teams at the Cuomo Pediatric Cardiology Center in Senegal, an institution that takes care of the major health care needs of children in Senegal and West Africa. With support from the fund, theoretical and practical courses for the institution’s medical and administrative teams were financed for six months.

In 2018, the Servier endowment fund will initiate new undertakings with other nonprofits, including Planète Urgence. This project involves granting special leave to employees assigned to international solidarity missions to help local establishments in Asia, Africa, and Latin America.
Le Rocher sets up and carries out various educational and social activities to serve populations in need.

The mission of the Cuomo Pediatric Cardiology Center in Dakar is to meet important health care needs for children in Senegal and West Africa.

Un Stage et Après is a nonprofit that believes in introducing young people to the professional world so they can give meaning to their education and better orient themselves.

The aim of Lire pour en sortir is to promote the reintegration of detainees through reading. Their adherence to this program entails a commutation of their sentence.

Fondation de la 2e Chance is a nonprofit that aims to support people aged 18 to 62 who have gone through difficult life events and who now want to resume their studies or set up a business.

L’Envol offers children and adolescents with serious illnesses a psychosocial health care program to complement medical treatments they receive at hospital.
Our 2016-2017 investments amounted to €353 million. Our status as a Foundation makes this policy of continuous improvement possible and enables us to reinvest all our profits in building the future. The equity share of our consolidated balance sheet is strengthened by our operating results, ensuring our financial solidity and stability.

2016-2017
FINANCIAL INDICATORS

€4.15 Billion
Group turnover

Consolidated revenue growth rate
+3.7%
Including royalties
+7%
Excluding royalties

Net profit
€291 Million

Consolidated operating profit
€435 Million
Excluding research tax credits

25% of turnover dedicated to R&D
(excluding generics business)

Investments
€353 Million
en 2016/2017, fully self-financed
Generic medicines (Biogaran and Egis)

- France: €712 M +3%
- Russia: €118 M +20%
- Hungary: €106 M +0%
- Poland: €66 M +4%
- Czech Republic: €32 M -24%

Brand name drugs (Servier)

- China: €322 M +5%
- Russia: €280 M -8%
- Canada: €231 M +10%
- France: €193 M -6%
- Italy: €137 M -2%

COUNTRY CLASSIFICATION BY TURNOVER

At constant rate

By geographical area

- 29% EU (excluding France)
- 6% Africa/Middle East
- 11% The Americas
- 19% Asia/Oceania
- 22% France of which 22% brand name medicines and 78% generics
- 13% Other European countries (non-EU)

By business area

- 70% Proprietary medicines business €2.9 Billion
- 30% Generic business €1.2 Billion including:
  - Biogaran €721 M
  - Egis €460 M
  - Pharlab €24 M

By therapeutic area

- 60% Cardiovascular
- 15% Metabolism
- 11% Central nervous system
- 4% Cancer
- 10% Rheumatology - Respiratory system - Other areas

RATIO OF CONSOLIDATED R&D EXPENDITURE (€M) TO BRAND DRUG REVENUE

- 2012/2013: 28.6%
- 2013/2014: 29.1%
- 2014/2015: 23.6%
- 2015/2016: 26.1%
- 2016/2017: 25.3%