

Quality of Life

The First
Helsinn Group
Sustainability Report





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Letter From Our Leadership

Dear Stakeholder,

The world around us is changing dramatically and with unprecedented speed: megatrends such as climate change, rapid advances in the use of technology, resource scarcity, rapid urbanization, massive migrations, aging populations and booming healthcare costs are disrupting established business models and introducing an ever increasing intensity of uncertainty and risk, as well as opportunities in how we manage the health of our people and our planet. At the same time, the global economy still hasn't recovered from the worst financial crisis ever, the future of the European Union is unclear, and the strength of the Swiss Franc is putting a heavy burden on the Swiss economy. In such a rapidly changing environment, there are great potential challenges to the long-term success of every business, but there are also great opportunities.



For us at Helsinn, it is clear that our long-term sustainable success is directly linked to operating in a way that meets the expectations of all our stakeholders, which is why we have opted to pursue the Triple Bottom Line of environmental, social & economic results.

As a family company, Helsinn has operated on the basis of simple yet strong values since our beginnings in a small office in Chiasso, Switzerland, back in 1976. We never chose short-term results at the expense of the long-term view, and followed an ambitious, but prudent, step by step progression built on solid financial foundations. We always believed that, alongside our commercial and financial growth, there is an equal responsibility towards our people and the society in which we operate, and stewardship of our environment is part of our license to operate as a private company. We put in place robust health, safety and environmental systems, we continuously strived to take good care of our people. We always kept in mind the best interests of our patients. Ethical behavior has always been a must for Helsinn employees, as reinforced through several initiatives recently, such as the adoption of a new code of Business Conduct and Ethics, the establishment of a Group Compliance Officer role, and the introduction of the CEO Cancer Gold Standard rules. Over the last 40 years, we have worked to build a strong company and to be a good corporate citizen, striving to provide a good Quality of Life to our patients, our people, and the communities in which we operate.

Our business has grown considerably in the last 40 years, thanks largely to a few crucial factors: a clear long-term plan, a culture based on simple but strong values and principles, a particular and unique business model based on forging strong partnerships, important investments in R&D and new business initiatives, a favorable business

environment in the locations where our companies are based, a sturdy determination always to 'do the right thing', and the enormous, relentless support and dedication of our people.

We are fortunate to have an exceptional team of talented and loyal employees, who live the Helsinn Values and apply them in all their activities for the benefit of our patients. As we move forward, shaping new partnerships, developing more innovative cancer-care solutions, and connecting directly with the cancer-care community, we will never forget our fundamental objective: to build better today's for every person affected by cancer.

We run an increasingly complex business, and today we operate in a flat world where everything is interconnected. This complexity requires a new approach to business. It is no longer questioned that sustainability must be part of every company's corporate strategy: today business is the only force powerful enough to bring about the important changes required to reverse the environmental and social degradation we are witnessing.

In order to achieve such ambitious objectives, organizations must pursue, alongside financial success, a positive environmental and social impact. We have worked hard for the last 40 years to achieve the most, therefore, in 2013, we decided to publish our first Sustainability Report. Helsinn Advanced Synthesis, our chemical production unit, was the first company in the Italian-speaking part of Switzerland to have a Sustainability Report published in accordance to the rigorous guidelines of the Global Reporting Initiative (GRI). In 2014 Helsinn Birex Pharmaceuticals, our finished dosage forms site and logistic center, became one of the first organizations in Ireland to publish a sustainability report based on GRI latest guidelines, G4.

This Group Sustainability Report is a tool that allows us to measure our social, environmental and economic performance, and to communicate our Triple Bottom Line results to all our stakeholders.

'We didn't inherit the earth from our ancestors; we borrowed it from our children' (Anonymous)

Our corporate mission is 'To bring respect, integrity and quality to our products, services, and all that we do to improve health and quality of life in every person affected by cancer'. While doing this we, as a family company, want to give our contribution towards improving the Quality of Life of our planet and all its inhabitants. This is our way to be responsible towards our most important legacy: our future generations - in Switzerland, in Ireland, in US, in China and everywhere possible.

I am proud to lead an outstanding group of employees, and I am grateful for their daily efforts towards making Helsinn a place where Quality of Life is improved, every day.

Riccardo Braglia

Chief Executive Officer & Board Member

Helsinn Holding SA

About this Report

This is our first annual Group Sustainability Report. It presents our sustainability achievements, challenges and goals to all our employees and our key stakeholders.

Its title, “Quality of Life”, represents our aspiration to contribute towards the constant improvement of the Quality of Life (QoL) of our patients, our employees, the communities in which we operate, our environment and, whenever possible, all the stakeholders we interact with as a responsible company.

It was prepared in accordance with the Global Reporting Initiative (GRI) G4 guidelines “Core” option.

GRI produces a comprehensive Sustainability Reporting Framework that is widely used by an ever growing number of organizations worldwide to enable greater transparency. It is universally recognized as the most comprehensive global standard for sustainability reporting, and it has been chosen by virtually all industry leaders. Every organization can use the Principles and Disclosures set out by GRI to report on their economic, environmental, and social performances and impacts: in a nutshell, the Triple Bottom Line.

The decision to adopt this framework has been taken so that our performance can be measured and compared, in order to improve clarity for all stakeholders when reading the results. It is also a way for us to ensure the reliability of our approach to sustainability reporting.

In line with GRI G4 requirements, we conducted a Materiality Assessment to identify and prioritize the issues most important to Helsinn and our stakeholders. Our material issues are those that have the potential to significantly affect our performance, both in financial and non-financial terms, and are therefore the main aspects which can influence our stakeholders when they form an opinion or make a decision relating to Helsinn and its activities. This first sustainability report contains the quantitative and qualitative information necessary to understand the Group’s material issues relating to sustainability for 2014.

The report was submitted to GRI for the ‘Content Index Service’, which was successfully completed. This is GRI’s most comprehensive service for reports based on the G4 Sustainability Reporting Guidelines.

We choose not to have this report externally assured, as most of the material information reported has already been audited or complies with the most stringent standards.

Please refer to GRI’s website - **www.globalreporting.org** - for more details on GRI and its activities.

This report encompasses all our operations worldwide, with only one exception related to the environmental data: it covers our operations in Switzerland, Helsinn Healthcare (HHC) and Helsinn Advanced Synthesis (HAS), and in Ireland, Helsinn Birex Pharmaceuticals (HBP). It excludes our US subsidiary, Helsinn Therapeutics (HTU) and our China

Representative Office in Beijing (HCN), as the precise figures related to the CO2 emissions and the water/energy consumption cannot currently be obtained from the landlords. The offices of HTU, where 38 of our US employees are located, are in a 1,990 square meter office building in Bridgewater, New Jersey (NJ). We will relocate the offices in 2015 in a LEED¹ Gold Building in the Metropark area in Iselin, NJ, occupying a 3,066 square meter area. Our China Representative Office team is composed of three people and occupies a 75 square meter office located in the Oriental Plaza Building in Beijing. Since most of our emissions and water/energy use are generated by our manufacturing subsidiaries in Switzerland and Ireland, and to a lesser extent by our Corporate headquarter in Switzerland, the significance of the overall data is not significantly affected by these omissions.

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¹ LEED - Leadership in Energy & Environmental Design is a green building certification program that recognizes best-in-class building strategies and practices. A LEED Gold building has very high ranking in terms of environmental and energy performance.

Our Company

Helsinn is an independent, fully self-financed, 100% family owned pharmaceutical company with headquarters in Switzerland and subsidiaries in Ireland and United States.

When Dr. Gabriele Braglia founded Helsinn in 1976, he had a simple pharmaceutical licensing business in mind. Almost 40 years later, over 550 committed employees and more than 90 commercial and marketing partners are helping us create a large portfolio of cancer-care therapies.

Now in our fourth decade, the Helsinn Group is one of the world's leading supportive cancer care companies. Our main area of focus is on improving and supporting the quality of life of cancer patients.

Helsinn Group operations are managed centrally as necessary to ensure alignment of critical management aspects, while operating locally as much as possible. Every business unit of our Group operates as a separate legal entity.

Cancer Supportive Care (CSC) is the prevention and management of the adverse effects of cancer and its treatment. This includes management of physical and psychological symptoms and side effects across the continuum of the cancer experience from diagnosis through anticancer treatment to post-treatment care. Enhancing rehabilitation, secondary cancer prevention, survivorship and end of life care are integral to Supportive Care. Supportive care encompasses all aspects of care, it involves a variety of disciplines and specialists including medical oncology, surgical oncology, radiation oncology physicians, nurses, dentists, dental hygienists, pharmacists, social workers, dietitians, outcomes specialists, psychologists, statisticians, infectious disease specialists, educators, representatives from industry and non-profit sectors, and others interested in supportive care.

In a snapshot CSC:

- alleviates symptoms and complications of cancer
- reduces or prevents toxicities of treatment
- supports communication with patients about their disease and prognosis
- allows patients to tolerate and benefit from active therapy more easily
- eases the emotional burden of patients and care givers
- helps cancer survivors with psychological and social problems

(Source: www.mascc.org)

- **Helsinn Healthcare SA – HHC**

Our Headquarters in Lugano, oversees all central functions: corporate management, R&D, medical education, quality assurance, pharmacovigilance, technical affairs, business development, legal & compliance, finances & administration, commercial operations.

- **Helsinn Advanced Synthesis SA – HAS**

Our GMP manufacturing site in Biasca, we develop and produce Active Pharmaceutical Ingredients (APIs), High Potency Active Pharmaceutical Ingredients (HPAPIs), and Cytotoxic Compounds for our products and for third parties.

- **Helsinn Birex Pharmaceuticals Ltd – HBP**

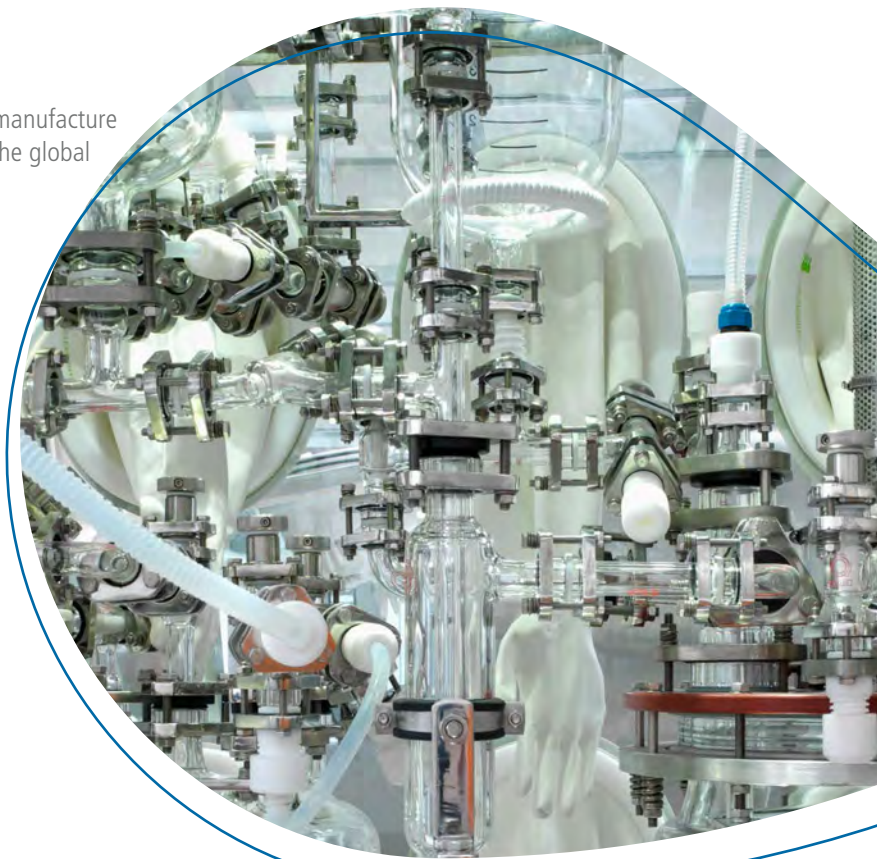
Our GMP facilities in Dublin, we develop and manufacture our finished dosage products and coordinate the global Group logistics.

- **Helsinn Therapeutics (U.S.), Inc – HTU**

In the United States, HTU oversees the US R&D activities, and distributes directly, in a co-detailing partnership with EISAI, some of our products.

- **Helsinn Healthcare SA Beijing Representative Office – HCN**

In China HCN coordinates our activities in this strategic emerging market.



Helsinn Group's development, manufacturing and supply chain platform for finished drug products:

**Helsinn Birex Pharmaceuticals Ltd,
Dublin, Ireland**

- Production and worldwide distribution of Helsinn group's products
- External manufacturing network management
- R&D Centre-of-Excellence for oral solid dosage forms
- Stability Centre
- Corporate Drug Safety



Helsinn Group's US operations:

**Helsinn Therapeutics Inc,
Iselin NJ, US**

- R&D
- Commercial Operations



Helsinn Group's manufacturing facilities:

Helsinn Advanced Synthesis SA Biasca, Switzerland

- Development and manufacturing of:
 - . Active Pharmaceutical Ingredients
 - . Advanced Intermediates
 - . High Potency Active Ingredients
- Recent opening of new Cytotoxic Plant for the production of cytotoxic compounds all under cGMP for group's third parties

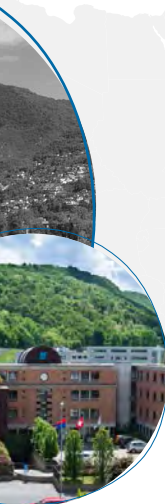
Helsinn Group's Global Headquarters:

Helsinn Healthcare SA Lugano, Switzerland

- Corporate Top Management
- Global Finance & Administration
- Corporate Business Development
- Global Project Management
- Global R&D
- Corporate Technical Affairs
- Corporate Legal Affairs
- Global Commercial Operations
- Corporate Drug Safety

Helsinn's Representative Office in Beijing, China

Helsinn Group's entry into the Chinese market



History & Milestones



1976

- Helsinn is established by the Braglia family in Chiasso, Switzerland

1995

- Relocation of HBP to new premises in Damastown

1998

- Worldwide licensing agreement is signed with Syn-
tex-Roche for Palonosetron, a
5-HT₃ antagonist used in the
prevention and treatment of
chemotherapy-induced nausea
and vomiting (CINV) and
Post-operative Nausea and
Vomiting (PONV)

1999

- **Helsinn Advanced Syn-
thesis SA**, the second Swiss
manufacturing plant, opened
in Biasca, dedicated to highly
potent active pharmaceutical
ingredients

1980

- Worldwide licensing agreement
is signed with 3M Pharmaceu-
ticals for Nimesulide, a leading
non-steroidal anti-inflammato-
ry drug (NSAID)

1984

- **Helsinn Chemicals SA**,
Group's first manufacturing
plant opens in Biasca, Swit-
zerland

1985

- Nimesulide is launched on the
international market

1990

- Acquisition of an Irish phar-
maceutical company, now
**Helsinn Birex Pharmaceu-
ticals Ltd**, in Dublin





2005

- Palonosetron is launched in EU and in Latin America; Netupitant is in-licensed from Roche with global rights for development and commercialization



2009

- US biotech company Sapphire Therapeutics Inc., is acquired to establish the US-based R&D and commercial operation, **Helsinn Therapeutics (U.S.), Inc.** The operation includes the rights for a ghrelin-based development platform and anamorelin, a novel therapy in development for the management of cachexia-related symptoms in cancer patients

1999

2003

2005

2008

2009

2003

- Palonosetron is launched in US by our partner MGI Pharma, now Eisai Inc.



2008

- Partnering agreement is signed with Zealand Pharma for the development and world-wide commercialization of the novel GLP-2 agonist for Chemotherapy-Induced Diarrhea (CID), **elsiglutide**

2010

- Helsinn Chemicals SA, Biasca, Switzerland and Helsinn Advanced Synthesis SA, Biasca, Switzerland merger. The manufacturing facility is now called **Helsinn Advanced Synthesis SA**
- Helsinn's leading product, palonosetron, is successfully launched in Japan by Taiho
- A new R&D center of excellence opens at HBP

2012

- Ernst & Young recognizes Riccardo Braglia as the "**Best Entrepreneur** in the High Tech/Life Sciences category in Switzerland" and selects him to represent Switzerland at The Worldwide Entrepreneur of the Year contest as one of the top three companies in the category
- Helsinn opens a **representative office in Beijing** in China and files for an Investigational New Drug (IND) Application for netupitant/palonosetron fixed-dose-combination
- Helsinn opens a new chemical plant for the production of **cytotoxic** ingredients at HAS

2010



2011

- New analytical laboratories open at HBP
- Our CEO Riccardo Braglia receives the prestigious "Entrepreneur in Italian-Speaking Switzerland" award 2011

2011



2012

2013

- Food and Drug Administration (FDA) accepts for substantive review a New Drug Application (NDA) for investigational compound netupitant/palonosetron fixed-dose-combination, for the prevention of chemotherapy-induced nausea and vomiting
- HBP wins two prestigious awards, "Supreme Safety Runner Up Silver Award" and "Consistent High Achiever Award", at the 22nd Annual National Irish Safety Organization/Northern Ireland Safety Group (NISO/NISG), for its outstanding health and safety performance
- Helsinn establishes a **new commercial organization** within its subsidiary HTU in order to conduct direct sales and marketing activities within the US market, and, with a dedicated sales force, initiates co-selling of Aloxi® together with its American partner Eisai
- Helsinn enters into a new partnership with Healthcare Businesswomen's Association (HBA)
- HAS is the first private company in Ticino, Switzerland, to prepare a Sustainability Report in accordance with the Global Reporting Initiative (GRI)

2013

2014

- Helsinn supports "mHealth – Improve cancer supportive care" (Milan, April 4th). The conference has been organized in collaboration with SDA and CERGAS of the Bocconi University, Italy
- **FDA approves Akynzeo®** (netupitant/palonosetron fixed-dose-combination) for the Prevention of Chemotherapy-Induced Nausea and Vomiting (CINV) and is launched in the US in co-selling partnership between Helsinn Therapeutics and Eisai
- FDA grants the **pediatric indication to Palonosetron**, based on the results of the largest clinical trials ever run in a pediatric population
- HBP is the first private company in Ireland to prepare a Sustainability Report in accordance with the new Global Reporting Initiative framework, GRI G4



2014

Our Vision, Mission & Values

At Helsinn our main goal is to help people with cancer get the most out of every day. In accordance with the ambition of being one of the world's leading cancer-care companies, our goal is to make everything we do, from the products we choose to license to the rigorous standards we apply to manufacturing, count towards improving the lives of people with cancer.

Our vision

To shape the Helsinn Group into one of the world's leading cancer-care companies with a focus on improving patients' quality of life.

Our mission

To bring respect, integrity and quality to our products, services, and all that we do to improve health and quality of life in every person affected by cancer.

Our values

- **Integrity:** Be honest, ethical, and trustworthy in the field of cancer care
- **Quality:** Maintain high standards across our products, operations and delivery
- **Respect and Service:** Treat our partners and patients as they would like to be treated and diligently meet their needs
- **Resourcefulness:** Apply innovation to achieve quality results step-by-step
- **Diversity and Inclusion:** Embrace the knowledge, skills, cultural perspectives, and experience of others around the globe - from our own employees to our large number of global partners
- **Creativity:** Find innovative ways to work with our partners and improve life for cancer patients

Helsinn, a Family Company

- Focused on Quality of Life products in cancer supportive care
- Private, well-established and profitable company, debt free
- Broad product portfolio of marketed products
- Unique R&D pipeline of technologies and new products
- Internationally diversified, new business model in US
- Controlled and run by owners' family, strong management team

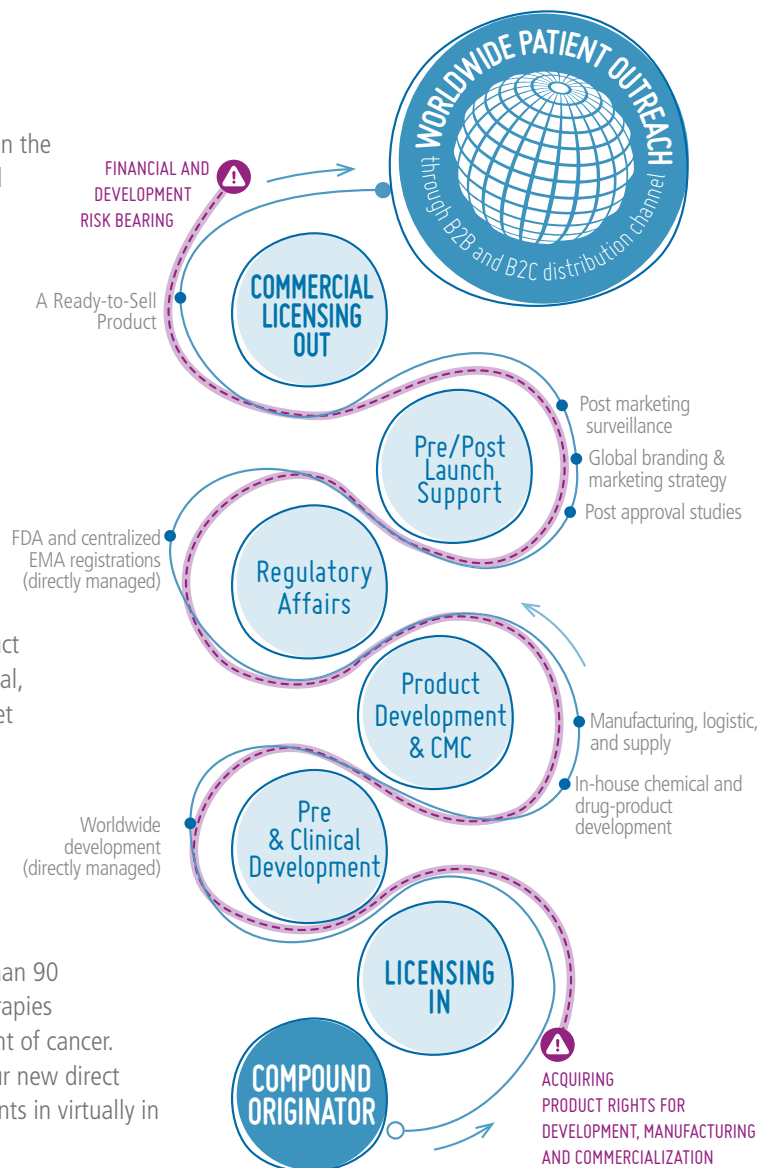
Our Business Model

Since its foundation, the Helsinn Group has been built on the basis of a unique business model, focused on the in and out-licensing of pharmaceuticals, with the recent additions of medical devices and medical food/integrative care products.

Helsinn in-licenses early-to-late stage new chemical entities from small and big pharma companies, completes their development through the performance of pre-clinical and clinical studies, supported by chemistry, manufacturing and control (CMC) development and files and attains their market approval worldwide. We market our products through our worldwide network of local pharmaceutical partners, selected for their deep market knowledge and know-how, which we assist and support by providing a full range of product and scientific management services, including commercial, regulatory, financial, legal, medical education and market access advice. Drug safety and pharmacovigilance for our products are centrally managed by Helsinn for all our partners.

Through a mix of integrated early and late stage licensing programs and our own development, we have created a comprehensive portfolio of effective pharmaceuticals and specialist therapies sold in more than 90 countries, and a late stage pipeline of future cancer therapies which will address unmet medical needs in the treatment of cancer. This Business to Business (B2B) model, together with our new direct distribution structure in the US, allows us to reach patients in virtually in the entire globe.

The active pharmaceutical ingredients and the finished products are manufactured according to the highest quality, safety and environmental standards, in compliance with US Food and Drug Administration (FDA), EU European Medicines Agency (EMA), Swissmedic, Japanese PMDA and Pharmaceutical Inspection Convention (PIC) at Helsinn's facilities in Switzerland and Ireland, and supplied worldwide to our customers.



Pharmaceutical R&D: the Helsinn way

In the current environment, R&D can only be successful through strong scientific, medical, regulatory, technical, compliance, time and financial management. The design of an appropriate product profile and target label that will satisfy unmet medical needs, regulatory requirements, and, more importantly, an optimum safety and efficacy profile to reach patients' satisfaction, is crucial. This can only be achieved through a multidisciplinary effort, where many components are taken into consideration in a holistic way, thus incorporating not only scientific, technical and compliance aspects, but also market intelligence, health outcomes, and Intellectual Property Protection. In order to maximize its success rate, Helsinn is deploying a powerful development machine which works across a balanced mix of virtual and direct management of R&D activities. This machine operates at optimum performance thanks to the integration of Helsinn's internal expertise, established collaborations with Contract Research Organizations (CROs), scientific advisory boards and international consultants. Helsinn's technical department works closely with its own chemical and pharmaceutical manufacturing plants, thereby assuring support of the pre-clinical and clinical efforts by supplying clinical trial materials and by performing the studies necessary for the preparation of the CMC section of a dossier. Robust and market-oriented production processes assure a seamless delivery of the finished, ready-to-market product that our partners can launch shortly after approval. Time, quality, and costs development are managed by a Project Management system that is staffed with specialists from Helsinn's European and American companies.



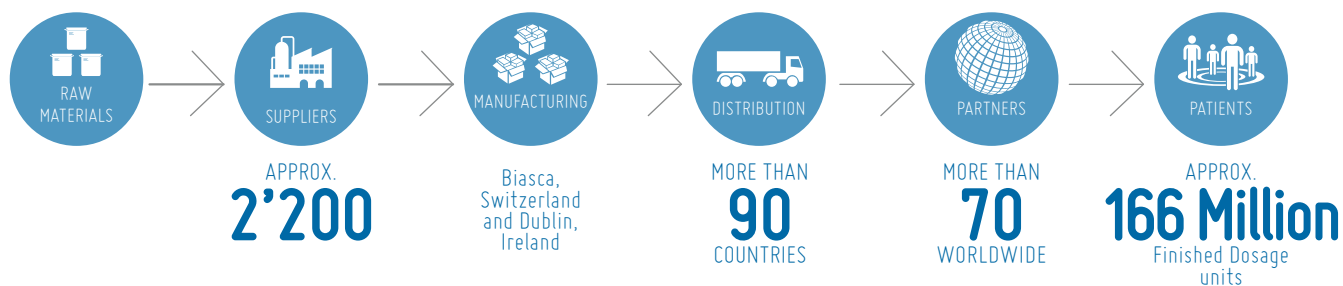
Making pharmaceuticals available

A strong compliance system is required in order to gain access to the pharmaceutical market. Regulatory requirements vary across health authorities worldwide, and each step, beginning at the very start of the product development process, requires careful planning of the compliance components - starting from Good Laboratory Practice (GLP) in the preclinical experiments and ending with Post Marketing Surveillance in the commercialization phase. Helsinn has built a fully-integrated compliance system based on a strong Quality Assurance System that guarantees full respect of every Good Practice Guidelines requirement, a Regulatory Affairs department able to coordinate filings on a worldwide basis, and a Drug Safety department which coordinates Post Marketing Surveillance activities for all of its partners around the world. Helsinn's manufacturing plants are committed to health, safety and environmental protection. Special attention is paid to the growth of our pipeline with a strong Intellectual Property Protection system, from technological platforms to product patents. Helsinn's proprietary trade names are also licensed to our partners for the various markets. In the current challenging environment, access also means health economics, pricing and reimbursement in order to provide patients and social partners with pharmaceutical products representing real value. The Market Access department contributes to this important effort. The Art of Access is the Art of Compliance and reflects Helsinn's ethical contribution to patients' health, safety and quality of life.



Supply Chain

All Active Pharmaceutical Ingredients for our products are manufactured at HAS. Batches of API are then transferred to HBP, where the final product is manufactured and packaged. HBP also coordinates the supply chain of the products manufactured by our Contract Manufacturing Organization (CMO) partners. Our worldwide logistics are centralized at HBP, and from there our products are shipped to our business partners worldwide. The quality of all supplied components, from packaging to APIs, from solvents to excipients, are systematically controlled with the most stringent standards in our internal laboratories. Our suppliers and distributors are critical partners in building the sustainable enterprise.



Shaping Alliances and partnerships with value added support

One of our goals is to build lasting alliances with worldwide partners who share our vision.

Since its first product, nimesulide, was marketed in 1985 in Italy, Helsinn has not only focused on scouting and developing innovative products, but also on creating a network of reliable commercial partners.

Our alliances are always built and developed with a win-win, long-term approach. We are proud to have a very close relationship with all our partners and work side by side with them, doing everything possible to support their activities, from bringing the products to market to help developing and maintaining relationships with their main stakeholders.

We provide our partners with a complete platform of medical and marketing services in support of either of the activities throughout the product Life Cycle.

Helsinn's corporate support is guaranteed by a constant exchange of scientific information and clinical data to inform and educate worldwide healthcare professional and partners about our products. This is achieved by performing post registration studies, supporting independent educational activities, presenting scientific data to key congresses, publishing products data in peer reviewed journals, and organizing international advisory boards. The emerging scientific evidence is translated into commercial tools that are shared with worldwide partners by means of regular marketing meetings, round tables, webinars and a variety of different initiatives aimed at creating and reinforcing a strong sense of belonging across the international products alliance. Helsinn also plays a role in allowing and encouraging the cross-seeding of experiences and initiatives among the different partners.

More specific supporting activities are also carried out on an individual country and partner basis. We tailor our assistance to specific needs, which may range from the organization of dedicated training sessions to supporting local congresses, scientific lectures, and publications.



Direct patient outreach in US market

Since the acquisition of the New Jersey-based biotech company Sapphire Therapeutics Inc. in 2009, Helsinn's vision has been to move toward the direct distribution of its products in the largest pharmaceutical market worldwide. At that time the company was developing two products in phase 1 and 2, had approximately 15 people and a library of synthetic ghrelin analogue molecules. In the last five years Helsinn completed phase 3 for anamorelin. Additionally a Lead Optimization program has been implemented through partnerships with US and Swiss based Universities, a Shanghai based CRO and our chemical R&D laboratories in Switzerland. This led to the identification of three lead candidates, which potentially may show activity as ghrelin agonist or antagonist in various metabolic diseases (first clinical study in man is expected in 2015). In 2013 a commercial organization was established for the co-detailing of Aloxi® and, from 2014, of the newly approved drug Akynzeo® with our partner Eisai. This represents the first step on the road towards transforming HTU from a pure R&D player to a specialty company with the goal of playing a prominent role in the oncology landscape.



Sustainability at Helsinn

Sustainability is increasingly becoming a formal and central component of Helsinn's culture and business strategy for the long term. We are very much aware that business cannot operate in an environment and in societies under dramatic degradation. If they want to maintain their competitiveness without becoming obsolete, organizations must play a more engaged and active role in implementing the changes needed to reverse the destructive trends created over the past 100 years. The future of our planet will be determined by how we – as organizations, countries and individuals - respond to sustainability challenges such as resource scarcity, an aging population, demographic shifts, educational opportunities, climate change, access to healthcare, just to name a few.

We are committed to integrating into our business model an active search for a solution to these pressing concerns.

We are often told by our people and our partners that at Helsinn they feel part of a family, and we take great pride in this. Helsinn is at its core a family company. The owners always believed that taking good care of all employees, keeping in mind the best interests of the patients, building long-term, trust-based relationships business partners and being an active member of the community are essential for the long term success of the company.

We aim to reduce our environmental footprint by continuously improving our highly compliant integrated manufacturing system and our seamless supply and distribution chain in order to pursue a main goal: making our products available to the largest number of patients possible in a sustainable way. We have been working with our partners in more than 90 countries, taking all necessary steps to register and distribute our products even where the sales volumes would barely justify the important investments requested.

Being a sustainable company for us encompasses several aspects.

We are committed to all these aspects as they make the bricks for building our approach towards sustainability. They reflect the best interests of our main stakeholders, guarantee that we operate in an ethical and responsible way, highlight our role as good corporate citizen and ensure our long-term economic success.



Our Stakeholders

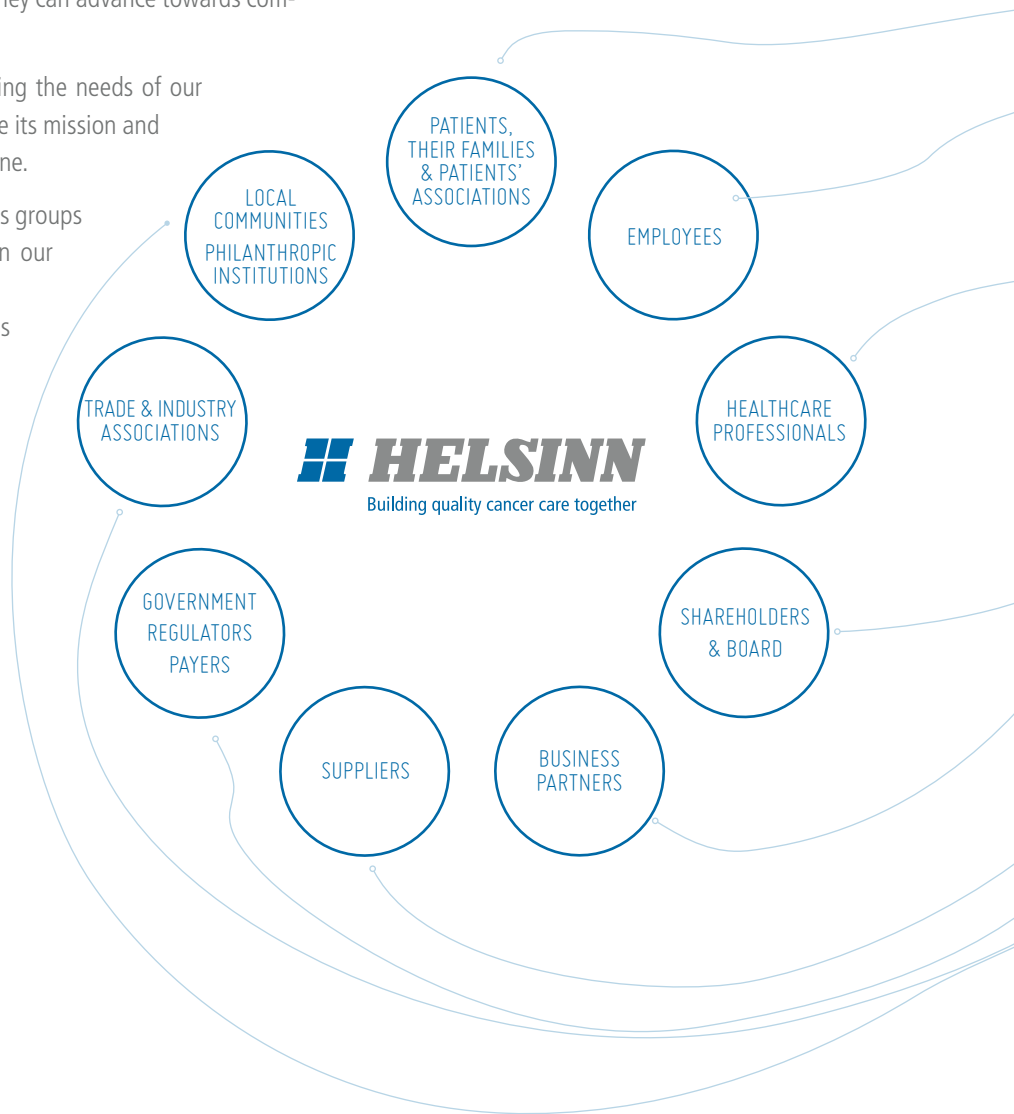
Our stakeholders play a crucial role in our performance and we take their opinion and perspective into account at every step.

Helsinn engages with its stakeholders worldwide: we actively listen to them, we share information, we discuss our priorities, and we do our best to address their concerns and ideas. We welcome collaboration opportunities where they can advance towards common goals.

Operating responsibly and addressing the needs of our stakeholders helps Helsinn to pursue its mission and to deliver a healthy Triple Bottom Line.

We have identified nine stakeholders groups with whom we routinely engage in our day to day business activities.

Due to our Business to Business model, our interactions with specific stakeholder groups have been relatively limited. We recognize the need to have a closer interaction with all our main stakeholders and we are currently increasing our engagement with some of them, for instance with important patients' associations in the US and in Europe.



While no specific engagement with external stakeholders was carried out for the purpose of this report, we analyzed in detail the approaches and procedures we use to interact and cooperate with them.

Stakeholders	How we engage
PATIENTS, THEIR FAMILIES, PATIENTS' ASSOCIATIONS	Product websites, sponsoring congresses and other educational activities, periodical & ad-hoc meetings, educational and research grants.
EMPLOYEES	Biannual CEO presentations, periodical newsletter, company magazine, communications via corporate intranet, company events, Code of Conduct, staff town hall meetings, R&D retreats, training programs, projects/products management meetings, Helsinn Academy, Quality, Safety, Compliance Systems, etc.
HEALTHCARE PROFESSIONALS	Advisory Board meetings, Speakers' programs, data presentation at congresses, publications, in peer reviewed journals, meetings related to clinical trials, meetings with clinical experts, product websites.
SHAREHOLDERS & BOARD	Periodical reporting on business progress, annual meeting.
BUSINESS PARTNERS	Regular meetings, congresses & exhibitions, InTouch knowledge sharing platform, constant interactions with commercial division, annual distributors' meeting, incentive trips for sales force, scientific trainings, local events support.
SUPPLIERS	Partner selection meetings, audits, quality assurance inspections, business terms discussions.
GOVERNMENT, REGULATORS & PAYERS	Meetings and ongoing dialogues with regulatory authorities, environmental health and safety reports.
TRADE & INDUSTRY ASSOCIATIONS	Periodical meetings, Helsinn representatives in committees & boards, industry trade shows.
LOCAL COMMUNITIES, PHILANTHROPIC INSTITUTIONS	Scholarships, factories' visit for schools, sponsoring of science laboratory at local schools, sponsoring of sports clubs, cultural activities and educational institutions in Africa, contribution to charities & local community services, hiring and training of apprentices.

Focusing on what matters most

According to GRI: “Assessing materiality for a sustainability report includes considering economic, environmental, and social impacts that cross a threshold in affecting the ability to meet the needs of the present without compromising the needs of future generations. Yet these material topics will often have a significant financial impact on an organization in the near-term or long term”.

As this is our first Group Sustainability Report, it was essential for us to identify the most relevant topics for our business and stakeholders. These most material aspects and their relevance were assessed in terms of:

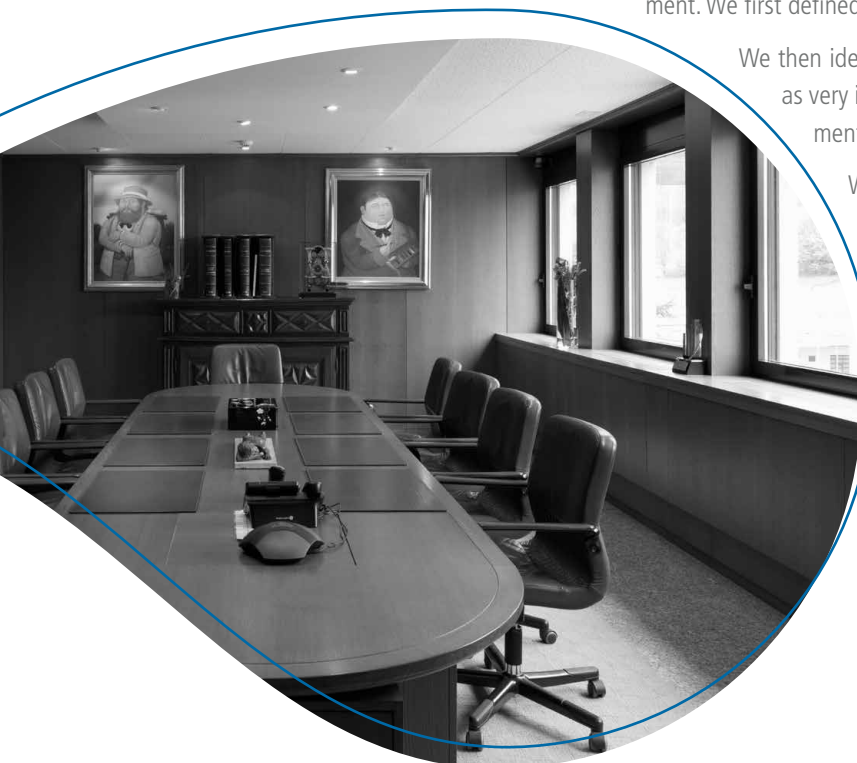
- their priority, both in terms of business strategy and of the importance for the main stakeholders;
- their potential to have a direct or indirect impact on an organization’s ability to create, preserve or erode economic, environmental and social value.

In order to identify and prioritize the material aspects, and to understand how to best allocate the resources in strategic planning and program implementation, Helsinn enlarged Executive Committee performed a Materiality Assessment. We first defined the six macro-areas of our sustainability strategy.

We then identified a number of material topics which emerged as very important to Helsinn and, based on our best assessment, to our Stakeholders.

With the support and participation of our top management, we carried out a workshop with the purpose of defining the aspects and topics which are material to Helsinn business today and which will increase in importance in the future.

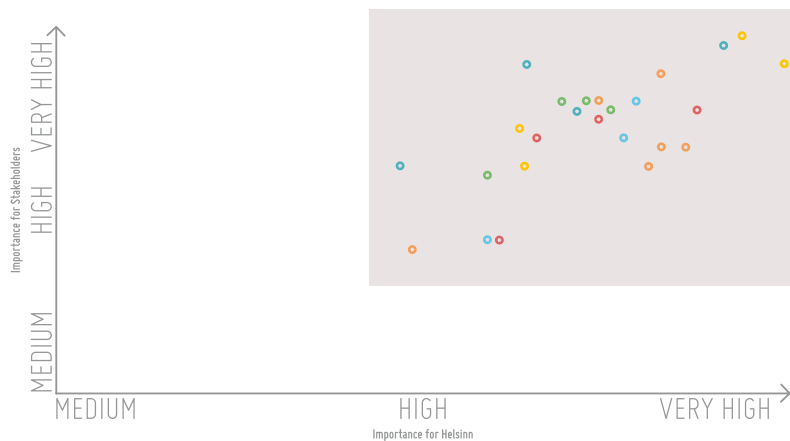
The workshop demonstrated a great sensitivity towards sustainability issues across the Senior Management Team, as shown in the matrix where most of the aspects scored from high to very high.



Aspects & Boundary of Impacts

	Internal impact	External impact
Quality of Life for Our Patients		
Access to medicines	*	
Disease awareness, patients' education and assistance	*	*
Safety of clinical trials	*	*
Health outcome contribution & cost optimization	*	
Quality of Life for Our People		
Safety health & wellness	*	
Job satisfaction, motivation & retention	*	
Compensation & benefits	*	
Constant learning	*	
Diversity & equal opportunities	*	
Culture of excellence	*	
Quality of Life in Our Communities		
Local communities	*	*
Philanthropic contributions	*	*
Volunteer activities	*	*
Commitment to education	*	
Quality of Life for Our Environment		
Water	*	
Energy	*	
Waste & effluents	*	
Emissions	*	
Acting Responsibly		
Standards & code of conduct	*	
Stakeholders' engagement & external communication	*	
Manufacturing & operational excellence	*	
Supply chain transparency & monitoring of suppliers	*	*
Economic Value Creation		
Long-term economic performance	*	
Value-added & redistributed	*	
Spending on local suppliers	*	
Innovation and R&D pipeline	*	

The following matrix highlights the results of such exercise.

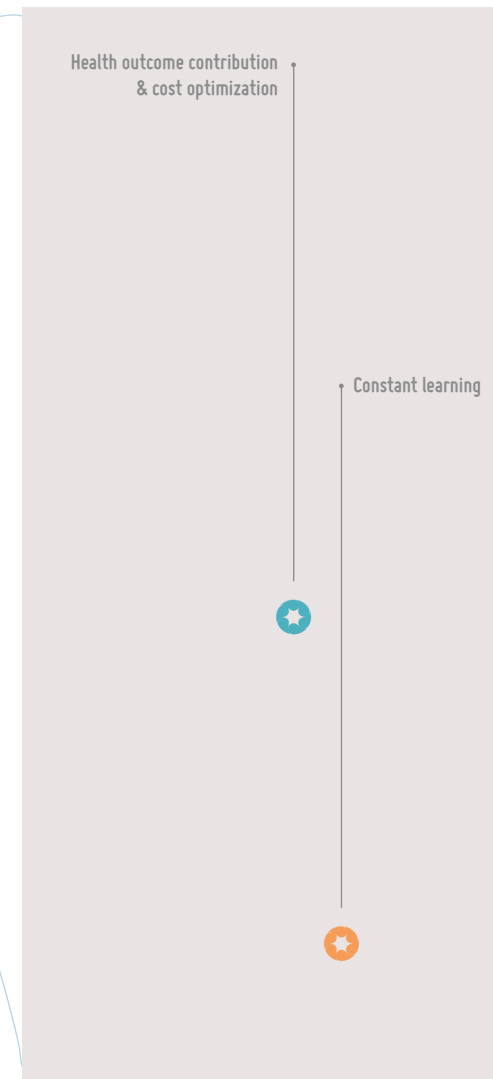


This matrix highlights the areas of importance for our sustainability performance and at the same time sets the base upon which we will develop our sustainability initiatives in the future.

The matrix shows that the most highly ranked aspects in our company are related to safety, health & wellness, job satisfaction, motivation & retention, energy use, local communities, philanthropic contributions, manufacturing and operational excellence, standards & code of conduct, safety of clinical trials and long term economic performance.

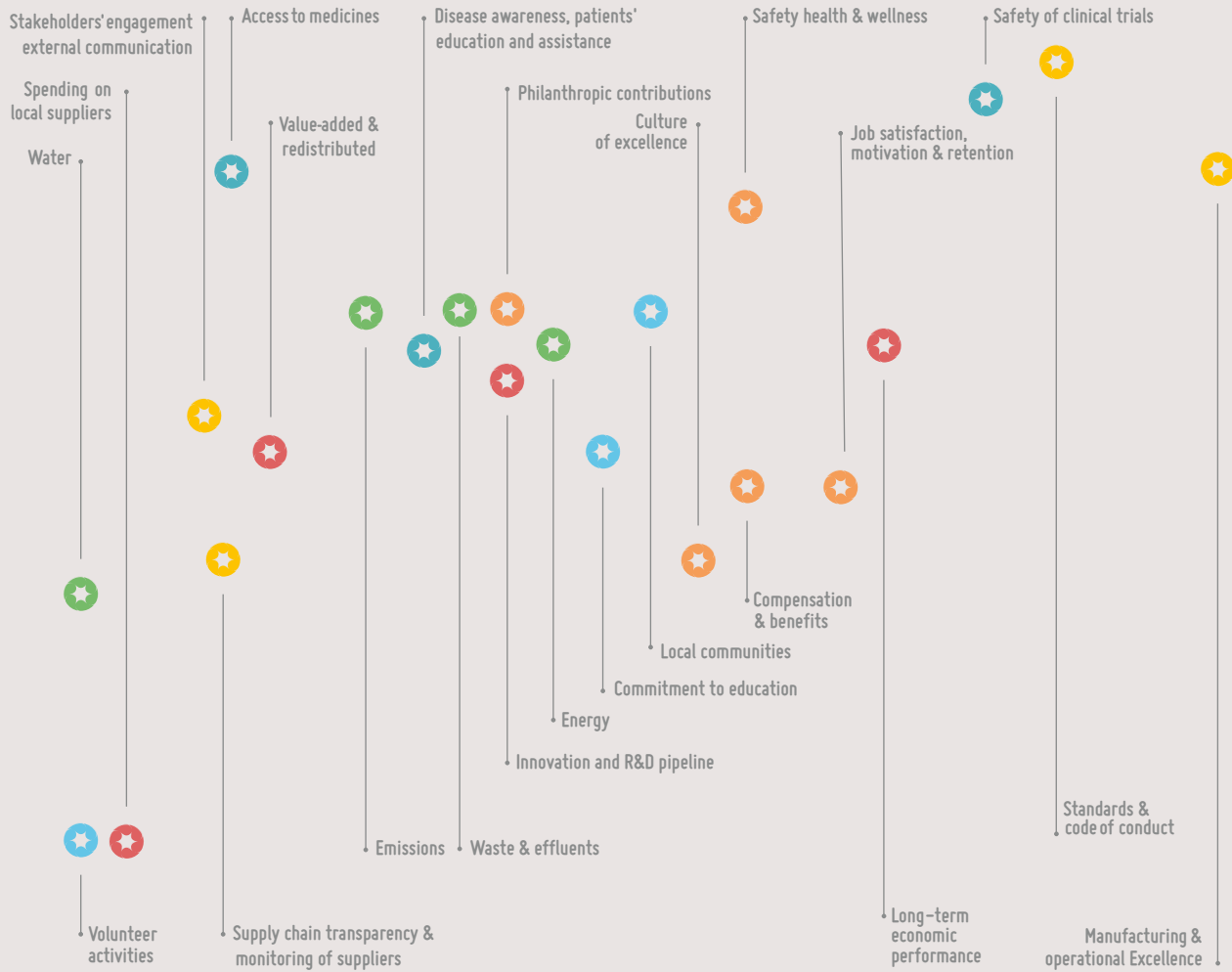
According to our management, the aspects which will grow in importance in the future include safety, health & wellness, a culture of excellence, all environment related aspects, all community involvement aspects, continued improvement in the quality of life of our patients, long term economic performance and value added and redistributed.

This matrix will be periodically revised and re-evaluated in the future, in order to adapt it to the changing conditions and priorities.



HIGH

- ★ Quality of Life for Our Patients
- ★ Quality of Life in Our Communities
- ★ Acting Responsibly
- ★ Quality of Life for Our People
- ★ Quality of Life for Our Environment
- ★ Economic Value Creation



Importance for Helsinn

VERY HIGH

VERY HIGH

Importance for Stakeholders

HIGH

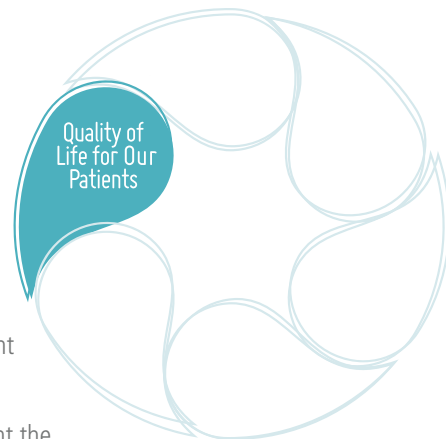
Quality of Life for Our Patients

Helsinn's mission today is to improve the health and quality of life of every person affected by cancer.

This mission has been at the core of our activities since 1998, when we signed a worldwide licensing agreement with Syntex-Roche for palonosetron, a drug used in the prevention and treatment of Chemotherapy-Induced Nausea and Vomiting (CINV). Since then, we have focused our activities in oncology, but our commitment to our patients has always been our driving force.

Although cancer prevalence continues to grow, advances in treatments have meant the condition is increasingly becoming a chronic illness with an expectation of longer survival.

Every day is precious for people with cancer, but the side effects of treatments can adversely affect the quality of their daily lives. At Helsinn, we are unwavering in our pursuit of new and targeted products that can improve the quality of life of patients and help to meet unmet needs in cancer care.



Our therapeutic focus in Cancer Supportive Care is in the following areas:

- Chemotherapy-Induced Nausea and Vomiting
- Cachexia and Anorexia
- Oral Mucositis
- Hand and Foot Syndrome
- Cancer-Induced Pain
- Chemotherapy-Induced Diarrhea
- Supplements and Nutraceuticals
- Medical Devices

In addition, we have products in the Pain/Inflammation and Gastroenterology areas.



Our Products

Our first commercial success was nimesulide, a non-steroidal anti-inflammatory drug (NSAID) with analgesic and antipyretic properties. We acquired the rights for the drug in 1980 from 3M and we launched it in 1985 under the trademarks Aulin®, Mesulid® and Nimed®, and it soon became a significant market success, reaching a prominent position in several major markets.

Today our marketed therapies are the following:

Therapy	Indication Overview
palonosetron Aloxi®, Onicit®, Paloxi®	Chemotherapy-Induced Nausea and Vomiting (CINV) Post-Operative Nausea and Vomiting (PONV)
netupitant/palonosetron Akynzeo® Oral	Chemotherapy-Induced Nausea and Vomiting (CINV)
Gelclair®	Oral Mucositis
Klean-Prep®	Bowel preparation prior to colonoscopy and surgery
nimesulide Aulin®, Mesulid®, Nimed®	Pain and Inflammation
oxaprozin Dayrun®, Duraprox®, Walix®	Pain and Inflammation

Palonosetron, our best-selling drug, was launched in the US in 2003 and has developed into a leading therapy for contrasting chemotherapy and Post-Operative Induced Nausea and Vomiting (PONV). It has become a top seller in more than 50 countries worldwide as Aloxi®, Onicit®, Paloxi®.

More than 10 years after the launch of palonosetron in US, patients in several new countries now have access to this antiemetic drug, including in the Philippines, Ecuador and Vietnam.

“Making our products available to the largest number of patients possible in a sustainable way”

This demonstrates Helsinn’s commitment to target all patients worldwide, distributing products even where the sales volumes would hardly justify the huge investments requested.

Our new generation drug against CINV, Akynzeo[®], netupitant/palonosetron fixed-dose-combination, was approved by the Food and Drug Administration (FDA) in 2014 and has been submitted to approval to the European Medicines Agency (EMA)². The clinical development program evaluating NEPA intravenous formulation for the prevention of chemotherapy-induced nausea and vomiting is ongoing.

Helsinn remains **devoted to improving the health and quality of life of every person affected by cancer** and hopes that the development of Akynzeo[®], ensuring 90% of emesis protection [24h] by impacting two pathways of CINV with one dose, represents a step forward toward the ultimate goal of eliminating CINV for all patients. As stated in the CHMP² Summary of Opinion for the approval of Akynzeo[®] in Europe, the “simplification of therapy by decreasing the number of individual dose units to be taken by the patient may furthermore improve patient compliance.”

Our Pipeline

With over 120 highly skilled R&D personnel, operating within a largely ‘semi virtual’ R&D model, Helsinn is proud to employ an over-proportional number of scientists and physicians, especially compared to a number of other ‘mid-size’ European pharmaceutical companies. Our R&D capabilities are recognized worldwide, from pre-clinical research through all phases of clinical development, with proven expertise and focus in cancer supportive care. In recent years we have implemented a very intensive R&D program. Given the large number, size and global footprint of our clinical trials, we entrust CROs to conduct many of these clinical studies. These service providers are carefully selected through a multi-step selection process and are regularly audited to verify adherence. Our internal team is typically responsible for the creation of all key study documents, such as study protocols and reports and the statistical analysis plans, while the CRO manages all local activities under our general direction and supervision.

² On May 27th 2015, the European Commission (EC) approved Akynzeo[®] (netupitant/palonosetron fixed-dose-combination) for the prevention of acute and delayed nausea and vomiting associated with highly emetogenic cisplatin-based cancer chemotherapy and moderately emetogenic cancer chemotherapy in the European Union.

Pediatric Cancer Supportive Care – FDA approval of Aloxi® (palonosetron HCl) injection for the prevention of acute nausea and vomiting associated with initial and repeat courses of emetogenic cancer chemotherapy, including highly emetogenic cancer chemotherapy, in children aged one month to less than 17 years. **This is the first approval of a product for acute Chemotherapy-Induced Nausea and Vomiting (CINV) prevention in patients aged 1 month to 6 months.** The age of peak cancer incidence among children occurs within the first year of life, so this approval offers an important option to children, especially infants, undergoing chemotherapy.

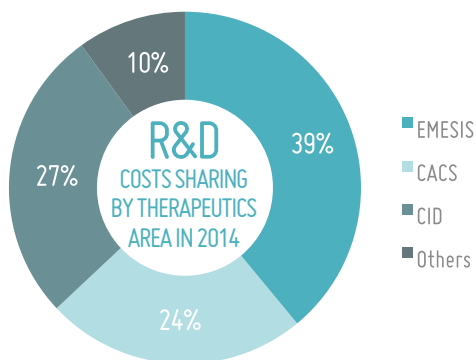
Cancer Care

		RESEARCH	PRECLINICAL	PHASE 1	PHASE 2	PHASE 3	REGULATORY
NETUPITANT-PALONOSETRON FIXED COMBINATION IV - WORLDWIDE -	Chemotherapy-Induced Nausea and Vomiting						
NETUPITANT-PALONOSETRON FIXED COMBINATION ORAL - CHINA - KOREA -	Chemotherapy-Induced Nausea and Vomiting						
NETUPITANT IV - JAPAN -	Chemotherapy-Induced Nausea and Vomiting				Managed by Helsinn's partner in Japan: Taiho Pharmaceutical		
ANAMORELIN - WORLDWIDE -	Anorexia-Cachexia in NSCLC* patients						
ANAMORELIN - CHINA -	Anorexia-Cachexia in NSCLC* patients						
ELSIGLUTIDE	Chemotherapy-Induced Diarrhea						
HM01 - GHRELIN RECEPTOR AGONIST 1	Chemotherapy-Induced Neuropathic Pain						
HM03 - GHRELIN RECEPTOR AGONIST 2	Cancer Anorexia/ Cachexia						

Metabolism

HM04 - GHRELIN RECEPTOR ANTAGONIST	Prader-Willi Syndrome						
GHRELIN RECEPTOR INVERSE AGONISTS	Obesity						

* NSCLC: Non Small Cell Lung Cancer



We have a diverse pipeline of products with several in late-stage global development programs aimed at addressing unmet needs in cancer care.

Our main R&D efforts are concentrated in three specific areas, Emesis, Cancer Anorexia-Cachexia Syndrome and Chemotherapy-Induced Diarrhea, where we are addressing substantial unmet medical needs with two first-in class new chemical entities (anamorelin and elsiglutide).

A new generation of compounds acting on the ghrelin receptor for multiple potential indications constitutes our early-phase pipeline.

Emesis

Uncontrolled chemotherapy-induced nausea and vomiting, also known by the term emesis, is one of the most common and dreaded side effects following cancer treatments, and can negatively impact the day-to-day quality of life of cancer patients. The inclusion of Aloxi® and Akynzeo® contributed to expand the antiemetic arsenal thus allowing patients to maintain their QoL and focus on their cancer treatment plan.

Cancer Anorexia-Cachexia Syndrome (CACS)

CACS is a multifactorial condition defined by an ongoing loss of body weight that cannot fully be reversed by conventional nutritional support and leads to progressive functional impairment. The main symptoms are loss of appetite, weakness, anemia, muscle wasting, reduced food intake and altered metabolism.

Over 50% of cancer patients develop cachexia, a figure that increases to 80% in some tumor types; CACS has very serious implications for people with cancer including: a reduced ability to tolerate treatments, a reduced response to therapy and a shortened survival time. A significant unmet need exists for this condition, as there is no present standard of care and current treatments have limited efficacy.

“With no new treatment for cachexia to emerge in the last 40 years and phase 3 seemingly a tough barrier to cross, a success story is sorely needed”

Synovate 2011

Anamorelin is a new, orally available, selective ghrelin receptor agonist that mimics the appetite-enhancing and anabolic effects of ghrelin.

Anamorelin is under development for the treatment of cancer anorexia-cachexia in patients with non-small cell lung cancer (NSCLC). Phase 3 trials were completed in 2014.

Chemotherapy-Induced Diarrhea (CID)

Chemotherapy-Induced Diarrhea (CID) is a common problem in patients with advanced cancer, resulting from the toxic repercussion that chemotherapeutic agents have on the gastrointestinal mucosa.

Current pharmacological treatments are mainly palliative, helping to control and treat symptoms rather than to prevent the onset of diarrhea.

It is anticipated that the regenerative effects of elsiglutide may include the amelioration or prevention of the destructive effects of chemotherapy on the small intestine and therefore the reduction of the incidence of diarrhea in cancer patients undergoing chemotherapy.

Helsinn has evaluated elsiglutide in a Phase 2a trial with supportive results for its efficaciousness and safety in the prevention of diarrhea in colorectal cancer patients receiving chemotherapy. A phase 2b study is ongoing.



Our Partnerships

Helsinn embraces innovative collaborations with several stakeholders groups, engaging them in activities that have the potential to speed the discovery process, to effectively communicate and interact with patients' associations and advocacy groups.

Research partnerships

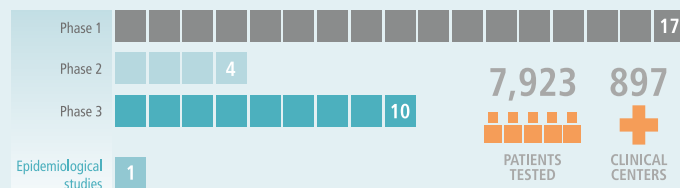
Despite our size, we are pleased to have a privileged relationship with important research centers and world-class universities. We actively engage with leading academic institutions on an on-going basis. During 2014 we have partnered with the following universities:

- École Polytechnique Fédérale de Lausanne, Switzerland
- Johns Hopkins University, Baltimore, US
- University of Zurich, Switzerland
- University of Adelaide, Australia
- University of Oklahoma, US



Helsinn's **commitment to clinical development** is demonstrated by its program of **32 trials** in development, enrolling nearly **8,000 patients** in almost **900 centers** globally.

Between 2010 and 2014, we invested **485 million Swiss francs**, which accounted for 29% of the turnover, in the development of new products. This is a very high ratio, well above the industry average particularly for a mid-sized, family company like ours. This highlights our relentless promise to the research and development of innovative drugs to improve the quality of life of oncological patients.



Advocacy Groups

We recognize the growing importance and value of working with key stakeholders to advance our mutual goals.

As we continue pursuing our mission of improving the health and quality of life of every person affected by cancer, we are aware of the growing significance of engagement with some of these key stakeholders, such as physicians, professional associations and patient advocacy groups. We believe that through these collaborations we can support our patients and provide objective and scientifically proven information concerning medical conditions and related treatment options. The number and influence of patient advocacy groups has increased rapidly worldwide over the last decade, and web-based information and technologies have allowed them to build disease state awareness and educate stakeholders' audiences.

Advocacy groups are a rising and authoritative voice in the healthcare system, with a growing role in influencing the decisions of policymakers, regulators, payers and patients in order to guarantee fair access to treatment; connecting regularly with these organizations for the disease area they serve will more and more be an area of focus for Helsinn.

Our main objectives in this area are the creation of awareness around CSC and how cancer patients may benefit from the right treatments, and to provide our partners with new opportunities for collaboration.

Organizations

Helsinn is involved in committees, professional publications, providing sponsorships or contributions to several international organizations, among which are the following:

- **ASCO** - American Society of Clinical Oncology
- **CEO Roundtable on Cancer** (US, EU, CHINA)
- **CONQUER CANCER FOUNDATION** - American Society of Clinical Oncology
- **CSCO** - Chinese Society of Clinical Oncology
- **EAPC** - European Association for Palliative Care
- **ESO** - European School of Oncology
- **FREE TO BREATHE** (US)
- **MASCC** - Multinational Association of Supportive Care in Cancer (EU)
- **NCCN** - National Comprehensive Cancer Network (US)
- **ONS** - Oncology Nursing Society (US)
- **RDPAC** - R&D Pharmaceutical Association Committee (CHINA)
- **SCWD** - Society of Sarcopenia Cachexia and Wasting disorders (US)

In 2012 Helsinn became the first organization to contribute \$1 million over five years to the Conquer Cancer Foundation in support of CancerLinQ™, ASCO's multi-phase initiative to build a rapid learning system in cancer care through an IT platform which assembles a vast amounts of usable, searchable, real-world cancer information into a powerful database. "We are grateful for Helsinn's generous and groundbreaking contribution to our effort which we think will transform cancer care by unlocking vast quantities of information that are now lost because of unconnected information. CancerLinQ™ will allow us to learn from every cancer patient, not just the three percent who participate in clinical trials" – Sandra M. Swain, MD, FACP, President of ASCO, Nov. 2012



In 2014 our contribution for scientific and educational grants was approximately 1.5 million Swiss francs.

In April 2014 Helsinn supported the International Conference on mobile technology dedicated to improving the quality of life of cancer patients, hosted by the Centre for Research on Health and Social Care Management at Bocconi Business School in Milan, Italy.

The purpose of the conference was to better understand how mobile technology is changing CSC from a medical, economical and policy perspective and how the interaction between the different stakeholders - doctors, policy-makers, industry and patients - can evolve in the future.

We are persuaded that the use of mobile health (mHealth) – the use of mobile devices such as mobile phones, patient monitoring devices, personal digital assistants (PDAs) and other wireless devices – has the potential to increase the positive contribution to the quality of life of cancer patients.

The platform mHealth is a new approach to give more autonomy and power to patients who need to share clinical data, medical examinations and provide medical support. During this event, Helsinn launched the Enhancing Cancer Supportive Care App Award of € 50,000 to reward the innovative development of a mobile app for cancer patient use.





Università Commerciale
Luigi Bocconi

CERGAS
Centre for Research on Health
and Social Care Management

SDA **Bocconi**
School of Management



 **mhealth**
For improving quality of life.

What is mHealth?

mHealth (also written as m-health) is an abbreviation for mobile health, a term used for the practice of medicine and public health supported by mobile devices. The term is most commonly used in reference to using **mobile communication devices, such as mobile phones, tablet computers and PDAs**, for health services and information, but also to affect emotional states. (Wikipedia)

Quality of Life for Our People

Our employees are our most valuable asset.

Helsinn, as a family-based and values-oriented company, we believe that our people are the main ingredient of our successful recipe in the past decades.

Our future success depends largely upon maintaining - and wherever possible improving - a work environment that enables our employees to develop their careers and fulfil their personal goals. In this fast changing environment, this is an important challenge, as younger generations have developed different expectations towards work and what motivates them. We want to continue being an attractive employer and offer our people a win-win environment where everybody benefits: our people, their families, and our business.

In short, we want to provide a high quality work environment and facilities for our team to do great things.

Our headquarters and our API manufacturing site are located in Ticino, in the Southern part of Switzerland, far away from the main renowned pharmaceutical hubs of Basel and the Lemanic arc. Despite this fact, we are privileged to employ and attract some of the best talents in the pharmaceutical industry in Switzerland.

Our finished dosage and logistic site in Ireland is in Dublin and our US subsidiary is located in New Jersey, both world-class biotech & pharmaceutical centers which act as hubs for hundreds of pharmaceutical companies. Despite this intense competition, we are proud to employ outstanding professionals and world-class talent. Our employee turnover has historically been very low in Switzerland, while in Ireland and in New Jersey we have been able to maintain our turnover below industry levels.

Quality of
Life for Our
People



Employees Structure

During 2014 the number of employees increased by 3.2% compared to the previous year.

There are no collective bargaining agreements in force at any of our companies.

At management level 66% of the positions are occupied by males and 34% by females.

	2012		2013		2014	
Employees						
Total	495	100%	519	100%	558	100%
of which: male	290	58.6%	314	60.5%	327	58.6%
of which: female	205	41.4%	216	41.6%	231	41.4%
Temporary Staff						
Total	30	6.1%	35	6.7%	34	6.1%
of which: male	14	2.8%	17	3.3%	19	3.4%
of which: female	16	3.2%	18	3.5%	15	2.7%
Apprentices						
	14	2.8%	12	2.3%	15	2.7%
Employees Turnover						
	19	3.8%	31	6.0%	35	6.3%
Hours of Training provided by year						
				11'293		11'969

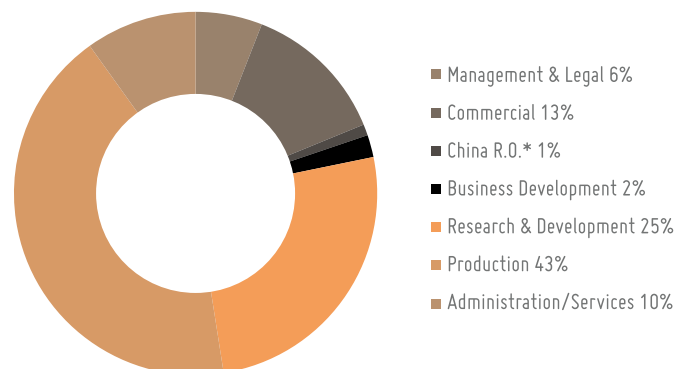
Age Group in 2014

<30	74	13.3%
30-50	377	67.6%
>50	107	19.2%

Years in Company in 2014

<1	52	9.3%
1-5	219	39.2%
5-10	139	24.9%
10-15	82	14.7%
15-20	34	6.1%
20-25	18	3.2%
25-30	13	2.3%
30+	1	0.2%

Helsinn Group's Staff by Division



Job Satisfaction, motivation, retention

We believe that an advanced human capital management strategy that offers employees opportunities for career advancement, appropriate incentives to perform well, and a fulfilling work environment contributes to employee satisfaction. In turn, a motivated workforce contributes to the company's capacity to innovate, which has a positive impact on revenues, lower absentee rates, and consequently to enhanced productivity.

Due to the different laws, customs and activities that operate at our various locations, it is difficult to provide all our employees with the same benefits and employment conditions. Nevertheless, we do our utmost to guarantee to all our employees an ideal work environment, excellent benefits, competitive compensation comparable with positions for peer

In 2013 Helsinn was among the companies awarded by the Department of Health and Social Services of Canton Ticino for the "Agiamo Insieme" event. This campaign was set-up to facilitate the professional reinstatement in Ticino. Helsinn has distinguished itself for maintaining, with the support of the Disability Insurance Office, the workplace of those employees who have suffered health issues.

companies in the same locations and ongoing, high-level training. We develop our leadership team to empower high achievement while being aware of the core values of respect and humanity in dealing with people within the company and outside. We make sure there is no gender-based difference in compensation in every employee category: our remuneration level is based on objective criteria only: skills level, knowledge and experience, and qualifications. Our temporary employees are offered equitable conditions comparable to those of full-time employees, in respect to remuneration and benefits such as health insurance, sick pay and pension fund contributions. An open and inclusive culture at Helsinn is actively encouraged. Management invites all staff in the different locations at least once a year to an information and consultation event. During these events, presentations and open discussions regarding the company's operations, finances, general business matters, future developments, opportunities and future challenges take place.

Benefits exceeding local labor laws are granted to our employees, depending on location and seniority within the organizations. A few examples: flexible working time; seminars; company car or car allowance; mobility plan, contribution to public transportation, free parking, and electrical bikes; subsidized canteen or meal allowance; contribution towards kindergarten; medical consultation and check-up; employee assistance program, extra pension fund; loyalty, birth and marriage awards.

The loyalty of our people is demonstrated by the high number of employees who work many years at Helsinn, often until their retirement. It is not uncommon to find colleagues who, during the annual Christmas parties, are awarded for their 10, 20, 25 and even 30 years' anniversaries.

In 2014:

**10 years: 40 people
20 years: 4 people
25 years: 2 people
30 years: 4 people**



HELSINN THERAPEUTICS RECOGNIZED AS TOP EMPLOYER

On May 2014 HTU was named as one of the 'Best Places to Work in New Jersey'! In a survey and award program conducted by NJ Biz, which recognizes and honors the state's top employers who show a dedication to their employees' growth and quality of life. The key findings of the survey showed that HTU employees are overall pleased with the company, particularly in the area of supervisor relationships, the quality of their work and how it fits into the company's goal, and paid time off.

Safety, health & wellness

Our goal is to improve the work environment for our people by promoting a safe and healthy workplace, reducing risks, preventing diseases and fostering their physical and psychological well-being.

In our factories we have an objective of Zero Incident Rate. All events that cause an accident or an anomaly, even minor accidents without personal or material consequences, are registered, analyzed and corrective action is taken in order to avoid a reoccurrence. In 2014 we registered a total of 7 accidents. Five accidents caused an absence of at least one day of work, no cases of work-related diseases were registered.

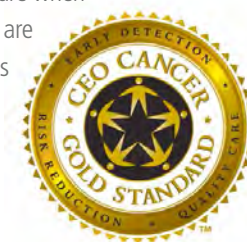
During 2014 HAS was successfully inspected by Société Générale de Surveillance (SGS) and it has obtained the renewal of its OHSAS 18001 certification (Occupational Health & Safety Management System).

Helsinn is active in the promotion of the health of our employees: at our companies in Switzerland we participate with a cash contribution towards the individual membership of a fitness center of choice, while in Ireland we have an in-house, subsidized canteen offering healthy dishes. Around 99% of our employees have access to periodical health checks, free or with a subsidized rate.



Our US subsidiary was accredited by the CEO Cancer Gold Standard™ (<http://cancergold-standard.org>) an initiative of the CEO Roundtable on Cancer, a nonprofit organization of CEOs, founded by former President George HW Bush. This important initiative is a workplace-based wellness accreditation program that provides a framework for employers to lower the risk of cancer, detect it early, and ensure access to high-quality care when

it is diagnosed. In order to become Gold Standard-accredited, employers meet a series of requirements that are based on up-to-date scientific evidence. The requirements encompass providing coverage for certain benefits as well as fostering a culture of wellness whereby employees are encouraged to make healthy lifestyle choices for themselves. During the drafting of this report the Helsinn Group was awarded the Global CEO Cancer Gold Standard Accreditation (September 2015).



The CEO Cancer Gold Standard™ focuses on five critical areas, known as the Five Pillars:

- Pillar #1 **Prevention** (Tobacco-Free Workplace, Nutrition, Physical Activity, Healthy Weight, Vaccines)
- Pillar #2 **Screening**
- Pillar #3 **Cancer Clinical Trials**
- Pillar #4 **Quality Treatments and Survivorship**
- Pillar #5 **Health Education & Health Promotion**

HBP's wellbeing program has been recognized by the Irish Business and Employment Confederation in 2014.

The aim of the program is: to focus on the health and wellbeing of participants - both mental and physical; to raise awareness about health issues and encourage individual behavioral change; to encourage a holistic Approach to Wellbeing.

The activities included: Operation Transformation Tie-In; Healthy Eating Information Displays in our Canteen.

Furthermore, subsidized access to the following classes: Yoga, Fusion, Kayaking, 'couch to 5km run'; promoting walking as inclusive activity for all abilities. We have created a walkway around the site for staff to use during the working day; a smoking cessation program for our staff and mindfulness meditation training courses.

HAS is one of the largest employers in the northern part of Ticino. Our connections with the local communities have always been excellent and we decided to celebrate the 30th anniversary of its establishment by donating 70,000 Swiss francs to the association of Biasca Samaritans for the purchase of a specially equipped vehicle for the transportation of persons with disabilities or individuals using a wheelchair.

It is noteworthy to mention that 33% of HAS' employee have been with us for more than 10 years and an impressive 11% for more than 20 years.

HBP in September 2014 won the National Irish Safety Organization (NISO) Gold Award at their annual conference. The awards are given every year to companies which demonstrated the positive and proactive culture of safety management in organizations.

In 2014 **HAS celebrated its 30th anniversary**. In January 1984 the plant was founded by Helsinn's Chairman, Gabriele Braglia, and began its chemical production activity with approximately **10 employees and five chemical reactors**. During these 30 years over 150 million Swiss francs have been invested in the territory. Today approximately **170 people** are employed, managing **35 chemical reactors** to manufacture API, HPAPI, and Cytotoxic Compounds.

Quality of Life in Our Communities

Since the founding of the company in 1976, we always thought that creating a positive impact in the local communities where we operate and where our employees live and work is one of the most important ways to give back to society. We want to be good corporate citizens

We actively participate, through financial sponsorship and active involvement, in several initiatives in sports, education, culture and charities.

Among these:

- ARC Cancer Support Ireland
- Associazione Samaritani Biasca
- Corduff Football Club Dublin
- Corsa della Speranza Lugano
- Fighting Cancer Triathlon, Ireland
- Fondazione Gabriele e Anna Braglia
- Helsinn Lecture Series - Bocconi University
- Hope Foundation Ireland
- Lugano Tigers Basket
- Marcheton Biasca
- Nuovo Fiore in Africa
- Orchestra della Svizzera Italiana
- Scholarships Helsinn Advanced Synthesis
- Purple Stride NYC
- Tavolino Magico



Some highlights of these initiatives:

Scholarships Helsinn Advanced Synthesis

HAS every year awards around 10 educational scholarships each worth 5'000 Swiss francs. These scholarships are offered to students residing in the northern part of Ticino who attend academic or professional training in the chemistry, pharmacy, biological or biochemical fields. The recipients of such bursaries were selected considering their academic achievements and their socio-economic status.



Orchestra della Svizzera Italiana

In 2014 Helsinn became the international Official Partner of the Orchestra della Svizzera Italiana (OSI) for the next four musical seasons, helping to support and promote one of the most prominent exponents of the Swiss-Italian art scene in the international stage. The aim of the partnership was to help fund and support the Orchestra on tours and concerts, and, in particular, to broaden its international presence starting with a tour in South Korea. Helsinn saw with this sponsorship an opportunity to showcase the talent that Ticino and Switzerland have in order to foster closer ties between cultural organizations across the world.

Nuovo Fiore in Africa

Nuovo Fiore in Africa is a charitable foundation, created by our CEO Riccardo Braglia and his wife, Mrs. Giuseppina Braglia, with the purpose of providing educational and training aid specifically to promote, encourage and support the basic education (from kindergarten to higher technical school) for young people of both sexes in Africa, particularly in Ethiopia, South Sudan, Congo-Brazzaville and Gabon. Approximately 1500 students are enrolled in schools opened by the foundation in these countries and another 1000 will be able to join in the next two years. Helsinn is among the main sponsors of this initiative.





Tavolino Magico

Tavolino magico is the local chapter of a Swiss initiative which cooperates with approximately 800 donors – food retailers, distributors, restaurants, etc. - to collect and distribute food individuals and families in need. Helsinn has supported the purchase of a refrigerated vehicle and has given a cash contribution equivalent to the amount the company would have used to buy Christmas cards and presents for its staff.



Lugano Tigers Basket

Helsinn started its sponsorship of Lugano Tigers Basket several years ago and to date remains the main sponsor. Thanks to Helsinn's support, Lugano Tigers was able to exit from a financial crisis and become the most successful basketball team in Switzerland in the past 10 years. We are particularly proud of our engagement with this club, whose success has motivated many young people to join its junior teams and adopt this healthy sport.



Helsinn Lecture Series - Bocconi University

The Helsinn Lecture Series originated thanks to the initiative of our CEO, a Bocconi Alumni, and his vision to offer a special annual gathering to the Bocconi community. The Helsinn Lecture Series is an annual event that started in 2013, which aims to invite global thinkers to reflect on the inspiring topics of life sciences, management challenges and technology impacts in today's economic environment, with a forward looking perspective on new generations and economic wellbeing. In October 2014, the second Helsinn Lecture Series at Bocconi University in Milan took place. The invited speaker was Hans Rosling, a Swedish medical doctor, academic, statistician and public speaker. He is Professor of International Health at the Karolinska Institute in Stockholm, co-founder and Chairman of the Gapminder Foundation, and member of the Global Agenda Councils of World Economic Forum.

Fondazione Gabriele e Anna Braglia

Established in June 2014 by Anna and Gabriele Braglia, the Foundation is dedicated to cultural and educational art. It was created to organize, support and promote art exhibitions, conferences and other cultural and educational activities related to modern and contemporary art in Switzerland and internationally. The Foundation will not pursue commercial purposes and is not for profit. The official opening took place during the drafting of this report (September 2015).



Other associations and forums

Apart from the philanthropic initiatives we are supporting, we believe it is part of our commitment to society to be actively engaged in various associations and forums. Among others, we are members of:

- **Associazione Industrie Ticinesi (AITI)** – Switzerland
- **Bio NJ** – US
- **Camera di Commercio Industria Artigianato (Cc-TI)** – Switzerland
- **Consultancy Forum for Pharmaceutical Engineers** – UK
- **Dublin Chamber of Commerce** – Ireland
- **Engineers Ireland** – Ireland
- **Farma Industria Ticino (FIT)** – Switzerland
- **International Society for Pharmaceutical Engineering** – US
- **Irish Business and Employer's Confederation** – Ireland
- **National Industrial Safety Organization** – Ireland
- **New Jersey Business Industry Association (NJBIA)** – US
- **New York Pharma Forum** – US
- **Parenteral Drug Association** – US
- **Pharma Chemical Ireland** – Ireland
- **Schweizer Chemische Gesellschaft (SCG)** – Switzerland
- **ScienceINDUSTRIE** – Switzerland
- **Swiss Irish Business Association** – Ireland

Helsinn is an active member of **Farma Industria Ticino (FIT)** and our Group General Manager, Giorgio Calderari, is its acting President. The association of chemical and pharmaceutical industries in the Swiss canton of Ticino is a private organization founded in 1980.

FIT at present counts 27 member companies, with a combined workforce of 2'500 employees and generating a total annual turnover of approximately 2.3 billion Swiss francs. This represents the 8% of the Total GDP of Ticino and the 38% of its industrial GDP. In 2014 190 million Swiss francs were invested by the members of Farma Industria Ticino in R&D activities or new plants.

Recent initiatives have been developed such as the issuance of a Code of Conduct, new training program for apprentices and middle management or the refurbishment of a common central lab where young technicians from all associates can be trained.



Farma Industria Ticino

Quality of Life in Our Environment

Climate change is one of the most pressing issues the planet faces today and possibly the major threat to people's health and the future of our planet. Climate change causes enormous stress on our planet: disruption in global economic development, natural catastrophes and humanitarian disasters. It affects food production, availability of fresh water and sanitation.

We are very much aware of our responsibility towards the environment. Long before sustainability became a priority for the economy and for society, our manufacturing units in Biasca and Dublin were at the forefront in adopting stringent measures which would minimize the risk of environmental pollution and maximize the safety of our people. Today we know that by contributing towards minimizing the use of energy, water and emissions, we give our small but important contribution towards this global common goal.

Quality of Life means also taking care of the environment via reducing the degradation of our planet and producing more efficiently. We want to contribute as much as we can so that we can reduce the burden on the environment and on our future generations. With this report, we have a tool that allows us to measure our footprint and continue to make progress on the path towards becoming more environmentally friendly, every day.

By using resources more efficiently and by collaborating closely with our stakeholders to confront these challenges, we can reduce our costs, improve profits and enhance competitiveness. This is a clear example of how we can pursue the Triple Bottom Line and create win-win solutions for everybody.

As specified in the "About This Report" section, the Energy, Water and Emissions calculations do not include our US offices and our China Rep. Office. We are aware that this limitation doesn't allow a 100% precision of the data at group level. However, the impact on the total figures for these offices is limited and the resulting figures represent the group performance with a very good precision level.

The following tables show our environmental performance for 2014 and in the two previous years.



Energy

TOTAL ENERGY ³ CONSUMPTION	2012	2013	2014	Var. 2014 vs. 2013
Total Energy Consumption	84247 GJ	89620 GJ	83754 GJ	-6.5%
Total Energy from Renewable Sources	15431 GJ	17242 GJ	18459 GJ	7.1%
Percentage from Renewable Sources	18.3%	19.2%	22.0%	
Total Energy Consumption per Employee (Intensity)	170 GJ	173 GJ	150 GJ	-13.1%
Index – Base Year 2012	100	101	88	
Total Energy Consumption per Turnover⁴ (Intensity)	264 GJ	277 GJ	260 GJ	-6.3%
Index – Base Year 2012	100	105	98	
Total Energy from Renewables per Turnover⁴ (Intensity)	48 GJ	53 GJ	57 GJ	7.4%
Index – Base Year 2012	100	110	119	

We use three sources of energy: natural gas (in Ireland and at our HQ), heating oil (in our Swiss factory) and electricity (in all locations).

The results are very encouraging as we were able to reduce our overall consumption of energy by 6.5% thanks to our continuous search for energy saving measures. For instance, at HBP the proactive management of our chiller and boiler systems resulted in a significant reduction in both gas and electricity usage. At HAS a heat pump system conveys the hot water coming from production activities to feed a circuit, which transfers the heat in the office and laboratories building. This water, once cooled, is reused, hence reducing substantially the use of water.

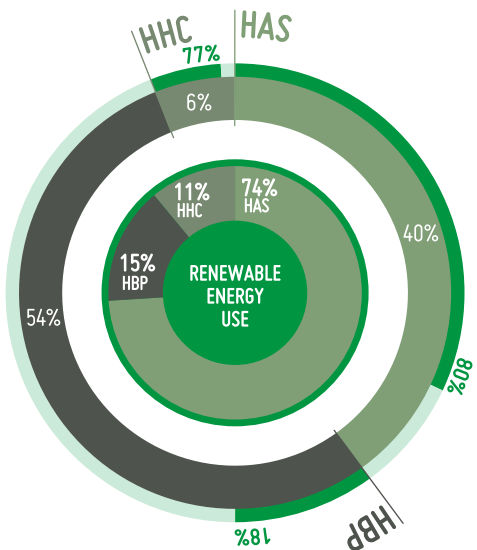
The percentage of electricity from renewable sources varies according to the local providers and ranges from 18% in Ireland to 77% for our Swiss HQ and 80% for our Swiss factory. Overall, the use of energy from renewable sources grew from 18% (2012) to 22% (2014), while the use of 'clean' electricity (coming mainly from hydroelectric, but also -in a very small percentage- from solar, biomass, eolic and geothermic sources) grew from 49% to 52.4%.

The energy intensity both based on total group turnover and on total number of employees diminished significantly. This is a significant ratio and we are particularly satisfied by this achievement, as it confirms that we are moving in the right direction.

³ Energy consumption in gigajoules (GJ)

⁴ Turnover in million Swiss francs

Our energy (and renewable energy) consumption in 2014 by Business Units:



Total 2014 in percentage

	HAS	HBP	HHC
OVERALL ENERGY USE	40%	54%	6%
RENEWABLE ENERGY USE	74%	15%	11%
% of RENEWABLE ELECTRICITY	80%	18%	77%

RENEWABLE ENERGY USE

The large difference between the total energy use and the percentage of renewable energy used is to a large extent caused by two factors.

In Switzerland, thanks to the abundant resources of water and mountains (natural and artificial lakes, rivers), hydroelectric energy is the main source of electricity. The percentage of green energy produced and distributed is therefore very high.

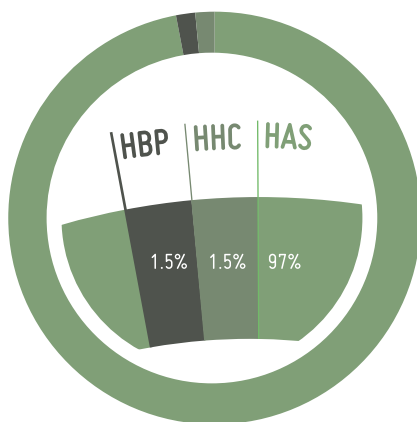
While in Ireland, due to very different conditions, first of all the shape of its territory, currently only 18% of the total production comes from renewable energy sources (wind). However, the Irish Grid on track to reaching their targets of 40% renewable from wind by 2020, which will significantly improve their (and our) carbon footprint.



Water

TOTAL WATER ⁵ CONSUMPTION	2012	2013	2014	Var. 2014 vs. 2013
Total Water Consumption	890028	891028	944557	6.0%
	M3	M3	M3	
Total Water Consumption per Employee (Intensity)	1798 M3	1717 M3	1693 M3	-1.4%
Index – Base Year 2012	100	95	94	
Total Water Consumption per Turnover⁶ (Intensity)	2790 M3	2759 M3	2933 M3	6.3%
Index – Base Year 2012	100	99	105	

Our water consumption in 2014 by Business Units:



Total 2014 in percentage	HAS	HBP	HHC
Total WATER USE	97%	1.5%	1.5%

Our water consumption is almost totally concentrated at our chemical plant in Biasca, due to the nature of its business. Production of chemical ingredients is a water-intensive activity, especially for cooling processes, and we are constantly working towards improving our water efficiency. The increase in (industrial, non-contact) water consumption in 2014 vs. 2013 was caused by an increase of production of ingredients whose manufacturing process required higher water intensity.

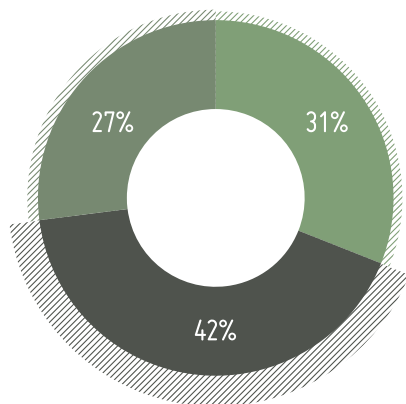
⁵ Water consumption in cubic meters (M3)

⁶ Turnover in million Swiss francs

CO₂e⁷ Emissions — Scope 1⁸

TOTAL CO ₂ e EMISSIONS	2012	2013	2014	Var. 2014 vs. 2013
Total CO₂e Emissions	4104 Tons	3948 Tons	3537 Tons	-10.4%
Number of Employees (Unit)	456	459	501	
Group Turnover ⁹	319	323	322	
Total CO₂e Emissions per Employee (Intensity)	9 Tons	9 Tons	7 Tons	-17.9%
Index — Base Year 2012	100	96	78	
Total CO₂e Emissions per Turnover⁹ (Intensity)	13 Tons	12 Tons	11 Tons	-10.1%
Index — Base Year 2012	100	95	85	

Our CO₂e emissions in 2014 by Business Units:



Total 2014 in percentage	HAS	HBP	HHC
% CO ₂ e EMISSIONS	31%	42%	27%
% REDUCTION in CO ₂ e EMISSIONS	-5%	-17%	-6%

 REDUCTION VS. PREVIOUS YEAR EMISSIONS

We are pleased with our very good performance in terms of emissions. Our overall reduction vs. 2013 was 10.4% and vs. 2012, our base year was 13%. All our three main locations scored an important reduction in their CO₂e emissions (Scope 1). Also helped by a relatively mild winter, HAS reduced its use of heating oil, while HBP and HHC were able to reduce their natural gas consumption. At the same time, both HAS and HHC increased their use of electricity which, thanks to its high percentage of renewable origin, allowed a substantial reduction of CO₂e emissions.

This is an excellent performance and we are very pleased with this achievement.

⁷ CO₂e consumption in Tons - To take into account the emission of other greenhouse gases when calculating the level of greenhouse gas emissions, scientists have devised an equivalent measure — CO₂e (which literally means carbon dioxide equivalent).

⁸ The Greenhouse Gas Protocol (GHG-P) is the most widely used international accounting tool for government and business leaders to understand, quantify, and manage greenhouse gas emissions. The GHG-P defines as Scope 1 all direct emissions are emissions that arise from sources that are owned or controlled by the reporting entity.

⁹ Turnover in million Swiss francs

Business Travel

From a sustainability standpoint, this is a complex matter.

Personal, face to face meetings are important for building relationships, which is a crucial part of our business: on several occasions, travel is a necessity. But business travel, especially air travel, damages the environment and can put a strain on staff health and wellbeing, while reducing travel can help cut costs. Our challenge is to find the right balance.

In order to reduce non-essential business travel we encourage our people to make better use of technological alternatives such as video conferences, teleconferences and web meetings, which we have recently upgraded in order to facilitate their use.

We expect to start measuring the impact of our business travel in the near future, working together with our travel agencies to track the footprint of our travels and developing a plan to minimize our impact.

Energy saving measures

In all our locations we are constantly looking for ways to rationalize our energy consumption and minimize our environmental footprint.

At HAS, since 2008, we have been operating a heat pump which allows the use of the excess heat generated during synthesis processes to warm the buildings; this system allows for a 40% lower consumption of heating oil, which saves annually around 3500 GJ and reduces our CO₂e emission by approximately 130 Tons.

In 2014 HAS signed an agreement with a local consortium which starting from 2016 will manage centralized remote heating plant, fueled by biomass from the adjacent forests. This system will provide heat to factories, residential houses and businesses, hence eliminating the need for heating fuel. With this initiative HAS carbon footprint will be reduced to almost zero, the remaining part being only the part of the purchased electricity sources from non-renewable generation (approximately 20% of the mix in 2014).

Both at our headquarters and at HAS we have initiated a project, which will roll out in 2015, to substitute our lightning with LED fittings, which will generate important savings in electricity consumption.

In Ireland, we have obtained an important reduction in energy consumption to heat/cool our premises thanks to a system that recovers hot and cold air from our manufacturing processes.

In US our offices will, from January 2015, be located in a LEED Gold building, which guarantees an optimal use of energy for the Heating, Ventilating and Air Conditioning (HVAC) and lighting systems installed.

Printing & Photocopy Paper Use

In Kg	2013	2014	2014 vs. 2013
Total Consumption (Group)	16'663	16'216	-3%
Total consumption (per capita)	32.11	29.06	-10%

All the paper we use in our offices is Forest Stewardship Council (FSC) and Programme for the Endorsement of Forest Certification (PEFT) certified; these are the two most important certification bodies which ensure that products come from well managed forests that provide environmental, social and economic benefits.

In all our offices we collect and separate our waste, which goes into recycling. We have a separate collection for paper, aluminum, glass, PET and batteries with a very high recycling rate (close to 100%).

Industrial Waste

Our manufacturing units in Ireland and Switzerland generate a considerable amount of waste. At HAS the special waste, typical of a chemical production unit, is sent to companies, located in Switzerland, and specialized in the management, neutralization and disposal of chemical material. Likewise, at HBP all hazardous waste is collected and neutralized at a specialized contractor recycling center in Ireland, and only a small percentage is exported to be treated and properly disposed.

For more information on this subject, please refer to the sustainability reports of HAS and of HBP.



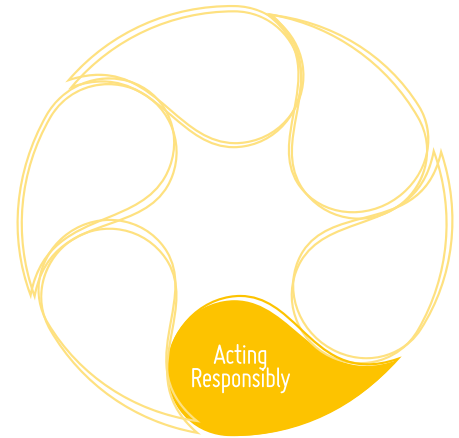
Acting Responsibly

Helsinn has always worked to ensure honesty, high quality standards and integrity in everything we do. These principles are strongly embedded in our culture, and throughout our organization we have always based our activities upon these standards. To conduct our business with ethics and integrity, Helsinn has established and maintains a Compliance Program. It requires compliance with the laws and industry codes whenever we do business.

The Compliance Program

The program includes:

- A Group Compliance Officer (GCO) and Business Ethics Board (BEB) charged with the responsibility for operating and monitoring the compliance program. Written standards of conduct, policies, and practices that detail the company's commitment to compliance and set forth the ethical and compliance principles applicable to all employees.
- A Corporate Compliance Working Committee (CCWC) assisting the GCO to set up, operate and maintain the Compliance Program. Written compliance materials that address handling specific risk areas.
- Regular education and training programs for applicable employees.
- Lines of communication between the GCO and all employees, including a process to receive complaints and ask questions. There is also the Helsinn Compline for reporting issues. Policies and practices to protect the anonymity, where appropriate, of employees who make complaints and to prohibit retaliation against complainants.
- Use of audits and routine monitoring activities to monitor compliance and identify and address risk.
- Enforcement of compliance obligations through policies that include penalties for non-compliance.
- Mechanisms to promptly and properly investigate and respond to reports of non-compliance, including processes to initiate corrective measures and to report offenses to the relevant government authorities where appropriate.



Since September 2013, Helsinn has appointed a GCO, who is charged with overseeing the Compliance Program. The GCO is charged with developing the standards of conduct issued as part of the Compliance Program, directing auditing and monitoring activities, as appropriate, and implementing corrective measures, as necessary.

The goal of Helsinn's Compliance Program is to increase awareness, educate and prevent, detect, and correct practices or incidents that do not comply with the law, regulations or with Helsinn's policies. The US Office of Inspector General's (OIG) voluntary guidance for Pharmaceutical Manufacturers ("the OIG Guidance") has been reviewed and serves as the basis of Helsinn's Compliance Program on an on-going basis. The Compliance Program is designed to address areas of potential problems or high risk, as determined by the GCO.

The Code of Ethics has been adopted by Helsinn's Board of Directors and applies to all Helsinn's employees, including officers and directors. Helsinn and its GCO will develop and implement written policies based on the OIG Guidance, as appropriate. All of Helsinn's personnel are expected to comply with the Code, all the applicable laws and regulations, and all compliance policies, as they might be applicable to their activities.

Helsinn is committed to developing and providing effective compliance training for all of its employees, not only on the elements of the Compliance plan, but also on the pertinent legal and regulatory standards. Helsinn always conducts internal auditing and monitoring to evaluate compliance with company policies.

Helsinn will establish internal lines of communications, and encourages all employees to promptly report any concerns that they may have regarding violations of the Code or the Compliance Program.

Helsinn and the GCO will evaluate and investigate all reports, as appropriate. When appropriate, corrective disciplinary action will be imposed, without regard to the employee's level within the organization.



The Code of Business Conduct and Ethics is a key document which specifies that “the highest professional standards are required by directors, officers, employees, agents and Contractors (...) in all our actions”. The Code further states that “Helsinn Group is an organization committed to ethical, social and environmental responsibility”. As such, the Code sets out the standards that Helsinn directors, officers, employees, agents and contractors must observe with regard to:

- ethical behavior and compliance with law
- professional and fair conduct of business
- respect for people and for the environment
- fair and respectful relations among employees
- correct and appropriate consideration of the rights and interests of all stakeholders
- fairness to Helsinn.

The code encompasses the following points:

- Introduction: commitment to ethical, social & environmental responsibility
- General Principles
- Compliance with legal obligations
- Conflict of interests
- Integrity, Fairness & Honesty
- Corruption
- Fairness in all dealings & towards competitors
- Health, Safety & Environment
- Human Rights & Discrimination
- Insider Information & Confidentiality Rules

This Code is the concrete sign of Helsinn Group’s approach towards an ethical and sustainable way of doing business. At the end of 2014 we started a project which will lead us to the publishing of a new Code of Conduct – “The Helsinn Code for Caring”, which will be accompanied by company wide training sessions in all our locations. This new Code of Caring will emphasize the increasing importance of the ethical and compliance aspect for a company like ours.

Quality

Quality Assurance (QA) has a key role within Helsinn. For the production and logistic of products distributed in more than 90 markets, for the management of 25 API projects, as third party CMO and for our extensive R&D activities worldwide, having a world-class QA is absolutely essential for our success.

Our manufacturing sites have the most stringent quality, safety and environmental standards, and are periodically monitored by external entities to ensure their compliance.

In recent years we have developed new commercial products, hence new technologies and new equipment have been installed in Biasca and Dublin manufacturing sites. As a consequence, an impressive program of quality audits has been implemented by several agencies, aimed at certifying Helsinn's compliance to Good Practices (GxP) rules and regulations.

In 2014 we were successfully certified by the following organizations:

- **US FDA** – Good Clinical Practice inspection, HHC
- **US FDA** – Current Good Manufacturing Practice, HBP
- **US FDA** – Current Good Manufacturing Practice, HAS
- **Swissmedic** – Certificate of Good Manufacturing Practice Compliance, HAS
- **ISO 14001 Certification** – HAS
- **OHSAS 18001 Certification** – HAS

Apart from these recent inspections, our plants in Biasca and Dublin have been certified by many governmental agencies such as the European Medicines Agency (EMA), the Korean Ministry of Food and Drug Safety (MFDS), the Japanese Pharmaceuticals and Medical Devices Agency (PMDA), and the Brazilian National Health Surveillance Agency (ANVISA).





On average, we have a quality, safety or environmental protection inspection approximately every month at one of our locations. In Ireland, HBP is a member of the Responsible Care initiative.

Responsible Care is the global chemical industry's unique initiative to improve health, environmental performance, enhance security, and to communicate with stakeholders about products and processes.

Responsible Care commits companies, national chemical industry associations and their partners to:

- Continuously improve the environmental, health, safety and security knowledge and performance of our technologies, processes and products over their life cycles so as to avoid harm to people and the environment.
- Use resources efficiently and minimize waste.
- Report openly on performance, achievements and shortcomings.
- Listen, engage and work with people to understand and address their concerns and expectations.
- Cooperate with governments and organizations in the development and implementation of effective regulations and standards, and to meet or go beyond them.
- Provide help and advice to foster the responsible management of chemicals by all those who manage and use them along the product chain.



Economic Value Creation

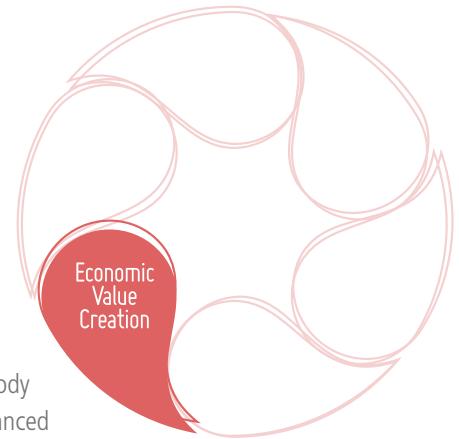
Developing innovative therapies and maximizing access to their use globally delivers benefits to patients and to the healthcare system. Our continuous success in this endeavor will drive profitable and sustainable business performance in the long run. And this will allow us to continue generating value for all our stakeholders, hence reinforcing, the benefits we will be able to create for society and for our environment.

That's why we believe that Sustainable Business is good business. Because everybody wins. We want to continue our growth, but we want to continue growing in a balanced way, by expanding from our own resources. With a prudent approach, the same approach the founding family has been applying since our creation. In other words, we believe in earning the money before spending it. Overall, the main financial principles of Helsinn have the purpose to guarantee our financial stability, independence and flexibility. This strong financial base may be conservative, but it has worked so far and it has given us the resources to choose our own way and make long-term investments for the future.

As a profitable company, we contribute to society also thanks to our direct and indirect economic contributions in the countries and communities where we operate, through taxes on profits, taxes paid by our personnel, purchases of goods and services from local suppliers, charitable contributions, and sponsorship of cultural activities.

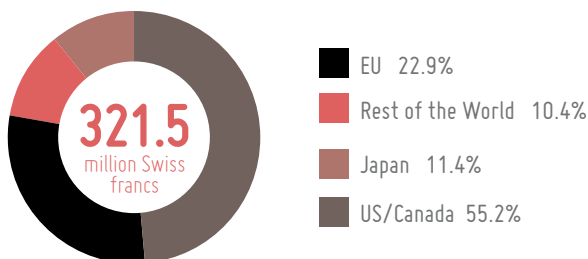
The main recipients of our redistributed Value Added are our employees, our suppliers, our governments and our shareholders.

In particular, we believe that we have a duty to support local suppliers of products and services, and in all our locations we have a non-written rule, a custom which is to support local suppliers whenever possible. We have in excess of 2,200 suppliers worldwide, and we believe that being good corporate citizens means also supporting the local economies where we operate.



Financial Highlights

Helsinn is 100% controlled by the Braglia family and is a fully self-financed international Group.



Total NET Turnover ¹⁰	2013	2014
In Swiss francs	323.2	321.5

Geographic Areas	2013	2014
US	48.7%	55.2%
EU	29.0%	22.9%
JP	10.7%	11.4%
RoW	11.5%	10.4%

Value generated and redistributed to employees	2013	2014
In Swiss francs	73'223	79'088
In % of Revenues	23%	25%

An average of 29% of turnover invested in R&D in 2010-2014 (approx. 485 million Swiss francs).

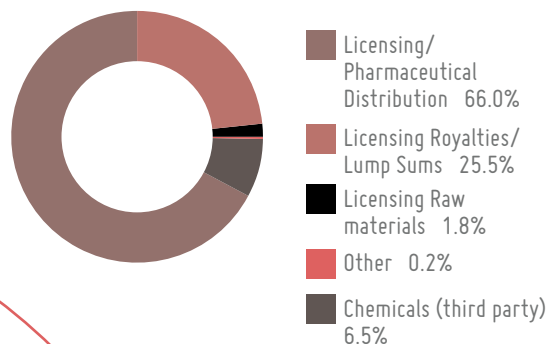
As a private company, our policy is not to disclose in detail our financial figures, however, the value generated and redistributed to our employees amounted, in 2014, to 25% of our net turnover.

¹⁰ Consolidated Turnover in million

Our total group personnel expenses - salaries, benefits and pension provisions – increased 8% over 2013. This is mainly related to our new products under development and due to the increased need for resources in order to bring these products to market in the short to mid-term.

Due to the different laws and customs in which our subsidiaries are based, our pension fund system is independently managed by each local subsidiary. At our HQ and at HAS in Switzerland we have an integrated approach.

We manage the pension funds of our employees with awareness of our fiduciary duty towards them, and we apply a conservative investment approach.



This first Group report was a very challenging, but interesting and rewarding exercise.

It provides us with the basis upon which we will build our sustainability strategy.

More practically, it gives us a concrete benchmark upon which we will measure our progress in the future, while helping us to focus on what really matters for our sustainability performance.

As in other similar initiatives, the learnings gathered during the journey are as important as the final result.

While we were drafting this document, we organized workshops on sustainability and what it means for us at Helsinn. During these events we talked about the issues at stake and what we, as a company and as individuals, can do to give our proactive contribution, we served meals sourced from local suppliers and we distributed sustainable giveaways.

We got very encouraging feedbacks from our people: there is a high level of interest, a sense of pride in being part of a company which takes the subject of sustainability and responsibility very seriously. This motivates us even more to continue to raise the awareness among our people and to plan strategies and implement solutions to continuously improve our footprint.

We can always do better; we can always improve in order to become more sustainable, every day.

While sustainability commitment has always been part of the Braglia Family and of the Helsinn Group since its foundation, we now have a formal document which allows us to measure our performance and share our results internally and externally.

This report is dedicated to all our people, in recognition of their daily efforts towards making Helsinn a place where Quality of Life is created, every day.

GRI G4 Content Index

General Standard Disclosures



General Standard Disclosure	Page Number	External Assurance	
Strategy and Analysis			
G4-1	6	-	Letter From Our Leadership
Organizational Profile			
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G4-4	19	-	Primary brands, products, and services
G4-5	10/11	-	Location of the organization's headquarters
G4-6	11/12/13	-	Name & number of countries where the organization operates
G4-7	11	-	Nature of ownership and legal form
G4-8	64	-	Markets served
G4-9	43/64	-	Scale of the organization
G4-10	43	-	Characteristics of the workforce
G4-11	43	-	Employees covered by collective bargaining agreements
G4-12	22	-	Organization's supply chain
G4-13	No significant changes during 2014 to be reported	-	Significant changes during the reporting period
G4-14	Helsinn addresses the precautionary approach by performing detailed risk analyses concerning its activities and by ensuring, first and foremost, the safety of patients	-	Precautionary approach towards risk management
G4-15	39/45/62	-	Externally developed economic, environmental and social charters, principles, or other initiatives
G4-16	47 to 50	-	Memberships of associations and organizations

Identified Material Aspects and Boundaries

64-17	10 to 13	-	Entities included in the organization's consolidated financial statements
64-18	8/9/28/29	-	Definition of report context and Aspect Boundaries
64-19	28 to 31	-	Material Aspects identified in the process for defining report content
64-20	8/9/29	-	Material Aspects within the boundaries of the organization
64-21	8/9/29	-	Material Aspects outside the boundaries of the organization
64-22	8/9	-	Restatements of information provided in previous reports, if any
64-23	8/9	-	Significant changes from previous reporting periods in the Scope and Aspect Boundaries

Stakeholder Engagement

64-24	26/27	-	List of stakeholder groups engaged by the organization
64-25	26/27	-	Basis for identification and selection of stakeholders with whom to engage
64-26	26/27	-	Approach to stakeholder engagement
64-27	26/27	-	Key topics and concerns that have been raised through stakeholder engagement

Report Profile

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64-29	8/9	-	Date of most recent previous report, if any
64-30	Annual	-	Reporting cycle
64-31	9	-	Contact point for questions regarding the report or its contents
64-32	8/In accordance with GRI G4 Core option	-	In accordance' option and GRI Content Index
64-33	8/No external assurance has been provided	-	Organization's policy and current practice with regard to seeking external assurance

Governance

64-34	10/11	-	Governance structure
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Ethics & Integrity

64-56	58/59/60	-	Organization's values, principles, standards and norms of behavior
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Specific Standard Disclosures

DMA and Indicator	Page Number	Omissions	External Assurance
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Category: Economic

Aspect: Economic Performance

G4-DMA	63	-	-	Generic Disclosures on Management Approach
G4-EC1	63/64	-	-	Direct economic value generated and distributed
G4-EC4	No financial assistance was received in 2014	-	-	Financial assistance received from government

Aspect: Procurement Practices

G4-DMA	63	-	-	Generic Disclosures on Management Approach
G4-EC9	63	-	-	Proportion of spending on local suppliers

Category: Environmental

Aspect: Energy

G4-DMA	51	-	-	Generic Disclosures on Management Approach
G4-EN3	52/53	-	-	Energy consumption within the organization
G4-EN5	52/53	-	-	Energy Intensity
G4-EN6	52/56	-	-	Reduction of energy consumption

Aspect: Water

G4-DMA	54	-	-	Generic Disclosures on Management Approach
G4-EN9	We obtain our water from municipal sources in all our locations. We don't affect our water sources but it is very important for us to work towards a constant reduction of our water consumption			Total water withdrawal by sources

Aspect: Emissions

G4-DMA	55	-	-	Generic Disclosures on Management Approach
G4-EN15	55	-	-	Direct greenhouse gas (GHG) emissions (scope 1)
G4-EN18	55	-	-	Greenhouse gas (GHG) emissions intensity
G4-EN19	55/56	-	-	Reduction of greenhouse gas (GHG) emissions
G4-EN20	Helsinn does not emit ozone-depleting substances	-	-	Emissions of ozone-depleting substances (ODS)
G4-EN21	All SOx and NOx developed during chemical processes at HAS are absorbed and neutralized in state of the art abatement equipment	-	-	SOx NOx and other significant air emissions

Aspect: Effluents & Waste

G4-DMA	51	-	-	Generic Disclosures on Management Approach
G4-EN24	No spills ever occurred in the history of Helsinn	-	-	Number and volume of significant spills

Aspect: Compliance

G4-DMA	51	-	-	Generic Disclosures on Management Approach
G4-EN29	We did not receive any fines nor sanctions	-	-	Fines or sanctions for non-compliance with environmental laws or regulations

Aspect: Transport

G4-DMA	51	-	-	Generic Disclosures on Management Approach
G4-EN30	56	-	-	Environmental impacts of transporting goods and materials, and transport of staff

Category: Social

Sub-category: Labor Practices & Decent Work

Aspect: Employment

G4-DMA	42/47/50	-	-	Generic Disclosures on Management Approach
G4-LA1	43	-	-	Total number and rates of new employee hires and employee turnover
G4-LA2	44	-	-	Benefits provided to full-time employees that are not provided to temporary or part-time employees

Aspect: **Occupational Health and Safety**

G4-DMA	42	-	-	Generic Disclosures on Management Approach
G4-LA6	45	-	-	Rates of injury, occupational diseases, lost days, and absenteeism

Aspect: **Training and Education**

G4-DMA	42	-	-	Generic Disclosures on Management Approach
G4-LA9	43	-	-	Average hours of training per year per employee

Aspect: **Diversity and Equal Opportunity**

G4-DMA	42	-	-	Generic Disclosures on Management Approach
G4-LA12	43	-	-	Employee per category, gender, age group

Aspect: **Equal Remuneration for Women and Men**

G4-DMA	42	-	-	Generic Disclosures on Management Approach
G4-LA13	44	-	-	Basic salary and remuneration by gender

Sub-category: **Human Rights**

Aspect: **Supplier Human Rights Assessment**

G4-DMA	58	-	-	Generic Disclosures on Management Approach
G4-HR10	All suppliers from countries considered at risk for human rights issues are screened and evaluated	-	-	Percentage of new suppliers that were screened using human rights criteria

Sub-category: **Society**

Aspect: **Local Communities**

G4-DMA	47	-	-	Generic Disclosures on Management Approach
G4-S01	47/48/49/50	-	-	Operations with implemented local community engagement

Aspect: **Anti-corruption**

G4-DMA	58	-	-	Generic Disclosures on Management Approach
G4-S03	58/59/60	-	-	Operations assessed for risks related to corruption and the significant risks identified
G4-S04	58/59/60	-	-	Communication and training on anti-corruption policies and procedures
Aspect: Compliance				
G4-DMA	58	-	-	Generic Disclosures on Management Approach
G4-S08	We did not receive any fines or sanctions related with non-compliance of laws and regulations	-	-	Fines or sanctions for non-compliance with laws or regulations

Sub-category: **Product Responsibility**

Aspect: **Customer Health and Safety**

G4-DMA	58	-	-	Generic Disclosures on Management Approach
G4-PR1	61/62	-	-	Product and services for which safety and health impact are assessed for improvement

Aspect: **Product and Service Labelling**

G4-DMA	58	-	-	Generic Disclosures on Management Approach
G4-PR3	All our product contain a Patient Information Leaflet which is revised and approved by the local regulatory authorities	-	-	Procedures for product and service information and labelling

List of Acronyms

API	Active Pharmaceutical Ingredient	HQ	Headquarter
ANVISA	Agência Nacional de Vigilância Sanitária (Brazil)	HTU	Helsinn Therapeutics (US), Inc
ARC	Aftercare, Research and Counselling	HVAC	Heating, Ventilating and Air Conditioning
BEB	Business Ethics Board	ISO	International Organization for Standardization
CACS	Cancer Anorexia-Cachexia Syndrome	MFDS	Ministry of Food and Drug Safety (Korea)
CCWC	Corporate Compliance Working Committee	NISO	National Irish Safety Organization
CEO	Chief Executive Officer	NISG	Northern Ireland Safety Group
CERGAS	Centro di Ricerche sulla Gestione dell'Assistenza Sanitaria Sociale (Bocconi University, Milano)	NSAID	Non-Steroidal Anti-Inflammatory Drug
CID	Chemotherapy-Induced Diarrhea	NJ	New Jersey
CMO	Contract Manufacturing Organization	NYC	New York City
CRO	Contract Research Organization	OHSAS	Occupational Health & Safety Management System
EMA	European Medicines Agency	OSI	Orchestra della Svizzera Italiana
EU	European Union	PEFT	Programme for the Endorsement of Forest Certification
FB	Fondazione Gabriele e Anna Braglia	PET	Polyethylene Terephthalate
FDA	Food and Drug Administration (US)	PIC	Pharmaceutical Inspection Convention
FSC	Forest Stewardship Council	PMDA	Pharmaceuticals and Medical Devices Agency (Japan)
GCO	Group Compliance Officer	QA	Quality Assurance
GHG-P	Greenhouse Gas Protocol	QoL	Quality of Life
GM	General Manager	R&D	Research & Development
GJ	Gigajoules	RoW	Rest of the World
GLP	Good Laboratories Practices	JP	Japan
GLP-2	Glucagon-like peptide 2	SA	Società Anonima (anonymous company)
GRI	Global Reporting Initiatives	SDA	Scuola di Direzione Aziendale (Bocconi University, Milano)
GxP	Good (Anything...) Practice	SGS	Société Générale de Surveillance
JP	Japan	US	United States
HAS	Helsinn Advanced Synthesis SA	NOx	Nitrogen oxides emissions
HHC	Helsinn Healthcare SA	ODS	Ozone-depleting substances
HBA	Healthcare Businesswomen's Association	PM	Particulate Matter emissions
HBP	Helsinn Birex Pharmaceuticals Ltd	SOx	Sulphur oxides emissions
HPAPI	High Potency Active Pharmaceuticals Ingredient		

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CHLORINE
FREE
GUARANTEED



HEAVY METAL
ABSENCE
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