A close-up photograph of a woman with dark, curly hair kissing a young child on the cheek. The child is smiling and looking towards the camera. The background is a soft, out-of-focus green, suggesting an outdoor setting. The overall mood is warm and affectionate.

Purpose People Planet

Environmental, Social
& Governance (ESG)
Report 2021

*Building families and
helping people live better lives*

FERRING

PHARMACEUTICALS



The report describes our environmental, social and governance (ESG) progress in 2021, our material ESG issues and our future ambitions.

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Welcome from our Executive Chairman



In 2021, I had the privilege of joining Ferring as Chairman of the Board of Directors. I have since become Executive Chairman and look forward to supporting the Executive Committee as Ferring builds on its unique heritage to deliver a new and exciting phase of growth.

Ferring's strength has been demonstrated by the way in which the company navigated the pandemic to ensure continued service to patients and deliver a strong financial performance. We already hold a leading global position in reproductive medicine and maternal health, and I look forward to further expanding our presence to support even more people worldwide on their family building journeys.

As a business, we must seek to maximise our value within society and today the success of a company is no longer measured by financial performance alone. In a world

faced with the challenges of climate change, geo-political conflict, a global pandemic, poverty and inequality, it has never been more critical for a business to drive change to strengthen society and protect the planet. As a healthcare company, our focus is on improving the lives of people through scientific innovation. Access to our medicines is therefore central to our ESG strategy and Ferring is working to improve access to their treatment and provide support for anyone who needs help in building their family. In doing so, we must also seek to minimise our environmental impacts, increase our role in social responsibility and demonstrate strong corporate governance across our business operations. By embedding ESG into our core business, we can deliver sustainable business growth and contribute to a better future for generations to come.

I look forward being part of this journey as Ferring seeks to achieve its mission to build families and help people live better lives.

Lars Rebién Sørensen
Executive Chairman

Welcome from our President



In 2021, the COVID-19 pandemic continued to impact businesses around the world and affect the way in which we live and work. At the time of writing in 2022, we are witnessing a new and deeply concerning humanitarian crisis caused by the war in Ukraine.

Ferring stands by the people of Ukraine and is supporting those in need by contributing to major humanitarian relief efforts as well as donating Ferring medicines to help patients. We commit to continued support for the people of Ukraine and for our patients, colleagues and partners suffering as a result of these devastating events.

In 2021, we were able to overcome the challenges of the pandemic thanks to the dedication of our employees and sustained efforts across the business. Our manufacturing and supply teams maintained a constant flow of medicines to patients while our customer facing colleagues used creative and innovative ways to engage healthcare providers and reach our customers. This resulted in a strong financial performance and continued progress in our mission to build families and help people live better lives. We have also maintained our investment and commitment to scientific research, paving the way for further innovations that could transform the care of patients across our core therapeutic areas.

Worldwide, we are proud that our fertility products have contributed to the birth of an estimated 3.7 million babies over a 50-year period. Women in low- and lower-middle income countries also have benefitted from Ferring's expertise with the launch of Carbetocin Ferring, a heat-stable medicine for the prevention of postpartum haemorrhage, the leading direct cause of maternal mortality worldwide. In July 2021, the first mothers were treated in India and we are pursuing approval and launch in 80 more countries, whereby it will be supplied under a sustainable access agreement with the potential to help thousands of women survive childbirth.

We also know that, even in high income countries, women of colour are at greater risk than white women of dying from complications in pregnancy and childbirth. In 2021, we launched a three-year programme of research grants with the aim of tackling racial disparities in reproductive medicine and maternal health.

As well as advancing our mission to build families and help people live better lives, we have embarked on a journey towards an ambitious environmental, social and governance (ESG) strategy with the view to embedding sustainability into the heart of everything we do. This will lead to better business outcomes, deliver sustainable growth

and create long-term value. Ferring's commitment to positively impacting society and operating a responsible business is firmly rooted in our strong ethical heritage and Ferring Philosophy. Translating this commitment into a robust ESG strategy will ensure that we can effectively measure the impacts of our business, demonstrate evidence-based progress to our stakeholders and drive priorities based on science.

Ferring remains a dedicated member of the United Nations Global Compact (UNGC), committed to the 10 principles of the UNGC and the Sustainable Development Goals (SDGs). Our objective is to align our efforts with the priorities set out in the SDGs to ensure we uphold our fundamental responsibilities to society and our planet.

This report reflects our progress in 2021 and our future ambitions to strengthen and demonstrate our performance on material ESG impacts as we seek to fulfil our purpose.

Per Falk
President

3.7m



Ferring fertility products have contributed to the birth of an estimated 3.7 million babies over a 50-year period.

€2.9m

In 2021, Ferring made 17 grants totalling nearly €2.9 million to tackle inequalities and disparities in reproductive medicine and maternal health.

60%

More than 60% of Ferring's research investment goes into the traditionally underserved and under-researched field of women's reproductive medicine and maternal health.



Introduction to our ESG report



As a world leader in reproductive medicine and maternal health, Ferring helps to build the generations of the future.

We therefore have a duty to protect the world in which these generations will grow up, and to operate our business in a sustainable way that will benefit society now and in the future.

Our sustainability vision is guided by the Ferring Philosophy, which places people at the heart of our business in a culture based on

respect, integrity and doing the right thing. In our mission to become the world-leading, most trusted healthcare company in reproductive medicine and maternal health, and a leader in specialty areas within gastroenterology and urology, we are committed to conducting a responsible business and achieving sustainable growth built on our core values and strong ethical heritage.

While this commitment has always been central to Ferring's purpose as a company, we recognise that sustainability is becoming imperative throughout the wider business community. Investment decisions are increasingly based on environmental, social and governance (ESG) criteria, and regulators are imposing ever more stringent reporting and disclosure requirements on companies.

In 2021, Ferring conducted a double materiality assessment of our ESG performance, working with external experts to ensure impartiality. Double materiality means examining how sustainability issues affect a business financially, as well as the impact of the business on people and the environment. The assessment defined Ferring's ESG priorities and will help us to identify targets and metrics, and develop

an ESG framework and organisational infrastructure to enable rigorous progress in tracking and reporting.

This approach is consistent with our membership of the UN Global Compact, and our commitment to set ambitious and measurable targets that are aligned to the UN's Sustainable Development Goals. Our strategy is focused on three pillars, namely Purpose, People and Planet.



Dominic Moorhead
Executive Vice President,
Chief Financial Officer

Ferring is committed to achieving its mission as a responsible business, creating value for society and minimising the environmental impacts of its operations. Although we are at the beginning of the journey, we are taking concrete actions to organise this commitment into a robust strategy based on environmental, social and governance (ESG) criteria in order to demonstrate progress to our stakeholders. Having conducted a materiality assessment in 2021, we are now investing in the baseline data required to set appropriate and measurable objectives on our material ESG impacts. Not only will this improve our ESG performance, but ultimately it will lead to better business outcomes and long-term sustainable growth.



Our sustainability statement

Our sustainability vision is guided by the Ferring Philosophy, which means placing people at the heart of our business in a culture based on respect, integrity and doing the right thing. In our mission to become the world-leading, most trusted healthcare company in reproductive medicine and maternal health, and a leader in specialty areas within gastroenterology and urology, we are committed to conducting a responsible business and achieving sustainable growth built on our core values and strong ethical heritage. Guided by our commitment to the Sustainable Development Goals in pursuit of a better future for all, our approach is focused on three pillars: Purpose, People and Planet.

Purpose:
ensuring responsible and ethical business governance to advance our mission to build families and help people live better lives.

People:
creating value for society by positively impacting the communities in which we operate. Protecting the health and wellbeing of our patients and employees.

Planet:
protecting the environment by minimising our negative impacts to contribute to a better future.

Our commitment will be driven by an integrated strategy with clear, impactful and measurable goals to ensure we can demonstrate progress to our stakeholders. We will harness our scientific expertise and research to continually improve the outlook for our patients.

We will advance our sustainability vision to contribute to a fair and inclusive society and to protect the planet, creating a better future for the generations to come and strengthening our mission to build families and help people live better lives.





Materiality

A commitment to materiality is the principle of defining the environmental, social and governance (ESG) issues that matter most to our business in order to establish priorities, increase accountability and drive action.

Our journey towards ESG

We are committed to ensuring responsible business practices, sustainable growth and a workplace which reflects a diverse world.

Maintaining high ethical standards and a strong environmental, social and governance (ESG) profile is key to ensuring Ferring's reputation and maintaining loyalty as we strive to become the world-leading, most trusted healthcare company in reproductive medicine and maternal health.

We have embarked on a journey towards improving our ESG reporting which requires the introduction of infrastructure, systems and capabilities, enabling us to accurately report ESG progress data. At the same time, we are establishing baseline data on key ESG topics which will enable us to define long-term goals and key performance indicators.

This section describes the process and outcome of our 2021 ESG materiality assessment as a key step towards translating our sustainability commitment into a robust ESG framework.

Building on our ESG reporting

We aim to improve our ability to track, compile and report ESG data to demonstrate our commitment to sustainability. This will comply with the new EU Corporate Sustainability Reporting Directive as well as Ferring's obligations as a member of the United Nations Global Compact.

Our plans will incorporate new ESG data reporting practices across all relevant Ferring functions and entities. There are a number of major steps on this journey:

- 1 Define accounting principles for ESG reporting according to identified reporting standards and establish new data collection processes for integration and implementation across all relevant business functions.
- 2 Ensure accurate and timely submission of ESG data according to defined ESG reporting standards at appropriate intervals.
- 3 Continually monitor data input including identifying data gaps as well as supporting progress plans and interim data strategies.
- 4 Ensure detailed quality control of the accuracy, completeness and consistency of ESG data according to defined accounting standards.
- 5 Introduce an ESG data reporting system and drive continuous system and process improvements to streamline ESG data collection, management and reporting.
- 6 Support business functions in integrating Ferring's ESG priorities into their daily practice to achieve ESG goals.



Materiality and ESG: the importance of double materiality

What is a materiality assessment?

A materiality assessment is a prerequisite for having a rigorous and assurable ESG reporting process.

Its aim is to identify the company's greatest impacts on the environment and on those

communities in which it operates, as well as the sustainability risks that could have the greatest potential impact on the business.

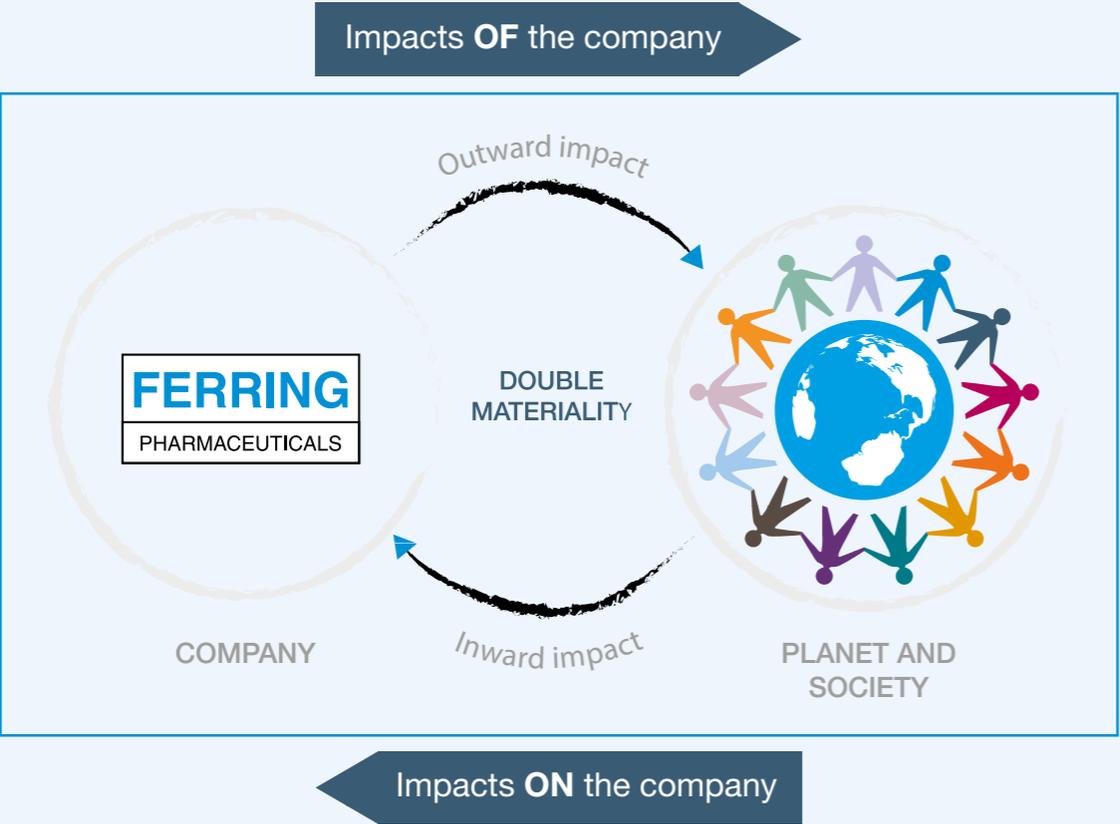
Rather than highlighting areas where the company is already performing well, a materiality assessment identifies where

the organisation needs to take action to improve and monitor its progress. The materiality assessment follows a methodology consisting of internal policy reviews, regulatory mapping, peer benchmarking and stakeholder interviews.



Mary Knight
Global Director,
Ethics & Sustainability

The materiality assessment has provided the foundation for an impact-based ESG strategy and signals the shift towards a more data driven framework. People at Ferring are passionate about our purpose and are embracing the opportunity to play their part in strengthening our ESG performance. It is a privilege to be part of this journey alongside my colleagues across the world.



Why is a materiality assessment important?

We have raised our ambitions for sustainability progress because we want to report on this more transparently. Undertaking a materiality assessment has provided a strong foundation upon which to build our ESG strategy. The materiality assessment identifies the ESG topics most relevant to the Ferring business and provides an impartial and clear basis to guide priorities, develop achievable targets and establish reportable metrics.

Double materiality

A double materiality assessment takes two different perspectives into account. The first is called

'impact materiality' and considers actual or potential impacts on people and the environment relating to the company's operations and supply chain. The second, called 'financial materiality', examines how sustainability issues affect the company from a business viewpoint.

The concept of double materiality has been integrated into European and Swiss legislation and is reflected in the forthcoming EU Corporate Sustainability Reporting Directive (CSRD). When this comes into effect, many companies, including Ferring, will be required to incorporate double materiality into their ESG reporting.



Materiality and ESG: methodology applied

A four-step methodology was applied:



We engaged independent sustainability experts to carry out the materiality assessment.

Their role was to analyse Ferring’s business and stakeholders’ perspectives during a period of significant change in the biopharma industry. Several trends became clear. Firstly, access to medicines is now perceived as a fundamental ESG issue to be addressed by the pharmaceutical industry, rather than a philanthropic activity. Secondly, diversity and inclusion is a key area of focus, both in the workforce and in the communities which the company serves. Thirdly, biopharma requires skilled employees and their development and care is becoming increasingly significant. Finally, climate change and environmental impacts are now critically relevant for all businesses in order to effectively support the global effort to halt climate change.

The analysis involved four steps:

Internal documents and policies

A review and assessment of guidelines and policies, both internal and available publicly, as well as the most recent sustainability report and our sustainability targets and activities based on our Purpose, People, Planet approach, led to a deeper understanding of our current approach to ESG.

Regulatory review

A review of current and anticipated regulatory and disclosure requirements gave a fuller understanding of our compliance obligations. This included European and Swiss regulations such as the Corporate Sustainability Reporting Directive (CSRD) and the Task Force on Climate-related Financial Disclosures (TCFD).



Peer benchmarking and industry trends

A peer review of eight biopharma companies provided a clear picture of our position in comparison to our peers and provided insight into good practice ESG disclosures in the biopharma industry.

Stakeholder engagement and interviews

Interviewing key internal stakeholders from across the business helped to identify key areas of focus. This also generated significant engagement and enthusiasm for the ESG agenda on the part of senior leadership.



Stakeholder Consultation

Global Reporting Standards

GRI explained

The Global Reporting Initiative (GRI) has defined global reporting standards which represent best practice for public reporting on a range of ESG impacts. Sustainability reporting based on the GRI Standards provides information about an organisation’s positive and negative contributions to sustainable development.

GRI principles for defining report content:

- > Stakeholder inclusiveness
- > Sustainability context
- > Materiality
- > Completeness

GRI principles for defining report quality:

- > Accuracy
- > Balance
- > Clarity
- > Comparability
- > Reliability
- > Timeliness



ESG Materiality Assessment: outcome and key focus areas

The materiality assessment report highlighted the key focus areas for Ferring and provided a solid foundation upon which to build an ESG strategy and reporting framework.



Seven areas of focus were identified as the main priorities for Ferring

<p>Human rights</p> 	<p>Ferring has a duty to respect human rights in all our interactions and to manage and mitigate any adverse impacts to people, whether patients, our own employees and workers in the value chain, or in communities where we operate.</p>	<p>Access & affordability</p> 	<p>Ferring plays an important role in providing affordable access to medicines and treatments to patients. Our strategic approach to improving access to medicines through patient access and advocacy programmes, taking account of differing levels of economic development and healthcare needs, can yield opportunities for growth, innovation and partnership.</p>	<p>Greenhouse gas emissions & energy</p> 	
<p>Bioethics</p> 	<p>Conducting business in an ethical manner, through clinical trials, animal testing and human biosamples, is critical to ensuring patient wellbeing and benefit. In addition, identifying, assessing and addressing ethical issues is critical for Ferring to maintain its social licence to operate.</p>	<p>Diversity & inclusion</p> 	<p>Ferring commits to being an inclusive company that fosters diversity and equity, for our employees and in society. Ferring addresses issues of discriminatory practices by encouraging more inclusive attitudes towards fertility and parenthood. Working with an inclusive mindset enables us to better address the specific needs of diverse patient groups.</p>		<p>Ferring operates energy-intensive facilities in our operations and supply chain, and it is our responsibility to reduce our environmental impact including greenhouse gas emissions. This also presents an opportunity for Ferring, as improving energy efficiency and switching to renewable energy may reduce our costs and exposure to future environmental taxes.</p> <ul style="list-style-type: none">  Green energy Analysis of global consumption to set reduction goals and renewable energy targets.  Green transport Reducing impacts from transportation in relation to goods, services, production and employee travel.  Sustainable packaging Reducing impacts through sustainable alternatives in primary, secondary and tertiary packaging.
<p>Product quality & safety</p> 	<p>Product safety concerns, manufacturing defects, or inadequate disclosure of product-related risks can lead to product liability claims and reputational damage. Ferring can build stakeholder trust by continually improving our product quality and safety leading to better patient outcomes.</p>	<p>Employee engagement</p> 	<p>We rely on highly skilled employees to conduct clinical trials, manufacture and commercialise new products and engage with stakeholders. Developing that workforce and maintaining motivation will not only help us to improve patient outcomes through innovations in R&D and products but will also make us better positioned to protect and enhance company value.</p>		



Linking our ESG priorities to the UN's Sustainable Development Goals

The United Nations Global Compact (UNGC) sets out to advance the UN's values and responsible business practices within the UN network and the global business community.

Having been a member of the UNGC since 2016, Ferring considers the UNGC as fundamental to our ESG priorities and reports to it annually.

We have incorporated the Ten Principles of the UNGC into our strategies, policies and procedures. We believe that this will assist in establishing a clear vision along with a culture of integrity in our efforts to uphold our responsibilities to Purpose, People and Planet, and pave the way to our long-term success.

As well as being the year when we joined the UNGC, 2016

also saw the introduction of 17 Sustainable Development Goals supporting the UN's 2030 Agenda for Sustainable Development. These goals provide a basis for countries to make tangible efforts to end all forms of poverty, fight inequalities and tackle climate change. Thanks to our materiality-based approach to ESG, Ferring is contributing directly to the UN SDGs.

Key areas of focus and related Sustainable Development Goals			
Human Rights 	Associated with SDGs: 	Access & Affordability 	Associated with SDGs:
Bioethics 	Associated with SDGs: 	Diversity & Inclusion 	Associated with SDGs:
Product Quality & Safety 	Associated with SDGs: 	Employee Engagement 	Associated with SDGs:

The Ten Principles of the UN Global Compact

Human rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

SUSTAINABLE DEVELOPMENT GOALS



1. No poverty: End poverty in all its forms everywhere



2. Zero hunger: End hunger, achieve food security and improved nutrition and promote sustainable agriculture



3. Good health and well-being: Ensure healthy lives and promote well-being for all at all ages



4. Quality education: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all



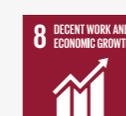
5. Achieve gender equality and empower all women and girls: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all



6. Clean water and sanitation: Ensure availability and sustainable management of water and sanitation for all



7. Affordable and clean energy: Ensure access to affordable, reliable, sustainable and modern energy for all



8. Decent work and economic growth: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



9. Industry, innovation and infrastructure: Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation



10. Reduced inequalities: Reduce inequality within and among countries



11. Sustainable cities and communities: Make cities and human settlements inclusive, safe, resilient and sustainable



12. Responsible consumption and production: Ensure sustainable consumption and production patterns



13. Climate action: Take urgent action to combat climate change and its impacts



14. Life below water: Conserve and sustainably use the oceans, seas and marine resources for sustainable development



15. Life on land: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

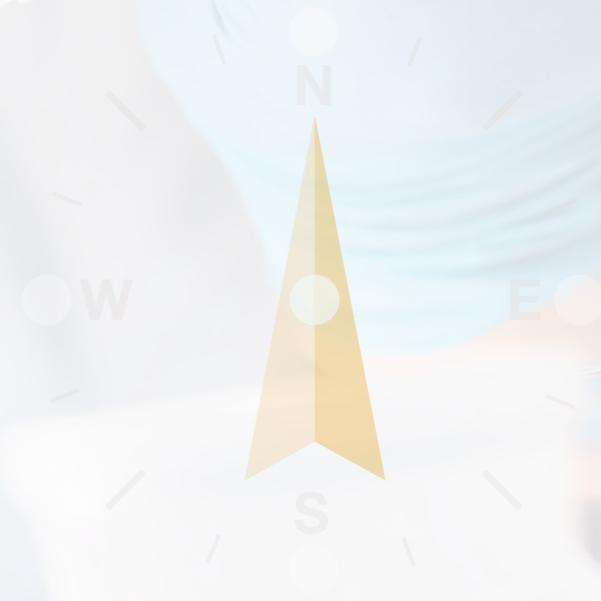


16. Peace, justice and strong institutions: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels



17. Partnerships for the goals: Strengthen the means of implementation and revitalise the global partnership for sustainable development





Purpose

Ensuring responsible and ethical business governance to advance our mission to build families and help people live better lives.

Ferring Philosophy

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.

Ferring Mission

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.

Ferring will be the world-leading, most trusted healthcare company in reproductive medicine and maternal 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, specialist 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 in our operations 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.

Our Philosophy in action

We seek to achieve our purpose and deliver value as a responsible and ethical business by acting with integrity and respecting the needs of patients, employees, regulators, customers and communities. We have a duty to raise awareness and empower colleagues to make the right decisions, guided by the Ferring Philosophy, our commitment to the UN Global Compact, and our internal policies and practices.

By the end of 2021, 90% of employees had been trained on Ferring's Code of Conduct, which requires compliance with the letter and spirit of local laws, regulations and industry codes. A new Code of Conduct curriculum is under development and will be launched in 2022.

We continue to operate the Ferring AlertLine for employees to report any concerns with complete confidentiality.



Enhancing our focus on human rights and sustainable procurement



HUMAN RIGHTS



Ferring's ambition is to ensure all our products are developed, sourced, produced and distributed in an ethical and sustainable way.

Being a responsible company means demanding the same standards of our partners and suppliers when it comes to behaviour, human rights, labour rights and the environment.

Ferring's double materiality assessment put the topic of human rights and sustainable procurement firmly in the spotlight. The assessment compared Ferring's progress with peers and emphasised the importance of governance addressing human rights impacts in the business. This means establishing a process to identify and remedy any potential human

rights breaches in Ferring's current activities and furthermore to define our ambitions in this area and report accordingly.

The progress we have already made is notable. For example, we have introduced sustainability into our Supplier Selection Matrix (SSM) and it is encouraged to use the SSM when appropriate. For all new and existing suppliers, we have made our sustainability standards explicit in our Supplier Conduct Principles. We have also developed a self-assessment questionnaire to assess the level of suppliers' sustainability maturity, which our key suppliers are asked to complete. We expect our suppliers to comply with Ferring's standards on anti-corruption, human rights, labour rights and the environment.



UN Guiding Principles on business and human rights

The United Nation Guiding Principles (UNGP) provides the most comprehensive framework of how businesses should address human rights.

This provided, for the first time, a globally recognised and authoritative source of guidance clearly detailing the respective duties and responsibilities of governments and businesses to

prevent and address breaches. The three pillars of the UNGP are Protect, Respect and Remedy.

Our goals for human rights

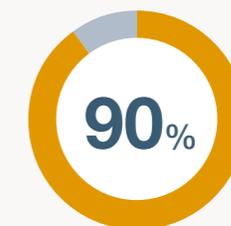
In 2022, Ferring will conduct a Human Rights Risk Assessment to identify those areas in our operations where there may be risks of failure to respect human rights and their impact.

Following the risk assessment, we will create a human rights position paper, including a modern slavery statement and establish a grievance mechanism for non-Ferring parties to report any human rights infringements occurring in Ferring's operations. We will of course take corrective action to remedy any infringements.

Our goals and objectives for 2022:

- Conduct Human Rights Risk Assessment to identify any aspect of operations which may pose a potential risk to human rights.
- Based on the risk assessment, develop a governance framework to hold ourselves and others accountable.
- Establish a grievance mechanism for non-Ferring parties.

Responsible Supplier Selection



We aim to apply our Supplier Selection Matrix to 90% of new contracts entered into across all procurement categories in 2022 with a value of €1,000,000 or more



Bioethics: governance and strategic integration



BIOETHICS

Maintaining high ethical standards is fundamental to ensure Ferring's position as a world-leading and trusted healthcare company.

As a company with a strong ethical heritage and values, we have always taken ethical considerations seriously. Bioethics, the philosophical, social, and legal issues inherent in the life sciences technologies and medicines arising from our research, development and innovation, has been at the forefront of what we do since the business was founded.

As we grow as a company and technological advancements are constantly offering new possibilities as well as posing new bioethical dilemmas, we are taking the initiative to formalise our approach to bioethics even further. In 2022 we will appoint a senior level position with responsibility for bioethics.

This new dedicated role will lead the development and internal approval of Ferring's bioethics framework and governance structure. The framework will cover bioethics principles across a range of areas, for example in reproductive medicine and maternal health, and in designing clinical trials and conducting animal research.

The impact of the double materiality assessment on bioethics

Ferring's double materiality assessment was critical in ensuring that bioethics is high on our agenda. The assessment highlighted the impact of bioethics on the business in particular those issues related to the use of life science technologies in the discovery, development and production of medicines. This is essential for all pharmaceutical companies to maintain their social license to operate.

The double materiality assessment also highlighted the impact of bioethics on patients and their families. Conducting business in an ethical manner through clinical trials, animal testing and human bio-samples is directly linked to patient wellbeing and the benefits of using our products.

What does bioethics mean?

Bioethics looks at the philosophical, ethical, social and legal issues arising in medicine and the life sciences.

There are wide-ranging ethical issues surrounding our use of life science technologies in the discovery, development and

production of pharmaceutical products. As science and technology advance, questions about their application and implementation become more complex. We have a responsibility to consider bioethics in our decision-making processes, policies and principles.

In line with our recent materiality assessment, we have committed to establishing a new global bioethics governance framework. This will assist us in raising ethical standards and developing new policies, guidelines and working procedures.

Our goals and objectives for 2022:

- > Define implementation of bioethics governance framework including:
 - Establish Bioethics Steering Committee
 - Define roles and responsibilities between Bioethics, Global Ethics Office and ESG.
- > Design 3-5-year bioethics strategic plan including:
 - Gaps
 - Priorities
 - Goals and timelines
 - Resources
- > Publish first bioethics-derived internal policy document, Ferring's Global Biosamples Policy.
- > Contribute to personal data ethics and compliance projects.

define

design

act



Product quality and safety: an ESG priority



PRODUCT QUALITY AND SAFETY



The materiality assessment identified product quality and safety as an ESG topic material to Ferring as it addresses the issue of products with unintended characteristics which have been sold and that may create health or safety risks to patients.

It also addresses a company's ability to offer manufactured products that meet customer expectations with respect to health and safety characteristics. It includes, but is not limited to, issues involving liability, management of recalls and market withdrawals, product testing, and chemicals/content/ingredient management in products.

Our efforts to improve product quality and safety

We are committed to ensuring continuous improvement in product quality and safety throughout the product process from research and development to manufacturing and distribution processes. In 2022, we will continue to utilise our Quality Risk Register as an effective tool for proactive identification and prevention of risk as opposed to a reactive approach. We will also seek to maintain a quality culture with appropriate systems and processes in place to drive the right behaviours, ensure evidence-based decision-making, and integrate quality processes into organisational activities such as our distributor network optimisation initiative.

Product quality and safety in an ESG context

From a double materiality perspective, product quality and safety are central for patients and civil society as well as for the business.

For patients, the highest standards of product quality and safety lead to better patient outcomes and build trust in society. For companies, quality and safety breaches are associated with

financial implications of recalls and other adverse events. Product safety concerns, manufacturing defects or inadequate disclosure of product-related risks can lead to significant product liability claims. Companies that limit the incidence of recalls, safety concerns, and enforcement actions for manufacturing concerns may be better positioned to protect shareholder value.

Counterfeit products

Counterfeiting of pharmaceutical products and distribution of products outside of the authorised channels are growing threats which represent unacceptable risks to patients' health.

Ferring is committed to delivering safe products and has implemented processes to report suspicious cases centrally, investigate them and deliver the appropriate response.

Pharmacovigilance:

- Ferring has a robust pharmacovigilance system which is being continuously developed and adapted to meet external and internal requirements, ensuring a high level of compliance with regulatory requirements worldwide.
- Patient safety is at the centre of all our decisions. High-quality pharmacovigilance work is essential for keeping our products on the market, maintaining Ferring's reputation with patients and healthcare professionals, and

helping us attract and retain talented employees.



Our goals and objectives for 2022:

- Continued development and optimisation of Quality Risk Register.
- Reduction of significant quality incidents.



Laurent Faboux
Senior Vice President
Global Quality Assurance

Our Ferring Philosophy states that '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.' To honour this Philosophy, Ferring is committed to the development, production and commercialisation of safe and effective products and services that meet the needs and expectations of our patients, customers, regulators and health care professionals.





People

Creating value for society by positively impacting the communities in which we operate. Protecting the health and wellbeing of our patients and employees.

Access and affordability: Project Family – Safe Birth



ACCESS AND AFFORDABILITY

Heat-stable Carbetocin Ferring

Ferring's Project Family: Safe Birth is a unique example of long-term public-private partnership between Ferring, WHO and MSD for Mothers in reproductive medicine and maternal health. Bringing heat-stable Carbetocin Ferring for the prevention of postpartum hemorrhage (PPH) from formulation and clinical development, through technology transfer, regulatory registrations and new distribution setup, and finally to the patients has been a complex undertaking.

This was a pivotal year for Project Family: Safe Birth, culminating in the Carbetocin Ferring first patient use in India in July 2021.

With 88 countries in scope for this special project, the Safe Birth team is finding new and creative approaches to the launch of Carbetocin Ferring, working with external partners in those countries where Ferring does not have a local implementation team who would normally be responsible for this. In 2021, we have been able to provide Carbetocin Ferring to three countries for patient use (India, Nigeria, Madagascar).

Metrics:

- **Number of regulatory approvals:** In 2021 Carbetocin Ferring received regulatory approval in India. In 2022 we aim to achieve approval in seven additional low- and lower-middle income countries.
- **Volume sold:** In 2021 Ferring dispatched orders for five low- and lower-middle income countries (L&LMICs), a total of 50,050 doses of Carbetocin Ferring.

Collaboration with UNFPA

Collaboration to reduce maternal and infant mortality is one of Ferring's four Project Family commitment pillars, and we are proud to be collaborating with the United Nations Population Fund (UNFPA). The initial pilot in Uganda and South Sudan, conducted by UNFPA and its partners on the ground, will assess if heat-stable Carbetocin Ferring should be included as a complementary item in reproductive health kits for humanitarian and emergency situations.



First patient in India receiving Carbetocin Ferring



Lisa Thomas, MD, FACOG
Global Medical Director Maternal Health
Project Family: Safe Birth

Throughout my career in global maternal health, I have worked to improve access to essential medical interventions for women in the most difficult and extreme humanitarian settings. Ferring's Project Family: Safe Birth Project is working to change this inequity in access and Carbetocin Ferring is an inspiring example of how the private sector contributes to global good. I am truly honoured to be a member of the Ferring team.



7 Regulatory approvals in low- and lower middle-income countries (L&LMICs).



5 Orders dispatched to L&LMICs.



50k Doses of Carbetocin Ferring administered.



Access and affordability: Ferring grant programme



ACCESS AND AFFORDABILITY



Thanks to Ferring's global grant programme, €2.9 million has been given to support 17 projects in nine countries.

These include Australia, Brazil, Canada, Denmark, Ethiopia, South Sudan, Uganda, the United Kingdom and the United States.

This wide-ranging grant programme is designed to tackle inequalities and disparities in reproductive medicine and maternal health, reinforcing Ferring's ambitious #ProjectFamily Commitment, which supports everyone's right to build families of every shape and size.

Through collaboration with people across the globe, Ferring has outlined how it will develop programmes, services, and treatments to address unmet needs in reproductive medicine

and maternal health. Millions of people around the world are unable to access the care, treatment and support they need to build a family, and so, the grants aim to support projects that focus on delivering better outcomes and solutions at every stage of the reproductive journey, from conception to birth.

This includes the Ferring Innovation Grants Programme for Racial Equality in Reproductive Medicine and Maternal Health, which was launched in 2021 to investigate and develop solutions to tackle racial disparities in reproductive medicine and maternal health.

Ferring Innovation Grants Programme for Racial Equality in Reproductive Medicine and Maternal Health.

In 2021 we received 87 applications and awarded 12 research grants covering the following areas:

- > basic and translational research
- > clinical research
- > epidemiology and prevention research
- > social science research
- > others, including access to healthcare



Research in action



One of the Ferring grants will enable the development of decision-making aids for cancer patients, who frequently suffer loss of fertility as a side effect of treatment but are rarely informed about the options for fertility preservation. For example, a recent UK survey found many women were unaware that chemotherapy

caused infertility, and only 12% of them were referred to a fertility consultant. Our grant will enable the creation and translation of a suite of decision aids for patients and patient groups, to be hosted on our Cancer, Fertility and Me website. The project will be led by clinical experts from universities in the UK and Italy.



Access and affordability: patient access and advocacy



ACCESS AND AFFORDABILITY

#ProjectFamily

#ProjectFamily Commitment promotes a worldwide conversation about the need to improve access to quality healthcare, and to provide better support for people on their journey from conception to a safe and successful birth.

By learning from patients to improve their treatment and care, Ferring is committed to ensuring the patient voice is heard consistently as we research, develop and launch our therapies. This involves working with patient communities to help them win hearts and minds and change attitudes, policies and laws, so that everyone can access the personalised treatment, care and support they need to build a

family. We are committed to helping people speak openly about infertility, IVF treatment and baby loss, and empowering them to address issues such as fertility preservation for cancer patients and transgender people, donor conception, surrogacy and adoption. This includes people whose circumstances make them unable to build a family without medical help, such as single women and the LGBTQ+ community.



Global Fertility Council:

Comprised of patient group representatives and fertility advocates to provide a forum where they can express their

views. This ensures we understand patients' real life challenges and reflect their needs.

Strategic global partnering:

With the March of Dimes Prematurity Research Center at Imperial College London and the Karolinska Institutet in

Sweden on research into other areas of high unmet need, including preterm birth.

Reducing inequality:

60% of Ferring's research investment goes into the traditionally underserved and under-researched field of women's reproductive medicine and maternal health. Our research programmes focus on areas of high unmet

need including infertility, pregnancy-related conditions and endometriosis. Ferring is currently conducting 13 clinical trials involving 5,000 patients to investigate new treatment options in reproductive medicine and maternal health.

Fertility house calls:

A U.S. platform that connects prospective parents with fertility specialists for an initial virtual

consultation, making it easier for people to take the first step on their fertility journey.

Awareness initiatives:

#FertilityAwks, Fertility Out Loud and Fertility Diaries are all initiatives to engage and promote the voices of patients.



Together we advocate for everyone's right to build a family, no matter who they are, where they live or who they love. At Ferring, we commit to this, because we know that throughout the world, your family, however it is defined, is the most important thing in life.



Access and affordability: GreenLamp collaboration



“

Ferring support and commitment has empowered GreenLamp to grow and diversify our maternal health projects and to include a focus on a specific local community. It has given us an opportunity to develop our original three pillar programme – Learn, Light, Lead into a holistic model.

Joanna Boyd
GreenLamp Strategy,
Projects and Fundraising

5



From 2020 – 2021 Ferring funding has allowed the installation of 5 solar suitcases and 1 re-installation.

100k

These 6 solar suitcases serve a population of almost 100,000 in a highly deprived area.

19



The 240 solar suitcases installed by GreenLamp are used on average for 19 births per month per health centre.

Reproductive medicine and maternal health

Ferring supports improving safety in childbirth for both the mother and the baby and has partnered with GreenLamp, whose mission is to empower women and girls through education, healthcare and technology. This enables these women and girls to bring about social and economic change in their communities.

Ethiopian maternal health community project

Ethiopian maternal mortality and infant mortality rates are some of the worst in the world and there is a significant unmet need for rural nurses, midwives and health extension workers. Ferring works with GreenLamp on a community focused maternal health programme investing in primary maternal health infrastructure and community outreach with demonstrable outcomes.

The Ferring sponsored five-year holistic maternal health programme will enable sustained impacts of GreenLamp initiatives. GreenLamp’s other key partners will be Regional Health Bureaus, local Woreda (District) officials,

Hamlin College of Midwives, Hamlin Fistula Ethiopia and the Solar Energy Foundation.

Improvements to health centre infrastructure will include installing light, sustainable solar energy, fridges, water supply, medical and emergency transportation as well as providing maternity waiting accommodation and food.

In terms of improving the provision of maternal health services and community outreach, the programme will include increasing ante and postnatal check-ups and providing an in-house pharmacy and stock of medications and vaccines. The training and mentoring of qualified midwives and health extension workers to the basic emergency obstetric and newborn care (BEmONC) standard is also included.

This initiative reflects the aims and activities of the Ethiopian Ministry of Health’s Health Sector Transformation Plan 2024, and is aligned with Ferring’s ambition to become a world leader in reproductive medicine and maternal health as well as with the UN Sustainable Development Goals.

GreenLamp at work in the community



A new mother with her baby born in one of the health centres supported by GreenLamp



Hamlin College midwives standing beside an installed solar suitcase



Hamlin College of Midwives students enjoying a break together



Diversity and inclusion: our goals and how we embed success



DIVERSITY AND INCLUSION

Our approach to diversity and inclusion (D&I) seeks to integrate this into the fabric of the organisation, recognising our social and ethical responsibility to eliminate discrimination and inequality in the workplace and in our communities.

This means creating a culture in which people feel they belong, are valued and have the opportunity to achieve their ambitions regardless of background and demography.

In 2021, we took a more structured approach to embedding D&I into our day-to-day operations by appointing Global and U.S. Directors of Diversity and Inclusion to drive and implement our

long-term strategy. We strive to become an organisation with greater diversity of backgrounds, experiences and opinions, leading to more effective decision-making and a greater understanding of the needs of the patients we serve.

2021

- D&I Awareness Month – first annual event comprising weekly events to raise awareness
- Launch of mandatory D&I training
- Executive and Senior Leader training and facilitated roundtables
- Establishment of D&I dashboard to track key diversity indicators and guide priorities

2022

- Launch of Global D&I Council
- Develop a roadmap to embed D&I into recruitment, talent and development processes
- Analysis of D&I data to drive targeted actions



Diversity and inclusion – Ferring’s four pillars

education



Raising awareness and educating to ensure understanding of what diversity and inclusion means.

diversity



Reflect the diversity of our employees, communities and patients by identifying and taking actions to improve representation, access and opportunity.

workplace



Enabling an inclusive workplace where everyone with capabilities to excel can do so.

statutory



Meeting our statutory requirements and beyond, by taking positive action and championing the potential of all our colleagues.



Armin Metzger
Executive Vice President,
Chief Science Officer

You can call it D&I but you can call it also I&D as being inclusive drives diversity. D&I for me is not really a choice, it is a reality and we have to truly live it. This means creating an environment where everybody in the company who has the capacity and ability to excel should be allowed to do so. This will result in increased creativity, different perspectives, a broader talent pool and greater potential to drive innovation.



Employee engagement: ensuring everyone's voice is heard

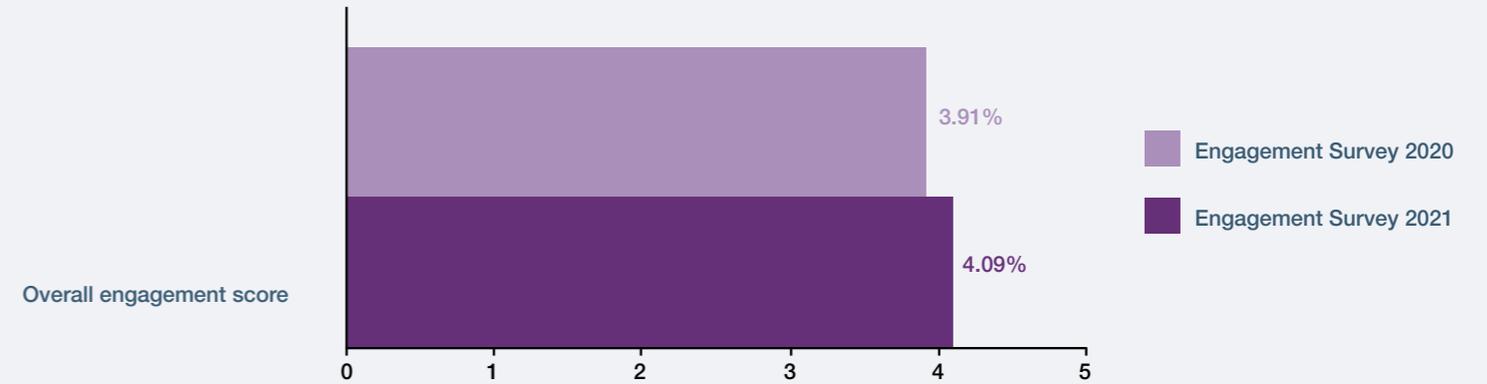


EMPLOYEE
ENGAGEMENT



Goal for employee engagement

In 2021, we are proud to say that there was a 91% response rate to our engagement survey. We consider this to be a sign of trust in the survey as well as engagement in helping to improve the working environment at Ferring. Our goal is to continue having a survey response rate above 70% of eligible employees.



Ferring Employee Engagement Survey Results

Our engagement survey and our goal for employee engagement

Our annual employee engagement survey has helped us to set goals on this topic. This survey is designed to continuously track employee engagement and assists us in creating dialogue around engagement thus ensuring that managers and their teams discuss the questions deemed most relevant by the employees. We also carry out a shorter mid-year pulse check to keep track of any employee engagement issues.

Flexible working

As companies around the world consider what the future of work will look and feel like post the COVID-19 pandemic, in 2021, we announced our commitment to flexible working practices that will better support how employees live their lives while giving their best at Ferring. We believe this development in our way of working will also help us to attract and retain attract highly skilled people.

We recognise that we cannot create a one-size-fits-all global policy. To strike the right balance in each country, local management teams are developing flexible working policies based on global guidelines, ensuring business continuity and compliance with local legal, environmental health and safety (EHS) and fiscal requirements.



Employee engagement: Building Families at Ferring



EMPLOYEE ENGAGEMENT



Christelle Beneteau
Senior Vice President,
Chief Human Resource Officer

We value our employees. They are at the heart of our business and are the foundation of our success. We are therefore taking steps to ensure that our belief that everyone has the right to a family extends to the people who work at Ferring. I'm immensely proud of this best-in-class, inclusive package which will support our people in their family building journeys, removing barriers to parenthood, creating equal opportunities and making no assumptions about parental roles.

We are committed to supporting family building journeys worldwide and believe that leadership starts at home.

In 2021, a comprehensive and inclusive support package "Building Families at Ferring" was designed to support all Ferring employees who wish to build a family.

This new initiative makes no assumptions about gender, sexual orientation, relationship status or parental roles or responsibilities in the early stages of childcare. Our broad and inclusive support package provides equal and accessible policies for all employees who wish to start their family

building journey, ensuring a global standard, irrespective of location or role. We are proud that Ferring's commitment to building families worldwide will support our people and we strive to lead by example in becoming a fertility and family friendly employer. Building Families at Ferring will launch in July 2022.

Family building benefits



Financial support for employees so they can access fertility treatments, surrogacy programmes, adoption, egg freezing, counselling and related services.

This supports our belief that everyone has the right to a family, no matter who they are, where they live, or who they love. Building Families at Ferring makes no assumptions about gender, orientation or relationship status.

This benefit will provide equal opportunities to building a family and will therefore not impose a limit on the amount of financial support available, removing barriers and allowing full access to the options available to them.

Parental leave



Building Families at Ferring makes no assumptions about parental roles or responsibilities in the early stages of childcare. We will be introducing an inclusive global minimum standard of equal paid parental leave:

26 weeks for birthing and non-birthing parents, available over an extended time frame.

Paid leave will also be available to enable our employees to make time in their lives for fertility treatment, IVF cycles and adoption procedures.

Our leave policy will recognise the complexities of building a family and will provide additional leave in case of premature birth or loss.

Awareness and support at work

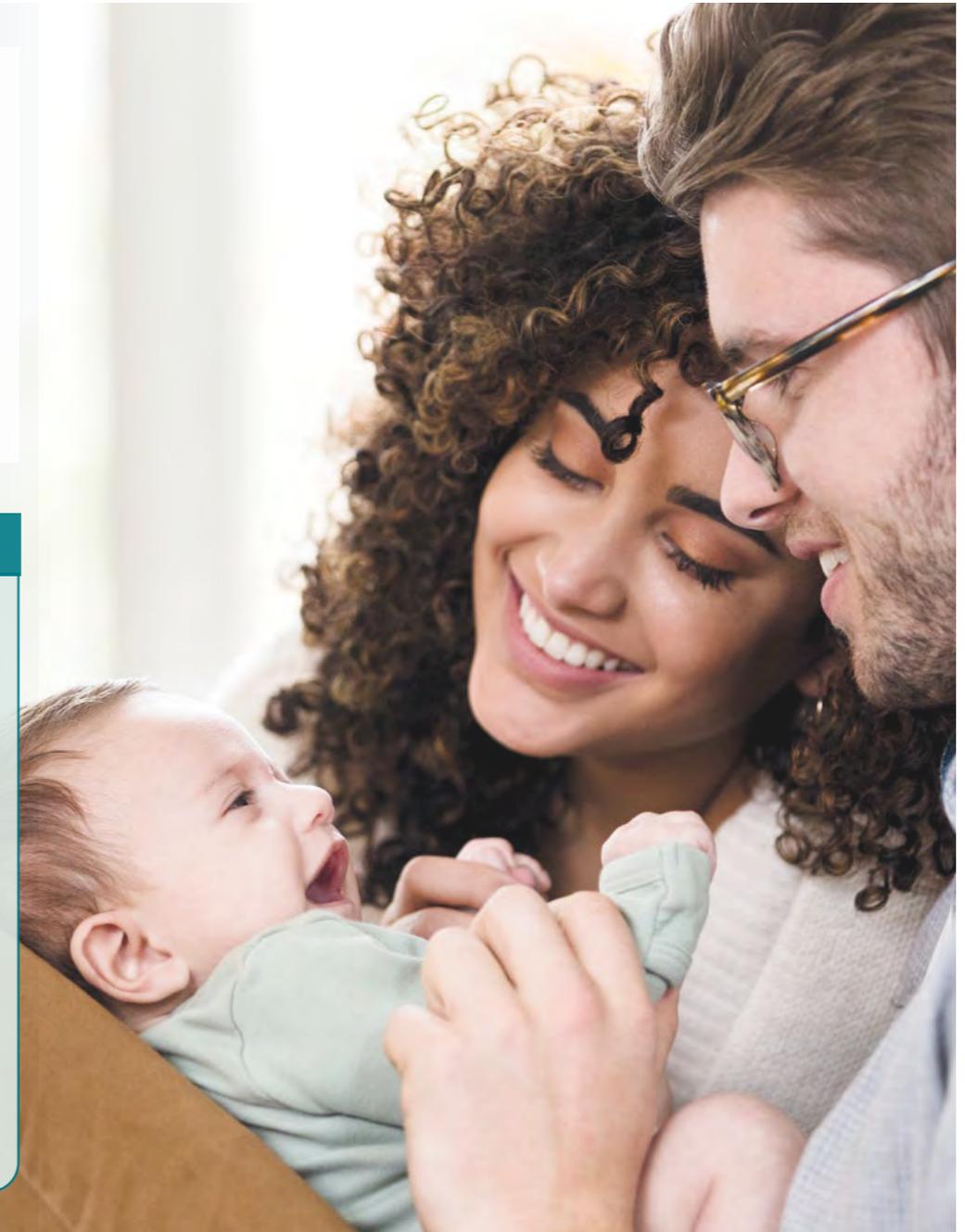


We are committed to creating a fertility and family friendly experience in the workplace.

Building Families at Ferring will increase awareness about the experiences of family building journeys and foster support, respect and understanding.

We will provide access to practical advice about options for building a family.

Enhanced support for returning to work, including increased flexibility to smooth the transition back to work after a period of parental leave.





Planet

Protecting the environment by minimising our negative impacts to contribute to a better future.

Impact driven reduction strategy – greenhouse gas emissions



PLANET

Reducing CO₂ emissions is a key priority and we are taking a strategic and rigorous approach to effectively manage and reduce our impacts.

To ensure that our efforts are focused on the areas with highest impact we will establish a global baseline for Scope 1, 2 and 3 emissions in 2022.

Following analysis of the baseline overview, we will set ambitious achievable global reduction targets in line with the Paris Agreement for Scope 1 and 2 emissions. A hotspot analysis will help us focus on areas of highest negative impacts for understanding of our Scope 3 emissions over the longer term.

In 2022, Ferring will invest in a robust data collection project to establish a baseline and evaluation of our Scope 1 and 2 carbon emissions and an initial hotspot analysis of Scope 3. Ferring will then be able to define an informed corporate carbon reduction commitment and adopt a methodology to meet the requirements of the Greenhouse Gas Protocol.

Our focus areas

In parallel with the baseline work, we will continue our progress to reduce CO₂ emissions within three areas of focus, which are:

- 1) Green Energy
- 2) Transportation & logistics
- 3) Packaging

Hence, we will:

- > Increase the percentage of green energy associated with our operations.
- > Reduce carbon emissions from the manufacturing, transportation and delivery of Ferring products and raw materials for manufacturing.
- > Reduce carbon emissions from employee travel, with a focus on reduced environmental impact from business travel.
- > Reduce carbon emissions from packaging of Ferring products.

- ∨ calculate
- ∨ evaluate
- ∨ commit
- ∨ reduce



Greenhouse gas emissions and energy



PLANET

At Ferring we are committed to reducing greenhouse gas (GHG) emissions, including those from our supply chain.

We aim to achieve a further 25% reduction of our emissions for all manufacturing sites by 2025 based on our 2020 baseline.

Absolute GHG emissions – Scope 1 & 2 performance

In 2020, we included India and US figures in the overall reporting process, explaining the large increase between 2019 and 2020. In 2021, GHG emissions were reduced by 12.8% compared to 2020. This result is mainly due to a change in energy source at our site in Israel from liquefied petroleum

gas (LPG) usage to natural gas and propane usage, resulting in a 46% decrease in GHG emissions.

Relative GHG emissions Scope 1 & 2 performance/global sales

While India and US energy consumption were added in 2020, the relative GHG emissions reduced by 23.2% since 2010.

Renewable energy sourcing

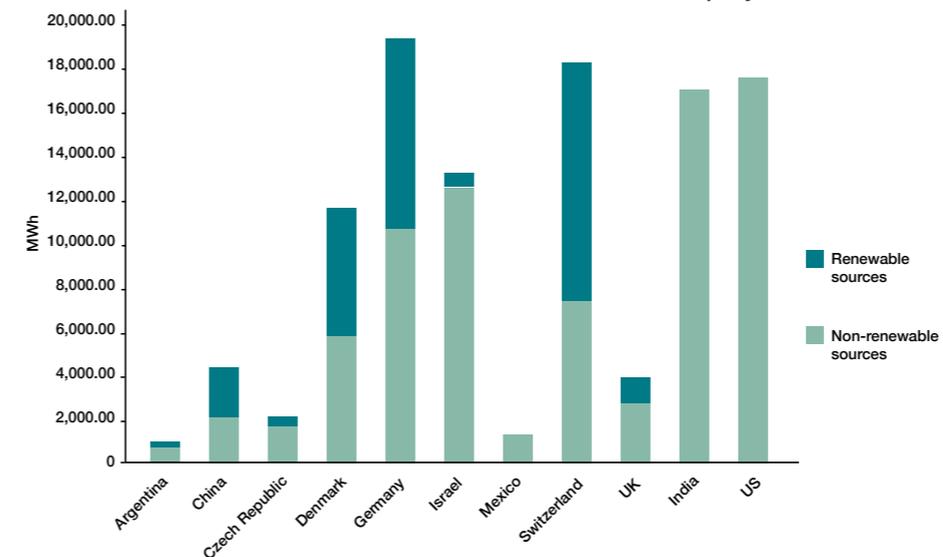
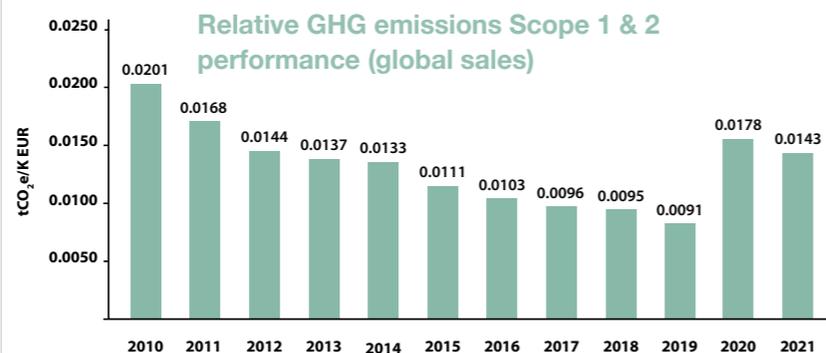
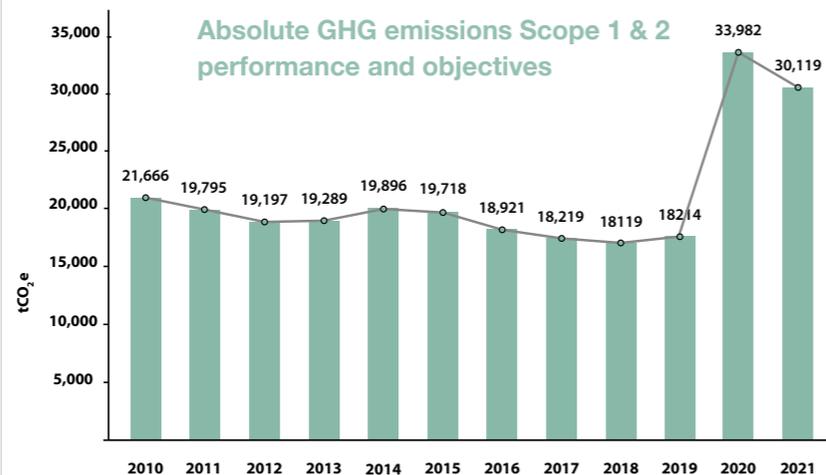
We currently derive 28.87% of energy from renewable sources. India and US currently use zero % of renewable energy, while representing 30% of total energy consumption in our Global Manufacturing Network. Our site in Czech Republic agreed a new

electricity supply contract with 100% renewables.

We are working closely with Global Procurement to embed renewables in sourcing contracts and facilitate the gathering of energy invoicing data and figures.

The future in our hands

As a result of the materiality assessment we know where we stand in relation to GHG emissions compared to others in the pharmaceutical industry. Our aspiration is continuous improvement in reducing GHG emissions and better energy management. This requires commitment at every level in the business. So, we will set realistic targets in the knowledge that everyone in the company has a role to play.



Waste, water and safety



PLANET

Ferring has set 2025 targets in relation to waste, recycling, recovery, water and health and safety.

However, there is more we can do, and this includes setting longer-term targets and improving the way we report on water consumption, water recycling, accidents and audits. For example, we need to improve reporting on water consumption for production sites in areas subject to water stress.

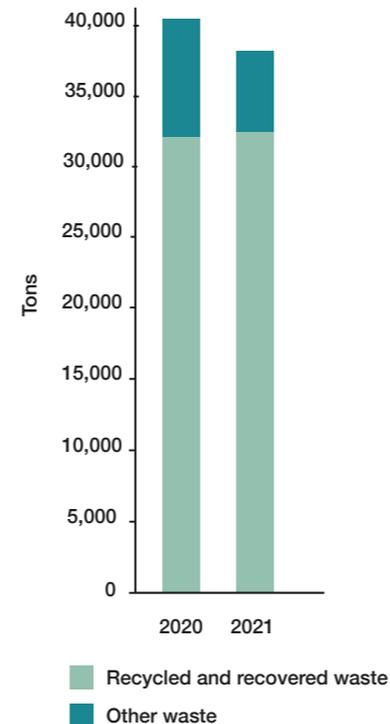


Waste and recycling/recovery

In 2021, Ferring recycled and recovered 85.56% of waste compared to the total waste volume. We overachieved on our target of 85% in 2025 mainly due to reuse of spent carbon at our facility in Ambernath, India.

The total waste production was reduced by 5.85% between 2020 and 2021.

Waste production



Water

In 2021, overall water usage decreased by 2% compared to 2020. The discharge of process water increased by 6% from 36% in 2020 to 42% in 2021.

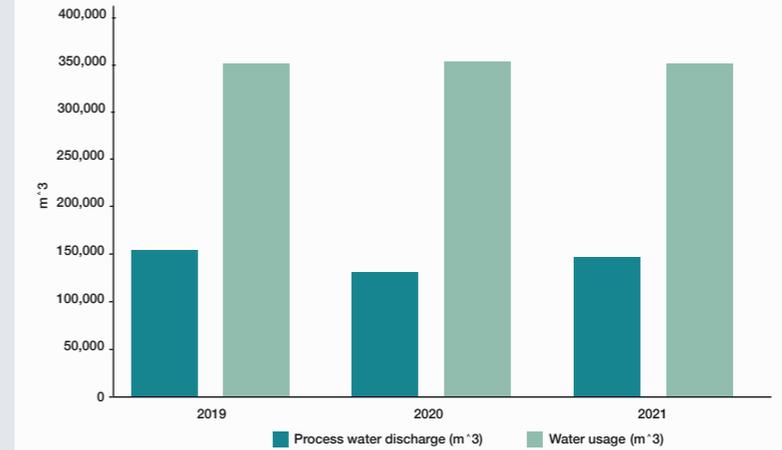
Lost Time Injury Rate (LTIR)

Ferring exceeded its LTIR target of 0.7 in 2021 with a rate of 0.55 for the Global Manufacturing Network (GMN) and 0.21 for Ferring Group. The excellent results are due to continued focus by the sites on programmes such as Leadership Through Safety, Gemba Walks, and Awareness, Agreement, Action (AAA) dialogue, as well as a large increase in reporting of potentially unsafe acts or situations and near misses.

Despite all efforts, we need to maintain focus and raise the level of awareness of safety risks across the organisation. Implementation of Corrective and Preventive Actions (CAPAs) on incidents reported will be a point of focus in 2022.

In 2021, we initiated a pilot Safety Culture Maturity Assessment in Israel, Switzerland and Denmark that will be rolled out at all sites and help us further define the roadmap ahead.

Water usage and process water discharge



Greener supply chain

The transportation of people and goods accounts for one-quarter of global carbon dioxide emissions.

Protecting the planet by reducing carbon emissions from the transportation involved in manufacturing and distributing Ferring products is therefore an important goal.

LNG Truck

One opportunity, identified in 2021, was to change the type of truck we

use on the weekday route from our manufacturing site in Switzerland to our hub in Germany. We partnered with one of our largest logistics providers to switch from a diesel-run truck to a liquefied natural gas (LNG) truck. The truck was branded to celebrate and share this positive initiative. The LNG technology is non-toxic, non-corrosive, emits 100% less sulphur and fine particles into the air and reduces the carbon dioxide by up to 20%.

“



Katharina Tyrakowski
Senior Manager Logistics Performance

When I learned that Ferring treatments contributed to the birth of over 200,000 babies last year, I felt the need to go above and beyond to ensure a sustainable future for these families and for the children born. This gets stronger as I see so many opportunities to reduce our carbon emissions through innovation and sustainable solutions, therefore increasing our positive impact on the world.

Sustainable travel and hotels

We are working hard to improve our environmental and social footprint.

During 2021, one of our areas of focus was global business travel, where important steps have been taken to reduce the emissions associated with our business travel activities.

In 2021, we created our Green Hotel Strategy. This will provide a rating of hotels offered through our travel booking system, where sustainable hotel options will now be marked with a green icon. The rating is based on a sustainability questionnaire that hotels are asked to complete as part of the hotel selection process. Hotels with the lowest rating will not be selected as a hotel option for Ferring employees in 2022.



“

To support Ferring's efforts in reducing our environmental impacts, Global Travel Procurement has launched a Green Hotel Strategy to rate hotels according to sustainability certifications, eco-friendly cleaning products, towel recycling programmes and energy efficiency efforts. We expect employees to use sustainable hotels whenever possible as part of our responsibility to reduce the impact of business travel on the environment.

Karishma Bhalla
Global Category Manager



Thermo pallets and CO₂ emissions

Due to the hot climate in Saudi Arabia, Ferring products were previously transported in thermo pallets all year round to ensure temperature stability.

A thermo pallet is a large box used to transport temperature sensitive items due to its passive cooling system. However it has a larger CO₂ footprint that a normal pallet due to its extra lining and cooling solutions, which are made out of Expanded Polystyrene, and the fact that a normal pallet can carry 2.5 times more product.

In 2021, we changed airline so that our products land on an airstrip right in front of our warehouse, which significantly reduces the time from plane to warehouse. After testing, we also discovered that even without using thermo pallets, the temperature of our products remained stable during the short trip from plane to warehouse.

This led to the use of thermo pallets during the three hottest months only, rather than all year round. During the remaining nine months, we use normal pallets with top covers.

The result is a 26% reduction in the amount of thermo pallets used as well as a CO₂ reduction of 184,748.42kg in 2021.



Towards greener mobility



TechOps' CO₂

Global TechOps reduced CO₂ emissions in transporting products to Australia.

Global TechOps worked with Airlines, Logistics Service Providers, cold chain and Quality Assurance to transition from the use of active containers, which use batteries to transport Pentasa from Germany to Australia, to passive containers, which also keep our product safe while reducing the CO₂ footprint. This improved our environmental footprint, resulting in a 75% reduction in CO₂ emissions from 124.44 tonnes to 30.46 tonnes.



We continue to shift towards local green car policies which increase

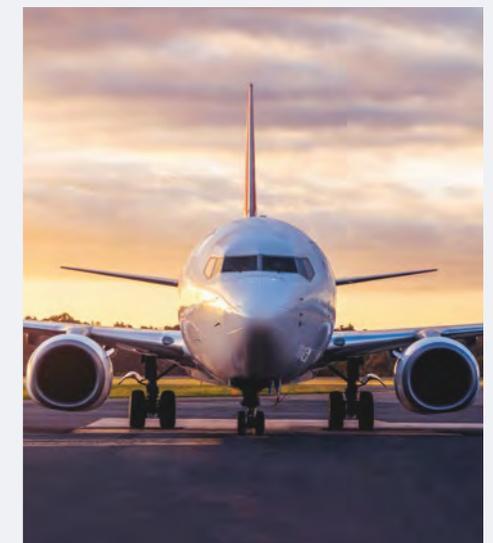
the use of electric or hybrid company cars.

Switzerland Headquarters
Green Car Policy: 33% of company cars electric or hybrid

United Kingdom Headquarters
40% of all company cars are now electric or hybrid

Brazil
Biofuel represents almost 90% of the fuel used in company cars

Czech Republic
Aims to switch 50% of their car fleet to electric vehicles in the next two years





Reporting standards

Tracking our ESG progress against global reporting standards to guide our priorities for improvement and report transparently to ensure accountability.

The current sustainability reporting landscape

Regulators, investors and civil society are increasingly demanding more strategic, holistic information about long-term value creation and a company's wider impact on society. There is an urgent need for sustainability (ESG or non-financial) information to be reported in a way that is globally consistent, comparable and credible.

Momentum is building towards convergence of sustainability reporting standards. In April 2021, the European Commission published its proposal for a Corporate Sustainability Reporting Directive (CSRD), which aims to revise and strengthen the existing rules introduced by the Non-Financial Reporting Directive (NFRD), and to bring sustainability reporting on par with financial reporting. Companies will have to report on how sustainability matters affect their business and the impact of their activities on people and the environment.

All large and listed companies in the EU are expected to fall under the scope of these new sustainability reporting requirements.

To underpin the CSRD, EU sustainability reporting standards are being developed by the European Financial Reporting Advisory Group (EFRAG), which are expected to be finalised in October 2022. In parallel, other standardisation initiatives are in development, including standards being drafted by the International Sustainability Standards Board (ISSB), which focus on the financial materiality of sustainability and climate risks that could affect providers of financial capital.

Both initiatives are building on a large body of work established by existing sustainability reporting standards and frameworks, and extensive cooperation and discussions are taking place to support and contribute to the co-construction and convergence of sustainability reporting standards.

Greenhouse Gas Protocol

The Greenhouse Gas Protocol provides the world's most widely used greenhouse gas accounting standards.

The Paris Agreement was adopted within the United Nations Framework Convention on Climate Change (UNFCCC) in December 2015 and commits participating countries to limit global temperature rise, adapt to changes already occurring, and regularly increase efforts over time. The GHG Protocol is developing standards and resources that help countries, cities and companies track progress towards their climate goals.

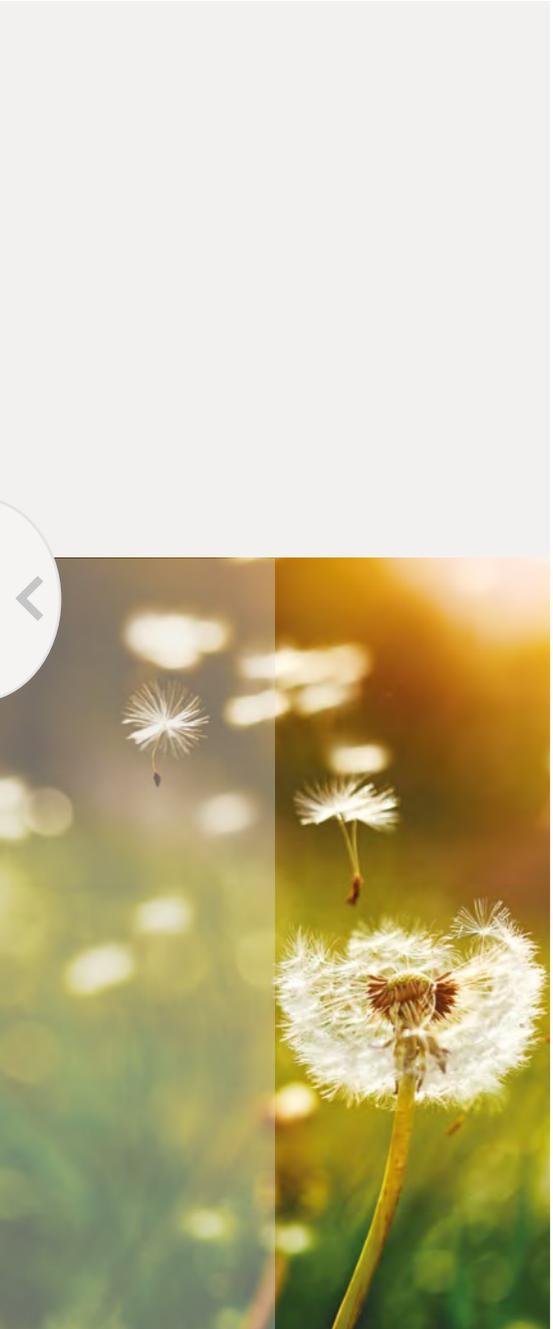
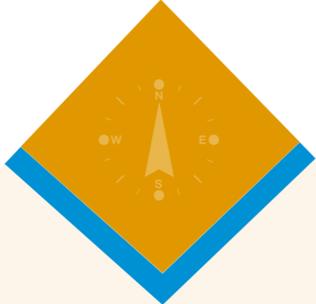
In 2022, our calculation and evaluation will be based on GHG accounting and reporting for Scope 1 and 2 emissions, and will follow the requirements stipulated by the GHG Protocol (Corporate Standard). The adoption of this methodology will provide Ferring with a carbon footprint evaluation which aligns with the requirements of net zero and internationally-recognised, best-practice standards.



The road ahead

Our plans for the future

Our road ahead: 2022 goals

Purpose

- › Evaluate impact and strengthen governance on human rights
- › Develop Bioethics framework; publish Biosamples Policy
- › Launch new Code of Conduct training curriculum
- › Roll out automated Conflicts of Interest disclosure process
- › Establish senior level ESG Steering Committee

Purpose & Governance



People

- › Develop a roadmap to embed D&I into recruitment, talent and development processes
- › Conduct analysis of D&I data to drive targeted actions
- › Continue upwards trend on employee engagement
- › Launch Building Families at Ferring, our family and fertility friendly policy

People & Society



Planet

- › Calculate and evaluate baseline data on Scope 1, 2 and 3 carbon emissions
- › Establish Sustainable Packaging Taskforce
- › Reduce emissions generated by transport and employee travel
- › Expand use of renewable energy sources

Planet & Environment

Corporate giving

Ferring is committed to a holistic approach in supporting the communities in which we operate and making a positive impact on society. In 2021, in addition to the Ferring grant programme (see page 19),

Ferring donated over €4.5 million to a variety of scientific and cultural initiatives and will continue to contribute to causes which benefit communities across the world.

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Bhavin Vaid
Head of Corporate Communications and Public Affairs

Ferring is in an exciting phase of growth, scientific innovation and opportunity. Our progress in implementing an ESG infrastructure, from gaining the data we need to set and measure goals on our material impacts, to establishing internal governance and systems, is creating a strong foundation to ensure Ferring is fit for the future, unleashing its potential to build families and help people live better lives.





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