

UPTODATE

The Newsletter for GELITA Customers #34



Dear Reader,

Quality and safety are the two principal factors involved in the production of drugs, food and health- and nutritional products. Regulations and laws also determine whether and how these products may be imported and exported within a tightly networked global business area. However, we are still some way away from what we can say is a worldwide harmonized "legal landscape". Current legal regulations define only the minimum requirements concerning product

quality and product safety. The GELITA standards, which we determine together with our customers, are mostly more stringent than those set by the authorities. Regarding logistics and sales of these products, GELITA's own highly qualified Regulatory Affairs staff have proven to be preferred contact persons for customers and indeed by the authorities. Benefits for our customers: they can manufacture so-called Global Compliance Products using our collagenous proteins.

This commitment in particular is decisive for the success we have had. The relevant numbers speak for themselves: GELITA's turnover in 2013 again showed double-digit growth. This is quite clearly the result of our well-focused customer-, innovation- and brand-marketing strategy. By the way, the GELITA brand name is currently celebrating its 80th birthday – and it is still young! It has been continuously modernized and stands for quality and reliability. I wish you all pleasure in reading this issue and trust you will find ideas for potential mutual projects.



Global Vice President Marketing & Communication GELITA AG

Visitors at GELITA

Guests from Sanofi, South America



The GELITA® [14] brand name is now 80

GELITA Mexico
Innovation Room



New Product
GELITA Sol®C –
for radiant beauty



The editors of uptodate interviewed Dr. Uwe Seybold and Reinhard Zehetner, GELITA AG

Interview

"We are expanding our Reporting System for CSR and Ethics"

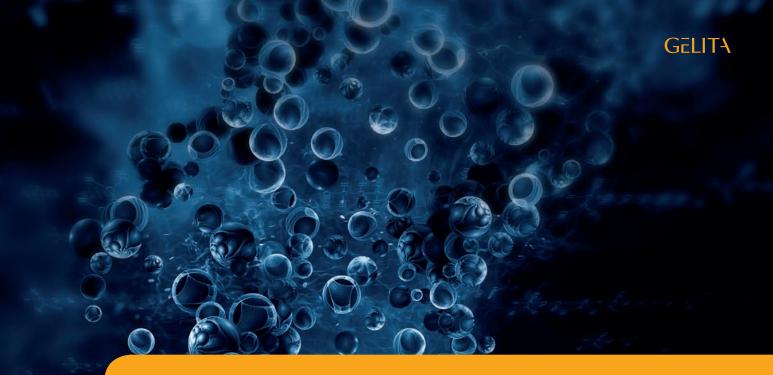




Product Innovation

Simply cut a fine figure

PEPTIPLUS® by GELITA helps to degrade fat



Technical Innovations

GELITA® Gelatine as process catalyzer

For many years now, the potential of hydrogen has been investigated as a less climate-damaging source of energy. This element is almost limitless on our planet, although primarily as a component of chemical compounds. To become available, it has to be isolated from these. GELITA® Gelatine has been shown to be an important basic substance in this process.

The essential problem in utilizing hydrogen is: although a vehicle e.g. powered by hydrogen exhausts only water and is thus absolutely ecologically friendly – the manufacture of hydrogen requires so much energy that its ultimate use becomes uneconomical. Thus, the more efficient hydrogen can be produced, the better it is for the climate balance. This is where GELITA® Gelatine comes in.

Production of catalysts

In order to release H – the chemical symbol for the element hydrogen – from a chemical compound comprising water, acids or hydrocarbons, catalysts are required; these in turn first have to be produced. One of the

popular methods used for preparing these so-called nano-catalysts for the production of hydrogen is the sol-gel process. In this somewhat complex process that involves a number of separate steps, a gel is initially prepared and is then combusted in the process.

The X-Ray Diffraction Group of the Department for Physics at the University of Ceará (UFC) in Brazil has been investigating and producing nano-structural metal oxides and alloys for some ten years now. One important element used in their research is GELITA bovine gelatine. In their work in the laboratory, they utilize the properties of gelatine as a protein, where their negatively

charged hydroxyl groups are able to bind metal cations. The special feature involved is that GELITA bovine gelatine can be used in the above-mentioned sol-gel process to circumvent several of the steps normally required. Thus, the "proteic" sol-gel process utilizes gelatine as an organic starting material so that the gel normally required need no longer be produced. On combustion of this gelatine-metal mixture, the organic fraction is deflagrated, thus allowing the remaining metals to form certain alloys - exactly those catalysts that are so valuable for the production of hydrogen.

Ingeniously simple and efficient – and extremely variable in use: GELITA® Gelatine.

"We enable our customers to manufacture Global Compliance Products"

What makes GELITA a successful company? It is not only the high quality of its products but also what the company offers in the way of added value. GELITA for example engages itself much more intensively with Regulatory Affairs than other companies in the branch – something that benefits all of our customers.

Mr. Zehetner, what does GELITA do to fulfill all the stringent requirements of product quality?

Zehetner: Many years ago, GELITA started to systematically build up an ISO 9001-certificated Quality Management System. In the meantime, at all of our plants, we work according to the relatively new FSSC (Food Safety System Certification), a system that is based on ISO 22000. The focus of FSSC is food safety. It comprises risk analysis of all process steps, access rights to the plant and hygiene regulations. In addition, FSSC has the advantage that it can be easily integrated into our basic system.

Customer requirements can change. What developments have you observed? Zehetner: Customers are currently placing more value on their cooperation partners becoming more socially responsible and that they work in a sustainable way. Within the scope of Corporate Social Responsibility (CSR) and Sustainability, focus is on ethical aspects along the lines of Ethical Trading Initiative (ETI).

How does GELITA fulfill these?

Zehetner: Our company has placed top priority on responsible interaction between people, environment and companies. Our goal is to exceed the requirements of International Environmental Management standard ISO 14001. With respect to ethical trading, there is as yet no formal certification; however, GELITA

is included in the data bank supplier Ethical Data Exchange, abbreviated to Sedex. Our customers can access this platform, inform themselves of our philosophy and form a picture of how we do our business.

Dr. Seybold: In addition, GELITA will shortly employ a new manager to actively monitor and promote the global coordination of CSR topics. We will be expanding our Reporting System and defining our key figures. Our topics will thus become even more transparent for our customers. Our goal here is to be a role model in this area.

"We will be expanding our Reporting System for CSR and Ethics"

Regarding transparency: What sort of insight do you grant customers into your Quality Assurance?

Zehetner: Our customers are allowed to observe our complete manufacturing process at any time. In Germany alone we are audited by customers about 25 times a year. Alternatively, they can obtain information on our management systems, certificates and legal provisions mostly by using comprehensive questionnaires.

What is the standard used in Quality Assurance?

Zehetner: Legal requirements represent our absolute minimal standards. Custom-

ers themselves set their required levels. Their specifications for products and packaging become our standards. We release products only when all customer specifications have been met.

How do you go about ensuring that your suppliers meet all your quality requirements?

Zehetner: We conclude detailed Quality Agreements with all our suppliers. In addition, not only are we audited by our customers, but we also audit our suppliers of raw materials. We also regularly audit companies that supply elements, e.g. packaging, that come into contact with product.

Dr. Seybold, how important is our intensive engagement with regulatory affairs?

Dr. Seybold: Our competence in regulatory affairs is one of our primary strengths. Our customers receive gelatine that fulfills all worldwide legal requirements and that allows him to manufacture so-called Global Compliance Products. GELITA also plays an important role in associations relevant to regulatory affairs, e.g. GME (Gelatine Manufacturers of Europe), GMAP (Gelatin Manufacturers Association of Asia Pacific), GMIA (Gelatin Manufacturers' Institute of America) and SAGMA (South American Gelatin Manufacturing Association). As market leader, we take on special responsibilities, e.g. by using more staff than in other



companies in the branch. At Eberbach alone, three managers are currently working in this area and are exclusively involved with legal requirements for raw materials, manufacture, import and sales of our products. For this reason, GELITA plays a leading role in formulating comments and opinions on new legal requirements.

Zehetner: With respect to quality, we are also represented worldwide in the various technical committees of the international gelatine associations; here we can input our experience when new standards and developments are being discussed.

"We provide information on legal changes in an open and frank way."

GELITA does everything within its power to ensure improvement of the legal framework for gelatine on a national and international basis. Can you perhaps explain how all of this benefits our customers?

Dr. Seybold: In Europe, up until about a couple of years ago, the manufacture of acid bone gelatine from European bovine bone was forbidden. This gelatine type however has the quite excellent technical properties required in particular by our pharmaceutical customers for various products. We took it upon ourselves to have the requirements modified in such a way that European acid bone gelatine could be approved for the manufacture of edible and pharmaceutical gelatine. We were able to achieve this with the help of the various gelatine associations. Subsequently, together with our American colleagues, we did everything possible to have the requirements for importing gelatine into the USA relaxed; this in fact has been possible since March 2014. The new regulations represent substantial relief for our customers; for example, a declaration for the purpose of use of the gelatine is no longer required.

How can GELITA help its customers to cope with legal barriers?

Dr. Seybold: We process up to 100 pages of legal texts in such a way that our customers can obtain quick information as to whether and how they are affected. This service is particularly important for smaller companies that cannot afford to have the staff for regulatory affairs. However, even those companies with an appropriate Regulatory Affairs Department are often appreciative of our help as the legal regulations on gelatine often require specific knowledge and knowhow. We can also provide advice on the labeling of packaging, e.g. checking whether these include all required data. A further service that is very much appreciated by our customers is our quarterly Regulatory Affairs Newsletter. Here we provide information on legal changes and how we intend to render new regulations more oriented towards practice.

Legal requirements tend to change now and then. How does GELITA keep up-to-date?

Dr. Seybold: We comb through all official publications worldwide that deal with new regulations. In addition, we are in constant contact with the relevant gelatine associations that obtain all new draft and final regulations from the authorities. However, as there are only relatively few specialists in the legal

requirements for gelatine, the authorities often approach us with questions.

What are the challenges facing the Regulatory Affairs Department in the future?

Dr. Seybold: Import regulations are tending to become ever more stringent. More and more countries are requiring approvals and comprehensive dossiers with detailed information on manufacturing processes, all of which makes it even more difficult to obtain the necessary import approvals for gelatine for our customers. All changes relevant to hygiene and import have to be registered by WTO member states to the WTO. From August to the end of 2013 there were 200 notifications; however, from January until mid-May this year, there have been more than double this amount. We review any changes relevant to us and do our best to counteract those that have a negative effect on our business.

And Quality Management?

Zehetner: Even if our quality level is very high – proven by the fact that we receive very few complaints on product quality – we do not just try to maintain this level. We constantly work on making processes even more safe and are always on the lookout for new technologies that we can apply.







Interview with Dr. Uwe Seybold (photo top) and Reinhard Zehetner (photo bottom)

"Customers themselves set the required level of quality assurance"

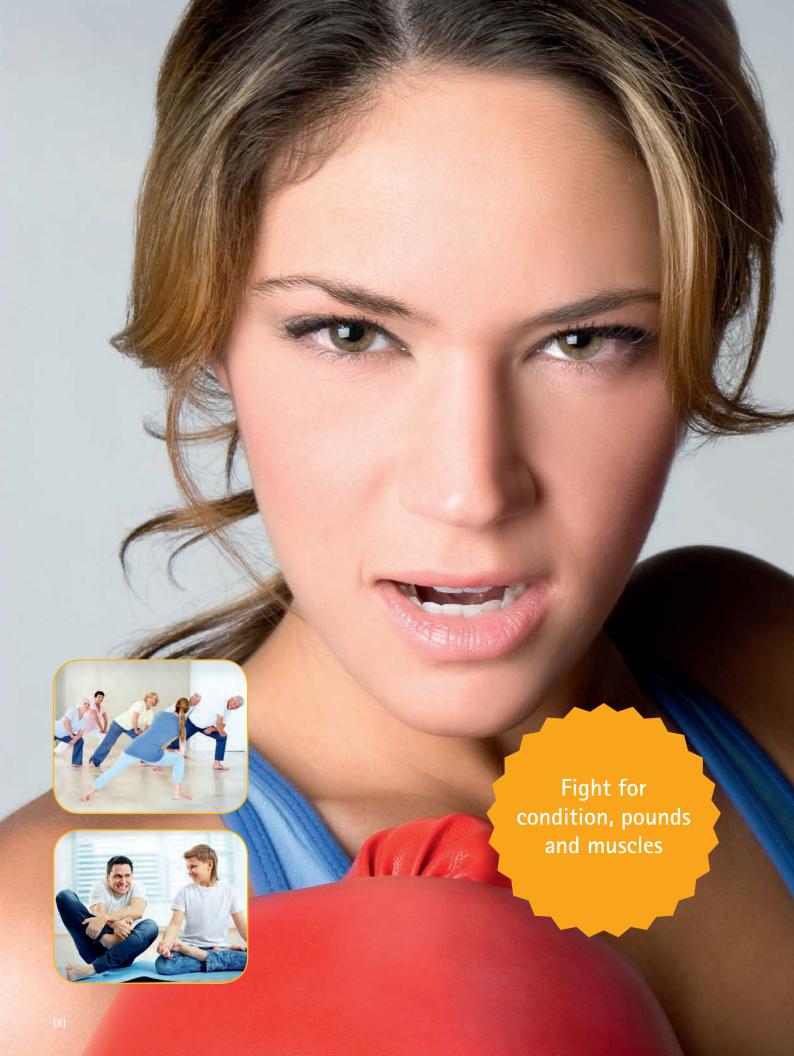


Room for new ideas

Innovations are a firm component of GELITA's company culture – an integral aspect of all company areas. But, how is such an inspiring environment created and how are people stimulated to be creative? GELITA Mexico has found an appropriate answer.

This is the "Innovation Room" – simply a place where staff can get together for creative brainstorming meetings. This is a room with pleasant décor and fitted out with cushions, mats, sitting balls and an open-hearth fireplace – in other words, a place for creative thinking. A globe in the center of the room symbolizes the worldwide relevance of GELITA and the shared identity of all within the Group: each and every employee contributes to the success of the company. The innovation room is however not just for GELITA staff; GELITA Mexico also intends to make it available to customers, suppliers and representatives from universities for creative workshops.





Cutting a good figure – with ease

More and more people now jog, work with weights in a gym or mountain bike in cross-country style – all to maintain and improve their health. They feel a firm body is part of the goal. This can be achieved easier with PEPTIPLUS° from GELITA: This product delivers protein which accelerates the burning of fat and promotes muscle build-up – and even helps older people to remain mobile.

Collagen is an important basic building block for the processes that take place in cells and muscles: 30% of the protein in the human body is made up of collagen. It occurs mainly in connective tissue, e.g. in ligaments and tendons, bones, cartilage and skin. Special functional nutrients enhanced with PEPTIPLUS® are thus ideal for providing proteins to the body.

Pure energy

PEPTIPLUS® enhances natural protein power. It is readily absorbed by the body and subsequently utilized. The peptide components replace any energy used during training sessions and also contribute towards a feeling of satiety. In the true sense of the word, the result can be seen: taut skin and hence an attractive body.

Remaining fit longer

In the case of elderly people, the goal is usually to maintain muscle power as this declines with increasing age: 40-70-year olds lose up to 8% of their muscle mass per decade; in over 70s, this figure increases to 15%. If there is also lack of mobility and deficiency in protein, this can lead to sarcopenia or loss of muscle. This in turn can increase the risk of falling. To counteract this loss of muscle, scientists and nutritionists recommend a combination of activity and protein-containing products.



Study confirms efficacy

This recommendation is confirmed by a study. More than 50 people participated: all were 65 or older and had symptoms of sarcopenia. They had to train regularly for a period of 3 months and they were given either 15 g of PEPTIPLUS* or a placebo per day. The result: All the participants were able to improve their muscle power. And, those who had taken PEPTIPLUS*, reported more than 50% improvement.

Processed in no time at all

PEPTIPLUS® dissolves readily in cold water, combines well with the liquid and is thus ideal for the manufacture of sportand protein beverages. The collagenous protein is both odor- and taste-neutral and is thus suitable for preparing beverages with a high protein content – without affecting other sensory attributes.

Even with high concentrations of PEPTI-PLUS*, the enriched beverages remain clear with a velvety smooth taste.

Higher degree of acceptance with less sugar

Manufacturers of sports bars and the like can now also provide their customers with the healthy protein power of PEPTIPLUS*; for PEPTIPLUS* also manifests its first-class sensory properties in a solid form. It produces energy in snack form and is smooth and firm to handle. The collagen peptides also help to bind even the more coarse cereals. Manufacturers can thus increase the content of fibrous cereal whilst substantially reducing sugar or even leaving it out altogether – hence increasing the degree of acceptance of their power bars.

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A successful team

Over the past three years, GELITA and Sanofi have been continuously expanding the marketing of the collagen peptides in South and Central America on a joint basis. In April, we were pleased to be able to welcome a delegation of our partners to the GELITA plant in Eberbach, accompanied by orthopedic specialists, rheumatologists and journalists. GELITA representatives and scientific experts had prepared an interesting and varied program for the guests from Brazil, Chile, Mexico and Colombia.

"It pleased us immensely to be able to welcome our partners here" said Beate Klöppel, Managing Director of GELITA Health GmbH that produces the products in Germany. In support of the delegation, Leia Tomaz, Sales Director South America for Sanofi, was present.

Sanofi values GELITA as a compete supplier

Sanofi and GELITA have been cooperating successfully for three years on product development comprising manufacture to packaging: under the brand names Mobility® (Brazil) and Gelicart® (Mexico, Chile, Colombia, Panama and Guatemala), Sanofi is marketing a product comprising 100% GELITA FORTIGEL®. The launch of Gelicart® is currently being prepared for Peru and Uruguay. Together, Sanofi and GELITA plan to expand sales step by step to include the entire region of Latin-America. The GELITA joint collagen is the first to be used by Sanofi in its program as an active ingredient rather than a classic medicament. It is being used to supplement daily nutrition. In this way, the pharmaceutical company is able to approach new target groups.

Exclusive insight

In light of the status of the visiting Sanofi delegation, the visit was conducted under the motto "Entering the Universe of Bioactive Collagen Peptides". During the visit, the guests were granted an exclusive insight into the production as well as R&D. Here, they were able to observe and convince themselves of the high quality and safety of FORTIGEL® manufacture.

Lectures and personal exchange

In addition to the tour, a scientific lecture program explained the mode of action of the collagen peptides and their positive effect on joints. A further important point in the program was the presentation of the results obtained from scientific studies initiated by GELITA on the mode of action of the collagen peptides within the body. The prospects of the collagens FORTIBONE® and VERISOL® concluded the program. In parallel, the journalists present were given the opportunity of attending expert discussion groups more attuned to their need for information and were able to conduct requested interviews. The topic of beauty also generated significant interest on the part of the journalists. Between the lectures there was ample opportunity for personal exchange and discussion with the experts.

The Sanofi delegation were most appreciative of their visit. The excellent transfer of know-how, the very good communication and the pleasant atmosphere convinced the representatives of the competence of GELITA in Eberbach – and of the superb GELITA company culture.











Radiantly beautiful with GELITA Sol®C



Whether creams, face masks, sera or conditioners: many women – and increasingly more men – are using cosmetics for their skin and hair and to prevent aging. Sol°C from GELITA fulfill these wishes – as a clinical study has impressively confirmed!

GELITA Sol®C as a skin care product has film-forming properties and significantly improves moisture content – after only two weeks of use. This is confirmed by a clinical study involving women aged 32 to 65. In a sub-study, it was even shown that, after only one application of GELITA Sol®C, a significant increase in skin moisture could be demonstrated compared to those who were not treated. The scientific results obtained correlated with the subjective assessments made by the study participants, who confirmed a soft and moisture-regulated skin.

GELITA Sol®C is a natural, pure and highly effective biopolymer for use in cosmetics. In GELITA Sol®C products super-fine micropeptides have a smoothing effect

on the outer layers of the skin as well as providing intensive protection for hair.

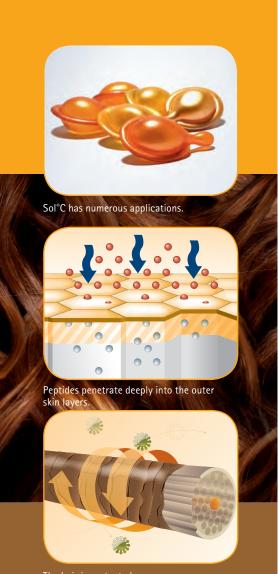
A real treat for the skin

Collagen peptides in cosmetics improve the moisture balance of the skin and protect cells from aging by effectively binding free radicals. The film-forming property of the collagen peptides in GELITA Sol®C makes it ideal as an ingredient of creams, emulsions, body lotions, sera and face masks.

Reinforcement of the hair

In hair products, GELITA Sol*C reduces the damage caused by the chemicals used in dyes, bleaches, straighteners and perms. GELITA Collagen Peptides are similar to the body's own keratin that is responsible for the resistance of the hair; chemically treated hair can thus shine again. As additives to colorants, especially those that are natural, collagen peptides actually improve and intensify coloration. Also in the case of leave-in products, the mild natural properties of the collagen peptides have a demonstrable positive effect on the hair.

A true all-rounder: all cosmetics – from skin creams, shampoos to shower- and bath additives – benefit from GELITA Sol°C!



The hair is protected.

Good for skin

- Improves moisture balance
- Binds free radicals, with an anti-oxidative effect
- Promotes the production of elastin and collagen
- Reinforces the natural protective barrier of the skin
- Maintains the natural pH of the skin and is non-allergenic

Good for hair

- Reduces damage
- Guarantees optimal substantivity, hence improving combing
- Improves color intensity when used with natural colorants
- Reduces irritation by anionic detergents
- Protects from the heat produced during blow-drying and straightening

Successful business year

In 2013, GELITA was able to confirm its position as world market leader and increased its turnover by eleven percent. This in fact exceeded the record result achieved in 2012. The increasing demand for gelatine and collagen peptides for health-promoting products in particular was the basis for this positive development.

The clear growth factors for GELITA are innovations. A glance at the innovation rate for the company shows: in 2013, new developments of the past four years contributed almost nine percent of total turnover. In the future too, GELITA intends to provide impulses for the market by targeting its research and development. In this way it can continue to expand its worldwide leadership.

Did you know that Hollywood uses gelatine?

Did you know that a GELITA sponge is used every 2.5 seconds to stanch bleeding during surgery? Or that gelatine is used to collect particles during space travel? Or that film producers in Hollywood

create special effects using gelatine? These and many other applications involving gelatine can be seen on YouTube. Just enter www.youtube.com and insert "Gelita" and "Did you know" in the search field or scan in the QR code.





GELITA® – a brand name that is 80 years young!

In 1934, Deutsche Gelatine-Fabriken (DGF) registered the brand name GELITA° at the German Patent Office. This proved to be the basis for a very successful brand history: GELITA developed into the synonym for gelatine and today it stands for a world market leader with plants around the globe.

For 80 years now GELITA® has been the world's only brand name for gelatine. Furthermore, the name and product sounds are phonetically practically the same. The product is thus easy to note and remember and gelatine is readily associated with GELITA®: GELITA® has been formed from the word gelatine. This name can be used in all languages and thus has a significant international value.

GELITA® Gelatine has always been the basic element for the continuous growth of the company. At the end of the 1950s, the then DGF AG began to utilize the name to

designate the various forms of leaf gelatine by attaching the names of noble metals: GELITA Gold®, GELITA Silber® and GELITA Kupfer®. In 1959, the company started diversifying the brand names: a health area was established (e.g. GELITA Tampon®, a medical gelatine sponge), a technical gelatine area (e.g. GELITA Klar® for the clarification of wine) and, three years later, an animal feed area (e.g. GELITA Mineralfutter®). Today, the company differentiates between the market segments Food, Health & Nutrition, Pharmaceutical Industry and Technical Applications, including some 20 registered brand names.

Identity concept: the GELITA company group was formed, a worldwide holding company including all the gelatine-producing plants. This transferred the positive image of GELITA® to all the companies. In 2005, the company went a step further: DGF STOESS AG became GELITA AG.

In the meantime, the company is recognized worldwide as being the primary gelatine specialist. Its name stands for quality, values and principles. For customers, GELITA is a partner with whom they can achieve success on their markets. They constantly benefit from new production processes, applications, a service geared to their needs – and a strong brand name that, although already 80 years old, is just at the beginning of a successful history.



1934

In 1934, DGF registered "GELITA" as a word and word-symbol brand in the form of a gold-quality package including the GELITA eagle.



1950

At the beginning of the 1950s, the company registered the GELITA eagle as a separate brand , hence preparing the legal brand basis for an independent GELITA* logo.



1954 - 1979

The eagle was changed a number of times: in 1954 the eye was removed and in 1979 the head was given a stronger profile.

1990

In 1990, the logo was completely redesigned: the eagle was moved from the name GELITA* to the DGF STOESS company logo. This enabled the name GELITA* to be presented in a stronger, more focused way.



GELITA Improving Quality of Life

2005

In 2005, DGF STOESS was renamed GELITA. The logo was completely redesigned. It became more modern, milder, and was presented in a warm yellow. This consequently represented more the company philosophy of "Improving Quality of Life".

Dates to note:

Visit GELITA and see our new, innovative products representing the megatrends of tomorrow. In 2014/2015 we will be present at the following trade fairs:

FISA Sao Paulo August 5-7, 2014

SSW Las Vegas October 8-9, 2014

HIE Amsterdam
December 2-4, 2014

ENGREDEA Anaheim March 6-8, 2015

Vitafoods SA Sao Paulo March 24-25, 2015

FIC Shanghai April 1-4, 2015

Vitafoods EU Geneva May 5-7, 2015

Masthead

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