Jacques Vernin – President, FACOPHAR Santé, France



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Jacques Vernin, president of FACOPHAR Santé – the French association representing companies involved in the natural and herbal health space, explains its role and the future of the organization in participating in social dialogue, shaping regulations and promoting French excellence in the field of herbal ingredients.

Could you please introduce yourself and the role that FACOPHAR plays in the French lifesciences ecosystem?

I am a pharmacist by trade and I spent my early years developing the family company, Laboratoire Vernin, founded in the beginning of the 20th century by my grandfather. Its production was mainly pharmaceutical, with a focus on herbal extracts, biological products and all kinds of gallenical formulations. We used to sell to customers from all over the world and had two production sites abroad, one in Poland and the other in Brazil. It was a very successful company until the Second World War, after which Laboratoire Vernin was converted to a pharmaceutical subcontractor manufacturer. After my father's death in 1967, I was called by the family to take the reins of the company, which at that time had a turnover of 20 million French Francs.

Before that, as a student, I started experimenting in the use of herbal extracts in cosmetics. At the time, I consulted Mr DeLobelle, head of research at Dior and professor at the Collège de France. He had little faith in the development of herbal ingredients in cosmetics, as he considered them

bacteriologically heavy, associated with a high sensitization risk and useless in cosmetics. I managed to change his mind by developing new technologies and clinical studies. Finally I got the greenlight to produce and promote under the Phytélènes trademark. Soon, all the major cosmetic players were clients (Dior, Guerlain, Hermes, Estée Lauder, Avon, Revlon, Shiseido, Pola, Pacific and many others). When I left the company in the 1990s, our turnover was 226 million French Francs. Greentech bought Phythélènes. Now I am president of the association FACOPHAR Santé. Established as a Union in the 19th century, FACOPHAR Santé is an organization that gathers all of the actors involved in the field of herbal remedies. Our main aim is to promote the French excellence and to lobby on the technical/regulatory side of things as experts in botanicals, both at the European and French level.

How has FACOPHAR Santé contributed to advancing French and European regulations in the very specific field of natural and herbal remedies?

Our role is both about shaping regulation and helping companies adhere to and succeed among the regulation.

We want to be present in Europe, with a structure capable of gathering companies at a European level. FACOPHAR Santé in Europe is not heard because we are French. The only way to really influence EU regulation is through continental unity, to essentially do the same we are doing in France but at the international scale.

For example, Europe has banned tests on animals without proposing any alternative methods for our members. We gathered all the herbal extracts producers to propose a new regulatory approach to bring our contribution to “European experts”. Our European branch UNITIS launched a project proposing a predictive method to ensure safety of natural ingredients: the project is called NCSTOX (Safety evaluation of molecules present in Natural Complex Substances). It is based on in silico models, text mining and identification by Nuclear Magnetic Resonance, which analyzes all of the compounds of a complex extract and identifies the presence and concentration of toxical substances. Basically, it helps to evaluate whether or not to use an extract and identifies the risks that come with it. In this way, it is possible to avoid several tests while innovating quickly, as the cosmetic industry is very hungry for new natural ingredients. We are promoting companies that have a high level of research capacity and efficacy, elevating the “natural ingredients” label from a simple marketing aspect to clinical efficacy.

Another role that we undertake is promoting the big growth of dietary supplements. Most of the companies in this sector want to export in high-spending markets like the United Arab Emirates, Asia, and North & South America that only recognize the Current Good Manufacturing Practices (cGMP) prescribed by the FDA. In Europe, we adhere to ISO and EU regulation, but these other regions prefer the level of requirements prescribed by the US authorities, as they are more stringent. Hence, we have a program to help companies that want to export the French excellence in dietary supplements adhere to these standards and expand. The program entails a company diagnostic and an educational element, as it is important to have a strong control on production.

What do you think are the strengths of France in the natural products field, especially in terms of brand image?

The French cosmetic industry has always been a model, a synonym of high value and luxury. When I visited Japan, I was introduced to Yakult, a large food company which is a Japanese version of Nestlé. When they saw that our products were ingredients for companies like Guerlain, Dior, and Hermes, they decided to enter in this business. The following year, they launched a beautiful line of cosmetics with a magnificient design inspired by Guerlain’s packaging.

Also, UNITIS worked with Chanel, LVMH and Pierre Fabre to establish the Botanical Alliance. It is a research association gathering both ingredient producers and end-users in order to gather the input of the full supply chain in evaluating and promoting the base ingredients. It also gives us the possibility to have a database of toxicological information while conducting the safety profile of that products.

How would you define your strategic priorities for FACOPHAR Santé and its members?

Out of regulations on ingredients FACOPHAR Santé has a social role and we are intervening in the discussion about social regulations and in the dialogue of different actors, such as unions and companies.

As a Member of the MEDEF International Commission, we influence on new trade agreements between EU and other world states: US, UK, Japon, Australia …

We are also Founder of the French Federation of the Health Industries (FEFIS) and we are taking part in economic and health programme of the French government.

In French healthcare and lifes ciences, there is a wide gap between giants like Sanofi, medium-sized enterprises like Servier and the multitude of SMEs. How did you see this picture evolve over the last decades?

Let me offer a historical recount of why this is so. In the 19th century, France was very innovative and, in the beginning of the 20th century, more than 2,000 French pharmaceutical laboratories were present and exporting all around the world. Their only competitors were German companies, as the US industry was only focused on serving the North American markets. But the Germans arrived in France during the war, stopped the export of French products, and kept the prices of pharmaceuticals down. The blocked price remained through the De Gaulle regime and liberation up to the mid-seventies, while new heritage duties were imposed.

The last well-known example is the UPSA Group acquired by a British laboratory. This explains why so many French family companies had to sell to pharma groups: the inheritance tax was so prohibitive for the family members they had to sell at the the death of the founder. To build a company it takes 20 years, at least. At the time, people had a life expectancy of 63-68 years; if a company was started at the age of 25-30 years old, then in just 20 years the founder was already at the end of his life. The company was a modest size and the heirs were not able to pay the inheritance tax. That is why companies stayed small, and that is exactly how Sanofi was built and developed: by acquisition of family SMEs and groups. By contrast, in Germany, small companies had no inheritance tax, allowing the presence of a larger number of mid-cap companies to manifest.

Is the arrival of the Macron government, the CSIS, and the Strategie de Transformation announced last week a true sign of new things to come in France?

As FEFIS administrator, I participated in the CSIS and it should be very successful because it is the first time that the government wants cooperate actively in this field. President Emmanuel Macron is creating a lot of hope, just like Nicolas Sarkozy did. I think he is a brilliant man, recognizing that France was going down the stairs of decadence: his program is fundamentally good, but we will see if he succeeds in concretely implementing it.

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