

2018 Report



Corporate Social Responsibility

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



Ferring
Corporate
Social
Responsibility

FERRING

PHARMACEUTICALS



This report describes Ferring's commitment to Corporate Social Responsibility and our progress during 2018.



Ferring
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Social
Responsibility

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Welcome

A message from Per Falk

Welcome to our 2018 CSR Review. I am proud to be representing the business for the first time, on issues that are integral to how we think and work at Ferring.

Last year was an important year of transition for us all in different ways, and I am grateful to my predecessor Michel Pettigrew for handing me a sound legacy on which to build. This legacy is rooted in both our values, as defined by the Ferring Philosophy, as well as the value that we bring to our patients, employees, communities, and all other stakeholders whose lives we touch through our work.

Our business has been steadily evolving over the last ten years to ensure that the patient and their unmet needs are always firmly at the centre of our work, from the first research stage through to distribution and commercialisation of our treatments. We are working to better anticipate, and respond to, their needs effectively, and in 2018 we created a Chief Patient Officer (CPO) role to help us do this.

We're also excited to be building new medical frontiers in the field of microbiome therapy through our acquisition of Rebiotix. It's an area which offers enormous potential to improve lives – by addressing unmet needs in our current focus therapy areas, and beyond. It demands new technology, new relationships and new thinking. It's a blue ocean, and we're pleased to be one of the first to jump in.

And then there is reproductive medicine and women's health, representing over 40% of our business, where our mission remains to be the world-leading and most trusted healthcare company. From fertility to safe birth, our key challenge here is access, and ensuring that women and their families have access to quality treatments.

Through our #projectfamily conversation, Ferring is working with stakeholders in the field to drive change, and help people build families around the world. Those who have access or can afford it still represent a very small percentage in the world.

I am humbled by the work we have done through CHAMPION, and our commitment to develop a heat stable treatment to prevent post-partum haemorrhage (PPH) and make it available to low and lower-middle income countries at a subsidised access price. However, our work here has just begun, and we need to ensure that we get this potentially life-saving treatment to the women who need it most. We need a new model here that can deliver affordable medicine to those who need it – be it India or Kenya. This demands creative partnerships, advocacy and policy change. Here we can play our part, and we can learn from other disease areas such as diabetes, where companies are delivering access through both commercial value-driven models as well as strong sustainability programmes.

In the coming year, I want to see us better align our CSR efforts with the business. CSR is a key driver for employee engagement, so let's build a better volunteering culture; let colleagues take the initiative, let's learn from others. We also need to build on our commitments to the Global Compact and the Sustainable Development Goals to create stronger partnerships in projects such as CHAMPION and others.

This letter has afforded me a great opportunity to renew those commitments, share with you my thoughts on our progress so far and my vision for a future Ferring in which CSR enables us to be the best business we can be. I greatly look forward to hearing your views. I'm here to listen and learn.

Per Falk
President and Chief Science Officer



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 of 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.

Implementing CSR everyday at Ferring

At Ferring we believe that CSR should be part of everybody's job. Aside from our formal CSR governance structure, which includes our Taskforce, a CSR Advisory Group and our CSR Board Sponsors (Per Falk and Jean Duvall) we have a global network of CSR Ambassadors across nearly 20 countries. This year we reached out to colleagues around the world to ask their views on CSR at Ferring.

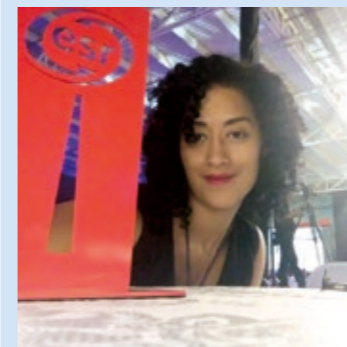
“As a multinational we have to show the government and local communities our good intentions, to promote the wellbeing of society. There is a real importance and meaning to our CSR work.

Yi Jiang, Director, Corporate Communications Ferring China



“We don't have a formal policy, but it's a silent rule... everyone in our kitchen wants to make this happen. We all want to help create a greener environment.

Kristian Petersen, Head Chef, Ferring Denmark



“Great CSR helps to attract great talent. What's more, our brand reputation continues to rise.

Gaurav Shukla, HR Director, Ferring India



“There's no hierarchy in the volunteers – we come from all levels and functions. It's a great group dynamic.

Sibylle Bollen, Assistant to Plant Director, Switzerland, HQ

“We aim for CSR to be part of our culture, at the heart of our business strategy. Once it is, it happens naturally, you don't have to add it on.

Citlalli Pedroza, CSR Ambassador, Ferring Mexico





The Ferring Philosophy – the basis of how we do business

Our philosophy, ‘People come first at Ferring’, is the foundation of our business and our approach to Corporate Social Responsibility (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.

‘The Ferring Philosophy gives us a strong start. It is present everywhere. It shapes our interaction with doctors, employees, suppliers and partners. Combined with our Mission, you feel that sense of responsibility every day.’

Armin Metzger,
Executive Vice President, Head
of Global Technical Operations
and Chief Production Officer

Our Industry

A drive for deeper sector collaboration is vital



In a world characterised by ageing populations, health and lifestyle challenges, a corresponding growth in long-term chronic diseases and ever-increasing healthcare costs, Ferring and its industry peers must rise to the challenge.

Our central challenge as an industry, is this: how can we help deliver affordable and quality healthcare for a population that will reach over nine billion by 2050? The implications of this challenge are considerable, but so too are the opportunities.

- **Improving the value of healthcare by delivering better health outcomes to patients at lower costs is a critical imperative.** Technological advancements are transforming care, but for whom and at what cost? We have a long journey ahead to build sustainable health systems globally that put people at the centre and ensure that healthcare is inclusive.
- **With the rise of longer-term chronic illnesses comes a corresponding need to develop longer-term and more patient-centric relationships.** These enable us to respond to all stages of a patient's journey – from prevention, diagnosis and treatment through to cure and ongoing maintenance of health.

- **The emergence of personalised (or precision) medicine has huge potential to transform health outcomes and decrease costs.** Tailoring treatment to an individual patient's environment, lifestyle and genes is already transforming the way diseases such as cancer and mental health conditions are treated.
- **In taking on these responsibilities, the industry must also be vigilant of ethical concerns and data privacy.** In an increasingly data-driven world, these concerns will only grow, and we have a duty above all to protect our patients' and employees' data and privacy (the latter also defined as a human right by the UN Declaration of Human Rights).
- **Ultimately our industry's job is to enable people to lead healthier lives and access the care they need to fulfil their potential.** That job must start by improving our ability to listen to patients; use the data they share with us to shape more responsive R&D approaches and clinical decision-making which in turn empowers patients and ultimately drives better care outcomes.
- **Ferring operates in an ecosystem that is dependent on collaboration to work effectively.** Scientists, doctors, healthcare workers, NGOs and governments all have a vital role to play. At the World Economic Forum (WEF) this year leaders in healthcare agreed that we are at a critical turning point. A drive for deeper collaboration in the sector is vital to codify and disseminate what we've learned, share best practice, and continue to drive towards a sustainable and affordable healthcare for all those in need.



Our business

Ferring Pharmaceuticals is a research-driven, specialty biopharmaceutical group.

We are 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 specialty areas within gastroenterology and urology. Ferring has been developing treatments for mothers and babies for over 50 years and has a portfolio covering treatments from conception to birth.

The company was first established nearly 70 years ago in Malmö, Sweden by Dr Frederik Paulsen and his wife Eva Paulsen, who named the company after the strong, closely-knit community of people originating from the island of Föhr who called themselves Feringers and spoke Fering.

Together they pioneered the development of products based upon natural peptide hormones produced by the body's own pituitary glands. This legacy has served us well. Today, peptides remain the backbone of many of our therapeutic treatments, and Ferring's own resilient, global community is committed to developing personalised, patient-centric treatments that work on the body's own terms.

Ferring employs more than 6,500 people worldwide, has its own operating subsidiaries in nearly 60 countries and markets its products in 110 countries.

As a privately owned business we take pride in being able to make the right decisions for the business at the right time. Not only does this remove the short-pressures of quarterly business results, but it also has a positive effect on how Ferring colleagues approach their work days. There is certainty built in to our work. This is the benefit of retaining a long-term perspective, an asset essential to doing good science.

Distribution of Ferring's total global sales by region (2018)

Global presence

Over 6,500 employees

R&D Centres

11 Research and Development centres

Manufacturing network

12 Manufacturing sites

Global marketing & sales

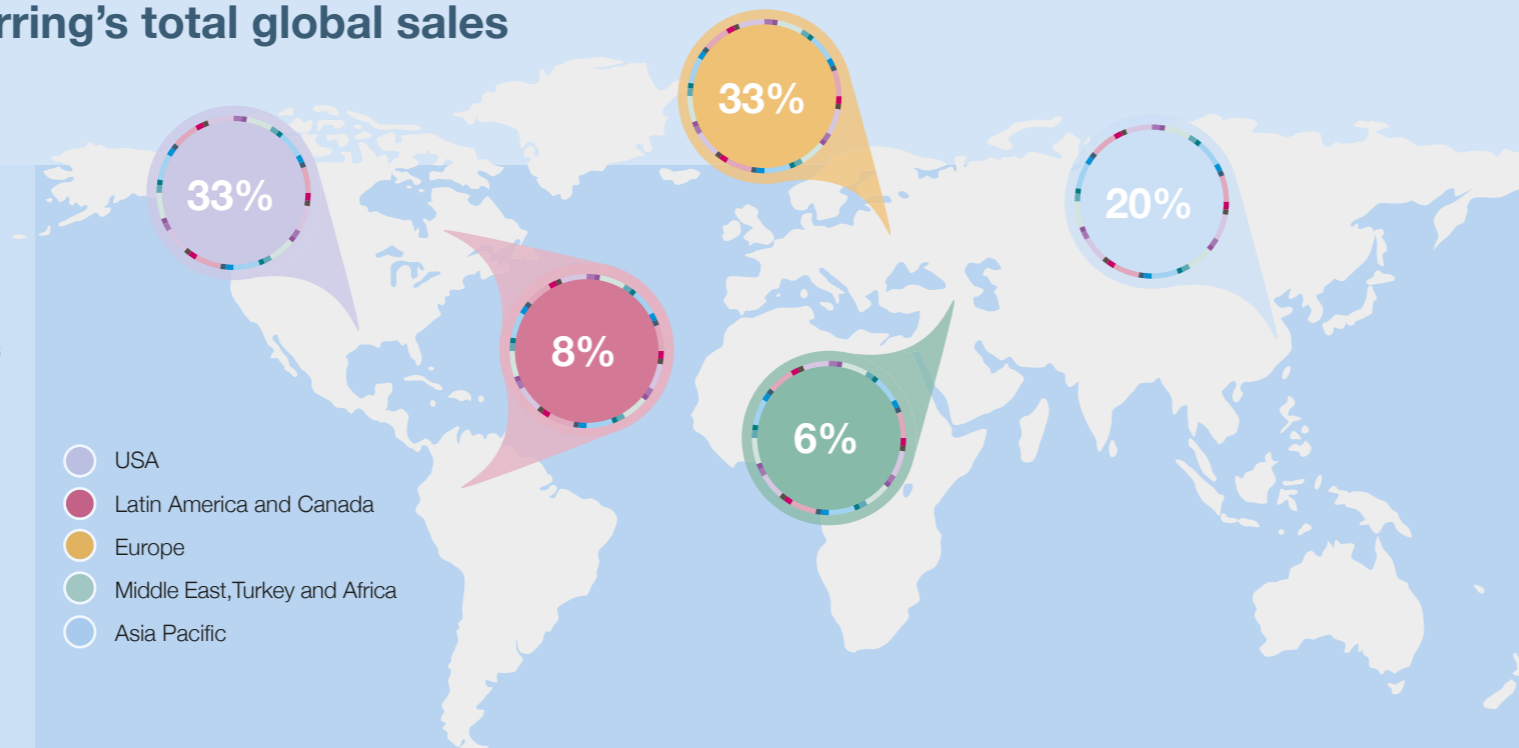
Marketing and Sales in 56 countries

Global reach

Distribution in 110 countries

Revenue

2018 revenue of €1.9 billion



'Our business has been steadily evolving over the last ten years from one of a more classic pharmaceutical approach to one increasingly focused on our true value to society.'

Per Falk
President and Chief Science Officer

A strategy that responds to changing needs

The ever-changing dynamics of our industry keeps us on our toes. For many years we have focused on our peptides research and life-cycle management, a legacy which has stood the test of time. However, against a backdrop of ageing populations in key markets, changing lifestyles and corresponding changes in disease demographics, we have to be alive to the evolving needs of patients and to respond in kind.

For example, the growth of chronic diseases demands that we pay more attention to specific disease areas and accompany our patients on longer and more tailored therapeutic journeys.

Technology and improved access to information means that patients are better and more readily informed than ever. This demands of us an ability to adapt both the way we do research as well as the way we work with our patients.

Focus on patient-centricity

In recognition of our need to respond more effectively to patients, we have created a new role in the organisation focused on patient-centricity. Ed Trott, our new Chief Patient Officer (CPO) is charged with developing a strategy that goes beyond the traditional forms of patient involvement and advocacy and puts the patient back into the centre of our business (please see page 17 for more details).

New growth, new opportunities

The emergence of new and dynamic growth areas such as gene therapy, microbiome therapy and the growing challenges over antibiotics resistance offer Ferring new opportunities – both to leverage its own existing strengths and build on the strengths of others, and to reach our patients with innovative treatments.

In April 2018, Ferring announced its acquisition of Rebiotix, a company dedicated to harnessing the power of the human microbiome. Both companies share a common commitment to exploring and understanding the human microbiome to develop new solutions for patients suffering from a range of chronic diseases, including paediatric ulcerative colitis (UC), multidrug-resistant urinary tract infections (UTIs) and *Clostridium difficile* Infection (CDI), a chronic illness caused by bacteria that infects the bowels and causes diarrhoea.¹ Rebiotix's proprietary Microbiota Restoration Therapy™ (MRT™) drug platform delivers healthy, live, human-derived microbes into the gastrointestinal tract in a ready-to-use, easy-to-administer form. One of its leading therapies, RBX2660 is in Phase 3 development.

Our global capabilities and reach mean that if approved we can enable better access for patients to this treatment and any future-approved human microbiome treatments. This offers a chance for a better quality of life for patients worldwide and lends strategic value to Ferring's leadership in gastroenterology.

'Our role is to understand the realities of the patient's journey and to accompany them on that journey.'

Ed Trott, Chief Patient Officer

Collaborative partnerships for better value and better outcomes

It is our belief that collaborative partnerships are the best way to create value for both patients, the public purse, and all of the stakeholders involved in delivering our therapies along the way – from research partners through to doctors on the frontline.

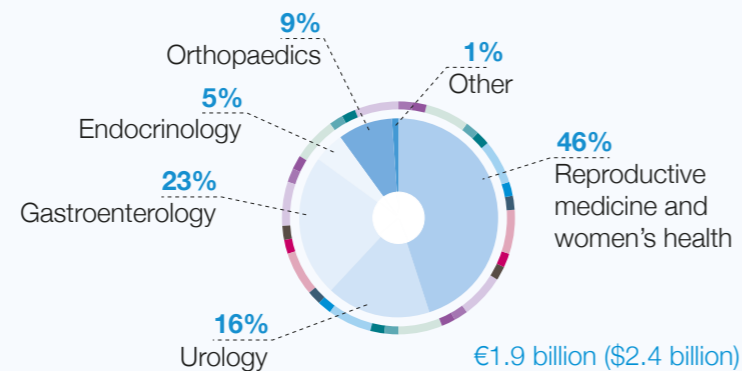
Ferring is also supported by other ongoing partnerships with world-leading research organisations in the field of microbiome research including the Karolinska Institute and Science for Life Laboratory, the Centre for Translational Microbiome Research, Intralytix, The Pasteur Institute, the University of Lille, MyBiotics Pharma, March of Dimes and Metabogen. In addition, Ferring also has an ongoing partnership with Roche on personalised fertility treatment, and with the World Health Organization (WHO) and MSD for Mothers to provide access to Ferring's heat-stable carbetocin to prevent post-partum haemorrhage.

Looking ahead

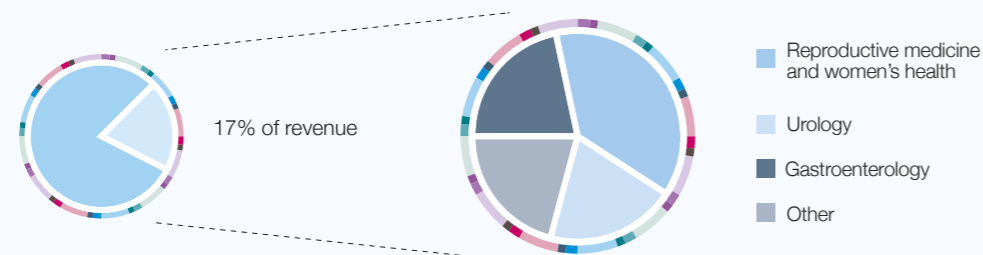
We aspire to be a business that brings better and more patient-centric solutions to those who need them. Our strategy for doing this is to:

- Address patient, provider and payer needs through innovation and lifecycle management that creates both value and better access.
- Develop a sustainable pipeline of new molecules, sourcing peptides internally, proteins both internally and externally, and biologics externally.
- Leverage our existing global commercial and scientific expertise and identify external late stage projects and products that strengthen our portfolio.
- Attract and retain world-class talent who identify with our values and our purpose.

2018 Sales overview



R&D investment in all therapeutic areas



¹ This infection most commonly affects people who have recently been treated with antibiotics. It is one of the most common healthcare-associated infections in the US, affecting more than 500,000 people and causing approximately 29,000 deaths each year. *Centre for Disease Control and Prevention (CDCP, 2015)*



People and Values



Jean Duvall
Executive Vice President,
Chief People and Values Officer

“People and Values embraces a broad range of functions – Compliance, Ethics, Human Resources, Performance Management and Corporate Development. We want people to be able to see the connection between our values, the Ferring Philosophy, and their jobs.

The values part is about keeping the Philosophy alive every day: *People Come First at Ferring* means that we’re looking out for our patients, payers, physicians and employees. We have to maintain those fundamental values even more as we develop a performance-driven culture. Ultimately we want people to be passionate about their work.

We need to support our employees so that they can feel a true sense of purpose. We have strong foundations in the Philosophy – we must build on those.”

Our Leadership Principles that guide our central 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.



Ed Trott, Chief Patient Officer

A greater focus on patient-centricity

“Many of Ferring’s products are designed for chronic conditions – this means we are with our patients for the long-term.

Our focus on patients is driven primarily by the recognition that we must get better at incorporating patient input and perspective into early research, protocol and product design – really understanding their personal experiences, listening better. At the commercialisation stage, it is imperative that we assess Real World Evidence and Patient Reported Outcomes in order to identify and address unmet patient needs.

Patients need continuity, a better experience, and empowerment. Engagement with patient advocacy organisations and conducting patient advisory boards will be one way we do this. But first we need to help people understand what patient-centricity is. It’s a new, exciting and collaborative space that will enable us to work with peers and competitors. Ultimately, by bringing the patient closer to us it could enable colleagues at every level to see for themselves, the contributions they make that directly impact patients’ quality of life.”



Our Heritage

Spotlight on Ferring women in science and leadership

Eva Paulsen,
co-founder of Ferring

Every year on February 11th the world celebrates International Day of Women and Girls in Science. While more girls are attending school than before, they are still significantly under-represented in STEM (Science, Technology, Engineering, & Mathematics) subjects in many parts of the world; today, statistics show that only 30% of scientific and technology researchers are women².

Science is the backbone of our business, and Ferring would not be where it is today without the contributions of Eva Paulsen, co-founder of Ferring, who would have turned 100 in 2018.

A brilliant scientist, she graduated in civil engineering in 1942 with chemistry as her

specialty. Together with her husband and co-founder Dr Frederik Paulsen, she then went on to develop the peptide technologies on which Ferring was built. She was also behind the development of the heartburn medication Gaviscon® and Ferring market-leading IBD treatments.

As Chairman of Ferring S/A, she was much respected for her pioneering spirit, ethical principles and great commitment to people-centred science. In celebrating her past contributions to science and to Ferring, we also aim to celebrate and inspire our current and future scientists, many of whom are women with the same commitment to helping people live better lives through science.

² The UNESCO Institute for Statistics (UIS); UIS is the UN depository for global statistics in the fields of education, science and technology, culture and communication.



Marianne Kock, **Managing Director IPC and Senior VP, Global Regulatory Affairs**

“At high school I loved chemistry. I went on to study chemical engineering and pharmacy, and then chose to focus on pharmacy... If Eva Paulsen were alive today she would be pleased to see many women in managerial roles, but she’d say we still have more work to do especially in top management. I think women tend to approach problems differently, we come with a different culture and mindset. Ultimately decision-making is much better with diversity.”



Mirjam Mol-Arts
Senior VP, Global Development

“As a medical doctor my primary interest has always been finding new solutions for patients – to cure them or help them live better lives. A more balanced representation of both men and women in science can only strengthen our ability to discover and develop these new treatments. Much has improved over the years for women in science – we are very well represented in Ferring.”



Tamara Vukmirovic,
VP, Head of Global Regulatory Affairs, CMC

“When I started out, I thought that working on the pharmacy side was a good way to make a difference. I began as a student at Ferring in Global Regulatory Affairs and have been here ever since. On CSR – my favorite example is CHAMPION – making a life-saving drug available to women in developing countries. Additionally, it would be great to see more young girls, who may not have privilege or the resources to flourish, becoming scientists so they can make a difference one day.”



Elinor Erez, **Associate VP, Head of Biotech Development-BTG, Global Pharmaceutical R&D (GPRD)**

“I was first inspired by science at 19 years old when James Watson came to our University to present his work on the discovery of DNA. It was then that I realised what an impact science can make on the world. I became motivated to make a difference as well. I started at Ferring-BTG in 2010 as a young Research Scientist. Today I head the GPRD function in BTG and work with my team to ensure the products we deliver will create better health solutions for the world.”

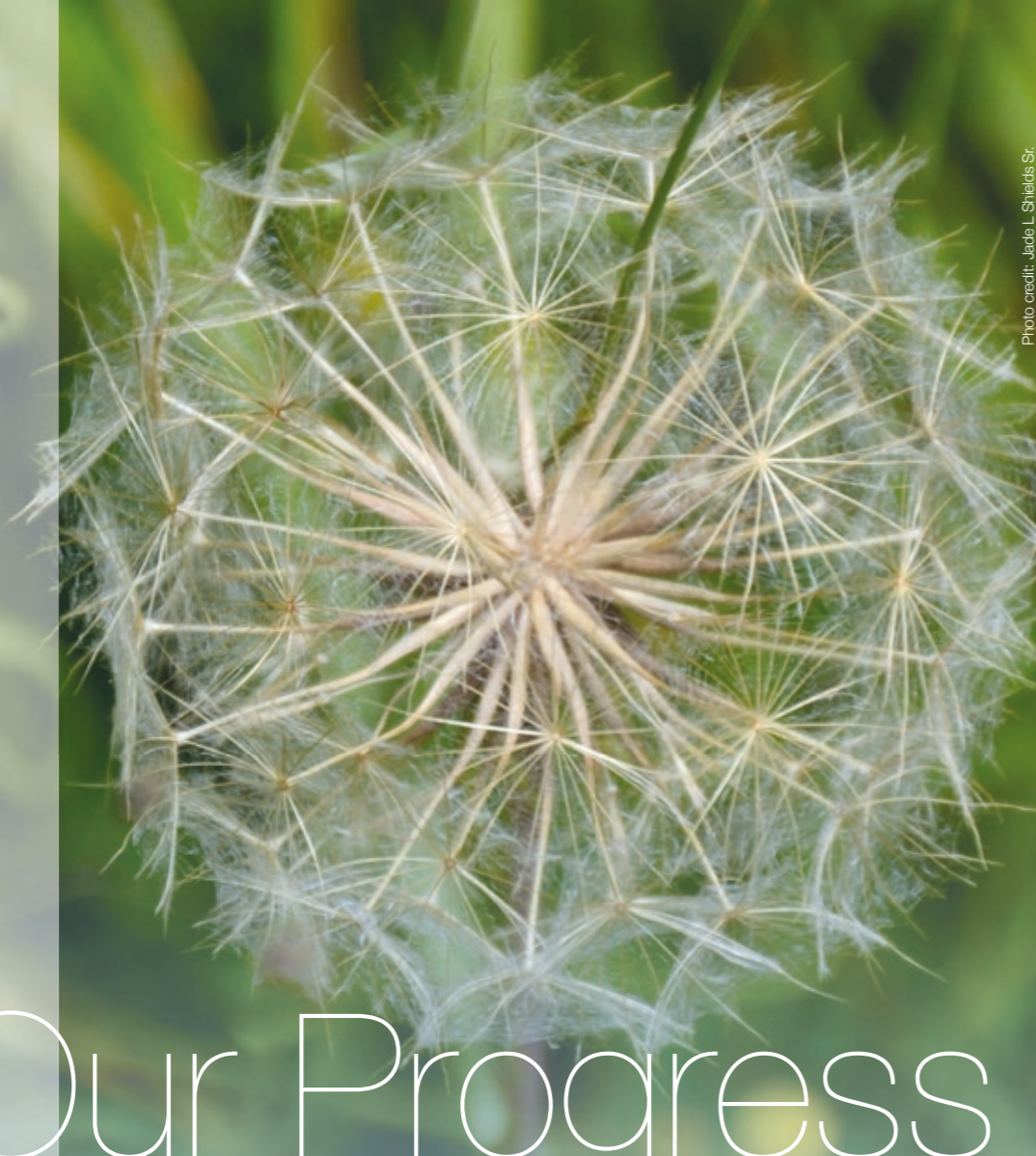


Photo credit: Jade L. Shields Sr.

Our Progress Report

Our CSR journey to date

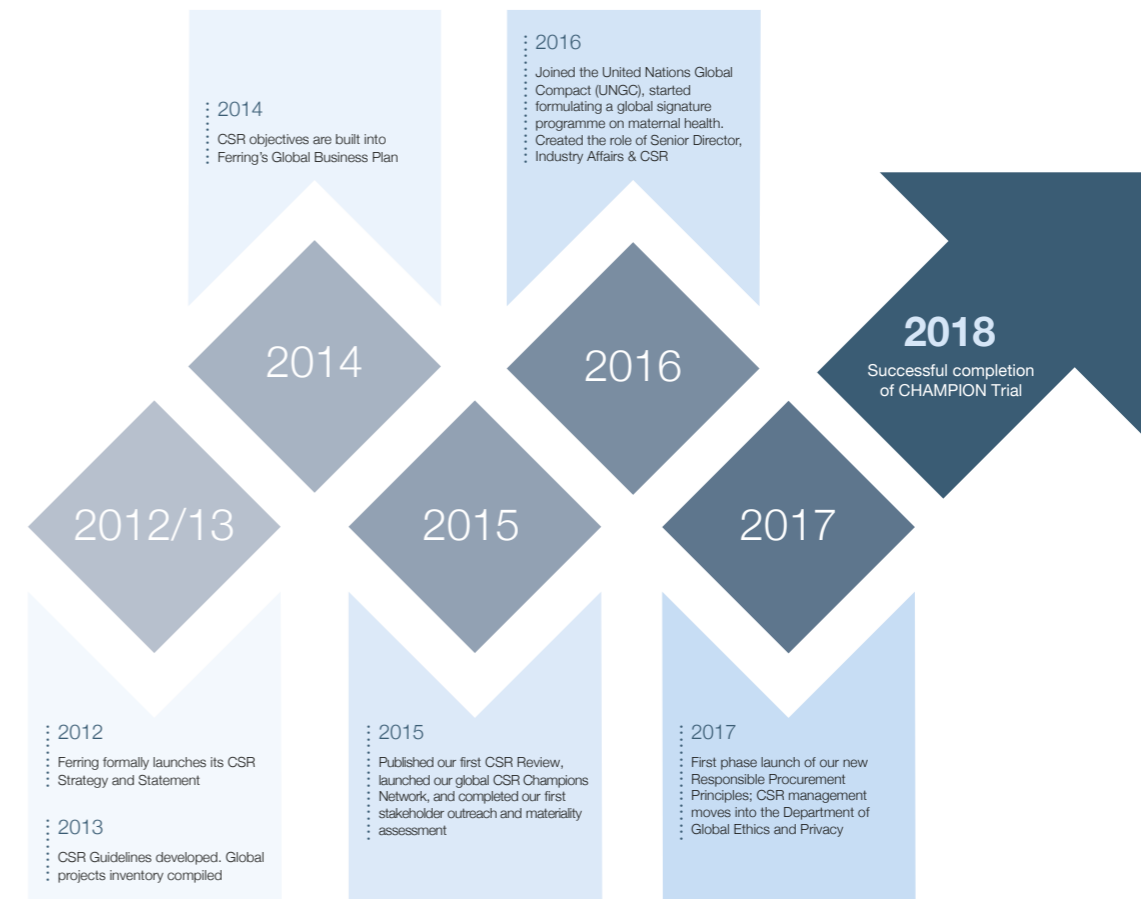
This summary report shares our high-level progress on our goals. It also serves as our annual Communication on Progress (CoP) to the UN Global Compact, to which we remain fully committed.

Over this past year, we have:

- Paved the way for the next phase of our CHAMPION project development by completion of the clinical trial for our heat-stable formulation of carbetocin, for the prevention of Post Partum Haemorrhage (PPH), and publication of the results
- Initiated a new approach to roll out responsible supply chain strategy and engage more deeply with suppliers

- Made steady progress on our key EHS measures on water, energy, waste as well as our health & safety record
- Continued to support and celebrate locally-driven initiatives by colleagues in nearly 60 countries where we operate – everything from meat-free days to the introduction of hybrid cars – enabling people to follow their passions
- Developed a draft set of KPIs to measure our progress which we now plan to pilot internally

We have learned that meaningful progress demands time and attention. After a year of organisational change, we adapted to doing the right thing wherever possible. This means that on some issues we still have more to do – such as development of a CSR training module and better communication to inform and engage our stakeholders. We undertake to carry those commitments into the next year.



Our CSR initiatives, UN Global Compact, UN SDGs – How they fit together

Our CSR strategy must be seen against a backdrop of our wider commitments to the UN Global Compact and the UN Global Goals. These

are important global initiatives that offer a universal framework for how to approach our social, environmental and economic responsibilities.

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

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

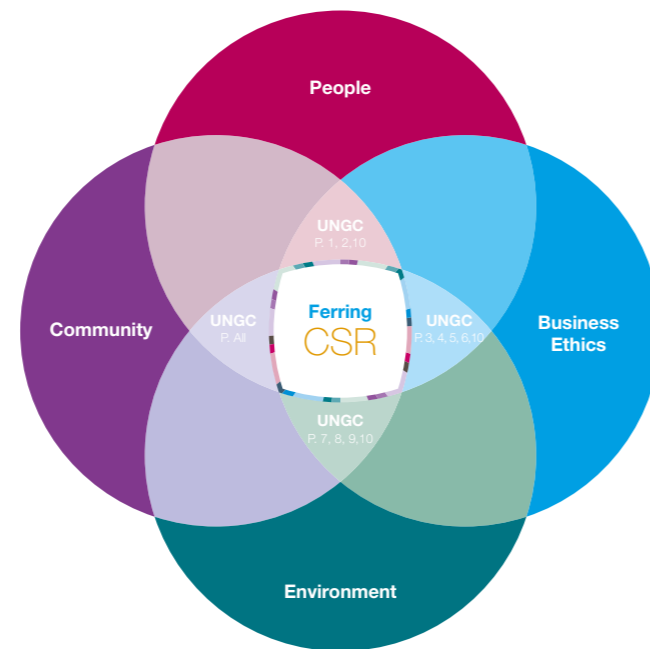
- P3: businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- P4: the elimination of all forms of forced and compulsory labour;
- P5: the effective abolition of child labour; and
- P6: the elimination of discrimination in respect of employment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

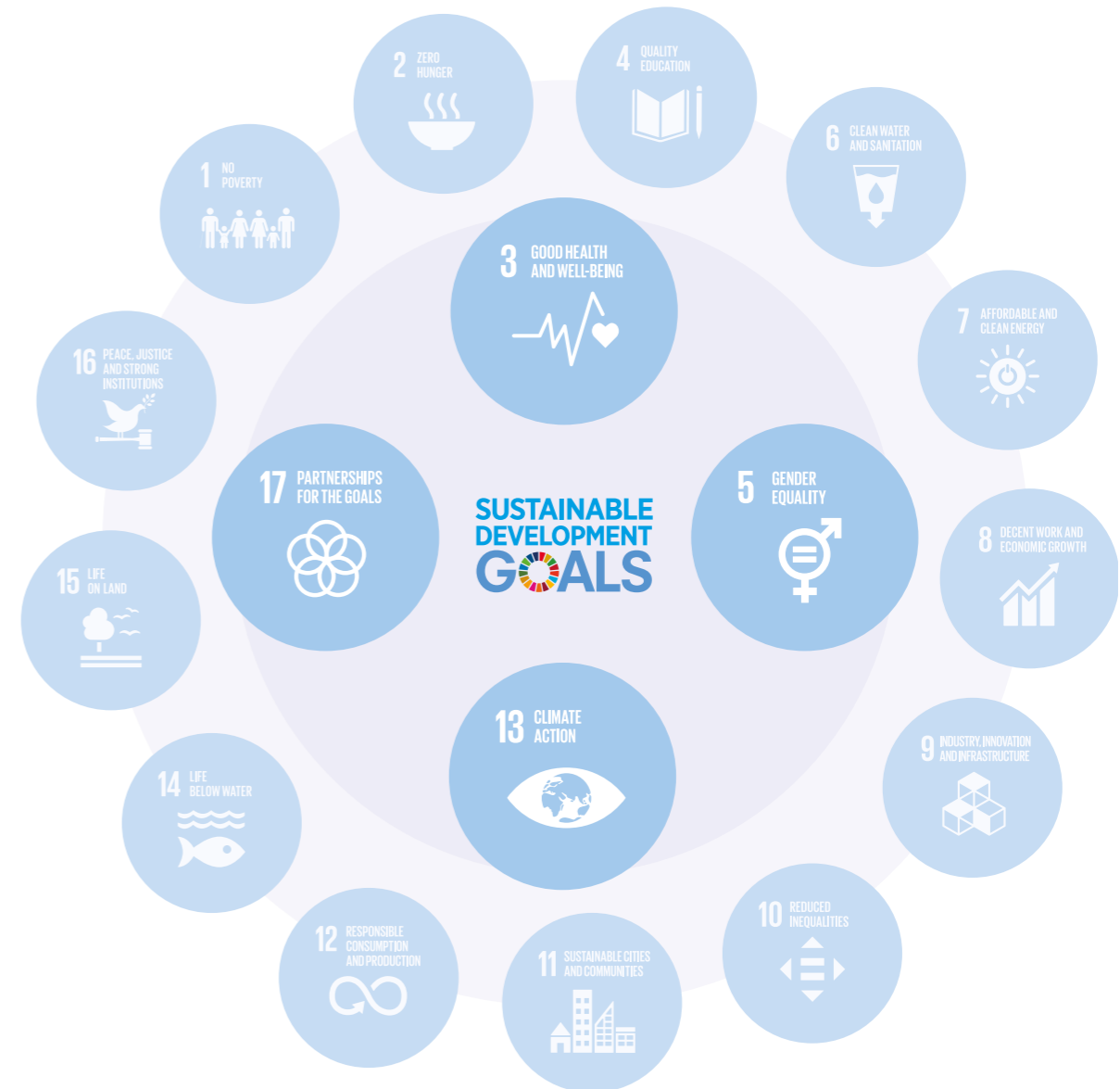
- P10: work against corruption in all its forms, including extortion and bribery.



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

We have been a proud member of the Global Compact since 2016. The Compact's 10 Principles reflect accepted global best practice in four key areas: Labour, Human Rights, Environment and Anti-Corruption. We bring these Principles alive through our four CSR Pillars, as well in all relevant policies, guidelines and Standard Operational Procedures (SOPs) in key functions such as Ethics & Privacy, Environment, Health and Safety (EHS), and Procurement.

The UN Sustainable Development Goals provide businesses, governments and society with ambitions that seek to address the world's challenges – from child poverty and education through to climate change and sustainable food systems. We are committed to playing our part, particularly in supporting maternal and child health targets under Goal 3: Healthy Lives and Wellbeing. We also have a role to play in Goals 5, 13 and 17.





CHAMPION

A commitment to women and families



Photo credit (All three above): Joni Kabana, Kabana Photography

Post-partum haemorrhage (PPH), or excessive bleeding after childbirth, is the leading direct cause of maternal death worldwide.

Every year, 14 million women are affected by PPH, and while most deaths are preventable, approximately 70,000 women die per year. Almost 99% of PPH-related deaths occur in low and middle-income countries, where refrigeration of medicines, including the current accepted treatment for PPH, oxytocin, can be difficult to achieve and maintain.

'This is an important step forward in PPH prevention and these results pave the way for heat-stable carbetocin to potentially save the lives of thousands of women, especially in areas where cold-chain transport and storage is not feasible.'

Professor Klaus Dugi
Executive Vice President
and Chief Medical Officer

Our response

Ferring's heat-stable carbetocin

As a responsible corporate citizen, we have a commitment to play our part in contributing to UN Global Goal 3 (Ensure healthy lives and promote wellbeing for all at all ages). This Goal includes a target to reduce the number of maternal deaths to under 70 per 100,000 globally.

Ferring has a treatment that can make a difference. Researched and developed as a solution to address unmet needs in women's health, heat-stable carbetocin remains effective at high temperatures, addressing a significant limitation of oxytocin which must be stored and transported at 2 – 8°C. Once approved, the heat-stable formulation of carbetocin will be made available at an affordable and sustainable access price in public-sector healthcare facilities in low- and lower-middle income countries. This price is a subsidised price of \$0.31 +/- 10% per ampoule of 100 µg heat-stable carbetocin. This is comparable to the current United Nations Population Fund price for oxytocin of \$0.27 per unit (10 I.U.).

Together with our partners MSD for Mothers and the WHO, we collaborated on the largest clinical study conducted in the prevention of PPH, involving nearly 30,000 women across ten countries.

In June 2018, the results from that study, published in the *New England Journal of Medicine* demonstrated that our heat-stable formulation of carbetocin is as effective as the current standard of care, oxytocin, for the prevention of PPH. This exciting finding means that Ferring will now be seeking registrations in key countries of need, and start to manufacture heat-stable carbetocin.

Our plan is that pending successful submissions in countries such as India, Kenya and Nigeria, we can start to introduce carbetocin into key markets of need in 2020.

See more @ ferringresponsibility.com



People

Introduction

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

We take our inspiration from the Ferring Philosophy, which states that 'People come First at Ferring'. With these firm foundations, we aim to 'support, develop and meet people's needs and rights.' This means everyone we work with, or whose lives we touch – our patients, colleagues, physicians, those in our community and our suppliers.

'It's our job to ensure that there is humanity in healthcare. A value which today some have forgotten. The Ferring Philosophy is our differentiator. It's a unique mindset that drives the company – from the therapeutic products we develop to the employees we hire. We strive to help improve people's lives and you can see this in everything we do.'

Paul Navarre, CEO, Ferring US



'Our job is to ensure that patients, employees, payers, physicians and all those we work with, or impact in some way, know that we're looking out for them, and have their best interests at heart.'

Jean Duvall
Executive Vice President,
Chief People and Values Officer

Our Progress

Policies and Practices

Internally, we have a wide range of policies and processes whose purpose is to support and enable all our employees, wherever they are in the world. These continue to evolve and adapt as we learn and grow.

- Employee wellbeing at work; building on our better workplace initiatives, Ferring Denmark is providing employees with opportunities to improve their health and to ensure physical well-being at work – installing treadmills with tables to facilitate light walking while working, and various devices for standing and changing positions at the desk. Employees were also offered access to a nutritionist to advise on healthier eating.
- Given our global reach, diversity in the workplace is something that we both value and celebrate. We are constantly looking for ways to improve this and are working on a means to measure our progress in this area.
- We recognise the importance and value of improving our record in progressing women to senior management positions. We have benchmarked ourselves and will start formally reporting next year on our progress.

- To enable a more personal dialogue between our new President and Chief Science Officer, Per Falk and employees, a new discussion platform initiated by him on MyWorkplace (OneFerring) invites feedback and ideas on any topic.
- On Access to healthcare issues, sustained advocacy work by our US office has helped to see the Preventing Maternal Deaths Act signed into law in 2018. The US team has also successfully advocated to support insurance coverage for IVF and Fertility Preservation legislation, now passed in Mississippi.

by our global in-house medical experts, about the need to help build families and support them on their journey from conception to a safe birth. In connecting and amplifying all our efforts (including CHAMPION, March of Dimes and others) we have significantly helped to increase conversations about fertility, premature and safe birth.

Innovation grants to support research in our therapy areas – USA

We believe it is important to support good scientific research in areas where we feel able to contribute. Ferring's Innovation Grants Programme is an annual initiative of the Ferring Research Institute (FRI) based in San Diego. This year, the programme focused on reproductive medicine and women's health, gastroenterology and hepatology, urology and biomarker discovery. The 8 projects and individuals selected represent the cutting edge of research and innovation in their respective fields.

Support for IBD – Hungary

In May 2018, Ferring Hungary celebrated World IBD Day in cooperation with Patient Associations and competitor companies at the Budapest zoo. More than 400 patients participated in the event. Ferring Hungary had a stand with staff volunteers providing advice for visitors suffering from IBD, and activities for kids, including face-painting. Over a third of our office were engaged with this event.

Selection of our initiatives

Project Family

Issues around fertility, premature birth and safe birth can have a profound impact on entire families, but our research revealed that they were often discussed as ones for women only, leaving men and broader families missing from the global conversation. As a family-owned private company that makes families possible, Ferring was uniquely placed to change this. Project Family was our approach to putting families – of every shape and size – front and centre. Ferring's Project Family is a worldwide conversation led by our Corporate Communications team and supported



See full project list @ ferringresponsibility.com



Business Ethics

Introduction

As a global company with a worldwide footprint, we have a duty to ensure we practice good ethics wherever we operate. This means upholding the universality of good ethics enshrined in the UN Global Compact's Ten Principles⁶ and committing to continually raise awareness, engage and empower colleagues to make the right decisions in the workplace.

Beyond our legal responsibility to respect global and local laws wherever we work, we also have a duty of care to everyone whose lives we touch in the process – colleagues, patients, doctors and collaborative partners. This means behaving ethically in all interactions we have with them, as well as respecting and safeguarding their privacy.

⁶ A set of principles covering labour & human rights, transparency & anti-corruption <https://www.unglobalcompact.org.uk/the-ten-principles/>



Our valued partners from Massone, Francisco Massone and Angel Veltri

‘Building an ethical approach to managing procurement has to start with how we work ourselves first – raising awareness, understanding our risks and responsibilities, changing mindsets. We cannot expect our suppliers to do the same, if we are not setting an example.’

Eric Espinasse
Chief Procurement Officer



Our Progress

Policies and Practices

The core responsibility for Ethics at Ferring rests with our Global Ethics and Privacy Office. However, we believe that good ethics are not just about rules and compliance. They are also about developing an ethical mindset – which is everyone’s job. Oversight rests with the Chief People and Values Officer and the Ethics and Compliance Board Committee. We are also supported by a global network of Ethics Coordinators who help us to foster a culture of good practice and build an ethical mindset. A core set of policies and Standard Operating Procedures (SOPs) are brought to life through various engagement tools such as our Ethics E-Learning platform and the Ferring AlertLine. And as always, our inspiration comes from the Ferring Philosophy, which lies at the heart of our approach.

On Privacy

We have a duty above all to protect the personal data of our patients, external stakeholders and employees. In order to live up to this responsibility, we have taken a number of steps:

- Launched a Global Privacy Policy and principles for privacy.

- Introduced Privacy by Design (PbD) as our framework and methodology to enable privacy as a mindset - embedding it directly into technology, systems and practices at the design phase.
- Appointed a Global Data Protection Officer, responsible for informing and advising Ferring with regard to its obligations on GDPR and other applicable national data protection laws.

A new Code of Conduct

In 2018, Ferring’s Code of Conduct was launched in 15 languages worldwide. The Code of Conduct has a strong focus on anti-corruption and sets out the overarching policies that Ferring requires its employees to comply with.

Strengthening our standards on anti-bribery

Ferring takes its responsibility to mitigate bribery risks very seriously. In 2018, we launched a corporate standard operating procedure (SOP) on cross-border interactions with external stakeholders. The SOP describes the cross-border procedure for interacting and exchanging anything of value with our external stakeholders – including healthcare professionals (HCPs) and healthcare organisations (HCOs). The SOP covers all Ferring’s entities and goes beyond industry standards in its regulation of benefits of all kinds.

Building better transparency

In 2018, Ferring launched a corporate standard operating procedure (SOP) on cross-border transparency reporting. The SOP describes the cross-border procedure for reporting direct and indirect transfers of value (ToV) and other benefits in kind made to healthcare professionals (HCPs), healthcare organisations (HCOs) and other relevant external stakeholders. Along with the corporate SOP, Ferring has launched a global reporting platform to ensure transparency and compliance.

Towards a more sustainable procurement strategy

With our Supplier Conduct Principles already in place, we now recognise the need to drive these into the business and supply chain more effectively. Our new Chief Procurement Officer will bring these Principles to life. Our plan is to build a longer-term strategy that will embed a culture of responsible procurement at Ferring.

See full project list @ ferringresponsibility.com



Environment

Introduction

Last year was a critical year for focusing minds on the environment. The new Intergovernmental Panel on Climate Change (IPCC) report called for “rapid and far-reaching” transitions if we are to prevent serious consequences of climate change. There is a job for everyone to do. Moving to more sustainable sources of energy, protecting natural resources and minimising our footprint are prerequisites for a healthy, sustainable business environment. Equally, we have a commitment to ensure a safe and healthy working environment for all our employees.

‘What really drove the successful pilot of swapping from normal cars to hybrid cars was the energy and buzz that was created by our staff... The overall investment was small in comparison the financial savings the employees made in car tax.’

Shahed Ashraf, Regional HR Director Ferring UK



‘What better way to visualise how to revalorize and create beautiful art from our manufacturing plastic waste than through a competition with local artists.’

Caroline Serra, Global Environment, Health and Safety Director



Caroline Serra with art piece 'Pure Plastic Soup', created by Swiss-based artist Marie-Christine Czurray

Our Progress

On carbon emissions – a 15% reduction against a 2010 baseline, in line with our targets.

On water – despite an overall increase due to US and India factories becoming operational, we are making steady progress towards a 5% reduction by 2023 against a 2017 baseline, with site-based targets in place.

On waste – an overall slight increase due to new production site activities; our recycling and reuse rates have steadily improved.

On health and safety – our Lost Time Incidence Rate (LTIR) of 0.45 improved on our target of 0.48, sustained by a steady safety training culture across all sites. However, we cannot be complacent. New factory operations demand that we are vigilant in strengthening a safe work culture.

Selection of our initiatives

Energy efficiency drives – BTG (Israel) and Ferring Controlled Therapeutics (FCT, Scotland)

Our BTG operations represent a significant amount of our total energy use at 39%. As a result, we have initiated a range of energy efficiencies designed to reduce emissions, including a steam generator, the installation of a new chiller, and a heat exchanger for biological waste treatment.

Total CO₂ savings made are still being calculated but it will be significant. From our FCT operations in Scotland, 2018 saw an impressive 37% reduction in emissions. Contributing to this are a number of factors, including various energy saving schemes, as well as the uptake of renewable energy in Scotland’s energy generation.

Weekly vegetarian day – Denmark

ONGOING

The head chef in our Copenhagen IPC office Kristian Petersen and his team has pioneered a weekly vegetarian day, inspired by a desire to reduce the company’s carbon footprint. The canteen showed that the production of 1 kg beef resulted in emissions equivalent to driving 170km, compared to a 1km drive for the production of 1kg of carrots. We haven’t yet worked out our total CO₂ emissions savings yet, but we plan to. It has not only raised awareness of our food footprint, but colleagues are also realising the benefits of healthier eating.

Reducing employee emissions on the road – UK

ONGOING

With a busy sales team spending many hours on the road, reducing our CO₂ emissions is something we feel we can act on. In 2018 Ferring UK installed 6 hybrid/electric car charging points at our West Drayton head office. Additionally, we made hybrid cars an option

on the company car list. Those who drive hybrids or electric cars have reduced their CO₂ emissions on average from 5.6 tonnes to 1.97 tonnes annually. That is a 65% reduction per driver each year. Currently around 17% of employees drive hybrid cars and we aim to increase this to at least 50% within the next 3 years.

Celebrating World Environment Day

ANNUALLY

In 2018 the UN selected the host country, India, with the theme: Beat Plastic Pollution - If you can’t reuse it, refuse it. We hosted an active day to rally awareness involving colleagues from around the world, including India, Israel, UK and the US. In addition to inspirational speakers, we organised workshops and activities on a range of issues, including zero waste, electric cars, tree planting and a plastic art exhibition.

Reducing and recycling our water use – Ferring India

ONGOING

We have introduced a new water treatment process in India called zero-liquid discharge (ZLD) in which all wastewater is purified and recycled through advanced ultrafiltration, reverse osmosis, evaporation and ionization, leaving us with zero discharge. At present we are recycling 80 to 100 m³/day of treated water.

See full project list @ ferringresponsibility.com



Community

Introduction

Ferring is only as healthy as the communities in which we operate. We have an ongoing commitment to supporting the local communities around us, and many colleagues around the world play their part in doing this. Not only does this strengthen our relationship with those communities, but it also gives colleagues the chance to make a personal or team contribution on Ferring's behalf, and feel proud in doing so.

'CSR is an important driver to engagement... it's about our contribution back to society, our reputation in the community.'

Alex Chang, Senior Vice President, Ferring Asia Pacific



Our Progress

This year we had over fifty formal submissions of CSR projects around the world. We can only showcase a few here, but please go to www.ferringresponsibility.com to see the others. Owing to the decentralised nature of our operations, we do not yet have a global volunteering policy; however, we have encouraged individual markets to develop their own approaches. In addition to the US and Belgium, our Asia Pacific Region and Hungary now formally encourage volunteering in their respective communities.

Selection of our initiatives

Humanitarian support – Indonesia

In 2018, a devastating earthquake and tsunami hit Indonesia. The earthquake destroyed infrastructure and homes, killed 2500 people and left over 16,000 survivors homeless. Ferring Indonesia made a donation to the Indonesian Red Cross which was used for purchasing medicine for the survivors.

Engagement with children's primary school - Malaysia

Asrama Desa Pukak is a hostel for primary school children in Pukak, Kiulu, Malaysia, enabling

We try to encourage causes that are either close to employees' hearts, or in areas where we have a particular expertise or skill – health, science education, or operations. Some of these projects are initiated or managed by our global network of CSR Ambassadors.



children from remote rural villages to attend school and complete their primary education. The South East Asia Leadership Team spent the afternoon with these children as part of their Leadership Summit. They also donated stationery, activity books and a first aid box. This activity not only provided a fun occasion and sense of hope for the children, but it was also a meaningful engagement for the senior leadership team.

Donation of unused medication – Israel

This project donates unused medication for free distribution to those in need. The mission of BTG's charity partner, "Haverim Le'Refuah" (Friends for Health) is to deliver medical treatment to those who cannot afford to buy medicine. BTG employees serve as ambassadors for the programme, collecting unused drugs from neighbours, family and friends. These are then distributed by Friends for Health under the supervision of pharmacists and doctors' prescriptions. Drugs that have reached expiry dates are safely disposed of.

'Living the Philosophy' – US

Through its "Living the Philosophy program" Ferring US makes 12,000 paid hours (or two days each per person) available each year for its nearly 900 employees to volunteer in their communities.

Their activities range from building houses for those in need, to mentoring veterans, community soup kitchens and maintaining local parks.

One Ferring Campaign – South Korea

Every year about 1 million babies die on their day of birth, and 2.6 million lose their lives within a month. This project is about supporting premature babies in countries where premature births are high - such as Mali and Tajikistan. Ferring Korea employees undertook to knit hats for Save the Children's Hat Knitting Campaign, timed for World Prematurity Day in November. Wool hats are known to retain the baby's body heat and act as an incubator during the early vulnerable stages of its premature life. 60 Ferring Korea colleagues knitted about 80 hats.

Protecting bees – Switzerland, HQ

Our office enjoys the perfect environment for hosting bees. Bees pollinate nearly 90% of the plants and food that we cultivate, but they face a challenging future, and a risk of extinction. Motivated by this cause, employees at our headquarters have established their own inhouse Beekeeper Association, involving colleagues from different departments and levels of seniority. We take care of our bees and harvest the honey too, proceeds from which go to a chosen charity.

See full project list @ ferringresponsibility.com



The road ahead

‘As William Clay Ford Jr said, “Creating a strong business and building a better world are not conflicting goals – they are both essential ingredients for long-term success.”’

Jade L Shields, Sr
Vice President, Values and Learning
(Global Data Protection Officer)



Drawing inspiration from beyond the office

We operate in a world with finite resources and must support a society with multiple challenges and inequalities. This demands a business driven by core values and motivated by its contribution to society.

We have the firm foundations of our Ferring Philosophy at the heart of who we are and CSR is an integral part of that identity. As to the ‘what’ and the ‘how,’ this is a job for a core team of committed colleagues around the world, with full support of senior management.

Looking ahead to the coming year, our key watchwords are: sustain, build and strengthen. We already have some great examples of the work we do around the world, and it’s important we learn from and build on those. At the same time, we must ensure we remain focused on what we can achieve, whilst being mindful of what there is still to do.

In the year ahead, we are committed to:

Sustaining and supporting our existing CSR programmes such as our signature programme CHAMPION (to provide an affordable, heat-stable treatment for post-partum haemorrhage) so that they continue to inspire and deliver real change where it’s needed. Forging new partnerships will be key. Our renewed focus on patient-centricity will ensure that we find even better ways to support our patients. Living our values and adhering to UN Global Compact principles in the supply chain means that we must build on our work with suppliers to enable more ethical practices.

Building new initiatives that respond to a changing world and that are responsive to what colleagues and our external stakeholders tell us is important to them; changing mindsets and behaviours, working towards greener travel and zero single plastic office waste.

Strengthening our CSR governance will enable us to broaden and deepen a sense of responsibility for, and accountability to, our goals. Among our plans are appointing a new Executive Committee Sponsor to champion our ongoing efforts, and strengthen and empower both our CSR teams and functions.

Engage and Learn will remain a key component of our strategy; under the stewardship of People & Values, we will further embed both the policy and practice of CSR in our training programmes, encourage uptake of our volunteering policy and develop a volunteering strategy aligned to our company mission.

Communicate and measure our progress. This means piloting a newly-developed set of high level internal KPIs and developing new ways of communicating our story.

Finally, our President and Chief Science Officer, Per Falk, is equally passionate about our plans. We remain committed to our journey with the UN Global Compact and put our trust in our Ferring colleagues to continue this next stage of the journey with us.

Jade L Shields, Sr
Vice President, Values and Learning
(Global Data Protection Officer)

Corporate Social Responsibility 2018 Review



Photo credit: Joni Kabana, Kabana Photography

'La famille des neiges' by Juana-Maria Mercier was displayed in the Ferring headquarters on World Environment Day 2018.



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