

2017 Report



Corporate Social Responsibility

Making a difference to people's health and quality of life, today and tomorrow



Ferring
Corporate
Social
Responsibility



This report describes Ferring's commitment to Corporate Social Responsibility and its progress during 2017.

Contents

Section One

- 4 The Ferring Philosophy
- 5 Ferring Mission Statement
- 6 A message from Michel Pettigrew
President of the Executive Board and Chief Operating Officer
- 8 Our Industry
- 10 Our Business
- 14 Our Leadership Principles
- 16 Our CSR Heritage
- 17 Our CSR Foundation
- 17 CSR Governance at Ferring
- 18 Ferring CSR Statement
- 19 Ferring CSR Pillars, Objectives, Activities
- 19 Our CSR Pillars and UN Global Compact

Section Two

- 20 Progress Report 2017
- 21 Our Activity
- 22 People Pillar
- 24 Business Pillar
- 26 Environment Pillar
- 28 Community Pillar
- 30 The Road Ahead



© 2018 Ferring, the Ferring logo and other Ferring product names included herein are trademarks of Ferring B.V.





The Ferring Philosophy – the basis of how we do business

Our philosophy, ‘People come first at Ferring’, is the cornerstone of our business and our approach to CSR. It sets out what we expect of ourselves (towards our patients, employees, physicians and partners), as well as the expectations we have of those who make up the Ferring community.

People come first at Ferring because:

Patients using our products and physicians prescribing them have a right to expect that:

- we will only make available those products in which we have full confidence;
- we will offer the best possible products at the most reasonable cost;
- Ferring’s employees will always display courtesy and respect, and act professionally;

Ferring seeks the loyalty of these patients and physicians, and we are prepared to earn this loyalty anew every day.

Ferring expects that its employees will create value for the company and its stakeholders.

Ferring employees, at all levels, have a right to expect from the company and their colleagues:

- respect, support and encouragement;
- a work environment that is safe, stimulating and rewarding;
- the freedom to make mistakes and to admit to them without fear of retribution;
- that the highest standards of integrity will be maintained at all times;

- that colleagues will never knowingly do anything to compromise their position as Ferring employees;
- that all who represent Ferring will do so in ways that generate respect for the company and its employees.

Ferring asks its employees to:

- always do what is right, proper and ethical, and encourage your colleagues to do so;
- speak out when you think that wrongs are being committed in Ferring’s name;
- be loyal, but only to that which is just, equitable, honourable and principled – and true to the Ferring philosophy.

No statement of principled behaviour can ever cover every situation, or deal with every contingency. It can only set the tone, making each individual responsible for applying that tone to his or her everyday practice. We strive to set that tone with five simple words:

People come first at Ferring

Our CSR Statement is based on the firm foundation of our Philosophy (see page 18).



Ferring Mission Statement

Driven by its entrepreneurial spirit and enabled by a decentralised organisational setup, Ferring will harness its world-class competencies in science and business with other innovative technologies to create solutions for patients and doctors. By developing an understanding of people’s needs, we will deliver personalised healthcare solutions, integrating pharmaceutical products with diagnostics, data, devices, education and support services to optimise health outcomes.

Ferring will be the world-leading, most trusted healthcare company in reproductive medicine and women’s health, and a leader in specialty areas within gastroenterology and urology. Each of us at Ferring will contribute to providing innovative solutions to help people live better lives. We will devote significant research and development investment to new therapeutics, life cycle management and next generation healthcare solutions.

As a privately owned, specialty healthcare company that operates globally, Ferring will grow revenues at a rate that is 50% faster than the industry average. We will strive for efficiencies in our business and create flexibility to invest in opportunities to build our future.

We are, and continue to be, part of a transparent and aligned company. We strive to best address the needs of patients, stakeholders and customers by collaborating across functions, experimenting and sharing our practices, and continuously learning. We are always guided by the Ferring Philosophy.

Welcome

A message from Michel Pettigrew

Welcome to our latest Corporate Social Responsibility (CSR) report. It's been a busy year for the business since we last shared our progress with you.

Ferring is committed to helping people live better lives. Ferring is a leader in reproductive medicine and women's health, but we know we have more to do. If we are to create next generation healthcare solutions for patients and doctors, we need to invest more strategically in research, involve patients right from the start, and harness our core competencies to develop innovative and



personalised healthcare solutions. This includes treatments, but also diagnostics, devices and education. It's not just about helping today's patients, it's also about anticipating the needs of tomorrow's patients. Which, of course, is at the heart of our CSR mission – 'making a difference to people's health and quality of life – today and tomorrow.'

In 2017 we launched our new Mission Statement, which sets out a bold new aspiration for the business – to be the world-leading, most trusted healthcare company in reproductive medicine and women's health, and a leader in specialty areas within gastroenterology and urology.

In order to do that, we need to continually earn the trust and confidence of our patients, doctors, employees, suppliers and academic partners wherever we operate. Our CSR commitments help us do this, but they also help us in other ways e.g. address risks in our supply chain, reduce our environmental footprint and give us a licence to operate in our communities.

Of our flagship efforts to date, I'm particularly proud of our collaborative research programme CHAMPION. Through the CHAMPION clinical trial, we are investigating a potential solution for reducing deaths caused by post-partum haemorrhage, the leading direct cause of maternal mortality. If positive results are secured, Ferring will manufacture this treatment for the public sector of low and lower-

middle-income countries that have a high burden of maternal deaths. This will be on a non-profit basis at an affordable and sustainable access price. Since reducing maternal mortality is one of the UN's Sustainable Development Goals (SDGs), I feel it's a great example of where we can harness our core expertise for the greater good. This is exactly where Ferring should be focusing our CSR efforts – integrated into our business, to our purpose, and helping to address unmet needs.

Of course, looking ahead, we want to build on signature programmes like this. Yet, we also need to work on embedding CSR into our daily business practices. Since we joined the United Nations Global Compact (UNGC), we're committed to its ten principles. These affect all aspects of the business, not just in areas where we have a particular expertise – from business ethics through to responsible supply chains and good environmental practice. We've established a good foundation, but I'm keen to strengthen our governance in these areas, and to incentivise and encourage the entrepreneurial spirit of my colleagues in addressing some of the challenges. Indeed, they expect nothing less.

I hope you enjoy this year's report, and as always, we look forward to hearing your views on our progress and to your continued support.

Michel Pettigrew
President of the Executive Board
and Chief Operating Officer



Our industry

Strength through collaboration



We are acutely aware of our role in championing good business at Ferring. An increasingly challenged, globalised world with fast-evolving disease demographics means our industry has much work to do.

- **Resource-constrained climate –** In a world where resource-constrained governments seek to slow the rise in health care costs, pharmaceutical companies continue to face scrutiny related to the pricing and reimbursement of their products. Concern over pricing practices is widespread and remains an important issue on the political and campaign agendas globally.
- **Demonstrate high product value –** Companies are increasingly under pressure to demonstrate the value of their products and ensure their pricing practices are sustainable. Access to healthcare and treatment for disadvantaged populations will continue to be an important issue for the industry – and rightly so. And the needs of those disadvantaged are not just found in developing markets, but developed ones too.
- **Shifting disease demographics –** Changing disease demographics mean that the industry must evolve fast to keep up. One of the sector's greatest challenges is that it relies heavily on R&D for innovation and product development which can take years to be market-ready. Innovation breakthroughs require talented researchers and scientists too. The industry must continually strive to attract and retain this talent.

- **Reputation and ethics –** The reputation of our industry rests on how we, as individual businesses, conduct ourselves. Business ethics, transparency, product quality & safety remain vital to companies' license to operate. While the sector as a whole has seen record fines for violations over the years, it is learning some lessons. This only becomes more important with the advent of social media and increased regulatory oversight.

- **Strength through collaboration –** There are growing examples of collaborative efforts in the sector aimed at strengthening healthcare systems and infrastructures, harnessing the power of technology and technology transfer to countries that could benefit greatly – mobile health (mHealth), global vaccine programmes, partnerships in HIV/AIDS, malaria, women's health and much more. These partnerships can only grow in number as the industry recognises the limitations of individual company efforts.

Ultimately, we are proud to be part of an industry that has the capability of providing health solutions to all those who need them. This need comes with a duty of care which cannot be carried alone.

A sustainable, affordable healthcare requires many actors to play their part – scientists, doctors, healthcare workers, NGOs and governments. We look to them to guide and support our work, so that we may collectively build healthier communities of the future.





Our business

History, strategy, research and focus

'Our job is to continue to respond to the needs of today's patients as well as anticipate the needs of tomorrow's patients.'

Michel Pettigrew
President of the Executive Board
and Chief Operating Officer

A history of pioneering

Ferring was established 68 years ago in Sweden. Our Founder, Dr. Frederik Paulsen, became a pioneer in developing and selling pharmaceutical products based on natural peptide hormones produced by the body's pituitary gland. He was convinced that these new compounds could play an invaluable role in the treatment of life-threatening conditions. Over six decades later, Dr. Paulsen's conviction has been proven. Today, peptides remain core to many of our therapeutic treatments.

Ferring Pharmaceuticals is a research-driven, speciality biopharmaceutical group committed to helping people around the world build families and live better lives. Headquartered in Saint-Prex, Switzerland, Ferring is a leader in reproductive medicine and women's health, and in speciality areas within gastroenterology and urology.

Founded in 1950, Ferring now employs approximately 6,500 people worldwide, has its own operating subsidiaries in nearly 60 countries and markets its products in 110 countries. While Europe and the US are our largest markets, we are seeing our fastest growth in markets such as China and Japan.

At the heart of the business is a commitment to develop personalised treatments that work on the body's own terms. In other words, we use peptides and proteins that work with the body's own endocrine system to combat diseases and medical conditions.

We have our own manufacturing facilities in 11 countries, including several European countries as well as Argentina, Israel, India and China. We have also built new facilities in the USA. Including acquisitions to date, this means we have capabilities in both recombinant biotechnology as well as more traditional pharmaceutical manufacturing.

Distribution of Ferring's total global sales by region (2017)

Global headquarters

Ferring International Center,
Saint-Prex, Switzerland

Global reach

Subsidiaries in nearly 60 countries

Global sales

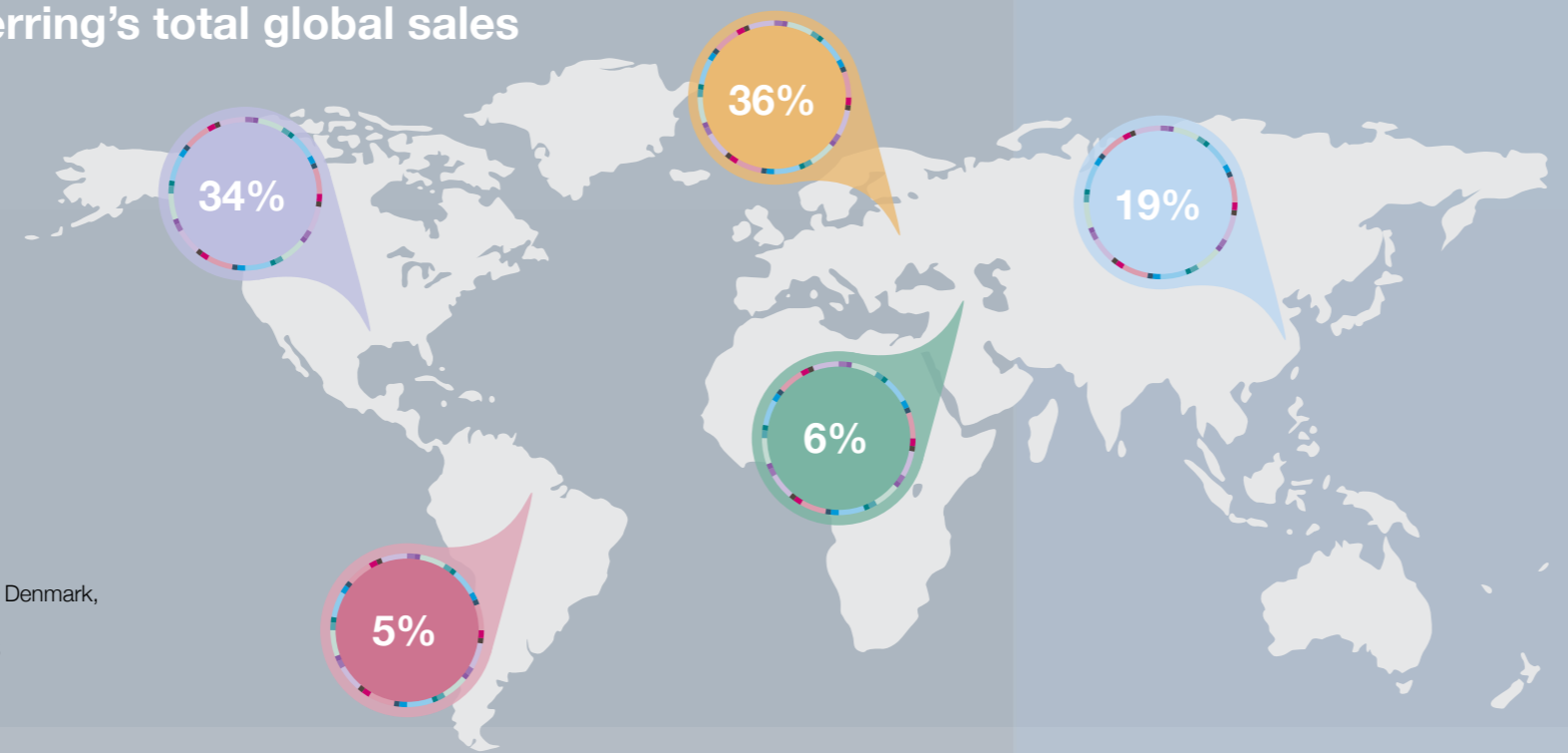
Sales distribution in 110 countries

R&D Centres

China, Denmark, India, Israel,
Japan, Scotland, Switzerland, US

Manufacturing network

Argentina, China, Czech Republic, Denmark,
Germany, India, Israel,
Mexico, Scotland, Switzerland, US



A strategy focused on sustainable growth and leadership

As patient demographics for diseases and chronic conditions evolve, we must continue to respond to the needs of today's patients as well as anticipate the needs of tomorrow's patients.

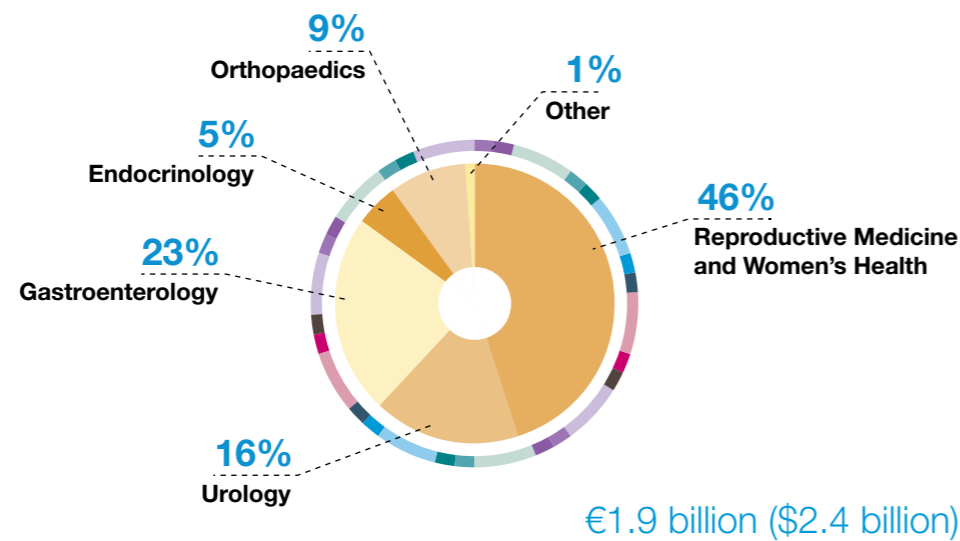
One of the advantages of being a privately-owned business is that we can make our own decisions about how and when we invest, without being distracted by short-term quarterly results driven performance.

A freshly-launched corporate mission statement will help us to focus on the next stage of growth. Our goal is to sustain growth at 50% higher than the industry average. Ferring will do this by harnessing its core competencies in science and business with other innovative technologies to create the next generation of solutions for patients and doctors. We plan to develop and deliver personalised healthcare solutions, integrating pharmaceutical products with diagnostics, data, devices, education and support services to optimise health outcomes.

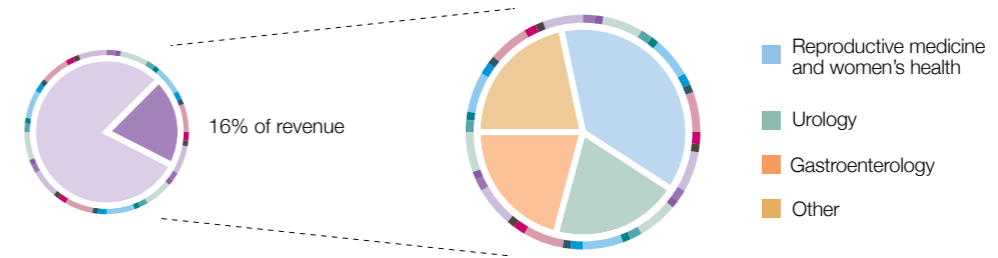
Our intention is to be the world-leading, most trusted healthcare company in reproductive medicine and women's health, and a leader in specialty areas within gastroenterology and urology. In order to do so, we need to invest more in research – specifically in new therapeutics, life cycle management and next generation healthcare solutions.

Power through research

Approximately 16% of our revenue goes back into research, which is in line with the industry average. With R&D facilities based in nine countries, our activities are focused on developing first-class therapeutic peptides and proteins in our key therapeutic areas. As disease demographics evolve, we are committed to creating new medicines and developing patient-friendly drug delivery systems – such as pen injections with easily adjustable digital dosage mechanisms.



2017 Total Sales Overview



R&D investment in all therapeutic areas

We also work to adapt existing peptide based medications to meet specific medical needs. Often this means collaborating with scientific institutes and other biological and pharmaceutical companies throughout the world. Some of our key partners include the Salk Institute (US), Louis Pasteur Institute (France) the Karolinska Institute (Sweden) and the Chinese Academy of Science. We are also undertaking a large-scale research project with the March of Dimes (a US-based organisation) into the reasons for premature birth.

Our nine development sites include six product development laboratories in Copenhagen (Denmark), Parsippany (US), Glasgow (Scotland), Be'er Tuvia (Israel), Basel (Switzerland) and Mumbai (India). Our main pharmaceutical development hub is in Copenhagen. The Copenhagen and Parsippany sites drive and execute product innovation and development of new molecular entities as well as further development of our existing in-line products to better meet patient needs or address new disease areas.

Gastroenterology

We develop products to support and supplement our leading gastroenterology therapy for the treatment of Crohn's disease and ulcerative colitis, as well as new treatment options for inflammatory bowel diseases and other lower gastro-intestinal conditions.

Urology

We are keen to build on our work in this area by introducing innovative products to supplement our existing portfolio of drugs.

Looking ahead

In order to deliver on our ambition, our strategic priorities are focused on driving transformation initiatives designed to unleash efficiencies in the business, renewing our focus in R&D, accelerating a culture of innovation, and embedding stronger leadership principles in management.

Our core areas of therapeutic focus

Reproductive Medicine and Women's Health

This is the most significant part of our business. We are already committed to therapies in fertility and obstetrics that harness the body's natural processes to help couples conceive. We hope to offer new and innovative products in this area and provide treatments to aid every stage of the reproductive cycle. We also want to help improve women's chances of surviving childbirth, and to overcome or manage diseases of the reproductive system.

'This work, together with the CSR culture we're building, means that if you're a scientist, a college graduate or a supplier, Ferring should be the kind of company you would want to work with.'

Aaron Graff
Executive Vice President
and Chief Commercial Officer







Ferring's Leadership Principles

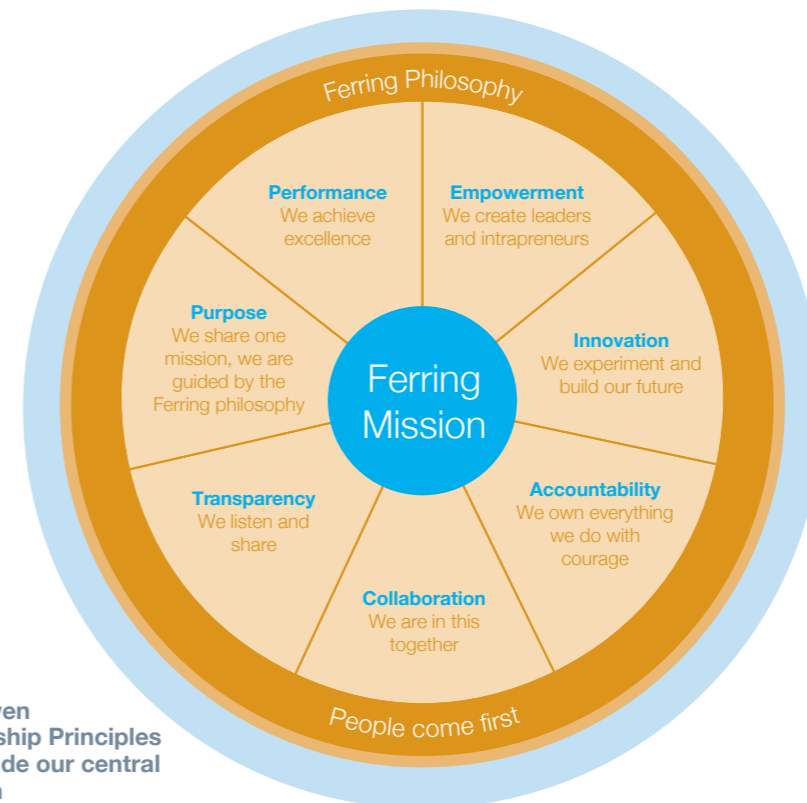
Building a business sustainably cannot be achieved without building a collaborative and entrepreneurial culture that supports and enables it. We have launched a new set of Leadership Principles to help us do this. These seven principles have the Ferring Philosophy as the

cornerstone and are designed to strengthen the focus, efforts and behaviours of colleagues across the business, as set out below.

These seven principles will act as our guide in the pursuit of our new mission: with a shared sense of purpose, empowered to be more entrepreneurial, encouraged to act with accountability, transparency and a collaborative spirit, we aspire to deliver with excellence.

- 
Performance
 We achieve excellence
We set ambitious goals, we win together
- 
Innovation
 We experiment and build our future
We search for new solutions, we take risks for innovation, we learn
- 
Collaboration
 We are in this together
We work together across teams, functions and geographies
- 
Purpose
 We share one Mission, we are guided by the Ferring Philosophy
We know why we are here, we inspire each other

- 
Empowerment
 We create leaders and intrapreneurs
We empower, we boost our teams, we incite learning
- 
Accountability
 We own everything we do with courage
We seize responsibilities, we are accountable for our decisions
- 
Transparency
 We listen and share
We communicate honestly, we do it often, we make it simple, we make it clear



Our seven Leadership Principles that guide our central Mission



Our CSR

Dr. Frederik Paulsen and his wife Eva, also a scientist closely involved in the company's creation.

heritage

Our CSR responsibility has evolved to reach the people, communities and organisations we impact

CSR Governance at Ferring

Central to what we do, is a commitment to the human cause. This was the founding principle by which Dr. Frederik Paulsen first established Ferring in 1950. His goal was to improve people's health through medicine on the body's own terms, and 68 years later, we strive to stay true to that mission.

Our core responsibility is to develop and deliver innovative therapies that improve the quality of patient lives, and in some cases, save lives. However, expectations of what constitutes corporate responsibility have evolved significantly since Ferring was first established. So too, have our own expectations of ourselves. Today we understand that we have a broader responsibility to both the people and organisations we impact throughout our daily operations – namely, our employees, patients, suppliers, research partners, and the communities and environment in which we operate.

Ferring first expressed its view of this wider responsibility in The Ferring Philosophy 'People Come First at Ferring' in 2004. Then in 2012, we launched our formal CSR strategy and, building on The Philosophy, we created our CSR Statement (on page 18). Subsequently, a globally representative Taskforce was established, and since then we have continued to build on those firm foundations.

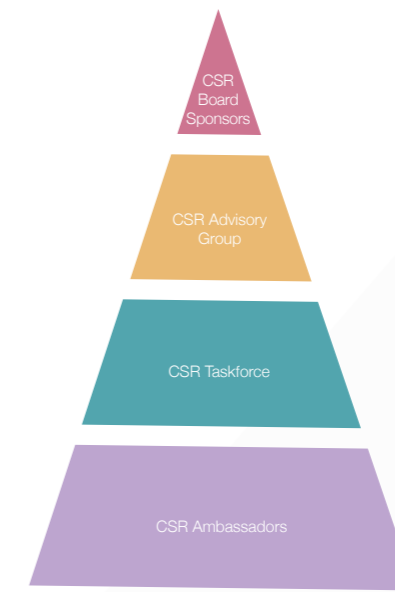
CSR Governance at Ferring

At the centre of our governance structure is the CSR Taskforce, a cross-functional and global team, which undertakes daily management of activities across the business. Our outreach across the world is made possible with our network of nearly 20 CSR Ambassadors, located in nearly 20 countries. For decisions on strategic direction, policies or new global initiatives, we seek input and sign off from our senior Global Advisory Group, and our two key Board-level Sponsors, COO and President of the Executive Board, Michel Pettigrew, and Per Falk, Executive Vice President and Chief Science Officer.

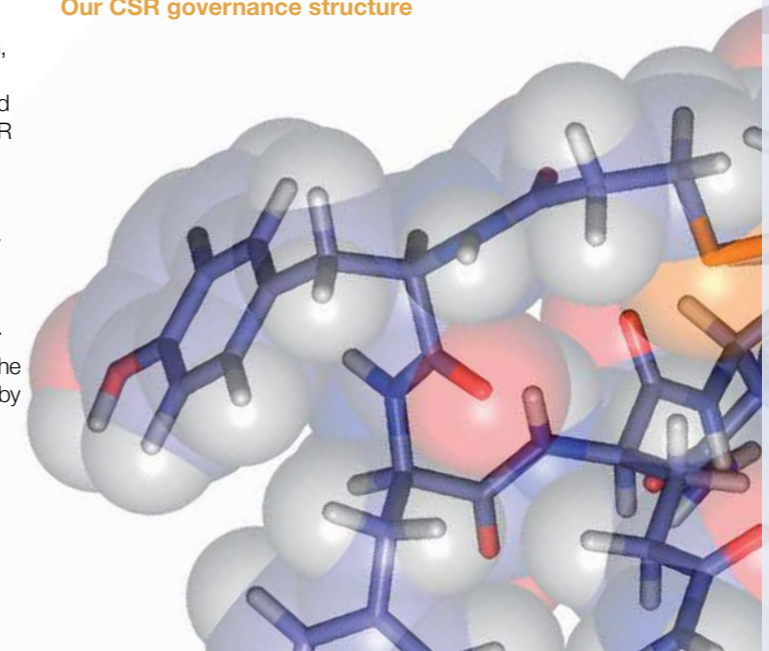
In 2017, we moved the responsibility for CSR into the Global Ethics & Privacy Office. Our intention is that by placing it at the heart of our ethical activities this will both strengthen oversight and facilitate embedding CSR throughout the business.



The company is named Ferring in honour of the community on the Island of Föhr, to which Dr Paulsen's family belonged.



Our CSR governance structure





Our CSR Statement

– People come first at Ferring

The Ferring Philosophy places people at the heart of what we do. We will address the needs and support those on whom we have an impact in the communities where we operate.

Our philosophy and values determine not just what we do, but how we conduct ourselves in the marketplace, with our patients, employees, regulators, business partners and local communities. We aim to listen with respect and act with integrity.

We believe that in a resource-constrained environmentally challenged world, it is our duty to minimise our impact on the environment wherever we operate.

Our approach rests on the belief that in order to have a healthy tomorrow, we must think beyond the needs of today. We aim to harness our research and expertise to secure a better future for all.

Making a difference to people's health and quality of life, today and tomorrow.

Our CSR pillars, objectives and activities are aligned to our Philosophy and Mission.

Four thematic pillars represent the range of CSR activities at Ferring. They lend a focus for our efforts and a means of telling our story.

Philosophy: People come first at Ferring

Our CSR Statement

Making a difference to people's health and quality of life, today and tomorrow

Our CSR Pillar Objectives

Specific to each of our four pillars



Our CSR activities

Aligned to pillar objectives

Our pillars and United Nations Global Compact (UNGC) Principles

Our pillars encompass the UN Global Compact's own set of Principles related to human rights, labour, anti-corruption and environment.

UN Global Compact Principles 1–10

Human rights

- P1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- P2: make sure that they are not complicit in human rights abuses.

Labour

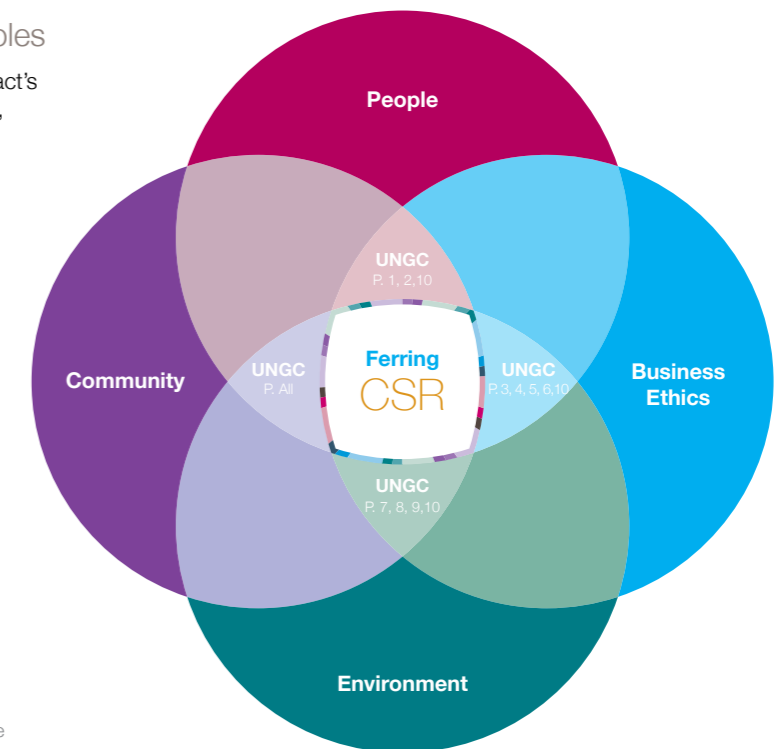
- P3: businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- P4: the elimination of all forms of forced and compulsory labour;
- P5: the effective abolition of child labour; and
- P6: the elimination of discrimination in respect of employment and occupation.

Environment

- P7: businesses should support a precautionary approach to environmental challenges;
- P8: businesses should undertake initiatives to promote greater environmental responsibility; and
- P9: encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

- P10: work against corruption in all its forms, including extortion and bribery.



Our four CSR pillars encompass the UN Global Compact Principles (P1-10), which together inform our CSR statement

Our Progress Report

Our CSR journey to date



This summary report offers up high-level reflections on our progress against goals we set ourselves in last year's report.

Over the past year we have made significant progress. It has also been a year of transition and restructuring in the business. Together with the launch of our new Mission Statement this has necessitated a review of current endeavours and a re-orientation of our thinking. However, this restructure has enabled a sense of clarity which will carry us forward into the coming year.

For our Signature Programme in Maternal Health: after extensive consultation, we have decided to focus our efforts on existing programmes such as CHAMPION. This initiative, dedicated towards reducing maternal death in childbirth, is the area we believe we can make the greatest difference.

Building on our CSR Ambassadors (formerly Champions) network: we have begun the process of developing training modules for our network and reaching out to new Ambassadors across our business. The testing and roll-out of draft volunteering guidelines remains in consultation phase, in order to ensure fuller global support across key regions.

We continue to make steady progress on our EHS targets, driving resource efficiencies and safety at site level, extending our carbon footprint assessment to Scope 3 emissions, and introducing more rigorous methods of measuring our progress.

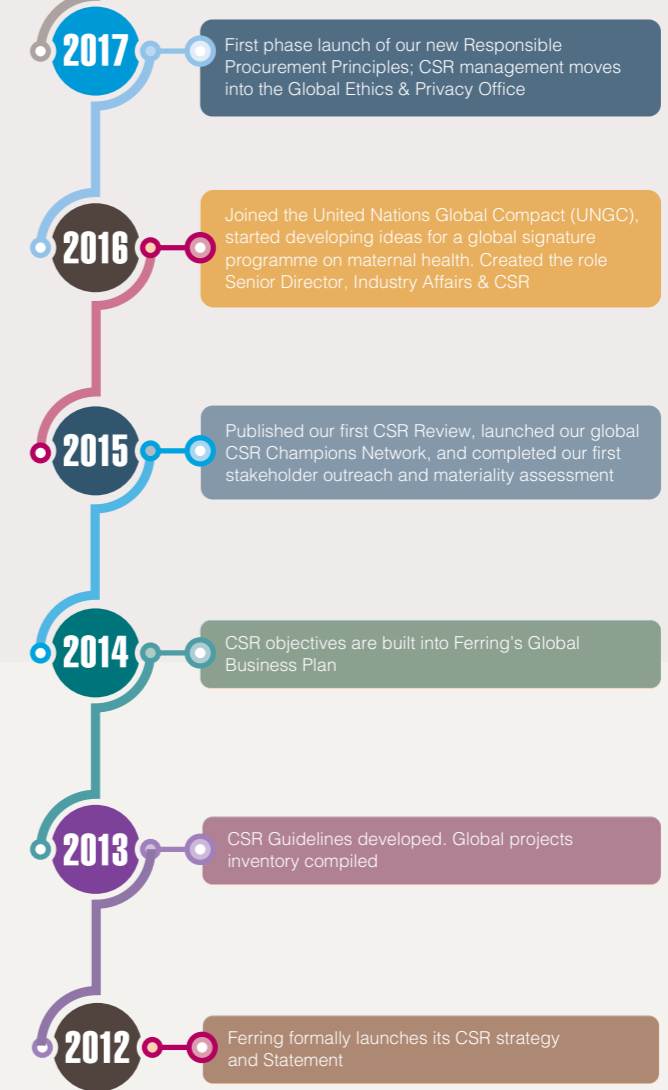
Further development of our sustainable purchasing strategy: roll-out of our new Principles has already begun with 1st tier suppliers, though further work will be conducted in the next year to ensure a wider and fuller engagement with other suppliers.

Launch of first work-life balance initiative: our 'Work Smarter, Live Better' initiative, aimed at fostering better and more motivated employee engagement and motivation, has been launched successfully. A subsequent survey conducted in early 2017 at Ferring's headquarters reflected a wish for more flexible working arrangements. Since then we have launched new guidelines allowing working from home.

As a signed up member of the Global Compact we look forward to continuing our learning journey

with them, and to sharing this CSR Review as our annual Communication on Progress (CoP) to the Compact. The Q&A from Michel Pettigrew, Ferring's President of the Executive Board and COO, at the beginning of this review, serves as our formal statement of support for this initiative.

Our CSR Journey to Date





People

Introduction

Objective
Support, develop
and meet
people's needs
and rights

Supporting, developing and meeting people's needs and rights speaks to the core intention of our work with, and for people – our colleagues, our patients, healthcare professionals, and all those whose lives we affect, directly or indirectly, in our working community. This ambition is underwritten by our Philosophy that 'People Come First at Ferring'.



Photo credit: Joni Kabana, Kabana Photography

'A key aspect of CSR is its contribution to building Ferring's employer brand identity... for attracting talent and keeping good people.. our CSR Ambassadors are a vital part of that.'

Lydia Chua, Senior HR Director,
Asia Pacific

Within the business, we aim to provide a safe, healthy and supportive environment for our colleagues, one that encourages performance and pride. At the same time, we seek to provide the right kind of support (whether training, financial or medical) to our patients and the network of healthcare partners around them.



Photo credit: Joni Kabana, Kabana Photography

Our Progress

Policies and Practices

We have a comprehensive set of policies and processes designed to enable and support colleagues' journeys through Ferring wherever they are around the world. Some highlights:

- A new Ferring Philosophy global training programme "Leading with Integrity", was rolled out at manager levels across the business in 2017.
- In Asia Pacific our employee-run welfare committees and CSR committees organise employee engagement activities to foster a sense of team spirit and collaboration (e.g. fun runs, movies, annual dinners etc).
- Flexible working arrangements are now increasingly core to how we work, supported by improvements in supporting technologies which make telecommuting more accessible.
- Ferring Pharmaceuticals Russia was awarded the Aon Hewitt Best Employer of Russia 2017. The business showed 92% levels of engagement and a participation rate of 97%. The Aon Global Best Employers' programme recognises achievements that demonstrate excellence in the workplace.

Selection of our initiatives

Combating maternal death

ONGOING

Excessive bleeding after childbirth, known as post-partum haemorrhage (PPH), is the leading cause of maternal death. Each year, more than 80,000 women die from PPH. Oxytocin is currently recommended as the standard of care for preventing PPH. However, it must be stored and transported at 2-8 degrees Celsius which is difficult to maintain in many countries, meaning many women do not have access to this lifesaving drug and, when they do, its quality may be degraded due to heat exposure.

30K
women

Together with its partners MSD for Mothers and the World Health Organization (WHO), Ferring is collaborating on the world's largest clinical trial in maternal health.

CHAMPION has enrolled approximately 30,000 women from across 10 countries to compare the effectiveness and safety of Ferring's medicine, heat-stable carbetocin, to oxytocin in the prevention of PPH.

Our goal is to make PPH history. If positive results are secured from the trial, Ferring will seek to obtain registrations and manufacture this treatment for the public sector of low and lower-middle-income countries that have a high burden of maternal deaths. This will be on a non-profit basis at an affordable and sustainable access price. In doing so, we aim to play our part in supporting the UN Sustainable Development Goal (SDG) 3: Ensure healthy lives and promote wellbeing for all at all ages.

Next generation gastroenterologists

Our Czech Republic office has been supporting the Kasafirek Prize for the last six years. It supports a long-term educational programme for young gastroenterologists and endoscopists and is awarded for the best professional article on gastroenterology or endoscopy published in a leading international gastroenterology journal. Candidates nominate their articles annually and the expert committee (which includes Ferring) decides on the winner. The Award-winner receives €2,000 during the opening ceremony of the largest global gastroenterology congresses. We see this project as an example of our desire to support young physicians, our future opinion leaders in the sector, and encourage their global recognition.

Fertility research collaboration

Ferring is a core member of ReproUnion, a network of 13 clinical and research units across Denmark and Sweden designed to foster research and clinical collaboration across disciplines and geographical borders in fertility. Central to its philosophy is the desire to optimise the treatment of patients. By combining expertise from different centres, patients can be referred to the right specialist in Sweden or in Denmark. Up to six colleagues from our Therapeutic and Clinical

1.5m
Euro

teams in Copenhagen are involved. Since our involvement began in 2015, between 200-300 academics/clinicians have been reached, more than 1,000 patients assisted, and up to 10,000 members of the wider global scientific community reached via publications. Ferring has contributed EUR 1.5 million to a total collaborative budget of EUR 13.5 million. <http://reprounion.eu>

Global Challenge – Body & mind fitness

1.6K
Employees

In the fourth year of Ferring's participation in the Global Challenge, almost 1,600 employees took 10,000 steps a day during a 100 day virtual journey around the world.

Ferring China topped the team leader board with an impressive average of 25,000 steps per day. Together, Ferring teams have walked a distance equivalent to 30 circumnavigations around earth. The 100-day Global Challenge encourages employees to bike, walk, run, and swim to improve overall health and wellbeing – and have fun! The Challenge also offers tips on nutrition and a healthy mind-set. This year's results prove the benefits, with 50% claiming to feel more productive and 70% less stressed.

See full project list @
ferringresponsibility.com



Business Ethics

Introduction

Good business ethics is at the heart of being a good corporate citizen. To reinforce this, we recently moved responsibility for CSR into the Global Ethics & Privacy Office. There's always work to be done to raise awareness, train and empower people to do the right thing – ethical dilemmas are part of everyday business, and it is our job to enable colleagues to navigate these, and to support them in cases where they can't do this alone.



The business of ensuring we consistently develop, manufacture, market and deliver safe therapies to patients in a responsible way worldwide is a complex one. Firstly, we have a legal responsibility to be compliant wherever we work around the world. Beyond our legal duties we also have a duty of care to everyone whose lives we touch in that process – from colleagues in the labs and factories through to doctors and patients around the world. As a company with a global footprint, we need to be sensitive to cultural norms and practices wherever we operate. We believe in the universality of core ethics and principles enshrined in the UN Global Compact – specifically on labour & human rights, transparency and anti-corruption.



Our Progress

Policies and practices

The Global Ethics Office is the guardian of business ethics for Ferring. Our Global Ethics Officer reports directly to the Group General Counsel and the Ethics and Compliance Board Committee, itself the custodian of Ferring's commitment to integrity, corporate ethics and compliance. The core Ethics team is supported by a global network of Ethics Ambassadors at local country level, who together aim to ensure that a culture of ethics is shared and fostered amongst both new Ferring employees and senior managers alike.

This approach rests on a core set of policies and guidelines in our Business Ethics Training Responsibilities Standard Operating Procedures (SOP), which are updated regularly to stay on top of emerging issues. This SOP is rooted in the Ferring Philosophy, the cornerstone of our approach. Our policies and guidelines are supported by a range of engagement tools such as the Ferring AlertLine and the Ethics E-Learning programme.

'Our job is to create a working culture of trust and accountability that we can be proud of – one that supports good business ethics and the Ferring Philosophy.'

Jade L Shields, Snr Chief Privacy Officer, Head of Business Ethics and Corporate Social Responsibility (Global Data Protection Officer)

Selection of our initiatives



Managers Ethics training

ONGOING

200 colleagues trained

Training on business ethics is an ongoing commitment at Ferring. Our managers' training is designed to give senior colleagues the necessary tools and knowledge on how to handle common situations and challenges that they might encounter in daily operations, and to build leadership behaviours. We actively encourage participants to use each other as sparring partners in challenging situations. The programme is facilitated by our Global Ethics team and regional management which supports roll-out. This year, our training has reached approximately 100 managers from the Middle East (META) region, 60 managers from India and 40 managers from China.

Ethics Awards 2017

BI-ANNUALLY

The purpose of the Global Ethics Awards is to engage and raise awareness on the values of the Ferring Philosophy. Employees are invited to submit their best ideas for what "People come first at Ferring" means to them, using any creative means they choose. The awards are an example of cross-functional collaboration and teamwork. The Global Ethics team was supported by Corporate Communications and Ethics Coordinators, our local representatives for in-country efforts. A senior executive panel selected the final winner – which this year was China – whose team submitted an engaging video explaining why ethics was essential to doing good business at Ferring.

Supplier Conduct Principles

IN PROGRESS

We have published our Supplier Conduct Principles. These are built around our commitments to the Global Compact, and focused in four areas: Labour & Human Rights, Environment, Health & Safety, and Ethics & Anti-Corruption. We have started sharing these across our supplier base with the aim that they should be included in every tender document with our suppliers.

See full project list @ ferringresponsibility.com



Objective
Minimise our
environmental
footprint

Environment

Introduction

Business needs a healthy working and operating environment in order to thrive. Ferring's commitments embrace both the provision of a safe and healthy working environment for our employees and a commitment to minimise our environmental footprint in the wider world. And in parts of the world where natural resources are scarcer, or pollution and climate change challenges more evident, we have a greater duty to play our part – for example, through scientific and site-based approaches to water scarcity.



On environmental goals

- **Carbon emissions** – by 2017 we had achieved a 15% absolute reduction and a reduction of 52% relative to sales against a 2010 baseline. Our target is an absolute reduction of a further 10% by 2023 against a 2017 baseline, with plans to extend our assessment of Scope 3 emissions beyond Product Supply to the rest of the business
- **Water index** – we have site-based targets based on production volume and water scarcity, with plans for a 5% improvement by 2023 against a 2017 baseline
- **Waste** – we apply a waste reduction hierarchy methodology to minimise our waste continually.

- **LCA** – Plans for product life-cycle assessment (LCA) on key products.

On health and safety

- On LTIR (Lost Time Injury Ratio) we continue to improve over time; our aim is to achieve the Pharmaceutical Safety Group Benchmark by 2023
- A continuation of EHS induction training across all Ferring sites
- Employee participation in health promotion programmes – e.g. the Global Challenge.



Our Progress

Policies and practices

ONGOING

Our overall approach is one of continuous improvement against clear targets for energy, emission reduction, water, waste and packaging. This is supported by progressive implementation of International Organisation for Standardisation (ISO) standards and audits across all our manufacturing sites¹.

We also seek to build a culture of training and education around environment, health and safety to raise awareness and engagement from colleagues across our operations globally. Our Leadership Through Safety® (LTS) training is one example of how we aim to embed this culture at all levels.

We fully endorse the three Global Compact Principles that relate to the environment: a precautionary approach to environmental challenges, initiatives to promote greater environmental responsibility, and development and diffusion of environmentally friendly technologies.

¹ ISO14001, ISO50001, ISO45001

Examples of our work

World Environment Day

ANNUALLY

We celebrated World Environment Day at Ferring Headquarters to help raise awareness of the importance of the environment for our own wellbeing, the company and the community. A series of keynote speeches, seminars, exhibitions and games encouraged understanding of how individual actions make a difference. Teams tested e-vehicles, learnt about eco-driving, and took test rides on urban, cross, and touring e-bikes. Employees were also eager to learn about the Swiss Polar Institute's work on climate change and air pollution, actively supported by Frederik Paulsen, Chairman of Ferring.

'We need to be more open about our environmental footprint – not just in manufacturing but the rest of the business too – for example, the impact of our travel. It's important we publish this data and make it clear where we need to improve.'

Lars Peter,
Executive Vice President and
Chief Production Officer

Leadership through Safety®

ONGOING

The Leadership Through Safety® (LTS) programme was launched to help drive an active and transparent safety culture in Ferring across our manufacturing sites. Participants are inspired to become caring leaders through a programme and tools to drive sustainable change in self and team. A team of 16 facilitators from a range of disciplines have been trained through a train-the-trainer programme so that the initiative can be rolled out across our global operations. All employees from Product Supply are expected to participate in the programme over coming years.

EHS Velocity data management

NEW

In order to enable greater transparency and ownership of environmental, health and safety (EHS) data, Ferring has started implementing a data management system called EHS Velocity. This platform will provide an integrated solution to support business operations across the Ferring Group so that we can better manage, monitor and improve our EHS performance, ensure compliance with EHS regulations, and have better analysis of relative costs and benefits. The central management of EHS data will also help us report better to authorities, the UN Global Compact, ISO certification bodies, customers and the wider public.

See full project list @
ferringresponsibility.com



Community

Introduction

Ferring's wellbeing is dependent on the wellbeing of the communities in which we operate. We have a longstanding history of engagement with local communities around our factories and office sites. As we grow our business, we expect to grow our commitment to them too.



Given the decentralised nature of our business, we are not overly prescriptive about which community activities our global operations should support. However, two abiding principles guide our approach: supporting local causes that are relevant to the community in question and that are close to employees' own hearts; and of equal importance - supporting needs in areas where we have a particular expertise or skill, for example in health, scientific education or operational logistics.



Our Progress

Policies and practices **ONGOING**

Aiding our efforts at a local level are our CSR Ambassadors, now nearly 20 across nearly 20 countries. Our Ambassadors are tasked with helping to raise awareness of our CSR efforts and lead local community engagement efforts in their markets. We know we have more to do to empower and engage our Ambassadors, and look forward to creating more opportunities for their involvement in 2018.

To date, we encourage individual countries to shape their own community engagement efforts; countries such as the US and Belgium have led the way with their annual Ferring Community Days which encourage a full day of team volunteering. We intend to introduce Volunteering Guidelines and a supporting framework for local affiliates which will facilitate a more systematic roll-out of volunteering across the business.

'Our CSR Committee strives to ensure that the Ferring philosophy and our CSR pillars are evident in everything we do. Engagement with the local community not only improves our team-building skills, but also ensures we put the spirit of the Ferring Philosophy into practice.'

Samantha Pozzebon,
CSR Committee, Ferring Canada

Selection of our initiatives

Children's Network – Hungary **VOLUNTEERING**

Some of our colleagues in the Hungary office, encouraged by a recently introduced volunteering policy, have chosen to support the Serious Fun Camps for children suffering with serious or chronic IBD or oncological conditions. The camp (Bátor Tábor in Hungarian) organises therapeutic recreation camps for children and their families, as well as for families who have lost a child to severe illness. The camp is designed to help and support the children to become more resilient and able to cope. Three employees have spent a total of 10 days in the camp over the year, volunteering their efforts and support. They too, have gained an important understanding of the daily challenges to the children and their families.

Cancer Awareness – US **AWARENESS**

Colorectal cancer can be fatal if it remains undetected. To boost awareness of this disease and encourage better understanding of the risk factors – many of them lifestyle and diet related, the GI team in Parsippany kicked off Colorectal Cancer Awareness Month with activities in support of Colon Cancer Alliance's Dress in Blue Day™. The team organised a desk drop of important colorectal cancer facts to promote the importance of colonoscopy screening, prevention

and early detection, and issued colleagues with materials to raise awareness.

This effort reached both office and field based colleagues, educating and sharing advice on risk, diagnosis and treatment options.

Community Day – Belgium **VOLUNTEERING**

Following successful initiation of a Ferring Community Day in 2015, we built on our success in Belgium by identifying two local organisations we could support through volunteering. Ferring Belgium employees (24 out of 27) contributed a day of their time to Steunpunt Welzijn, a local initiative focused on social integration, and Centrum Therapeutisch Paardrijden, a charity that specialises in equine assisted therapy for children. Each employee was deployed to tasks where they could best contribute – everything from IT support, through to advice on market outreach and cleaning out stables.

Support for Prematurity **RESEARCH**

Ferring has committed \$10 million over 5 years to support the network of March of Dimes Prematurity Research Centres in the US, including funding for the new European-based centre. A multi-disciplinary approach, this support will help build a capacity for first-class research focused on preventing birth defects, premature birth and infant mortality.

See full project list @ ferringresponsibility.com



The road ahead



I am privileged to have been asked to take on the job of directing the next stage of Ferring's CSR journey.

It is a journey that started, and has been sustained, by many committed colleagues around the world before me. With their continued support and energy, I look forward to playing my part.

Building on the foundations we have, we will continue to build a strategy over the coming year that is aligned with our Philosophy and new Mission Statement, as well as supportive of our decentralised business approach.

We will work to:

Support and develop existing CSR programmes

- Consolidate, support and build on current global and local activities e.g. CHAMPION, March of Dimes.
- Enable initiatives that align to global objectives – such as unmet needs in reproductive health, ethical supply chains and reducing our environmental impacts (e.g. plans to introduce solar power into our India operations).

Strengthen Governance

- Build integrated CSR governance and profile to align with the business, embedding CSR into organisational team meeting agendas.
- A strengthened Taskforce, Advisory Group and CSR Ambassador teams, with responsibilities that will best support this process.

Engage and Learn (internal and external)

- Support development and delivery of training modules for key parts of the business at all levels: e.g. CSR Ambassadors network, Inductions, management training etc.
- Initiate and support Product Supply team work and training on the Supplier Guidelines so that these can be more effectively rolled out into our supply chain.
- Continue to engage our stakeholders in order to inform our journey and help build a purposeful direction for CSR at Ferring.
- Foster a more entrepreneurial approach to CSR in the business to enable ideas and activities – e.g. more active participation in UN Global Compact chapters, newsletters to inform and stimulate discussion.

Communicate and Measure

- Develop our own set of metrics and Key Performance Indicators (KPIs) to meaningfully measure progress both internally and against the UN Global Compact Principles. We will start this process by assessing our existing KPIs and benchmarking ourselves against best practice.

We remain steadfast in our commitment to CSR and to putting meaningful measures in place. In doing so, we hope to both learn by doing and learn from others, so that we can deliver on our promise: to make a difference to people's health and quality of life, today and tomorrow.

Yours Sincerely,

Jade L Shields, Snr
 Chief Privacy Officer,
 Head of Business Ethics and
 Corporate Social Responsibility
 (Global Data Protection Officer)

Corporate Social Responsibility
2017 Review



Printed onto 100% post-consumer recycled paper. This product is carbon balanced.



Ferring
Corporate
Social
Responsibility

www.ferring.com
#ProjectFamily

