# SUSTAINABILITY REPORT 2009





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# CREATING THE FUTURE

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# **FALLER 2009**

Turbulent times characterised 2009 dear readers, a year in which the worldwide financial crisis caused a storm to sweep across the economic world on an unprecedented scale and resulted in far-reaching changes. Our market and our company have not been excluded from these effects.

High levels of investment in research for new medications, expiring patents and increasing pressure from governments to reduce the costs of health and medicinal products, fundamentally change the pharmaceutical market. In contrast, there are suppliers with high surplus capacities in fragmented markets. This has resulted in high pricing pressure on the packaging market and nervous market participants.

By the end of 2008 Faller had already adapted its corporate strategy and focused itself on economic stability in economically challenging times. With the "creating the future" project we have used the opportunity, that is camouflaged in every crisis, to sustainably restructure our company. The competitive situation has become increasingly tough; there is a bitter chill in the market. We take on the competition by introducing future-orientated steps, and by freeing ourselves from waste in all processes and areas, while never losing sight of ecology and social responsibility. Sustainability as an

elementary component of a successful corporate strategy plays a significant role in this. Our sustainability report this year therefore has "creating the future" as its central theme.

Faller is developing itself further. In doing so our focus amongst other things is also on efficient solutions in the packaging field: for standard or special packaging, combined products, KIT-picked supply, Just-in-time deliveries or as a troubleshooter for swift re-packaging under pharmaceutical conditions.

2009 was an unsettling year with considerable market fluctuations. The first six months were shaped by a marked decrease in requirements owing to our customers running down their stocks and their adoption of internal cost-saving programmes. In the second six months the market recovered, although it could not compensate for the setbacks in the first six months. The turnover fell from 92.4 million euros in 2008 to 87.4 million euros in 2009.



As a result of this development the return in comparison with the previous year worsened. In order to improve our ability to compete and our economic performance we have invested in the future, made available an amount of 3.3 million euros and have borne the special expenses for the "creating the future" project to the amount of nearly 1 million euros.

We continue to be faced with great challenges. However, we look confidently to the future because we are actively controlling the changes and continue on our path to a sustainable company development.

Dr Michael Faller

Dr Daniel Keesman

# INVESTMENT IN THE FUTURE

Crisis as opportunity. With the "creating the future" project Faller sets the course for a sustainable and stable future and introduces seminal steps for the further success of the company. Major structural changes make it possible to respond even better to the needs of our customers.

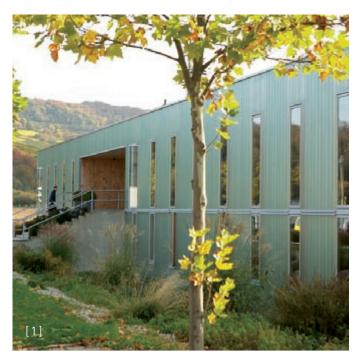
### "CREATING THE FUTURE" PROJECT

In 2009 Faller rearranged the sales and production structures with the "creating the future" project. Sales integrated field sales and internal sales into one unit on order to be closer to the customer and to implement their needs efficiently. The previously "mixed" production sites in Waldkirch and Binzen became special centres of expertise - for folding cartons and combination products in Waldkirch, and for leaflets in Binzen (folded production) and Großbeeren (unfolded production). In September/October the production equipment from Waldkirch was relocated to Binzen and vice versa. A smooth functioning plan ensured the delivery capacity and packaging supply to our customers. All hands were used and our employees supported the project with a great deal of commitment. We kept the negative effects on the employment situation of individuals as low as possible and absorbed these in a socially sensitive manner. A social compensation plan was established and agreed with the works councils.

The objectives of this project are the use of synergy effects as a result of the consolidation of production lines with the same product, and the easing of logistics costs by the merger of warehouse inventories with the same materials, improved planning and control of production with regard to the optimisation of machine set-up time, the reduction of subsidies and faster lead times. The structuring in the PharmaServiceCenters Folding Cartons, Leaflets, Labels and Packaging Services now allows a clear classification of areas of responsibility and a high level of process transparency. Problem areas can therefore be better identified and rectified in a targeted manner.

#### FALLER'S PHARMASERVICECENTERS IN PICTURES

PharmaServiceCenter Leaflets, Binzen [1]; PharmaServiceCenter Packaging Services, Großbeeren [2]; PharmaServiceCenter Labels, Schopfheim [3]; PharmaServiceCenter Folding Cartons and headquarters, Waldkirch [4].









# **ECONOMY**

By supplying our customers with assured pharmaceutical packaging which effectively supports patient-friendliness and secure medication, we see our contribution to a society which trusts in a secure supply of medication that is available at any time.

#### MARKET

It is becoming increasingly evident that the pharmaceutical market and its previous framework conditions are fundamentally changing. The pressure on medicinal products costs will not decrease any further in view of the demographic changes and the associated increased requirement for medication for the increasingly elderly population. Purchasing, production and logistics costs are gaining an increasingly greater significance for our customers. At the same time the quality of the products and customer service must remain at a consistently high level. To some extent, requirements and expectations are actually rising. We will be differentiating our range of products more greatly to our customers and customising the requested services.

# FINANCIAL STATEMENT

After the decline in turnover at the end of 2008, the first months of 2009 were satisfactory again, even if at a low level. In the second quarter, however, there was a further slump in the amount of orders. The inventories of our customers were further

lowered and a careful, reserved order pattern characterised the market. For our customers, securing assets and reducing costs gained the highest priority. In light of the oligopolistic cardboard and paper market, the large surplus capacities in the market of packaging manufacturers and gradual consolidation in the pharmaceutical industry, packaging prices were placed under even greater pressure.

As a consequence of the low levels of orders received and after reducing working time accounts and leave in July, Faller implemented reduced working hours. From August the market revived itself again, even in light of the reputed spread of swine flu, which meant that the phase of reduced working hours only lasted one month. The following months saw a gradual recovery of the market. At the end of 2009 demand was significantly revitalised, although with smaller order batches and short lead times. The improvement is very slight and the increased market fluctuations require flexible adaptation to customer requirements.





Relocation of the 8-colour printing machine and a punching machine to Waldkirch

Annual sales in 2009 fell to 87.4 million euros for the entire year, nearly 6 % less than in the previous year. We are therefore reducing the high complexity of the processes, the waste of material and time and the activities that do not create value, with great efforts to coordinate resources and by increasing the transparency and flexibility within the corporate organisation.

The proportion of value added of nearly 66 % was able to be maintained to a large extent, but the costs of waste in terms of the continuous improvement process and the cost structures must be revised. The executive board and upper management level have fundamentally questioned and reviewed the corporate structures within the scope of the "creating the future" project. In terms of the long-term survival of the company the project was started in April 2009 and was implemented swiftly by November (also see page 6).

#### INVESTMENT

With an investment of 3.3 million euros, despite difficult circumstances we have further modernised all sites. The most important purchases are a reel feed printing machine and a further inspection device for 100 % monitoring in the labelling field, three print image inspection devices for the inline checking of folding cartons during production and a new gluing machine in Waldkirch. In Grossbeeren, investments were made in banding, labelling and packaging equipment to develop the pharmaceutical packaging services. At 3.8 %, the rate of investment was below average and reflected the conscious restraint of the executive board owing to the crisis.

We have deferred the new construction planned for Waldkirch because the restructuring of the production areas has resulted in a modified starting situation. In addition it seems reasonable to factor in the economic development in 2010 into the construction planning and accordingly to plan conservatively.

### OPERATING PROFIT AND EOUITY

The profit situation of our company has worsened in comparison with 2008. The "creating the future" project, as a result of relocating production equipment, has led to the agreed social compensation plan and the provision of measures for employee training, which together cost nearly 1 million euros. If you include these one-off costs with the profit then the operating profit situation can still be described as satisfactory in light of the decline in turnover.

The proportion of economic equity has improved to 37.9% which means that the equity basis of the company remains at a good level. This explains in essence the low balance sheet total as a result of the low proportion of investment in 2009.

At the end of 2009 a limited partner resigned from the business. The capital shares were taken over by the remaining shareholders so that the absolute equity capital base remains unchanged.

#### FALLER AS AN EMPLOYER

Sustainable companies do not just need innovative products and services and a solid financial basis, but above all they require flexible and motivated employees who generate respect and trust. A positive corporate image which is in harmony with the in-company sustainability services, promotes the attractiveness of the company to good and skilled people. One of the cornerstones of personnel work is the creation of good development opportunities and a progressive working environment for specialist staff and management staff. This includes structured personal development and strategies to secure as many jobs as possible, to create an attractive working environment and to motivate employees. Corporate values, management guidelines and meeting rules are positive identification frameworks and are obligatory for the management.

In the course of the "creating the future" project, Faller has secured the jobs of the core workforce. However, in light of the decline in orders in the second quarter many temporary work contracts could not be extended. Contract workers were only employed in emergency situations. With the recovery of the markets at the end of the year, Faller can report almost the same number of jobs as at the end of 2008.

The level of staff absence due to sickness has increased contrary to general tendencies. We are attributing this to the particular stresses of this year and are observing the future development closely. We are anticipating indications of improvement opportunities from the biannual employee satisfaction survey. This was originally scheduled for autumn 2009. As a result of the "creating the future" project we have postponed the survey to spring 2010 because many employees should first get to know their new function, their new superiors and their changed working environment. For this reason we cannot yet make any statements on changes in this area. The next employee satisfaction survey will then take place in line with the old pattern in autumn 2011.

Expenditure on further training measures and for the other support of many projects which are not purely technical, but which also cover ethical-social interests and the promotion of health and sport or a scheduled company celebration, has been frozen in light of the difficult circumstances. This has been accepted by the employees, but with regret.

We have also been cautious with donations and sponsorship without completely abandoning our social and corporate commitment

There were no cutbacks in the area of training. With 49 trainees we have achieved an all-time high and our learning partnerships with various schools are also being continued with no changes.

### **PROFIT SHARING**

Our employees should share in the success of the company. For this reason, on an annual basis with January's payment we distribute a guaranteed share in the profit in line with the internal wage agreement. In June employees receive an additional voluntary payment in the event of relevant company operating profit. As a result of the fall in profit in 2009 the company neither generated an additional voluntary nor guaranteed share in the profit, however it paid these out in order to fulfil the internal wage agreements.

Due to the fact that in the wage agreements applicable since 10 November 2009 no profit sharing has been able to be agreed, the management decided to present an entirely voluntary model to the workforce and introduce this for 2010. The profit sharing will be progressively structured so that employees will benefit, even at an above-average level, in the event of good business development.

Our mission is to structure the quality and efficiency of the production processes in a sustainable manner so that we reconcile high productivity with flexible working, the "zero defects principle", and secure jobs.

With the "creating the future" project we have made a great step in this direction and hope to be able to reward our employees through the new profit-sharing model.

# **COLLABORATION**

The strengths of our family-owned business are high flexibility and short decision paths. Cooperation and intensive benchmarking with our alliance partners in COPACO and COPAPHARM Europe help all those involved to continually improve. With our network and collaboration partners Nosco (USA), Bellwyck (Canada) and Promis (Russia) we are developing solutions and innovative products for our customers. Worldwide.





	2009	2008	2007	2006	2005
Turnover in millions €	87.4	92.4	87.0	77.0	69.0
Investment in millions €	3.3	7.8	12.4	3.8	3.1
Proportion of investment in %	3.8	8.4	14.3	4.9	4.5
Economic equity ratio in %	37.9	37.0	35.8	33.5	28.9
Proportion of added value in %	65.7	65.9	66.7	67.3	67.0

# **ECOLOGY**

Since 1998 we have been working continuously to improve and maintain our high environmental standards. Our involvement in the environment and energy committee of the Southern Upper Rhine's Chamber of Industry and Commerce and in the German Chamber of Industry and Commerce in Berlin ensures that Faller is always informed of important developments in ecological matters.

### ACTIVE COOPERATION

Faller rises to the ecological responsibility of a commercial enterprise. The continuous modernisation of machinery makes for commercial improvements but also minimises the effects of the work processes on the environment, for example, as a result of a lower consumption of energy and detergent in the field of printing. With an improved rubber blanket washing system the consumption of solvents has been reduced by 20 %. Rising requirements for processed printing products and UV coatings have, however, the opposite effect because for every additional printing colour, for example, the energy demand increases.

### CHAIN OF CUSTODY (COC) CERTIFICATION

We had planned PEFC and FSC CoC certification for 2009. We have not achieved this objective. As a result of internal capacity utilisation for the "creating the future" project, it was not possible to introduce the relevant processes and to implement the certification. We will catch up with this by the end of July 2010.

### FEWER CHEMICALS IN THE PRE-PRESS

In all establishments, little by little, all film development machines have been taken out of operation and replaced by large-scale inkjet printers. By doing so chemicals such as ammonia, developer and fixing agents are no longer needed, the cost of materials has been reduced by 50 %.

# NEW ENVIRONMENT OFFICER

Since July 2009 Dirk Wisser has been responsible for the area of environmental management. After Regina Müller, the environment officer for many years, left the company and addressed herself to new tasks, he has taken over this area of work in addition to his workload of data protection and occupational safety.

### KEY ENVIRONMENTAL FIGURES

Energy consumption and  $\mathrm{CO}_2$  emissions have been easily reduced. We attribute this to the structural change in the production ("creating the future" project) and the poor economic situation. We see a further explanation to be in the effects of various small energy-saving measures and the relatively favourable weather. The value of 630kWh electricity/ gas is around 15–20kWh higher if we add to this the energy consumption of PharmaServiceCenter Grossbeeren.

The consumption of fresh and waste water has risen significantly. The reasons are related to the climate - we had several problems with very dry surrounding air which made it necessary to permanently humidify the production halls. In addition there was a leak at Waldkirch plant II which was immediately rectified upon discovery.

The volume of hazardous waste has reduced because, in particular, the new printing plate exposure units in the Waldkirch plant II require significantly less chemistry than the previous model.

The level of reject cardboard is a little lower than in the previous year. However, the critical point here is the trend during the year, which since October 2009 has shown a noticeable decline. This trend is continuing today.

For 2010 we are planning the involvement of Faller Waldkirch in the eco-transport pledge "environmentally-friendly travel to work". In doing so we want to urge our employees to use the range of local public transport much more.

	2009	2008	2007	2006	2005	
Total energy per tonne of printing substrate	630	643	732	677	769	kWh energy consumption per tonne printing substrate
CO <sub>2</sub> from energy consumption per tonne printing substrate	313	320	364	336	376	kg CO <sub>2</sub> per tonne printing substrate
Waste water or fresh water in total per tonne printing substrate	588	451	472	482	483	litres of waste water per tonne printing substrate
Non-hazardous wastes, total	7.3	5.2	2.1	4	5.2	kg non-hazardous waste per tonne printing substrate
Hazardous wastes, total	1	1.1	3	2.7	2.3	kg hazardous waste per tonne printing substrate
Wastes, total (without cardboard rejects)	8.3	6.3	5.1	6.7	7.5	kg waste, total per tonne printing substrate
Cardboard rejects	415	421	470	410	390	kg cardboard rejects per tonne cardboard
Solvents (VOCs)	2.2	2	2.4	1.6	2	kg VOCs per tonne printing substrate

# **SOCIAL AFFAIRS**

Saving schemes and budget cuts shaped the 2009 financial year from the perspective of employees. Yet a lot of money was still flowing. We do not wish to abandon our involvement in the most diverse fields - whether it be employee advancement or the support of regional associations.

# EMPLOYEE-FOCUSSED EVEN IN A DIFFICULT YEAR

The time that "became free" was used by the personnel development department to develop Faller's own guidance compass. The comprehensive compendium imparted expertise on personnel recruitment, employee management, personal and organisational development, and the creation and termination of work contracts.

The personnel development department has been providing advice since the end of 2007, in particular in the recruitment of management staff and succession planning. The focus in this process lies on the orientation of strengths. At Faller new employees should obtain jobs which are suitable for them. The job descriptions, in case of doubt, are based on the strengths profile of the new employees. To ensure that this is successful the supervisors develop a job description and, in cooperation with the personnel development department, an employee-job-analysis. A performance profile-analysis of the potential candidates is then compared with this. Even the qualification of the core workforce is managed by this method.

The second large project of the personnel development department was a re-structuring of training in the company. Together with the training leader the personnel development department began in 2008 to re-classify the responsibilities of the trainers. In 2009, for each of the seven occupations requiring training, one responsible trainer per site was selected from the pool of 50 trainers: in total 13 in all business units. These trainers became the contact person for the young people for all matters on occupational training. All organisational aspects are also undertaken by the responsible trainers during the training period.

Appraisals remain a "slow-burner": they have now been established in all divisions and the procedure is regulated in an individual company agreement. In 2010 the annual meetings will be supplemented with specific target agreements so that from the executive team to middle management to employees (of all departments), everyone can identify and contribute their share to the overall success of the company.







Maximilian Hoch helping with the construction of a playground for St. Vincenz Kindergarten Waldkirch (so fast that the photo appears blurred!)

For employees who were sick for longer than six weeks within one year, there has been a company integration management programme since December 2008. The relevant company agreement specifies as a target of the integration programme to avoid chronic illnesses that could arise from the place of work, and to overcome or prevent incapacity to work. The job of those affected should be retained as far as possible so that they can remain in gainful employment.

The working group health organised a series of campaigns on the topics of the prevention of bowel cancer, giving up smoking, prevention of addiction and nutritional advice. Faller leisure sport groups, which are initiated by employees, continue to coordinate running groups, mountain biking, back callisthenics, yoga, hiking and, of course, football.

# HEALTHCARE PROVISION ON SITE: DEFIBRILLATORS

Sudden cardiac death is the number one cause of death in Germany outside of hospital. In order to give our employees the best possible assistance in the event of heart attack, the Schopfheim site has

now also had an automatic external defibrillator (AED) available since the start of 2009. All four production sites in South Baden are now equipped with the life-saving device. By good training, internal emergency call lines and regular practice with the AEDs, in emergency cases such as a sudden heart attack, rapid and effective first aid can be administered. The defibrillator has already saved one colleague from the serious consequences of his cardiac arrest.

# SOCIAL COMMITMENT OF TRAINEES

Broadening the horizons of the apprentices is just one motive for their involvement in social projects. The company's reputation is also promoted in a positive light. Every apprentice helps once a year in a social establishment of their choice: in 2009 nursery schools and hospitals were particularly requested. Even the residents of the nursing home in Waldkirch enjoyed the sport and musical care of an apprentice.

# **COOPERATION WITH SCHOOLS**

Encouraging academic, vocational and media-related expertise of children and young people is important to August Faller KG. Naturally, you cannot put a figure on the success of measures nor is it directly tangible. Yet we believe that long-term commitment is the only way to not only offer training positions to the younger generation but to also convey the interesting possibilities of enriching their (life) perspectives.

Faller has continued to maintain and develop learning partnerships. In July 2009 the Hörnleberg school in Winden signed an open-ended collaboration contract with August Faller KG, as have Kastelberg school, the *Realschule* and the vocational training centre in Waldkirch and the Kandertal school in Binzen. In the learning partnerships the schools get to know the world of business. Via work experience placements, plant visits, job application training and teaching units with information on occupations that require training, they gain an insight into company requirements. Faller supports these with an estimated 220 working hours provided by the head of training and 180 hours for the assignment of trainers and apprentices. As a result we can document - despite the declining number of school leavers - a high number of applications.

For the support of the "Step21 initiative for tolerance and responsibility", Faller has provided five schools in Waldkirch with "media boxes" to encourage cultural and media expertise - primary schools and *Hauptschulen* (a secondary school), a special school and a school for the visually impaired. The Step21 foundation wants to provide children and young people with up-to-date practical knowledge that complements the usual acquired "availability knowledge". "The media box [world pictures: picture worlds] simplifies the handling of pictures for children and is specifically directed at primary school children. The teaching units support them in developing a conscious approach to media and trains their inter-cultural competencies.\* (Source: www.step21.de)

The ZISCH (*Zeitung in der Schule* – newspaper in schools) initiative run by the Badische Zeitung was also sponsored by us in 2009. With this initiative, media expertise is strengthened and the newspaper as a medium is brought closer to primary school children. During Girls' Day, 40 girls from *Hauptschulen* and *Realschulen* had the opportunity to learn about technical occupations that require training: female packaging mechanics, printers, skilled warehouse managers and digital media designers.

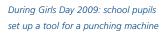
### TRAINING - INTERNAL AND EXTERNAL

In 2009 49 young people were trained as apprentices in seven occupations in Waldkirch and Binzen. The successful graduates will be employed at the end of training on a temporary basis in general and, if possible, subsequently accepted on a long-term contract

Faller remains associated with the Waldkirch employment initiative WABE (Waldkircher Beschäftigungsinitiative), supports full-day care in the academic sector and is a member of a training association with a total of 17 training companies. This has trained two trainees business-wide into office administrators. This innovative training concept has been awarded the first prize in the "Ausbildungs-Ass" (Training Ace) class in Berlin.

# CONNECTED TO THE REGION

At our sites we support the external community work of our employees. Various practical and, if possible, monetary assistance to regional associations and initiatives have been part of the social commitment of our company for years.





# **KEY SOCIAL FIGURES**

	2009	2008	2007	2006	2005
Number of total employees	822	816	794	715	667
Part time staff (out of total employees)	38	39	34	34	33
Trainees	49	46	43	42	44
Labour turnover	7.4 %	7.4 %	6.7 %	7.2 %	3.6 %
Health ratio sick days / actual working days in %*	93.8 %	94.6 %	94.5 %	94.3 %	94.9 %
Proportion of women in middle and upper management	5	6	6	6	6
Number of reportable accidents**	15	18*	16	15	18
Costs for external further training measures/trainers***	0.6 %	1.2 %	1.1 %	0.7 %	0.8 %
Satisfaction from the employee satisfaction survey****	_	_	2.97	2.97	2.95

<sup>\*</sup> The value has slightly deteriorated, however it still lies firmly within the industry average.

<sup>\*\*</sup> The figure of 22 reported for 2008 in the last report mistakenly contained commuting accidents which are otherwise not taken into consideration.

<sup>\*\*\*</sup> Pro-rata to personnel costs, as a result of the saving programme in 2009 the expenditure for further training was reduced.

<sup>\*\*\*\*</sup> Scale of 1 to 4 (1 = unhappy; 4 = happy), from 2007 from 1-7 (1 = excellent; 7 = bad). The employee satisfaction survey which was originally scheduled for autumn 2009 will take place in May 2010.

# **NEWS**

#### PRI7F-WINNING

The Meyer-Hentschel Institute awarded Faller the Silver Pack Award in 2009. This accolade is awarded for outstanding solutions in the field of age adaptation and patients' handling of packaging. The so-called easy-to-open folding carton was developed by Faller for and with UCB Schwarz Pharma: it can be seen in various exhibitions of the Federal Ministry of Family Affairs, Senior Citizens, Women and Youth. Around 50 exhibits show, under the motto of "universal design", how good design can improve the quality of life. Also in 2009 we were honoured to receive the Abbott Supplier Excellence Award. With this award, Faller was one of 37 suppliers out of 15,000 ancillary companies worldwide which were recognised by the international pharmaceutical company based on their reliable and above-average services.

# CIP WORKSHOPS

In addition, 2009 was characterised by the continuous improvement process (CIP). The CIP team of four carried out 30 workshops, 18 of which took place over several days, which took up a lot of pre and post preparation time. The central theme lay on 5 S actions in administration and intensive management training. Acceptance of the CIP has been consistently growing in the three years it has been in place and in the meantime the expert team can "barely cope with the amount of requests": the workshops are requested by the department managers in order to work on defined tasks, prevent waste and expand value-adding work processes. The CIP team also gives valuable support in the restructuring of the production divisions of the PharmaServiceCenter in Waldkirch and Binzen in the "creating the future" project.

Independent of official workshops are also examples of the implementation of the CIP concept: an employee in the printing plant was inspired by a film about a Japanese printing plant to implement the extremely high requirements in workplace design and cleanliness that are usual in Japan, to "his" machine. Despite scepticism from the team he grabbed cleaning equipment and managed to remove colour spots on the floor which appeared indelible and always kept the machine sparkling clean. In addition he utilised/utilises the breaks resulting from the just-in-time workflow. In the meantime his example has set a precedent and the increased level of cleanliness in production is also highlighted as exemplary in customer audits.

# **AUDIT BOOM**

With a total of 38 customer audits the department for integrated management systems was working to full capacity. In comparison, in 2008 there were a total of 25 audits. As a manufacturer of pharmaceutical packaging, Faller is subject to the strict conditions of Good Manufacturing Practice (GMP) because packaging is part of the medicinal product. For this reason the highest accuracy in all work processes and documentation of all steps in line with GMP is essential. The implementation of this is reviewed in regular intervals by the audit officer of our customers. The auditors remark extremely frequently that Faller's employees are open and able to provide information on their work processes and that this is not a matter of course elsewhere, a good mark of our corporate structure.

#### TRIBUTE TO DEDICATION

The works council chairman of August Faller KG for many years, Bernhard Dilger, received the state badge of honour in July 2009 from the State of Baden-Württemberg for his nearly 30 years of dedication as an honorary judge in the industrial court in Freiburg. This honorary office is also now held by Dr Michael Faller as the successor to the previous general partner, Dr Gerhard Wiebe, who supported the industrial court as an honorary judge for nearly 40 years: we are happy to keep this tradition alive.

# OCCUPATIONAL SAFETY CERTIFIED ONCE AGAIN

The efforts for the protection and safety of employees produces results: as the first member company, Faller received a certificate for its occupational safety management system in 2006. In 2009 the plants in Waldkirch, Binzen and Schopfheim in May and the plant in Grossbeeren in June were once again inspected by the Employer's Liability Insurance Association for printing and paper processing, in accordance with the national guidelines: 7/2002 and OHSAS 18001:2007. This re-audit confirmed that Faller uses a well-functioning occupational safety management system and pursues the objective of continuous improvement within the scope of the process-orientated integrated management system (PIM).



Markus Karl (re.), the initiator of the "Offensive for Japanese cleanliness", in the printing plant with his team colleague Salvatore Torrisi



From left to right: Dr Michael Faller, Otto Frey, Hans-Georg Müller (Vice-president of the industrial court Freiburg), Peter Baur (former president of the industrial court), Karin Dilger, Bernhard Dilger, Dr Herbert Jochum, Dr Daniel Keesman, Richard Leibinger (Lord Mayor of Waldkirch) at the tribute

# PRODUCTS AND SERVICES

Our thoughts are shaped by a consistent approach looking towards the future.

Our basis is formed by our traditional values of reliability, trust, expert knowledge and quality. For us, innovation and sustainability go hand in hand.





August Faller KG is one of the market leaders in the German-speaking area for packaging solutions for the pharmaceutical industry. Faller produces printed folding cartons, leaflets and adhesive labels to a guaranteed pharmaceutical quality. Our innovative combination products, for example, folding cartons and wallets with administered labels and/or integrated leaflets or outserts, enable efficient packing processes for our customers. Faller develops solutions which deliver added value to products and services, and which can then integrate specifically into and modify the processes of the pharmaceutical industry. Solutions to prevent the counterfeiting of medicinal products have resulted in packaging with integrated tamper-proof features such as data matrix codes, laser-sensitive code fields, microtexts and many other features which are subject to confidentiality.

The production capacity in 2009 included 1.5 billion folding cartons, 1.5 billion leaflets and 800 million adhesive labels.

#### **PRODUCTS**

- Folding cartons
- Leaflets
- Adhesive labels
- Combination products

# PHARMA SUPPLY CHAIN

- Consultation
- Vendor Managed Inventory
- Jit & KIT: multi-component supply
- F-business

# PHARMACEUTICAL PACKAGING

- Re-packaging and packaging
- Packaging management for clinical trials
- Labelling
- Banding and assembling

### **OUR SITES**

- Waldkirch | PharmaServiceCenter Folding Cartons and headquarters
- Binzen | PharmaServiceCenter Leaflets
- Grossbeeren | PharmaServiceCenter Packaging Services
- Schopfheim | PharmaServiceCenter Labels

### **CERTIFICATIONS**

Quality: DIN EN ISO 9001:2008

Environment: DIN EN ISO 14001:2005

Occupational safety: OHSAS 18001:2007 / NLF ILO-OSH 2001 Pharmaceutical manufacturing licence in accordance with §13 of the German Medicinal Products Act (for Grossbeeren)

#### PACKAGING

The important aspects of compliance & convenience for pharmaceutical packaging, i.e. therapy support and user-friendliness, are implemented by Faller using special designs or complete packaging creations. Easy-to-open folding cartons, age-based packaging, the application of braille onto folding cartons and adhesive labels and also the development of combination products with elements to support the taking of medication are only a few examples.

#### DIGITAL PRINTING

The technology of digital printing in the manufacture of pharmaceutical labels has positive environmental considerations: the maculation during the printing process is lower than for flexo printing, and in the manufacture of the digital printed labels no printing plates are required. Consequently we avoid waste of materials and tools.

# COMMUNICATION

For its product mailings, catalogues or brochures, Faller uses exclusively FSC-certified paper and carton board, which is obtained from sustainable forestry. Since letter paper, with many thousands of invoices, delivery notes and customer letters per year cannot be underestimated as an item, we use paper with the "EU flower", which stands for environmentally-friendly paper production

#### **SERVICES**

Vendor Managed Inventory or KIT multi-component deliveries not only help to improve processes but also benefit the environment. Freely according to the CIP motto "avoid waste", customer projects have successfully reduced destruction costs for the customer by more than half. Less waste and a significantly lower level of stockholding as a result of optimised supply to pharmacists result for both sides in higher security and promotes sustainable services accordingly.

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