

Forced & Child Labour Due Diligence in Canadian Supply Chains

As a Ferring Group company, we have various policies and processes in place which together constitute an evolving due diligence process, the purpose of which is to identify potential or actual risks at Ferring, across our operations or with our business partners or suppliers. Risks include child labour, forced labour, human rights breaches, ethical issues, bribery or corruption, although this list is not exhaustive. Risks may also include behaviour that does not adhere to Ferring’s values. We are assessing needs and vendor capabilities on an ongoing basis to identify and implement improvements to these processes.

Policies (all available on global website)

- The Ferring Philosophy sets the expectation and the tone of principled behaviour and that “People come first at Ferring”;
- The Code of Conduct sets the expectation of compliant and ethical behaviour and provides instruction to employees and other third parties acting on Ferring’s behalf;
- The Human Rights Commitment describes Ferring’s commitment to uphold internationally recognised principles throughout our value chain;
- The Sustainability Statement captures our sustainability vision and that people are at the heart of our business; and
- The Supplier Conduct Principles detail those fundamental principles that we expect our suppliers to adhere to, including no forced or child labour and to be opposed to all forms of exploitation of workers and children. We require that our suppliers expect the same of their own suppliers. This is part of our supplier contracting process and attached to purchase orders.

Due Diligence Processes

	Name	Objective	Scope	Frequency of application	Process in place should due diligence highlight risk
1.	SAP GTS Screening	SAP GTS is designed to help organizations comply with international trade regulations by screening business partners against sanctioned party lists. Complies with international sanctions, embargoes, and dual use regulations.	Applied to Ferring's partners such as customers, suppliers, and banks. <i>In future, bank transfers will also be included.</i>	In either real time, or daily or weekly depending on site ¹ .	The system generates alerts or takes action to block or warn against transactions involving sanctioned parties. It maintains an audit trail of all screening activities, including the results and actions taken. Sanctioned

¹ Phased approach to real time roll-out: (1) current real-time application: Ferring Controlled Therapeutics Ltd & Ferring Pharmaceuticals Ltd (UK), Ferring SAU (Spain), Ferring Portuguesa Produtos Farmacêuticos Sociedade & Ferring Service Center LDA (Portugal) and Ferring (Ireland) Ltd (Ireland); (2) real time application from mid-June 2024: Ferring International Center SA (Switzerland) and Ferring Pharmaceuticals BV (Netherlands); and (3) real-time application in alignment with SAP go live for all other sites (roll-out until 2027).

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					party lists are regularly updated, and regulations monitored for updates to ensure that the screening process remains up-to-date and effective.
2.	Supplier Selection Matrix (SSM)	The SSM is a Procurement tool designed to support vendor selection during a Request for Proposal (RFP) exercise. It enables the vendor selection team to assess the vendor responses based on pre-defined criteria, including corporate social responsibility criteria.	Applied for RFP over €1m (<i>excludes contract renewal or price renegotiations</i>).	Each time the scope is applicable.	The SSM is designed to enable informed decision making when selecting suppliers and to reduce risks.
3.	Self-Assessment questionnaire (SAQ)	The SAQ is used to collect information from selected vendors on the following topics: <ol style="list-style-type: none"> 1. Adherence to global standards; 2. Existence of current legal issues; 3. Existence of Ethics and anti-corruption internal policies and processes; 4. Existence of Human Rights and Labour Rights policies and processes; 5. Environment measures in place including existence of policies and processes; and 6. Integration of Health & Safety standards into internal policies. 	Applied to facility management and catering companies in India and Argentina.	Once a year	The process depends on the risk, if any, identified, and may be escalated to any of the following departments: Ethics, Legal or Compliance. This process will be replaced by the Supplier Management Platform once implemented (see below).

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4.	Coupa Risk Assess Module Due Diligence Process	The Coupa Risk Assess Module's objective is to support Ferring with ensuring that our 3rd Party Business Partners are selected and assessed with sufficient diligence to avoid potential misconduct that would have adverse legal, reputational and/or financial effects for Ferring	Applied to all new 3 rd Parties that act on behalf of Ferring and that are being set up in Coupa for payment. <i>This process will be implemented in all markets that use Coupa to process payments to 3rd Parties.</i>	The Module is always "on" and is initiated whenever a new 3 rd Party is added to Coupa	The case follows an escalation process that includes deeper analysis of the 3 rd party leveraging public and non-public data bases (e.g., Dun & Bradstreet), discussion with senior leaders within Legal, Tech Ops and Compliance, obtaining advice from outside counsel (if required) and a discussion with the business assess how to mitigate or eliminate the risk (e.g., terminate engagement with 3 rd Party).
5.	Supplier Management Platform	To collect Environmental, Social and Governance information from selected vendors so that we have visibility over the selected suppliers, enabling us to identify risks and prioritise follow-up actions to remedy such risks <i>Note: purchased at the end of 2023, and implementation to commence in 2024.</i>	<i>Phase 1: to be applied to top 28 key and high-spend suppliers in 2024. Next phases for expansion to be defined.</i>	<i>Supplier information to be updated annually.</i>	<i>The process is being finalised, however, depending on the risk identified, it may be escalated to any of the following departments: Ethics, Legal or Compliance, to investigate and/or address any risks, as appropriate.</i>
6.	Ferring AlertLine (available on our global website)	To enable Ferring employees and third parties to raise concerns, including concerns relating to human rights or child labour, in our operations and value chain.	Open to Ferring employees and third parties to raise concerns of potential violations in Ferring's operations or in our value chain.	The AlertLine is always open.	All concerns raised are allocated to the relevant department for investigation (Ethics, Legal, Compliance, Human Resources) and resolution.

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		Such concerns can be raised confidentially and Ferring has a strict non-retaliation policy for all potential violations reported in good faith.			
7.	Minerals & Metals sourced in conflict affected and high-risk areas	In accordance with Article 964j of the Swiss Code of Obligations, to conduct a search for minerals and metals sourced in conflict affected and high-risk areas (CAHRAS ²) meeting certain thresholds. The purpose is to identify child labour in high-risk industries and geographies and to mitigate and report accordingly.	Minerals and metals sourced in CAHRAS and meeting the thresholds detailed in the Swiss Code of Obligations.	Once a year	In this first year of reporting (2023) we do not meet the thresholds of the reporting requirements as we source negligible quantities of minerals and metals and are therefore exempt from the Swiss reporting requirements. Should this change, any concerns would be raised to the relevant department (Ethics, Legal, Compliance) and we would comply with the reporting requirements.

Forced & Child labour

Our current due diligence process is not designed to specifically address forced and child labour, although it is sufficiently robust to identify forced and child labour should it exist. For example, we would be notified of any negative press about any direct supplier flagging forced or child labour, or other risks. We are likewise aware of our suppliers' level or commitment to protecting human rights in India and Argentina, both of which are in scope of our SAQ due diligence process (see 3 above). Based on our review of vendor capabilities, considered together with the challenges of detecting and combatting forced and child labour, we have not yet identified an available tool with robust capabilities in this area.

² We referred to of [CAHRAs \(cahraslist.net\)](http://cahraslist.net) and applied the following list: Afghanistan, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Colombia, Democratic Republic of the Congo, Egypt, Eritrea, Ethiopia, India, Libya, Mali, Mozambique, Myanmar, Niger, Nigeria, Pakistan, Philippines, Somalia, South Sudan, Sudan, Turkey, Ukraine, Venezuela, Yemen and Zimbabwe

We continually monitor for new and enhanced due diligence processes and systems, specifically those that offer forced and child labour due diligence, to identify potential enhancements to our current due diligence process.

At the time of reporting and following our due diligence process we have no reasonable grounds to suspect forced or child labour at Ferring, across our operations, or by our business partners or suppliers.

In accordance with the requirements of Bill s-211, An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains, and in particular section 11 thereof, we attest that we have reviewed the information contained in this report for Ferring Inc. Based on our knowledge, and having exercised reasonable diligence, we attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year 1 January to 31 December 2023.

Ferring Inc.

Full name: Lee Ferreira

Title: Board Member

Date: 30-May-2024

I have the authority to bind Ferring Inc.

Signature Lee Ferreira
Lee Ferreira (May 30, 2024 09:32 EDT)

Full name: Valerio Trifoni

Title: Board Member

Date: 30-May-2024

I have the authority to bind Ferring Inc.

Signature Valerio Trifoni
Valerio Trifoni (May 30, 2024 16:14 GMT+2)