

INTEGRATED ANNUAL REPORT 2022



Pierre Fabre



“When we unveiled our Purpose in 2019, we put words to what we are and what we intend to be.”

A Purpose does not make a company more ethical overnight, but can help transform it on a daily basis. Year after year, it is essential that everyone takes the Group’s Purpose in and takes it on, at all levels. When we unveiled our Purpose in 2019, we put words to what we are and what we intend to be. Every day, this Purpose nurtures our determination to care for each person. We care for patients and our consumers by supporting the discovery of new therapeutic solutions and dermo-cosmetics, scientifically demonstrating their benefits and always incorporating more naturalness. We care for Pierre Fabre employees by respecting them, listening to them and sharing the company’s successes with them, so that they can grow with us, as we are growing thanks to them. We care for our planet by ensuring we reduce our energy and water consumption, and by improving the social and environmental impact of our products.

Our unique shareholding structure, which guarantees our independence, offers us the opportunity to plan for the long term. We are seizing that opportunity, which this year again is enabling us to continue to innovate, pursue our transformation and become more agile in order to rise to all challenges—of which there were plenty once more in 2021.

Because our Purpose is first and foremost a promise that binds us, we decided to come back to you every year with a review of our actions and show you how our way of working is changing. In order for this reference document to reflect who we are and to tell our story as accurately as possible, we created it collectively, just as we try to conduct our projects together every day, with our employees but also our external stakeholders. It is our expression of transparency, a very modern value.

As you open this integrated annual report, we are entering the last phase of the Transformation Plan, which we announced in 2019, and we are celebrating the company’s 60-year anniversary. This is a great opportunity to reiterate the humanist values of our founder to which we remain true, as well as our fundamentals, our roots, because “Every time we care for a single person, we make the whole world better.”

Eric Ducournau,
Chief Executive Officer

This document was produced according to the guidelines established by the International Integrated Reporting Council (IIRC). It is also consistent with the results of the materiality analysis carried out by the Group in 2019 for its Declaration of Extra-Financial Performance.

Contents

INTRODUCTION

OUR PURPOSE • P. 03

A shareholding structure guided by the public interest

GOVERNANCE

EDITORIAL FROM COMPANY LEADERS • P. 06

THE GROUP AND ITS SHAREHOLDERS: THE FOUNDATION AND EMPLOYEES • P. 08

PARTICIPATORY GOVERNANCE SERVING OUR PURPOSE • P. 09

THE SUPERVISORY BOARD AS THE STEWARD OF THE LONG-TERM VISION • P. 10

AN ENGAGED EXECUTIVE COMMITTEE • P. 11

Making sustainable connections

BUSINESS MODEL

OUR PURPOSE, THE BASIS FOR OUR BUSINESS MODEL • P. 14

TWO COMPLEMENTARY ACTIVITIES • P. 15

OUR APPROACH TO CARE: PREVENT, TREAT AND SUPPORT • P. 16

Agility and efficiency, fueling the future

CHALLENGES & STRATEGY

TRENDS: THE QUEST FOR GENERAL WELL-BEING • P. 24

CSR CHALLENGES & RISKS • P. 26

A DEMANDING, EFFECTIVE TRANSFORMATION • P. 28

MEDICAL & NATURALNESS: A UNIQUE POSITIONING • P. 30

AN INCREASINGLY AGILE ORGANIZATION • P. 31

BOOSTING PROFITABILITY • P. 32

DIGITAL SOLUTIONS: BRINGING US CLOSER TO PATIENTS AND CONSUMERS • P. 33

GREEN MISSION RAISES ITS GAME TO COMBAT CLIMATE CHANGE • P. 34

INNOVATION AT THE SERVICE OF PEOPLE • P. 36

An ongoing commitment to sharing our contribution

CREATING VALUE

HELPING EACH PERSON LIVE BETTER • P. 40

INFORMING CONSUMER CHOICES • P. 42

WORKING CLOSELY WITH HEALTH CARE PROFESSIONALS • P. 44

A HIGHLY DIVERSE GROUP • P. 46

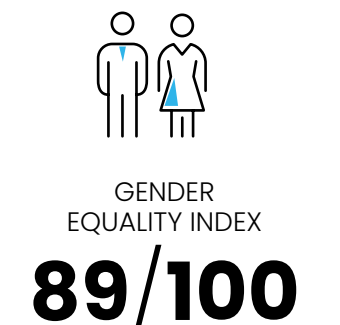
CULTIVATING REGIONAL ENERGY • P. 48



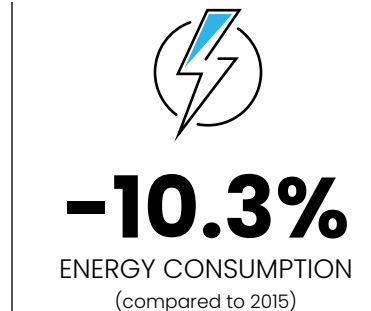
REVENUES FRANCE VS. INTERNATIONAL

France
€826 M, i.e. **34%**

International
€1,626 M, i.e. **66%**



*Result derived from 2017 data
For scope 1, 2 and 3 emissions



60 years of pharmaceutical expertise, inventor of dermo-cosmetics

OUR FUNDAMENTALS

Governance guided by the public interest

86% of capital owned by the Pierre Fabre Foundation, a government-recognized public-interest foundation
This unique shareholding structure protects the company's independence and helps us favor the long term over the short term

A humanistic and economic project that channels employee commitment

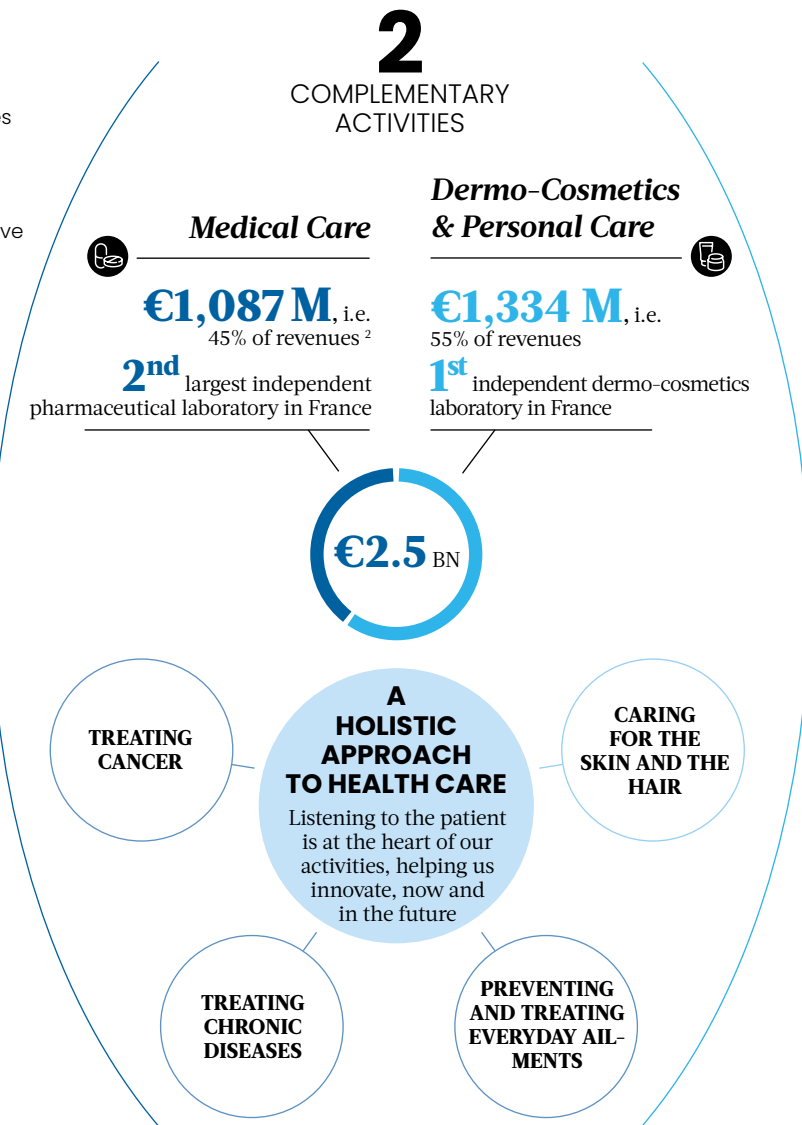
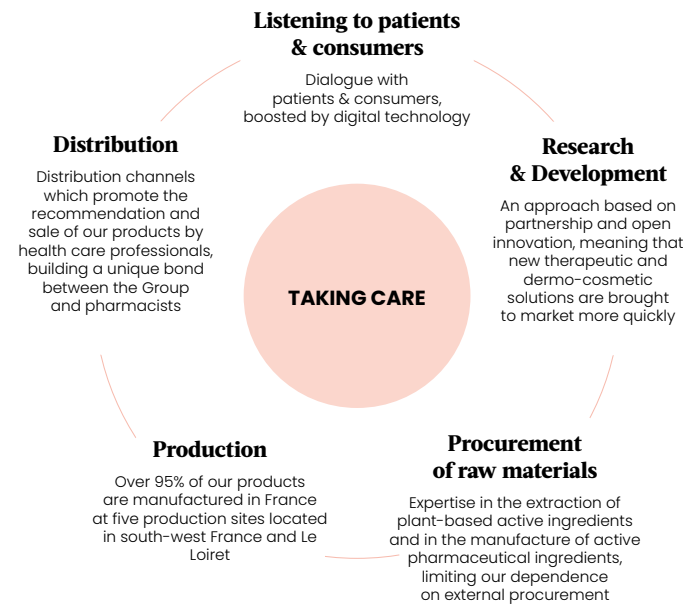
€2.5 BN in revenues in 2021
€265 M of EBITDA
9,600 employees (56% in France and 44% international) in 41 subsidiaries or representative offices
86% of employees are shareholders owning an 8.6% stake in the Group

A unique positioning combining the best of medical expertise and naturalness

Nearly 700 clinical studies conducted in 2021¹
62% of our revenues are linked to products with naturally derived active ingredients

¹ Total number of clinical trials, including those conducted within partnerships (in 2021)

OUR VALUE CHAIN



OUR IMPACT

Patients & Consumers

- Medical expertise, a guarantee of product efficacy, safety and quality
- Support and assistance throughout the care pathway (prevent, treat and support)
- Product transparency and traceability for more responsible consumption

Health care professionals

- Medical expertise, a guarantee of product efficacy, safety and quality
- Support with the holistic approach to health care (new product training, provision of tools and services)
- Complementary brands/product ranges and alignment with consumer expectations

Employees

- Involvement in the company transformation and performance, in particular through employee stock ownership
- Health and safety, skills development, diversity, and non-discrimination
- Regular, constructive, and mature dialogue

Local communities

- Creation and conservation of indirect/direct jobs within regions
- Contribution to environmental preservation
- Access to quality drugs and health care in the countries of the Global South, thanks to the Pierre Fabre Foundation

² Percentages include income from other activities (1%)

“Every time we care for a single person, we make the whole world better”

Since 2019, this phrase has summed up our Purpose and, in our opinion, is much more than just a mantra. Co-written by employees from all walks of life, inspired by the values of our founder, it guides our actions and expresses itself daily as we carry out all our activities.

Innovating to help each person live better, repaying nature for her treasures, sharing the fruit of our efforts with those working and living beside us: at all times, wherever we are based, our Purpose guides our steps, directs how our strategy is implemented and influences our decision-making, whether for industrial investments, product launches or company culture.

This Purpose is a real guideline, uniting us and guaranteeing consistency for the initiatives deployed within our Group. It therefore incites us to explore, constantly innovate, remain alert and be inquisitive about the world around us to make it better, modestly of course, but with all the determination of our founder.

It is much more than just a phrase, it is a source of inspiration and drives our commitment.

Our Purpose is what guides us.

1962 Founding of Pierre Fabre Laboratories

1965 Invention of dermo-cosmetics

1970 Creation of the first Group subsidiary in Spain

1989 The Group's 1st cancer drug

1990 Launch of the Eau Thermale Avène brand

2013 Pierre Fabre leaves his company to a Foundation, recognized as a public-interest organization since 1999

2019 Our Purpose is revealed

2022 The Group celebrates its 60th anniversary

Governance

A shareholding structure guided by the public interest

Remaining independent to reconcile performance and responsibility, and serve our Purpose.

Our corporate shareholding structure, which is unique and unusual, endows us with precious freedom, while protecting our independence and the longevity of the company.

Having the Foundation as the main shareholder is more than just original; it is a strength that enables us to act on our convictions, by fostering a long-term vision for the benefit of patients, consumers, our employees (who are also shareholders) and our partners. This arrangement is also at the heart of our Purpose, as the fruits of our efforts and our performance enable the Foundation to improve access to health care for more and more people who are most in need, mainly in Africa.

“Governance driven by a government-recognized public-interest Foundation, in addition to being highly remarkable in itself, inspires trust for consumers and also for an association like the Ligue Nationale Contre le Cancer. Our discussions are completely unhindered and all participation is attentively considered. This enables us to innovate together and work for the well-being of patients suffering from cancer.”



Marie-Ange Léophonte

Director of the Haute-Garonne Committee of the Ligue Nationale Contre le Cancer, a national non-profit cancer association

EDITORIAL FROM COMPANY LEADERS

The company rose to its challenges with agility

How would you sum up the year 2021?

Eric Ducournau: The company was buffeted by many headwinds, with the continuation of the COVID-19 pandemic and the cyber-attack that took place in spring 2021. Despite this, we have experienced growth, by virtue of our position in strategic developing markets. The Executive Committee decided to pursue the transformation initiated in 2019, in spite of everything. This helped to boost our capacities and become more agile. Our confidence in the future also enabled us to launch over 150 new products, conclude three major acquisitions of drug licenses and gain key shares in third-party companies.

Roch Doliveux: I was particularly struck by everyone at Pierre Fabre's ability to rise to the environmental challenges with impressive commitment. A survey involving all employees showed their strong support for our values and their embrace of our Purpose. This fills me with both energy and inspiration. Clearly, thanks to this, we posted good results despite the difficulties.

Pierre-Yves Revol: The Group objectives were met. This applies to our growth, profitability and investment policy, with over €150 million dedicated to medium and long-term projects. We were able to overcome unexpected obstacles efficiently, taking fast, collective measures. We also pursued our objectives for Green Mission Pierre Fabre, the approach used to define and optimize our CSR actions.

In your opinion, which are the main strengths of the Pierre Fabre Group, enabling it to successfully implement this transformation?

RD: Our main strength is our Purpose, which is fully embodied by our shareholding structure. We care for each person via our dermo-cosmetics activities and the lives we save through our pharmaceuticals activity, and via dividends paid to the Pierre Fabre Foundation, used to care for those most in need. For the younger generations, working for an authentic company with a public-interest Foundation as its main shareholder is a source of motivation and bolsters competitiveness. This momentum is found among our employees, who hold over 8.6% of our shares and are helping us invest in future projects, such as those we are conducting for R&D into drugs or the additional investment plan undertaken for the Eau Thermale Avène brand.

PYR: The diversity of our activities is a major strength: we are the only company to occupy the whole spectrum, from health to beauty. Of course, in each of our sectors, some of our competitors are stronger than us. However, our diversity enables us to better withstand market fluctuation risks. We are also lucky enough to have a capital structure that is unique in France, enabling us to remain independent, per the wishes of our Founder. We can also count on strong support from our employees, as shown each year by the success of our employee stock ownership scheme.

ED: The first strength is independence as regards capital, which means we can avoid making rash, short-term decisions in turbulent times. The second strength is the coherence of the business model, which is unique to Pierre Fabre: a holistic approach to the patient, the importance accorded to innovation, substantive work with health care professionals, the materialization of our CSR and naturalness approach in the "Green Impact Index", which gives consumers visibility on the social and environmental impact of our products. Lastly, we are investing in research and development, company digitalization and team training. We have doubled our training budgets with the Transformation Plan, and this is one of the secrets to its success. Without the commitment of our teams, none of this would have been possible. This commitment requires clear objectives and well-meaning support for meeting those objectives, which notably comes through training.

What remains to be achieved in 2022 to complete the Group Transformation Plan?

RD: Having been able to rise to so many challenges in 2021, our teams have demonstrated their responsiveness and agility. These are values that need to be cultivated. They will enable us to have a further-reaching impact in the future. Lastly, we must continue to ensure health care professionals are aware of our products, in particular to help patients suffering from colorectal cancer, for which we are offering a new treatment alternative.

ED: 2022 started with a new crisis with the war in Europe. This additional challenge once again illustrates the need to constantly enhance our agility. This will require us to complete the overhaul of our ERP, speed up digitalization, maintain a high level of innovation, acquire new product licenses and reconstruct our molecule portfolio in our strategic drug-related fields: oncology, dermatology and rare diseases.

PYR: To protect everything we have built in France, we have to continue expanding our presence throughout the world. We need to continue our efforts to gain a foothold in new regions, to adapt to different markets and specific consumption patterns. This is the only way we will be able to achieve our objectives and protect what we have built.



"Our employees, teams and the quality of their work are what gives us our competitive edge. They are behind all Pierre Fabre Group discoveries, transformations and achievements."

Roch Doliveux,
Chairman (non-executive)
of Pierre Fabre Limited Company



"By paying part of our profit to the Pierre Fabre Foundation, we are contributing to a unique form of virtuous capitalism, of which all Group employees can be proud."

Pierre-Yves Revol,
Chairman of the Pierre Fabre
Foundation and Pierre Fabre
Participations

"The efforts already made in terms of transformation have boosted the company's responsiveness and made it more agile. Despite difficult times in 2021, we have pursued the Transformation Plan. And it has been a success, as we have experienced growth."

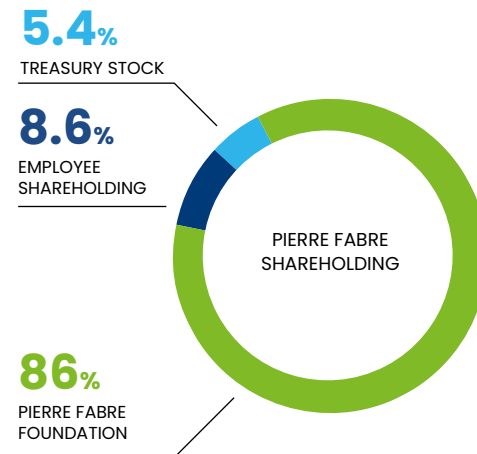
Eric Ducournau,
CEO

The Group and its shareholders: the Foundation and employees

The Pierre Fabre Group is based on a shareholding structure that is unique in France, per the wishes of its creator: the Foundation and the Group's employees are the only shareholders. This unusual capital structure enables us to keep our independence and make long-term plans.

The Foundation, majority shareholder

As Pierre Fabre's sole legatee and recognized by the government as being of public-interest, the Pierre Fabre Foundation holds 86% of Pierre Fabre SA shares. On a daily basis, it works on its mission to enable populations of the Global South to have better access to quality drugs and health care. It therefore delegates Group management control to Pierre Fabre Participations, which nominates the main company leaders while ensuring that the values dear to its founder are observed.



The Foundation: Improving access to health care for those most in need

By creating his Foundation in 1999, Pierre Fabre wanted it to "contribute humbly but effectively to improving access to health care for the populations who need it most". Against this backdrop, the Foundation runs its own health care programs, which it creates with its local partners (ministries for health, treatment and research centers, universities, patient associations, etc.). Its five priorities are: training of drugs specialists, access to quality health care for vulnerable populations, combating sickle-cell disease, dermatology and eHealth. It leads over 35 programs in 21 countries.

In 2021, it continued with its commitment to victims of sexual and gender-based violence. In the Central African Republic, the Foundation, along with the AFD (French Development Agency), co-funds the replication of the holistic treatment model created by Dr. Mukwege, Nobel Peace Prize laureate. This includes comprehensive medical, psychological, legal and socio-economic support, so that victims can have their dignity restored. In Lebanon, where the Foundation has been present since 2002, it is working with the Order of Malta Lebanon through a program – supported by the AFD – which aims to considerably enhance access to quality health care. Eleven health care centers and three mobile medical units have been able to provide over 400,000 medical services and 270,000 consultations.

With every occasion, the Pierre Fabre Foundation is motivated by sharing, the sharing of knowledge, skills and responsibilities.

(Learn more at www.fondationpierrefabre.org/en/)

Employees, players in Group life

Employees, who owned 8.6% of the Group's shares in 2021, hold the second-biggest stake in the Group. From the creation of the Ruscus shareholding scheme in 2005 and opening it up to several international subsidiaries, the subscription rate has been increasing year on year. In 2021, 86.3% of employees eligible for subscription were shareholders. This level of employee subscription illustrates their trust both in our Group's strategy and in its financial results. After the Swiss subsidiary in 2018, and the Austrian subsidiary in 2020, our Czech subsidiary (and employees from Slovakia working for it) subscribed to Ruscus in 2021. In 2022, Bulgaria will be the 13th subsidiary to access the scheme.

Participatory governance serving our Purpose

Even though this year again, the health crisis has affected all business areas, the Executive Committee, in charge of the daily management of the company, was able to count on support from the Supervisory Board.

The regular discussions arranged to aid communication between the two governing bodies and manage the COVID-19 crisis lasted into 2021, and are now part of company governance, facilitating the Group's capacity to respond, as was the case when managing the cyber-attack.



Supervisory Board

As the steward of a long-term strategic vision, the Board approves the Group's strategy and supervises its implementation

- 12 members, including 1 member from Pierre Fabre Participations and 2 employee shareholder representatives
- 41% women
- 3 committees: Strategic Committee, Audit and Accounts Committee, Nomination and Remuneration Committee



Executive Committee

As the creator of the Transformation Plan and the manager of its operational implementation, the Committee generates proposals for the longevity of the company.

- 7 members
- 27% women



Strengthened dialogue

Convinced that good Group performance requires efficient sharing of information between the teams, the governing bodies themselves intensified their discussion sessions. This is the case for Strategic Committee meetings, which feed into the thought process on the company's medium-term policy, issue opinions on acquisition plans and discuss important news. In 2021, these interactions were strengthened even further. Adhering to our Purpose and achieving the Green Mission Pierre Fabre objectives systematically inspire these interactions.

Communication about company strategy and news has become a permanent feature, via bi-monthly video messages from the CEO to the 9,600 employees of the Group. This measure was supplemented by the launch of Blue Voice, an interactive information platform that facilitates everyone's access to Group news.

In March 2021, the Group also launched an initial engagement survey in which 87% of employees took part, which proved to be a precious source of information on the life of the company and its transformation.

The Supervisory Board as the steward of the long-term vision

Made up of experts from various fields, the Group's Supervisory Board regularly welcomes new skilled individuals to better respond to the major challenges of our business areas. It is involved in making and implementing strategic decisions, in line with our Purpose.

Board members with expertise in diverse fields: a strategic wealth

The Supervisory Board works on understanding the impacts of global changes on markets and the company's activities and functions. The highly complementary areas of expertise of the 12 members of the board inform and enrich the decisions made.

A Supervisory Board aligned with the Group's challenges

*% of members of the Supervisory Board with these skills



TESTIMONIAL

Interview with Isabelle Girolami, Member of the Supervisory Board and Chair of the Audit Committee

A graduate of leading business school HEC, Isabelle Girolami spent the first part of her career working for Crédit Agricole. Since 2019, she has been CEO of LCH, the majority shareholder of the London Stock Exchange Group and one of the world's most important clearing houses. Isabelle Girolami resides in London and joined the Supervisory Board in October 2020, becoming Chair of the Audit Committee several months later. Auditing involves reviewing accounts and financial data, but also, for Pierre Fabre, reviewing inherent market risks.

"The Audit Committee is mainly focused on reviewing the company's accounts and financial data, but it also looks at the risks for Pierre Fabre. Being the Chair means I have to work smartly with the Finance Department. As CEO of a clearing house in London with an independent Supervisory Board, I was interested in gaining this experience as a non-executive. At Pierre Fabre, I can provide my international vision and understanding of the relationship between the executive and the Supervisory Board."

Members* appointed by the General Assembly

- Marie-Anne Aymerich
- Jean-Laurent Bonnafé
- Jean-François Couret
- Roch Doliveux
- Isabelle Girolami
- Marie-France Marchand Baylet

- Rachel Marouani
- Olivier Sadran
- Eduardo Sanchiz
- SAS Pierre Fabre Participations represented by Pierre-Yves Revol

Members appointed by the employees

- Agathe Amara
- Alexandre Giraudon

* As of May 31, 2022

An engaged Executive Committee

While carrying out the Transformation Plan, the Executive Committee focuses its efforts on achieving ambitious CSR objectives. This also really embodies the Group's Purpose.

"Medical care and naturalness coexist in our pharmaceutical activities, which can be seen in our treatment for benign prostatic hyperplasia, whose active ingredient is extracted from the dwarf palm. However, science can also learn from nature, sometimes by modifying it. For example, discovering the secret of the human genome enabled major developments. We must not be fearful of science, but rather accept that the contributions of scientific advances and naturalness are not contradictory."

1 **Jean-Luc Lowinski**
Medical Care Business Unit President

"Coordinating our operations by promoting products Made in France enables us to follow up and exceed the most demanding CSR standards. Rising to this challenge is part of our DNA. For 60 years, the Group has ensured its manufacturing and logistical activities take the environment into account. In addition, we are accelerating environmental projects over the whole chain of operations: ECOVADIS score of our suppliers 10 points higher than that of our industry, waterless manufacturing plant project to help achieve carbon neutrality, more eco-friendly distribution to our consumers and customers—these are just a few examples of what makes our growth sustainable."

2 **Vincent Hureau**
Operations Business Unit President

"We are all convinced that CSR issues are not a question of marketing. CSR is a question of long-term survival, and Generation Z has fully understood this. We must really go further than what the law imposes and try to act ahead of time. We should plan ahead and never lose faith."

3 **Eric Ducournau**,
CEO

"We firmly believe that financial performance also depends on a very strong commitment to sustainable development issues: our employees' working conditions, the environment and our products. For example, in 2020 we succeeded in linking our syndicated loan to our CSR performance. And at the end of the first year, we reached our objectives for all assessed criteria!"

4 **Eric Gouy**
Administrative, Finance and Legal Senior Vice President



"Making diversity and inclusion a priority is clearly necessary, since people are at the heart of our Purpose, our business and our shareholding model. It is an important component of the Transformation Plan that we have been conducting since 2019, which requires commitment from everyone. We must act together, with a shared motto: "At Pierre Fabre, nobody should feel excluded."

5 **Agnès Park**
Human Resources Senior Vice President

"In our perimeter, we want to be like the humming bird in the Native American tale and meet our Green Mission objectives. We organize Green Mission Days at all of our subsidiaries, which give employees who volunteer for them the opportunity to take part in supportive or environmental actions, making the world around us a better place."

6 **Giuseppe Mele**
International, Export and E-Business Business Unit President

"Launched three years ago, Conscious Care is an in-house development charter, but first and foremost a philosophy on fair innovation, adopted by employees. We are energetically staying on this course with over 90% of our new projects now fulfilling its criteria. It has now become our compass and the Green Impact Index is the manifestation of it for consumers."

7 **Núria Pérez-Cullell**
Dermo-Cosmetics & Personal Care Business Unit President

Business model

Making sustainable connections

Guided by our active, empathetic desire to listen to patients, consumers, health care professionals and our communities, we work alongside them every day. Our two areas of expertise, medical care and dermo-cosmetics, allow us to care for each person over the long run, including the prevention of adverse effects.

Today, more than ever after the two-year pandemic, we know that only a holistic approach to care can help each patient live better. This entrenched conviction is inherited from our founder, and we base our original business model on it.

“With an international stature, the Pierre Fabre Group has been one of our closest partners for many years, listening to the concerns of patients suffering from ichthyosis. What we have learned from them has enabled us to offer a range of products suitable for their specific needs.”



Anne Audouze

President of Association Ichtyose France, a non-profit ichthyosis association

Our Purpose, the basis for our business model

Inspired by our desire to help each person live better, our business model is based on listening to patients and consumers, to meet their needs throughout their lives.

Our Purpose determines our everyday activities, like a commitment to which our business model allows us to remain true. Our fundamental values indicate the heading we should follow: combine the best of naturalness and medical care, listen to patients, consumers and health care professionals to find new, effective, safe and environmentally friendly therapeutic or dermo-cosmetic solutions with them. Every day, these fundamentals demonstrate their relevance and pertinence faced with the major transformations of our markets.

Our promise to support patients and consumers over the course of their lives guides our company organization. It thus guides the commitment of our teams who, day after day, remain attentive to them and interact with them.

Lastly, because the online experience of patients and consumers is now constantly changing, we are continuing our journey towards enriching digital content. This enables us to identify the expectations of our consumers and patients and to forecast trends. Our portfolio is also constantly changing, as we listen to them.

Our Transformation Plan was launched in 2019 and has already yielded results, enabling us to remain resilient with respect to changes in our environment. It was materialized by the arrival of new targeted oncology treatments on the market in particular, and by the launch of programs fostering mutual aid and information-sharing with patients.



2

COMPLEMENTARY ACTIVITIES



MEDICAL CARE

Ambition:

BECOME AN INTERNATIONAL BIOPHARMACEUTICAL GROUP OFFERING:

- Treatments to bring hope to patients dealing with medical needs not covered by the fields of oncology, dermatology or rare diseases
- A comprehensive range of daily care and well-being products, thanks to a mature product catalog

Key figures for 2021:

- Revenues: €1,087 million
- 63% of sales generated internationally
- Medical Care R&D spending: 7.5% of sales revenue

Strategy:

- Make innovative oncology treatments available to our patients
- Expand our oncology research capacities, especially for immuno-oncology
- Support our growth strategy, through in-house research and license agreements for targeted products
- Ensure the longevity of our mature product portfolio

Our top 10 prescription drugs:

- BRAFTOVI
- PERMIXON
- NAVELBINE ORAL
- MEKTOVI
- TARDYFERON
- ELUDRIL
- CYCLO 3
- CURACNE
- NERLYNX
- NICOPATCHLIB



DERMO-COSMETICS & PERSONAL CARE

Ambition:

OFFER THE FAIREST AND MOST INNOVATIVE SOLUTIONS FOR SKIN, HAIR AND ORAL CARE, IN SUPPORT OF DAILY WELL-BEING AND BEAUTY

Key figures for 2021:

- Revenues: €1,334 million
- 69% of sales generated internationally
- R&D budget: 4.1% of sales revenue

Strategy:

- Propose a portfolio of complementary brands for improving the daily lives of patients and consumers
- Develop products designed to the same ethical and scientific standards as medicines
- Develop MEDICAL & NATURAL green products: 91% of products developed in 2021 are Conscious Care products (see page 36)
- Pursue the digitalization of our business with more than 20% of the 2021 sales revenue via e-commerce, i.e. an increase of 23% in online sales compared to 2020

A portfolio of 8 complementary brands:

- EAU THERMALE AVÈNE
- DUCRAY
- KLORANE
- A-DERMA
- PERSONAL CARE
- RENÉ FURTERER
- DARROW (in Brazil)
- GLYTONE (in the US)

Our approach to care: Prevent, Treat and Support

Our holistic vision of the care pathway sets us apart from other players in the pharmaceutical or dermo-cosmetics worlds. It enables us to support health care professionals, patients and consumers in the prevention of many diseases, their treatments and the potential adverse effects.

Health is defined as being a complete state of physical, mental and social well-being, not just the absence of illness or infirmity⁽¹⁾. Conscious of the role we have to play to keep this promise, we take our share of the responsibility with patients, consumers and health care professionals by being present at each stage of their care pathway and lives. In real terms, we offer effective, safe and high-quality preventive solutions, treatments and support, based on our medical expertise. We also more specifically work with health care professionals by training them on new products, providing them with tools and services in line with their expectations.

Our holistic approach to care in practice

Three initiatives for the prevention and treatment of cancer fully illustrate our holistic approach to care:

The formulation of TRIASORB™, a patented sunscreen, is the result of over 20 years of in-house research. This first organic sunscreen has the specific feature of absorbing and reflecting the harmful part of the solar spectrum, which includes UVB, short-wave UVA, long-wave UVA and also high-energy visible blue light. This is a first in the sun protection sector.

For pharmacists supporting patients undergoing cancer treatment, we designed the OncoGuide. After an initial version published in 2020, we developed its digital version in 2021. The OncoGuide is now accessible via a website that contains tips and training to help guide their patients being treated for cancer (see article on page 44).

Lastly, patients who have been treated for cancer can come and be pampered at the Avène hydrotherapy center, which has extended its dermatological expertise to the side effects on the skin of treatments and surgery (accounting for one quarter of the patients who came to the center in 2021). They receive specific treatments to restore the skin's suppleness, hydration and softness. The hydrotherapy treatments are notably beneficial for scars or dry skin that are the adverse effects caused by chemotherapy treatments. In the exceptional environment of the Avène Hydrotherapy Center, by sharing their experiences, they also rediscover the pleasure of taking care of themselves and regain body confidence, undermined by the illness and the treatments they have undergone.

The benefits are scientifically proven: in 2017, the European Journal of Cancer Care published a study demonstrating the beneficial effects of a three-week post-cancer stay at the Eau Thermale Avène hydrotherapy center.

To inform is to protect!

By changing certain habits or lifestyles, everyone can act on a daily basis to reduce the risk of developing cancer. Informing the general public about these simple behaviors is also the responsibility of our Group. Every year, we keep this promise via communication operations in the field, rolled out by our subsidiaries and employees throughout the world. For "Mars Bleu" (Blue March) in March, the month dedicated to raising awareness on colorectal cancer, an engaging campaign was conducted on social networks in France. In May, in Brazil, Italy, Greece and France, our employees published photos of themselves with a "mark" drawn on the skin, as evidence of their awareness of the need to check their skin. This "Make your mark against melanoma" operation aimed to raise awareness about skin cancer, which affects 324,000 more people every year. In Poland, our employees took part in the OncoRun race, which turns kilometers traveled into donations for a research foundation. In total, 2,200 participants ran 13,356 kilometers. Lastly, for Breast Cancer Awareness month in October, we added our contribution to the fight against breast cancer: in France, Spain, Tunisia and 17 countries in total, we went to meet women to improve education on and prevention of this disease.

Over **35,000** likes were received on social networks for the Mars Bleu campaign for the prevention of colorectal cancer

700 women took part in the prevention and awareness-raising action on breast cancer organized by Pierre Fabre in Tunisia in October



Three questions for Karine Ruellan,

Tout le monde contre le cancer association.

"Where there is joy there is life", this is the conviction of the Tout le monde contre le cancer association, founded in 2005. Its volunteers coordinate festivities, well-being sessions and respite trips for cancer patients, their families and caregivers. In partnership with Eau Thermale Avène, the charity came up with the Échappée Rose operation in 2017. In 2022, the charity's caravan will park up at 23 sites in France, from September to October.

What happens during an Échappée Rose operation?

K.R. We park our unique vehicle within the grounds of the partner hospital. During the whole day, our three professional socio-estheticians provide 28 treatment sessions. We welcome women suffering from breast cancer, but also the patients' health care teams and caregivers. These sessions take place in the caravan, in the hospital bedroom or in hospital staff work spaces.

What do you give to women receiving treatment?

K.R. We give them their smile back and help them regain self-confidence and body confidence. After their treatment, their face is transformed, and we offer to photograph them so they can have a souvenir of this moment. In addition, thanks to the tips they receive, these female cancer patients learn how to apply makeup again, select suitable products and apply them to the skin.

How do you work with Pierre Fabre for this Échappée Rose operation?

K.R. Pierre Fabre's support is both financial and material. Our socio-estheticians are trained at the Avène hydrotherapy center and subsequently design their treatment protocols. Pierre Fabre offers us suitable products from their Eau Thermale Avène range. The women who come for the treatments leave with a bag containing the products used. We share an absolute priority: providing real expertise and guaranteeing safety for women being treated for cancer, with their sensitized skin.

⁽¹⁾ Per the first principle set out in the preamble of the Constitution of the WHO.

Caring for the hair, the skin and oral health

Over time, teeth, the skin and hair change and reflect the health of every individual. What is more, when they are affected by a pathology or are damaged, there is a real impact on quality of life (see inset).

Our two areas of expertise—pharmaceutics and dermo-cosmetics—helps us offer comprehensive care for patients and consumers, with prevention, support and treatment solutions. They benefit from the cutting-edge skills of our researchers, who guarantee the compliance and precision of our innovation, design and manufacturing processes.

Our products are therefore used to treat patients suffering from skin conditions or from the side effects of cancer treatments and to take care of their skin, hair and oral health.

50%

of people suffering from visible dermatosis feel disheartened, and 29% feel rejected⁽¹⁾



Change the way visible dermatoses are perceived

In November 2021, we presented the results of an international epidemiological study jointly created with five patient associations, concerning the prevalence and psycho-social impact of visible chronic dermatoses. This term refers to skin conditions, such as acne, rosacea, ichthyosis, vitiligo, psoriasis and eczema. The study confirmed the significance of the repercussions of “visible” skin conditions on the daily lives of the people living with them. There are many such people, as one out of three surveyed said they were suffering from a skin condition and, for 75% of them, it is a visible one. The originality of this study lies in the fact that we created it with and for the people concerned, since the questionnaire was designed with contributions from five patient associations. Providing a wealth of information, this study will enable us to better structure our approach for consumers and patients suffering from these conditions.

⁽¹⁾ Source: *Étude internationale sur la prévalence et l'impact psycho-social des dermatoses chroniques visibles* [International study on the prevalence and psycho-social impact of visible chronic dermatoses]; #VDS (Visible Diseases of the Skin) conducted by the Pierre Fabre Group in late 2020 among 13,318 people in 6 countries (France, Italy, Spain, Germany, China and Canada) in collaboration with five patient associations.

Treating cancer

4 out of 10 cancers result from exposure to risk factors linked to our lifestyles and behaviors, and could therefore be prevented⁽²⁾

We have been conducting research and development in oncology for over 40 years. Today, we provide solutions for the prevention, treatment and fight against certain cancers: colorectal, breast, lung and skin cancers, plus precancerous tumors such as actinic keratosis. Our Transformation Plan made the development of our oncology portfolio a priority. For this reason, we will continue our efforts and even intensify them. They will be launched and rolled out by our in-house researchers or by co-development partnerships.



Exploring new therapeutic avenues

As part of our desire to explore the options for rare diseases, we are creating partnerships to focus on and develop new therapies, both in oncology and dermatology (see page 36). An agreement with Atara, a US biotech created in 2012, was signed in November 2021, and illustrates this measure. Atara is at the cutting edge of immunotherapy and is paving the way for us to market tacelecleucel (tab-cel®), a treatment for cancers associated with the Epstein-Barr (EBV) virus. Oncology immunotherapy treatments are a breakthrough therapeutic innovation. Their aim is to restore the immune system's capacity to detect cancerous cells so as to destroy them naturally. Immuno-oncology has led to long remission periods for patients suffering from some cancers.

“Pierre Fabre has always sought to build scientific and business partnerships for the development of new therapeutic or dermo-cosmetic solutions. We choose our alliances based on high standards and the desire to serve patients. The partnership with Atara embodies that determination and gives us a real presence in the field of immuno-oncology.”

Éric Ducournau
Group CEO

⁽²⁾ <https://www.e-cancer.fr/Acces-thematique/Prevention-des-cancers>

Treating chronic diseases

By definition, chronic diseases are long-term pathologies that change over time. They can cause different forms of disability or even serious complications, and strongly affect the daily lives of sufferers. An important public health issue, they are becoming increasingly common, which underscores the need to provide long-term support and preventive actions as early as possible.

Our prescription drugs cover a broad spectrum of the pathologies concerned, and improve the lives of patients in many therapeutic fields, such as urology, iron deficiency, rheumatology and diabetes.



Male urinary disorders: promote mutual support and sharing of experiences

Although they are very common among men over 50, urinary disorders caused by benign prostatic hyperplasia remain largely taboo. Patients who experience symptoms believe they are age-related and do not consult their physician, or only at a late stage. And yet they have a huge impact on their daily life. To encourage straight talking and give people the information they need, we created an online support community in late October 2021. It reaches out to male sufferers. This private Facebook group provides them with a space for sharing experiences and advice to help them manage their urinary or sexual problems from day to day, to improve their overall quality of life. Initially launched in France, the community already had 400 members after just six months. It is set to expand to other countries during 2022.

Treating everyday ailments

Everyday ailments can affect everyone's balance, well-being and mental health. With our family health care treatments, available over-the-counter and on prescription, we support people in their everyday lives. Sore throats, smoking cessation, oral ailments, urinary infections, period pain, and so on; we work closely with health care professionals, physicians and pharmacists to help each person be proactive about their own health. And that is how we fulfill our mission to help patients and consumers to live better and age well.



The facts about period pain

Nearly ten million women in France suffer from painful periods. That is why Naturactive launched a new certified organic dietary supplement in June 2021: Naturactive Règles Douloureuses organic supplement for period pain. Naturactive felt it was important to continue its patient support mission by listening to what women had to say about a subject that remains taboo. In a series of podcasts called "Tales of period pain", they share their feelings and experiences of living with painful periods. In four episodes, they discuss how difficult it is to talk about their pain, the range of symptoms, their remedies, how sport can help, and how they manage to cope with period pain at work. The podcasts also feature advice from health care professionals. The campaign enjoyed strong media coverage and, as a result, had already reached out to over eight million women. Made from Organic yarrow and Organic feverfew, Naturactive Règles Douloureuses organic supplement for period pain helps soothe the painful periods with tangible effects in less than one hour for 93% of users* and was voted product of the year in 2022.

* Study conducted in real conditions of use on 91 participants suffering from period pain

Challenges & Strategy

Agility and efficiency, fueling the future

Despite the complex circumstances, the Group continued to implement its Transformation Plan and pursue its CSR commitments. The Group became even more agile and proved that the strategic choices made in 2019 were the right ones.

Now that the Transformation Plan is entering its final year, the Group enjoys a stable, more agile organization that works to promote a refocused portfolio, leading to profitable growth, a valuable driver for its investments in the future.

“The Group’s commitment alongside Envol Vert demonstrates its great determination to develop its home territory. Pierre Fabre teams have worked assiduously alongside us all year, taking part in planting projects in the Tarn, for instance. This commitment will last throughout 2022.”



Thibault Martin

Partnerships and Sponsorship
Manager for Association Envol Vert

Trends: the quest for general well-being

64%

the percentage of consumers who boycott brands based on their opinions on climate change.

+75%

(since 2015) the increase in new cancer treatments currently under development worldwide

The health and cosmetic industries are going through some major changes that are part of a far-reaching quest for more safety, naturalness and efficacy. The Pierre Fabre Group has to constantly anticipate trends to make sure it continues to satisfy the new expectations of individuals and society as a whole in the field of health care.

With a large dose of underlying anxiety related to climate change and the COVID-19 pandemic, consumers are looking for safety, efficacy and naturalness more now than ever.

Given that the global population of over 60-year-olds is set to rise by 34% between 2015 and 2050, and that there will be more seniors than young people aged 15-24, health costs are bound to increase⁽¹⁾.

This is leading to changes in behavior among the younger generations: 68% of Gen Z, born between 1997 and 2010, have started saving for their future health expenses⁽²⁾.

Seven out of ten young people say that safety and security are their top priority⁽²⁾. All generations combined, 76% of consumers are concerned about climate change (+ 6 points between January and October 2021). 64% of consumers boycott brands based on their personal opinions on climate change. The hygiene and beauty sector is particularly affected by those changes, as reflected in the rise in the number of organic and natural products. Almost 50% of French people bought an organic cosmetic product in 2020 (compared with 31% in 2016⁽³⁾).

Sources:
⁽¹⁾ WHO
⁽²⁾ Edelman - The Power of Gen Z. Trust & The Future Consumer
⁽³⁾ Cosmebio



Medical innovations despite the global crisis

The impact of the global crisis caused by the COVID-19 pandemic on other diseases, especially cancer, is huge. One consequence is the drop in the number of new cases diagnosed in Japan, the US and Europe, which ranges between 26 and 51% compared with the pre-pandemic world. The longer-term effects of postponed operations and late-stage diagnoses will be felt over the next few years. Yet research continues to go from strength to strength, and many therapeutic innovations are emerging, especially for patients suffering from rare forms of cancer. Nearly 3,500 molecules are currently in the global R&D pipeline—a 75% increase since 2015. With a market that will be worth 269 billion dollars by 2025, of which immuno-oncology will account for 20%, cancer treatments continue to be the primary focus of innovation in the pharmaceutical sector.

Alongside those new expectations, the circumstances of the pandemic have accelerated digitalization in all health-related areas. To cope with a shortage of physicians and a rise in the number of canceled hospital appointments, remote consultations became more commonplace. By the end of 2020, they had reached 1.2 million, more than twice as many as before the health crisis.

Dermo-cosmetics is also concerned by the acceleration of digital solutions, with a 19% increase in online sales in Europe in 2021. By 2024, almost one cosmetic product out of four will be sold online throughout the world.

Health care players are facing some huge challenges. The Pierre Fabre Group is well aware of its responsibilities and is channeling its scientific and cosmetic expertise into meeting these new expectations.

More than **90%** of Generation Z want brands to take a stand against climate change.

Source: Edelman - The Power of Gen Z. Trust & The Future Consumer

A new vision of the beauty sector—more responsible and personalized

“We need to invent a new vision of beauty in the future, beauty that creates happiness on the inside and shows it on the outside” (Roland Berger report 2035, *Plongez dans le futur de la beauté [Dive into the future of beauty]*).

Based on a holistic mindset, the main trends are a shift from curative or reactive medicine to predictive medicine and a hyper-personalized approach. New technologies are growing all the time, encompassing self-care, eHealth/beauty, regenerative beauty (Conscious Care 2.0) and the transition to a hybrid world shifting from real to virtual. New sciences are increasingly dependent on the living world of skin and hair (bioproduction, bioactivation, etc.). Some major trends in France include limiting water consumption in bathrooms (87%), reducing the number of products used (81%), using biodegradable products (73%), looking carefully at the composition of products to make sure they contain no controversial ingredients (preservatives or parabens) (71%), and buying products with recyclable packaging (70%). Scientific proof matters, 75% of Gen Z trust scientists and physicians more than influencers and celebrities.



Source: *Mieux consommer pour mieux vivre - Observatoire Harris Interactive France [Consume better to live better - Harris Interactive France Observatory] - 10.2021.*

CSR challenges & risks

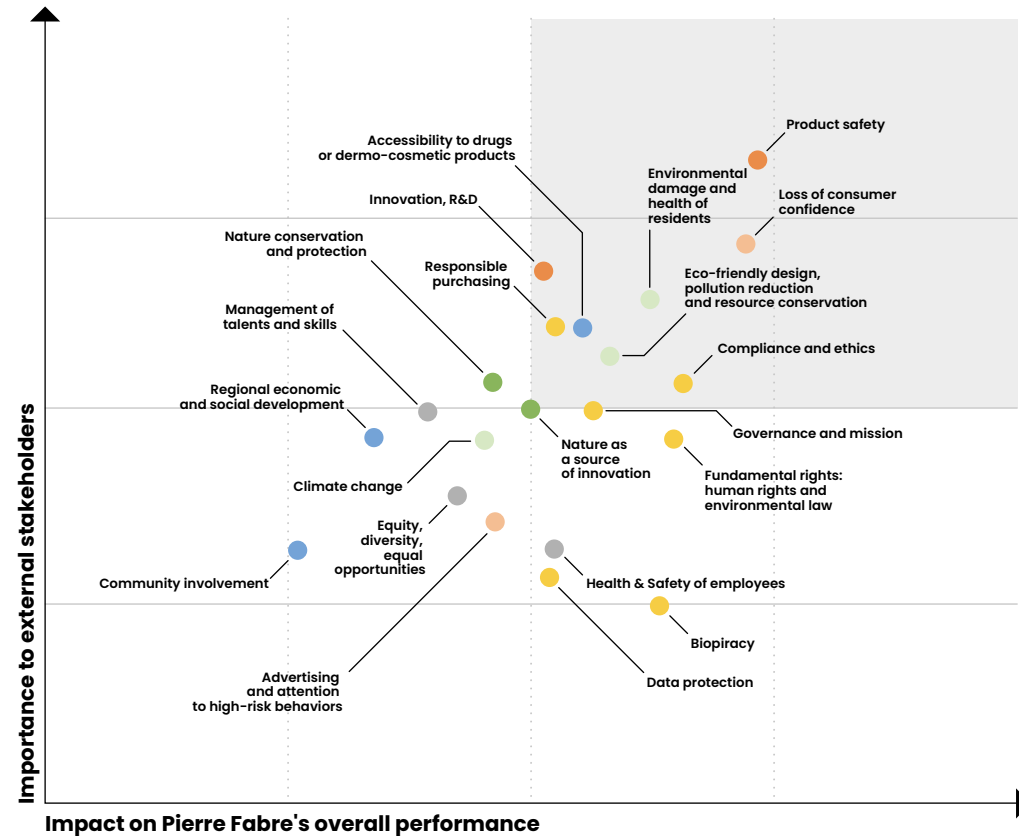
Each year, the Risk Department draws up the Group's risk heat map with the Executive Committee and validates it with the Audit Committee. This risk mapping highlights the major risks that may have a highly significant impact on business continuity and prevent the Group's objectives over the following three years from being reached. The Group's risks are categorized into five types: strategic, financial, operational, ethics and compliance, human risks. They also cover the most critical CSR risks.

They are identified after analyzing internal and external documents and are assessed by in-house stakeholders representing the company's activities and functions.

CSR risks are assessed by the Green Mission Pierre Fabre Department along with the Risk Department and the Communications Department. They apply the same methodology as for Group risks and use a materiality matrix (created in 2019). In this way, 11 major CSR risks for the company were identified.

CSR MATERIALITY MATRIX

- Governance and Ethics
- Health/Beauty innovation
- Knowledge and nature conservation
- Environment and industrial footprint
- Human capital
- Regions and society
- Reputation and confidence



GOVERNANCE, ETHICS & COMPLIANCE RISKS

Responsible governance

Example of action

The Group's shareholder scheme is the guarantee of a comprehensive and sustainable vision of performance. It is reinforced every year to preserve and strengthen this responsible governance. In 2021, 86.3% of employees who were eligible for the employee stock ownership scheme took advantage of it, and together they own 8.6% of the Pierre Fabre S.A. share capital.

Ethics & Compliance

Example of action

Further to the creation in 2020 of the Quality, Compliance & Risks Department, a series of ethics and compliance training sessions were rolled out in 2021, comprising new modules on fraud, responsible communications and Export Control regulations.

Responsible purchasing

Example of action

Since acquiring the ECOVADIS tool in 2019, 327 suppliers (44% of purchasing turnover) have been assessed and cataloged based on the main sustainable development standards: the Global Reporting Initiative, the United Nations Global Compact, and ISO 26000.

SOCIAL RISKS

Diversity, inclusion and equal opportunities

Example of action

With regard to equality, the Group obtained a score of 89/100 in the Index that measures professional equality between women and men, and is pursuing its actions to promote diversity. Many actions are underway both in-house and externally, geared to promoting the employment of people with a disability. Through the creation of a network that is in the development phase ("Réseau Handi'cap" or "Réso'cap"), the Company offers integration opportunities, strives to keep people in work, develops actions related to site access and adapted facilities, raises awareness among Company partners and keeps all the Company's staff representative institutions in the picture.

Skill and talent management

Example of action

In 2021, the training policy resulted in 245,820 training hours in total at Group level. Between 2020 and 2021, time spent training in France increased by 15.3%.

Employee health & safety

Example of action

The new Group HSE policy, signed by the CEO office, is based on three pillars: roles and responsibilities, identification and control of risks and opportunities, and measuring performance and continual improvement. It focuses on:

- the individual and collective performance of players and managers, daily vigilance.
- risks: anticipation, prevention and control (change management and assessment).

ENVIRONMENTAL RISKS

Climate change

Example of action

In 2021, a tool for measuring the carbon emissions of our subsidiaries was deployed and which will enable us to set up country-specific CO₂ reduction plans in the future. This tool is one

aspect of an action plan that focuses on the major sources of emissions on which it can have an impact: Packaging, Freight, Energy, Decarbonization of the car fleet, IS.

The Dermo-Cosmetics and Personal Care Business Unit signed up to the Plastic Act, an industry-wide commitment to satisfy the obligations of the French AGEC anti-waste law, and transposed that commitment into an in-house objective. In parallel, the Medical Care Business Unit took part in the working group led by the environmental organization ADELPHÉ on alternatives to PVC in blister packs for pharmaceuticals.

Environmental impact of production

Example of action

The Group has set itself the target of obtaining 25% of the energy it consumes from renewable sources by 2025. Since 2020, the Group has been working to draw up an overall reduction strategy and is developing a consolidated vision of the action plans in place at each site. In 2020, an initial study was carried out involving four pilot sites (Soual, Gien, Gaillac, Langlade), and in 2021, that study was extended to cover around 90% of the Group's energy consumption.

SOCIAL RISKS

Product safety

Example of action

Prior to marketing, and before any health care product goes on the market, the Medical Affairs and Patient & Consumer Relations Department consults several regulatory texts to make sure that the product satisfies the quality, safety and efficacy requirements. It carries out regulatory monitoring in France and worldwide, and anticipates changes to the law to ensure it is in a position to guarantee the compliance of all product authorization applications.

Accessibility of products for patients and consumers

Example of action

Products classified as "medicines of major therapeutic interest" are managed using shortage management plans that specify the component sourcing and product manufacture stages. Risk analysis at each step of the supply chain enables us to assess the related safety stock and determine the frequency of the rituals observed by the planning teams. The actions implemented include securing procurement sources, the flexibility of production sites and multi-channel distribution flows. The reporting system that identifies any deviations as early as possible ensures the right level of anticipation and responsiveness to mitigate the risk of stock shortages.

Eco-innovation

Example of action

Innovation in the field of plant-based active ingredients is a major, cross-business challenge for both of the Group's activity sectors. 62% of the Group's sales revenue comes from products with an active ingredient derived from Nature (Avène Thermal Spring Water or plant-based active ingredients) and 36% if we consider only plant-based active ingredients. Since 2020, 12 new organic or eco-extracted plant-based active ingredients have been developed and are now ready for use on an industrial scale.

Transparent and responsible communication

Example of action

In order to provide transparency over the environmental and social impact of its products, the Group has developed the Green Impact Index, a system for scoring the eco-friendly and socially-responsible design of a cosmetic or family health product, identifying areas for improvement, and helping consumers make better informed purchasing decisions. By the end of 2021, more than 2,000 product references had been assessed, compared with 40 at the end of 2020.

A demanding, effective transformation

The 2020-2022 Transformation Plan continues to be rolled out in order to boost growth now and get ready for the challenges to come. Based on five pillars that reflect our priority areas, it has enabled us to achieve a healthy balance between the Group's two activity sectors and restore profitable growth.

Having taken due note of the disruptions affecting both its medical and cosmetics markets, the Pierre Fabre Group announced a three-year transformation program in 2019, to adapt to the many challenges and restore profitable growth – an essential springboard for financing its development projects. The objectives included being competitive, agile and innovative for the benefit of patients and consumers by using the best of the medical and natural worlds and contributing to the carbon neutrality objective inscribed in the Paris Agreement adopted at COP21. This Transformation Plan, that will come to an end in 2022, led us to refocus the scope of our activities, our brand portfolio and our industrial and tertiary sites. Despite the pandemic and the many unforeseeable events that followed, compounded by a cyber-attack in 2021, our profitability improved in line with our objectives. This healthy situation now provides us with the leverage we need to prepare the future.

A more cross-business approach

The Transformation Plan ushered in a major reorganization of the company, which was completed in early 2021 and now makes it easier to achieve synergies. An International Export and E-commerce Business Unit supervises the commercial operations of our subsidiaries (except for the five big markets, which are run by the Medical Care and Dermo-Cosmetics & Personal Care BUs) as well as our strategy and resources in the field of e-commerce. A cross-business Medical Department was also created, along with an Operations Business Unit that brings together all of the industrial and

logistics sites, a CSR and Naturalness Department, Green Mission Pierre Fabre and a Data Center of Excellence. With the Transformation Plan, structured around five pillars (see inset), the Group has set itself some ambitious objectives to be met by year-end 2022. *"We want to generate 70% of our business internationally, triple our operating profit by 2022, and rebalance our portfolio between Pharmaceuticals and Dermo-Cosmetics,"* explained Éric Ducournau. *"To that end, we began concentrating on the projects that are most meaningful for our Group."* In line with that decision, medical R&D was refocused on two therapeutic areas—oncology and dermatology—with priority given to targeted therapies and a strategy focused on "niche" indications or rare diseases.

After business being down by almost 120 million euros in 2020 due to the pandemic, Group revenues rose sharply again in 2021. Revenues increased by over 30 million euros compared with 2019, and the initially set objective of 2.7 billion euros in 2022 is now within reach. At the same time, earnings before interest and taxes (EBIT) has tripled since 2019. This performance is partly explained by the many organizational and operational projects undertaken: 31, to be exact, 81% of which had already been completed by December 31, 2021. Our results have provided us with extra resources to invest in R&D, strengthen our pipeline of new molecules in oncology and dermatology, and continue our efforts to contribute to the national carbon neutrality plan.

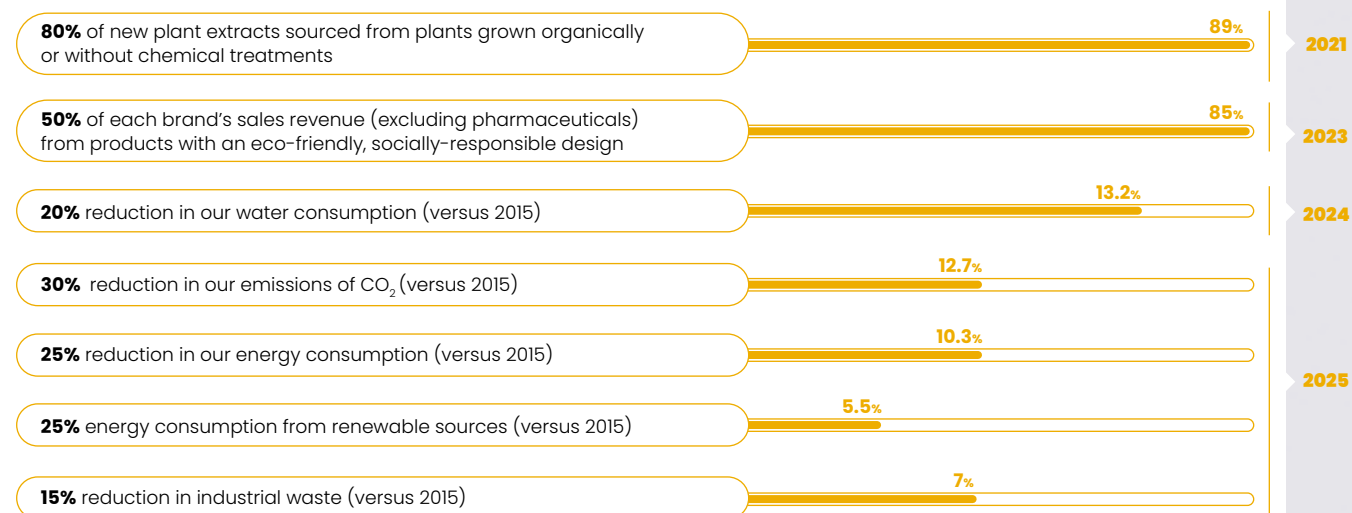
The 5 pillars of the transformation:

- 1 - Assert our differentiating medical & naturalness positioning
- 2 - Refocus our portfolio strategy and optimize our geographical footprint
- 3 - Improve our efficiency to finance the transformation
- 4 - Leverage digital for the benefit of consumers/patients
- 5 - Optimize the organization and our working methods

GENERAL GOALS



GREEN MISSION GOALS



Medical & naturalness: a unique positioning

The Group Transformation Plan is deeply rooted in the assertion of a unique positioning: the alliance of medical and naturalness for the benefit of people. This positioning is built on complementary expertise in life sciences: cellular biology, biotechnology, botany, and biodiversity.

In 2021, the Group innovated with Triasorb™, the first sun filter with a unique ability to absorb and reflect the harmful portion of the solar spectrum (UVB, short-wave UVA and long-wave UVA rays, as well as high-energy visible blue light). Used by the Eau Thermale Avène brand, Triasorb™ crowns the efforts of over 20 years of company innovation and makes Pierre Fabre one of only two cosmetics manufacturers to have succeeded in launching a sun filter developed through its own research. 2021 was also the year in which our subsidiary, Pierre Fabre Invest, acquired a majority stake in the share capital of Ladrôme Laboratoire, a company

specialized in the development, manufacturing and marketing of organic natural health products formulated in accordance with the highest standards and certifications in the industry. This move strengthens the Group's expertise on a market where it is already a recognized player with its Naturactive brand, which has been combining botanical know-how and pharmaceutical rigor for over 30 years. In family health care, the aim to achieve naturalness and eco-designs is present at all stages of manufacturing, as illustrated by the launch of Elgydium's 100% FSC-certified wooden toothbrush in 2021.

"The alliance of medical and naturalness has always set us apart. We owe it to our founder, a passionate pharmacist and botanist."

Núria Perez-Cullell,
Dermo-Cosmetics & Personal
Care Business Unit President

The natural cosmetics sector is set to increase at an annual rate of

10%

over the next ten years

Sources: Pierre Fabre,
Grand View Research
(April 2019)

The organic dermatological revolution with A-Derma Biology

In 2021, Pierre Fabre launched its first dermatological products with Cosmos Organic certification by Ecocert. The first organically certified dermatological product range within the brand, A-Derma Biology includes a moisturizing cream and two care products that soothe redness and combat dry skin. Each product can be applied alone or mixed with the cream, so each person can dose the quantities to suit their needs. This is an innovative approach that is winning over more and more dermatologists. With over 2,000 prescriptions since its launch, BIOLOGY—more specifically, its anti-redness care product—is the second most-prescribed product by French dermatologists for Rosacea, the inflammatory skin disease.



"The BIOLOGY range reflects the unique positioning of A-Derma, the plant-based dermatology laboratory. After five years of intense efforts, it is so rewarding to see that initial feedback is so positive: the alliance of dermatology and Organic certification is now a must for prescribers, and the range has quickly established itself as a benchmark brand on the face care market."

Violaine Thomas
BIOLOGY product manager

An increasingly agile organization

The structuring of a more horizontal and collaborative organization and a reinforced performance-oriented culture were identified as two essential drivers of transformation.

2,500

action plans co-constructed by our teams further to the first Group engagement survey

Over

1,900

employees involved in simplification actions

In March 2021, Pierre Fabre was the victim of a major cyber-attack. Confronted with this unprecedented crisis situation, our staff pulled together to build effective defenses almost in real time. Orchestrated by the Group's IT staff and their cybersecurity partners, the remediation plan was reviewed and validated each day by the Executive Committee. That meant each operation was covered by an appropriate procedure in collaboration with the business activities and functions concerned. *"We turned this ordeal into an opportunity to boost the Group's agility, strengthen our internal ties, and prove our capacity for resilience through collective efforts,"* stressed Éric Ducournau. *"It is the result of all the hard work we put into our culture and ways of working as part of our Transformation Plan."*

The annual engagement survey, launched in March 2021 by the HRD with the international institute Glint, also helps reinforce these new collaborative working modes. This survey, that aims to measure (and boost) employees' sense of belonging to the company, invites them to answer a series of questions about their well-being at work and understanding of company strategy. In 2021, it led to 2,500 action plans drawn up in team mode. In total, 74% of teams helped identify tangible improvement actions (versus an average of 20% in the Glint guidelines). They are all geared to enhancing transparency and a cross-business approach within the company, creating new processes and habits that give rise to synergies and help us move away from

the silo mentality. The Group set up a more horizontal, transparent communication dynamic. To this end, a new in-house communication platform was launched in April 2021: employees can now share information directly and comment on the Group's daily news. Named Blue Voice, the platform publishes a range of news items including the CEO's bi-monthly messages, podcasts recorded by the CFO and graphics showing the main quarterly indicators on how the Transformation Plan is progressing.

Simplification in the spotlight

In 2021, employees were invited to suggest simplification actions to their managers, aimed at simplifying teams' day-to-day business. As a result, over 240 initiatives were implemented during the year, with an estimated time-saving of 15,000 days per year. In response to a challenge launched on the in-house communication platform, the three most inspiring initiatives were selected and rewarded by the Executive Committee. This action, known as "Let's make life easier" (or "Simplifions-nous la vie" in French), aimed to help simplify our working methods by encouraging each team to collectively identify the most appropriate initiatives for their own day-to-day business. Another positive outcome is the revelation that cultural transformation is first and foremost about taking small steps, and working together for continual improvement.

Boosting profitability

The actions in progress for the “portfolio” and “efficiency” pillars of the Transformation Plan have boosted the company’s profitability. The efforts undertaken since 2019 are producing tangible results, and the company was able to sign licensing agreements concerning innovative molecules in the fields of oncology and rare diseases.

€136 M
invested in R&D

7.5%
of sales revenue for
Medical Care and

4.1%
of sales revenue for
Dermo-cosmetics and
Personal Care

“Our profitable growth requirement involves refocusing on the indications for which our Group has the best assets (Dermo-Cosmetics, Innovative Oncology, Rare Diseases, Dermatology). It therefore requires partnerships with innovative biotechs, and this movement is already generating genuine results, such as the four agreements finalized in 2021,” explained Éric Gouy, Finance and Legal Senior Vice President.

Optimizing production through short supply chains

In July 2021, activities were transferred from the Châteaurenard site to the Pierre Fabre Avène and Soual sites. Devoted to the manufacture of sample tubes, which have now been replaced by more lightweight, compact sachets that are better suited to consumer needs and e-commerce, Châteaurenard was only running at 50% of its capacity. “We opted for the Lean approach, which promotes short supply chains and the grouping of activities on a single site whenever possible,” explained Vincent Hureau, Pierre Fabre Operations President. “This transfer has resulted in a 17% rise in productivity and reduces the Group’s carbon footprint.” All 46 employees of the Châteaurenard site were offered a position at the neighboring Gien plant, the Group’s main pharmaceuticals production site. The tube packaging activity was relocated to Avène-Les-Bains, and to a lesser extent Soual (Tarn region). This choice will reduce the number of trucks traveling between the Loiret and Occitanie regions, the equivalent of 1,000 metric tons less freight every year.

*On direct costs

Only what is necessary

A consequence of the profitability requirement: the quest to boost operational efficiency at all levels of the company. The OWIN (*Only What Is Necessary*) initiative is the concrete answer to that quest: cross-business working groups are striving to restrict processes to “only what is necessary”, especially for marketing aspects. This quest for agility, combined with our high CSR standards, have also prompted an in-depth review of our production methods. At our industrial site in Cahors, for example, where the grouping together of our product manufacturing and packaging steps has enabled us to reduce transport, waste and CO₂ emissions, whilst boosting productivity. At this stage in the improvement process, profitability is continuing its upward trend, and in 2021 the Group posted sales revenue of 2.5 billion euros, driven upward by activities that generated greater revenue than in the previous year: innovative oncology, dermatology and oral care. And EBIT is up for the third year running.

Major agreements signed since year-end 2020

- Marketing partnership with ATARA Biotherapeutics (US)
- Licensing and marketing agreement with the American biopharmaceutical company ValenzaBio
- Licensing agreement with the biotechnology company RIBONEXUS (France)
- Research partnership with the South Korean biotechnology company Y-BIOLOGICS
- Partnership with the EspeRare Foundation (Switzerland) to develop the first treatment for the rare disease XLHED

Digital solutions: bringing us closer to patients and consumers

The digitalization of all our activities is a core feature of the Transformation Plan. Our ambitious e-commerce strategy, which includes a CSR component, means we now generate over 20% of dermo-cosmetic sales online. Digitalization and data use will also boost R&D in order to ensure we constantly satisfy the expectations of patients and consumers.

Over
20%
of dermo-cosmetic
sales generated online
in 2021

Better return on
investment (ROI), up to
+50%
per campaign
thanks to precision
marketing

In 2021, we continued to roll out our digital solutions, one example being “precision marketing”, which means adapting the way a brand communicates to each of its strategic targets to boost affinity and performance. *“By digitalizing our marketing resources, we have enhanced our brands’ visibility: in 2021 we refocused our investments, increasing them by 85% in the digital field, with a view to recording 40 million contacts on our websites by 2022,”* clarified Éric Ducournau. The first campaign run by Eau Thermale Avène on Tik-Tok, to mark the relaunch of the Cleanance range, illustrates the point perfectly. It led to a 31% increase in sales versus the same period for the previous year.

The online world is also a powerful lever for getting closer to patients and consumers, finding out more about them and strengthening the ties we build with them. Launched in 2021 by the Medical and Patient Centricity Department, the project known as Clinical Tower Control aims to develop a decision-making management program based on data from clinical trials. By working on the governance of in-house and external cross-business data and making those resources available via a single web platform, the goal is to accelerate and facilitate decision making. Data analysis therefore helps us boost performance in the context of clinical trials, for the benefit of our patients and to stay true to the Group’s core Purpose.



Omnichannel approach and training for a more people-focused digital solution

For three years, Pierre Fabre has been developing a new omnichannel marketing strategy. In 2021, the Group stepped up a gear to deliver targeted brand content with high added value. The e-service “diagnostic Online” was created as part of this drive and is a great illustration; *“Online diagnosis” is an omnichannel online service that offers consumers a customized care routine requiring just a few questions,”* explained Géraud Menu. *This service is particularly innovative in that it makes its recommendations based on a set of criteria processed by an artificial intelligence program combined with analysis of the consumer’s skin type via a photo (diagnostic selfie). Regardless of whether they are assisted by a member of our sales staff at a point of sale, alone in a store or using our online diagnosis “bot” or at home on their cell phone, consumers obtain a customized, coherent, expert recommendation.”* This online service launched for the Eau Thermale Avène and René Furterer brands will be extended to all Dermo-Cosmetics & Personal Care brands during 2022.

Green Mission raises its game to combat climate change

The Group is stepping up the climate strategy it initiated back in 2019. The goal is to cut its greenhouse gas emissions by 33% by 2030, for all scopes, 1, 2 and 3, in line with the 2050 global carbon neutrality goal set by the 2015 Paris Agreement. Green Mission in France and worldwide is making headway in a variety of important areas: improved carbon footprint, employee engagement, deployment of the Green Impact Index and protection of biodiversity.

“Green Mission is also about inspiring people, becoming a driver of actions and initiatives that do justice to our founder’s humanistic mindset.”

Stella Guitsi,
Green Advocate Greece

“The Green Mission commitments are true issues of the moment in China too. We have made really swift progress toward commitments on pollution, organic raw materials, protection of biodiversity and energy consumption, to name a few.”

Ai Yan Jiang,
R&D and Sourcing
Manager, China

To tackle the environmental and climate-related challenges, the Pierre Fabre Group is continuing to deploy the strategic plan for the climate launched in 2019. *“We are making a concerted effort to make sure Pierre Fabre plays its part in the global fight to achieve carbon neutrality by 2050, and we are currently rolling out the actions set out in our climate strategy worldwide,”* stressed Éric Ducournau, Pierre Fabre CEO. *“That action plan is based essentially on reducing our consumption, decarbonizing the company and its subsidiaries by switching from fossil fuels to renewable energies, and offsetting our residual emissions through the creation of carbon sinks,”* explained Florence Guillaume, Green Mission Pierre Fabre Vice President.

“The first consolidated carbon footprint report at Group level revealed that procurement accounts for 50% of our emissions, followed by logistics, energy consumption, mobility and fixed assets, which account for between 10% and 15% respectively,” explained Séverine Roulet-Furnemont, Green Mission CSR & Sustainable Development Department Director. *“For each source of emissions, we work hand in hand with the activities and functions concerned,”* underscored Florence Guillaume. *“Our staff come up with wonderful ideas for new ways of doing things, new actions.”*

Green Impact Index

In 2021, Pierre Fabre launched its Green Impact Index (GII), the world’s first A/B/C/D rating tool for measuring the environmental and social impact of cosmetics and family health care products. The tool’s methodology has been validated and endorsed by AFNOR Certification. The aim is to mitigate these impacts and to communicate this information simply to consumers. *“The Green Impact Index is a simple, scientifically sound and transparent rating that allows everyone to make informed choices and consume more responsibly,”* explained Florence Guillaume. *This tool will also help us to progress, since its 20 criteria are already helping our researchers and engineers to improve our products’ eco-friendly and socially-responsible design.* The GII was designed and developed by Green Mission Pierre Fabre based on 3,000 life cycle assessments (LCA) of products and packaging conducted during a period lasting over ten years. It evaluates 14 environmental impact criteria and 6 social impact criteria, using officially recognized standards, labels and benchmarks for each. The Green Impact Index was launched in France in June 2021, and will now be rolled out in all Pierre Fabre subsidiaries.



In 2021,
100%
of new extracts have been developed from organic plants or without phytosanitary treatment

Packaging represents 40% of the environmental impact of a product. In order to reach the level of 50% of environmentally friendly and socially responsible products in 2023, the “4R” strategy has been adopted: **Reduce** (by doing away with boxes and leaflets and reducing the plastic weight of bottles and tubes, with the aim of decreasing the average weight per product by 15% by 2025), **Reuse** (by using recycled plastic), **Recycle** (by removing all unwanted materials and offering 100% recyclable packaging) and **Recover**.

Eco-refills and refillable jars are under consideration. The sale of loose items is being tested at the LAB, our concept store in the center of Toulouse. Shampoo and shower gel distributors that refill glass bottles are available to consumers looking for a zero-waste experience.

With regard to energy, the Group is promoting the development of renewable energies by optimizing its sites’ energy performance, through initiatives such as the biomass boiler in Soual, which replaces 60% of its gas consumption for hot water and heating, and the solar panels installed on the roof of the Avène Hotel. In terms of logistics, the Sightness project launched in 2021 should enable us to monitor the carbon cost of each product shipment, and we opt for sea freight or rail transportation as much as possible. Lastly, international business trips have been cut by 30%-50% depending on the department and long-term home-working has been organized two days a week.

At global level, 2021 was the year in which we shared the major indicators of our collective CSR culture in-house. A network of around 40 Green Advocates was set up to help spread this policy within the subsidiaries. The Green Advocates—Green Mission ambassadors—are offered support to boost their skills in the field of CSR and sustainable development. They help put together their subsidiaries’ carbon footprint report using a software program developed for the purpose, drawing on a host of indicators that make it possible to generate a new report every year.

Those ambassadors are also responsible for identifying environmental and societal initiatives with a view to organizing Green Mission Days (one site, one action, one day). The Green Advocates are also in charge of promoting the Green Impact Index worldwide and helping it to take off (see inset on page 34).

And also...

- Since 2020, Pierre Fabre’s syndicated loan includes two CSR criteria (reduced carbon footprint and the Green Impact Index). They are evaluated by Pierre Fabre and its financial partners, and all the objectives set for 2021 have been achieved.
- In 2021, and for the 2nd year running, Pierre Fabre attained the Excellence level under the ECOCERT 26000 baseline reference standard.

Innovation at the service of people

186

new dermo-cosmetics products were released on the market in 2021

In 2021,

67%

of the new products launched by the Dermo-Cosmetics & Personal Care Division of the Pierre Fabre Group met the Conscious Care criteria. This figure will rise to 70% in 2022, and to over 90% in 2023

6

patents were filed by Medical Care in 2021

Plant research has been a core feature of Pierre Fabre's innovation approach since the outset. Our visionary trademark conforms to the new patient and consumer expectations. 2021 was also the year in which we rolled out a new innovation strategy in medical research and pursued our "Conscious Care" initiative in dermo-cosmetics.

For the past three years, Conscious Care has mobilized all our Dermo-Cosmetics & Personal Care activities and functions. The initiative, built around innovation and accountability, is in line with our Group's medical and naturalness positioning. Its objective is to develop safer, more natural, more effective and, as a whole, more environmentally and socially friendly dermo-cosmetic products. The eight Conscious Care criteria cover all phases of development, from product design to manufacturing. In addition to continuing this innovative approach, 2021 saw the creation of a community of experts in the use of R&D data, with the aim of using data to strengthen our business management.

Giving priority to immunotherapies in the field of Medical Care

In May 2021, Francesco Hofmann was appointed Director of R&D in the Medical Care division, to implement the Group's innovation strategy in oncology, dermatology and rare diseases. His teams are based both at the Oncopole campus in Toulouse and the Pierre Fabre Immunology Center in Saint-Julien-en-Genevois, where they are all set up to discover and develop new therapeutic antibodies. In oncology, an illustration of this activity is an antibody targeting the VISTA immune checkpoint in patients with solid or refractory tumors, for example. In 2021, important partnership agreements were concluded with the biotech companies Y-Biologics (South Korea) and ImmunoPrecise Antibodies Ltd (Canada), which both possess major libraries and therapeutic antibody development platforms.



Francesco Hofmann,
Vice President, Head of R&D
for Pierre Fabre
Medical Care

Interview with Francesco Hofmann, Pierre Fabre Medical Care R&D Director

What are our strategic priorities in medical R&D?

We have set oncology as our top priority and are focusing on targeted therapies, biotherapies and immuno-oncology. Our therapeutic areas of focus cover important unmet medical needs, involving for example colorectal, breast and lung cancers, melanoma, and pre-cancerous conditions such as actinic keratosis.

What are our challenges and priorities for the years to come?

Our progress is a good illustration of our strengths, from the identification of needs and therapeutic opportunities to development and marketing. We want to bring breakthrough innovations to patients, so we are strengthening our internal R&D teams at all fundamental stages, from proof of concept to drug registration, and integrating data scientists to be competitive in both research and clinical development. We want to develop and market drugs in Europe and Asia, particularly in China, and to set up external research partnerships with American biotechs.



Xavier Ormancey,
Pierre Fabre DCPC R&D
Director

Interview with Xavier Ormancey, Pierre Fabre Dermo-Cosmetics and Personal Care R&D Director

What are our priority areas for innovation?

Conscious Care, with the aim of registering patented formulations, biomimicry, which we were among the first to use in our field, and the Interactome, a project launched at the end of 2021 that consists in considering skin as a complete ecosystem and as part of an integrative approach, with market release of our first products scheduled from 2022. Finally, biotechnologies, which allow development of high value-added active ingredients derived from living organisms.

What are your objectives for 2022?

We are currently working on more than 300 development projects and some 100 research projects. We will be bringing about 100 new products to market in 2022. We need to develop even more visible innovations, and with greater agility. We must believe in our ideas and take risks to live up to expectations and create new trends. We are expecting to file more than 10 patents this year.

What are the prospects beyond 2022?

We are developing our ability to innovate faster, to become more responsive, this is one of our challenges. We also need to better explain our technological innovations and their benefits to consumers, to make them more accessible. This will also involve data processing, particularly in the field of the Interactome. Finally, we will further personalize our dermo-cosmetic solutions to meet all individuals' specific needs.

A partnership for discovering new antibodies to treat cancer

In October 2021, the Canadian company ImmunoPrecise Antibodies (IPA) and Pierre Fabre announced the launch of a multi-year research collaboration to discover and develop therapeutic antibodies covering a dozen or so targets in oncology. Scientists from both companies are combining their expertise to create new antibodies based on the IPA group's antibody discovery technologies (such as B Cell Select™ and Deep Display™). The antibodies developed for the selected targets will be owned jointly by Talem Therapeutics, a subsidiary of IPA, and Pierre Fabre. Upon completion of each specific research program, Pierre Fabre will have the option of obtaining an exclusive worldwide license. If it obtains a license, Pierre Fabre will be responsible for pre-clinical and clinical development, and for marketing the jointly discovered antibodies.

Biomimicry: nature as a model



"Biomimicry is the act of imitating the skin and its balance to create formulas that blend into its ecosystem. What better model for the skin than the skin itself?", says Xavier Ormancey, Pierre Fabre DCPC R&D Director. Our new formulations contain and reproduce the natural components of the skin: lipids, vitamins, ceramides, etc.

"We look to nature for the molecules the skin needs to maintain its balance. We assemble them as "sheets", in a new generation of multi-lamellar emulsions that alternate layers of oil and water, whereas traditional emulsions are composed of small drops of oil dispersed in water. The composition and structure of these ingredients emulate the skin. "We began using this type of formulation in the "Tolérance Control" range, launched in 2020. A "Tolérance Hydra 10" cream, with fewer texture components, will arrive in spring 2022.

Creating value

An ongoing commitment to sharing our contribution

Our value creation strategy would serve no purpose if we did not share it. And it is this belief, rooted in our history, that sets us apart. Every day, our human interactions fuel our ability to carry our corporate project ever higher, and our desire to give constant consideration to respect and transparency in all our endeavors. It is how we hope to help make the world a better place.

“The Pierre Fabre Group has remained faithful to the pharmacy spirit, from which it originated. For 60 years, the Group has demonstrated its constant desire to forge close connections with pharmacists, for whom it provides daily support through training courses, eco-responsible labeling, etc.”



Dominique Vaissières

Pharmacist - Owner of Pharmacie de la Tour in Castelginest (in France's Haute-Garonne department)

Helping each person live better

Honoring this promise requires unflinching vigilance, to ensure the treatments we offer are both safe and effective. It also requires us to share our knowledge with health care professionals and to listen to them, in order to continuously advance research. It requires respect for surrounding communities, and for nature, which provides this precious wealth. But none of this would be possible without our Group's employees, who strive to give these values substance, day after day.

The Pierre Fabre Foundation: main recipient of dividends

The Pierre Fabre Foundation is the Group's biggest shareholder, and owns 86% of its capital. Recognized as a public-interest organization, its primary mission is to improve access to essential care and medicines for people in emerging countries. Each year, it receives 86% of the dividends paid by the company in addition to grants, so that it may perform its mission independently, per its constitution.

STAKEHOLDERS

REDISTRIBUTION OF VALUE

PATIENTS & CONSUMERS

- Patients, patient associations, consumers



HEALTH CARE PROFESSIONALS

- Pharmacists and pharmaceutical teams
- Family doctors and specialists (dermatologists, oncologists, urologists, diabetes specialists, pediatricians, etc.)
- Other health care professionals (nurses, midwives, etc.)



EMPLOYEES

- Employees in France and abroad
- Trainees, apprentices and candidates
- Employee representative bodies



LOCAL COMMUNITIES

- Local communities
- Local and regional representatives
- Suppliers
- Associations and NGOs



- **17** partnerships with patient associations or groups of associations
- **41** tests involving patient and consumer panels carried out in 2021 before product release
- **€136m** invested in global R&D for the discovery of new treatments, mainly in oncology and dermatology, and new dermo-cosmetics

- **1,810** people registered on the POP Training platform (including **706** pharmacists, **365** pharmacy students and **260** pharmacy technicians) to improve the care for eczema patients
- Dermaweb, an international dermatology information and discussion platform for over **22,000** dermatologists, of which **18%** are European
- **45** pharmacies supported by Pierre Fabre to assess and give a more professional dimension to their CSR impact ("Pharmacie Engagée Green" label) as part of our partnership with the agency Primum No Nocere

- **No. 1** private employer in the French department of the Tarn
- Over **6%** of employees changed position within the Group in 2021
- **245,820** hours of Group-wide vocational training were delivered in 2021 for skills development
- **75%** subscription rate for the employee stock ownership scheme in 2021
- **25th** most female-friendly company in the world according to the annual ranking published by Forbes magazine. Pierre Fabre is listed in **2nd** position for France

- **€78m** invested in south-west France
- **74%** of our plants are cultivated without phytosanitary treatment, **36%** of which are grown organically (181 ha in the French department of the Tarn)
- More than **450** employees involved in the 25 Green Mission Days, grouped into teams in France and in subsidiaries
- **3,271** hygiene and beauty kits distributed since 2021 to various French associations in partnership with the humanitarian association UNISOAP
- A budget of **€11.8m** set aside by the Pierre Fabre Foundation for its actions in 2021

Informing consumer choices

Citizens are expressing growing mistrust of the ability of companies and brands to respect their environmental and social commitments and to communicate them transparently, which is why we are taking action.

20 criteria: 14 environmental and 6 social criteria, scrutinized through detailed analysis to calculate the Green Impact Index

At the end of 2021,

80% of Dermo-Cosmetics and Personal Care products were eco-friendly and socially responsible (A or B rating) out of 2,200 products assessed (i.e. 85% of the portfolio)

The Green Impact Index, launched in June 2021, assesses and communicates the environmental and social impact of our cosmetics and family health care products in complete transparency. The index is the world's first environmental and social impact rating tool for cosmetics and family health care products. It assigns an overall performance rating, represented by a letter ranging from A to D. If the product receives an A or B rating, that means it has an eco-friendly design. The index is calculated according to 20 criteria. 14 of these measure the environmental impact and account for two-thirds of the final rating, while the remaining six reflect its social impact. The methodology's reliability and relevance have been validated by AFNOR Certification.

"The strength of the Green Impact Index is that it integrates all the criteria to accelerate our ecological transition: reduced carbon footprint, preservation of water, less waste, protection of biodiversity, social and environmental commitments. It is our responsibility to act on all fronts at the same time!" says Florence Guillaume, Green Mission Pierre Fabre Vice President.

Green Impact Index: tangible results

Klorane's shampoo with Quinine is a good example of our brands' commitment with respect to this approach, having progressed from a B to an A rating after being scrutinized under the Green Impact Index. The packaging is now made from 100% recycled PET (polyethylene terephthalate), compared to 50% previously, and the edelweiss plant used in its formulation is certified organic.

Co-creation for more targeted, more useful and more visible innovations

Fairer products that receive optimum support from consumer-patients, who become the ambassadors. We have already seen the benefits of co-creating products alongside patients, with for example the success of Dexyane MeD, Kertyol PSO and Naturactive Règles Douloureuses (for painful periods, voted 2022 product of the year). This strategy, driven by a patient-consumer oriented approach, is becoming a key driver of value creation and innovation. In 2021, we gave it structure in the form of a Co-Development Charter, currently being deployed. It reminds us of the essential steps in this relationship between the Group and its patient-consumers, based on commitment, transparency and ethics. A dozen or so products are currently under development in line with this Charter.



JOINT INTERVIEW

Green Impact Index: a demanding process, validated by AFNOR Certification



Séverine Roulet-Furnemont,
CSR & Sustainable
Development Department
Director for
Green Mission Pierre Fabre

What benefits does the Green Impact Index have for consumers?

Séverine Roulet-Furnemont

Now more than ever, consumers need clear and reliable guidance to face today's environmental and social challenges. Given the increasing number of ratings, certifications and labels, it is not always easy to get a clear picture. The Green Impact Index provides them with a transparent and honest answer, allowing consumers to make choices based on their convictions.

Erwan Chagnot

The Green Impact Index is part of Pierre Fabre's continual improvement process. It serves to communicate information on the social and environmental performance of its products. The Group complies with the anti-waste law for a circular economy, dated February 10, 2020, aimed at accelerating transformation of the production and consumption model to limit waste and preserve natural resources, biodiversity and the climate.



Erwan Chagnot,
AFNOR CSR Expert Auditor

AFNOR Certification, the French national organization for standardization, has validated the robustness and relevance of the Green Impact Index: why was this important for Pierre Fabre?

E. C. *Our audit focused on six areas: the pertinence of creating such a system, the reliability of the data used, the process used to update the standard, the process for carrying out assessments, the continual improvement of the overall system, and the appropriateness and transparency of product claims. The initiative bears testimony to the quality of Pierre Fabre's global approach.*

S. R-F. *Our Group was a pioneer in French and European experimentation in environmental labelling. We have more than ten years' experience of life cycle analyses (LCA) on our products. And we are now the first to propose this type of social and environmental rating of cosmetics and family health care products.*

What next?

E. C. *We will carry out an annual audit to verify and ensure that Pierre Fabre's product ratings are reliable. In our initial analysis we identified areas for improvement, which we will review to measure progress in those specific areas.*

S. R-F. *In 2021, we assessed 85% of our Dermo-Cosmetics and Personal Care products according to the Green Impact Index criteria. The majority of them currently have a rating of between A and B. The Green Impact Index also helps our brands to prioritize their projects. From now on, each new product must achieve a rating between A and B: and the Green Impact Index guides the work of all our in-house teams.*

Working closely with health care professionals

We support pharmacists, physicians, dentists and other health care professionals from prevention through to diagnosis and treatment, all along the patient care pathway.

53% of subscribers open the monthly newsletter set up through the Oncoguide.com relations program

10 minutes: the average time pharmacists spend on the Oncoguide.com site at each connection

We rely on the relationship of trust created over the decades with health care professionals to develop training, support and information tools and services tailored to their needs.

And it was with this in mind that Pierre Fabre launched Oncoguide.com in 2021, having first appeared in print in 2020. Its objective: to help pharmacists and their teams manage people treated for cancer. Now that outpatient therapies are becoming more and more common, patients are turning to their local pharmacist for advice and to answer their questions. These professionals can encounter difficulties finding the right words, listening, giving accurate information and guiding their cancer patients.

The digital platform, which is accessible online, contains theoretical and practical content to improve knowledge of the disease, its environment, patients' fears and needs, the treatments and their side effects, and supportive care. The site also offers testimonials from patients and health care professionals, in addition to training modules. Building on its high popularity in France, Oncoguide.com is currently being rolled out internationally, beginning with Maghreb in early 2022.

Two clinical studies and a medical summit in Beijing

In 2021, the partnership concluded in 2020 between Pierre Fabre and the National Clinical Research Center for Skin and Immune Diseases managed by the Beijing University Hospital took concrete shape. Two initial clinical studies have already been conducted. The first, involving 40 patients, aimed to measure tolerance of the Tolerance Repair cream and its efficacy on adults with sensitive skin. The second included 2,000 people who work in offices daily, and sought to learn more about their skin care habits. In December 2021, a medical summit was also held on the topic of skin and cancer. It was attended by some 2,300 health care professionals, 100 more than the first congress held at the end of 2020. Already particularly active, this partnership will be expanded in 2022 with two new clinical studies and a third medical congress.

JOINT INTERVIEW

Oncoguide.com: a guide for pharmacists supporting cancer patients

The work of pharmacists is evolving: how has their role changed in terms of people with cancer?



Véronique Fabre,
Manager of
the Oncoguide.com
platform

Philippe Augère The profession of pharmacist has evolved considerably in recent years. They are increasingly required to provide local support for patients with chronic or serious illnesses. The state entrusted the profession with new missions at the beginning of 2021. Enabling pharmacists to hold pharmaceutical discussions with people suffering from cancer should improve patient monitoring and the proper use of and compliance with oral cancer drugs, which are now dispensed in local pharmacies.

François Roux This is true, oral cancer drugs are becoming more common and are increasingly being delivered by pharmacists. They and their teams are therefore being asked new questions, concerning not only the treatments and their adverse effects, but also concerning the cancerous disease itself, the therapeutic support options and supportive care.

How does Oncoguide.com aid pharmacists in practice?



Philippe Augère,
Director of Corporate
Relations with the
Pharmaceutical
Profession

Véronique Fabre Oncoguide.com helps pharmacists to manage cancer patients and to prepare and hold pharmaceutical discussions in the field of oncology. It is a real toolbox, containing information on the disease, the treatments and their potential adverse effects, supportive care and patient psychology.

F.R. Therapeutic strategies in oncology are evolving very rapidly, and compliance can be compromised by the numerous adverse effects and the isolation experienced by patients left at home. Pharmacists are experts in pharmacology, but some find themselves at a loss faced with cancer patients. Oncoguide.com helps them to adopt the right attitude and find the right words, to support patients and their families during this ordeal.

Oncoguide.com went online in France in August 2021, having first appeared in print in 2020: what are the benefits of this digital format?



François Roux,
Pharmacist in the vicinity of
Toulouse

F.R. On the Oncoguide.com website, pharmacists can find the information they need and take online training at their convenience. The modules are both short and practical, to easily adapt to the time constraints of our professions. We are also continuously enriching content through regular meetings of the Pierre Fabre Scientific Committee, which I contribute to as a pharmacist.

V.F. The online version, Oncoguide.com, allows us to provide pharmacists and their teams with a convenient, free, scalable and easy-to-update tool. It is built and designed to serve as a valuable medium, anchored in the daily life of the pharmacy. We enrich the site content each month with two new articles written by experts, to permanently meet pharmacists' expectations, as well as new training modules. We also publish a monthly newsletter, with the latest news in oncology. Oncoguide is an integral part of Pierre Fabre's medical digital strategy, a strategy that allows us to more firmly establish our prevention-treatment-support continuum.

A highly diverse Group

TOP 3:

According to the Forbes 2021 *World's Best Employers* rating, the Pierre Fabre Group ranks among the Top 3 French companies in the cosmetics industry, and among the Top 10 in health care products. This annual Forbes magazine ranking recognizes the world's 750 best employers

74%

of our subsidiaries participated in the "Sharing for Caring" challenge in 2021. Five criteria were assessed: criteria of reproducibility, choice of aid recipients, sustainability, involvement of employees and impact on the attractiveness of the company

25th

most female-friendly company in the world according to the annual ranking published by Forbes magazine. Pierre Fabre is listed in 2nd position for France

Pierre Fabre used to say that the Group's most valuable asset was the men and women who made it up. Convinced that this human capital is nourished by complementary employee profiles, the Group pursued a proactive policy of diversity and inclusion in 2021.

As a testament to its commitment to promoting diversity and equality, the Group and its social partners renewed, for the 11th time, and 30 years after it was first signed, the company agreement promoting the employment of people with disabilities. In addition to this firm commitment to promote the employment of people with disabilities, we drafted a Diversity and Inclusion Charter in 2021 that is available on our website. A sign of our determination to honor our promise of inclusion and professional self-fulfillment, our commitments are now an integral part of our employment and internship offers, and have been incorporated into diversity management training courses offered to our managers. Our diversity initiatives are based on the cultural specificities of every country in which we operate.

Concrete initiatives worldwide

The "Sharing for Caring" challenge, set up to reward a diversity and inclusion action implemented in our subsidiaries, illustrates the coordinated approach to these issues. In 2021, the HR teams in 23 subsidiaries rose to this challenge, with concrete initiatives to promote diversity: mentoring in Hong Kong (see interview opposite), best recruitment practices guide in Canada, diversity training in Brazil, etc. Our approach is strengthened through communication with our stakeholders on site, worldwide, to improve our practices.

Concrete support for our employee caregivers

Today, one in five workers is a caregiver, juggling their professional commitments alongside caring for a loved one daily. By 2030, they will represent a quarter of the workforce. To continue to improve how we support our working caregivers, our Group has recently obtained, following an audit, the Cap'Handéo label as a "Company committed to its employee caregivers." The social affairs team worked for a year on structuring this approach and obtaining this label, which represents a commitment for the future. Jointly created with Handéo and in collaboration with our supplementary pension fund Klésia, this tool enables us to identify company employees who are caregivers, to implement actions adapted to their needs (universal service employment vouchers, administrative assistance, Axa assistance platform, etc.) and to help them to better reconcile their professional life and their personal life by offering mutual support and making ad hoc adjustments. Pierre Fabre is proud to be the first company in the Occitanie region to obtain this label, and the 7th in France.



JOINT INTERVIEW

Supporting disadvantaged young students in Hong Kong

Pierre Fabre and the Junior Achievement Hong Kong association founded a partnership in 2021: what was the essence of this partnership?

May Lam Our association enables young students from ethnic minority backgrounds to converse with professionals, to help them learn more about the working world and facilitate their entry into it. Together with our partners, including Pierre Fabre for the first time in July 2021, we co-run experience-sharing programs on entrepreneurship and employment preparation.

Connie Chow Approximately fifteen volunteers from the Pierre Fabre Hong Kong team took part in a half-day mentoring session during which we met with around a hundred young people who had graduated from two different training programs.

What did you take away from this half-day?

M.L. The volunteers from the Pierre Fabre Group organized some engaging workshops featuring speed mentoring, CV proofing and mock interviews. The workshops were an opportunity for the young people to learn from the professional and personal experiences of the participants. They also covered numerous possibilities for their future, developing their creativity, their critical thinking, their interpersonal skills, as well as their communication skills.

C.C. Thinking back to this half-day is very moving. I remember one student in particular who told us of her ambition to work in politics. She explained that as a young person from an ethnic minority, being able to learn new skills in this workshop made her want to help others too. We did not simply pass on our professional knowledge, we also learned invaluable lessons during the time we spent with these young people, who shared their passions and their dreams.

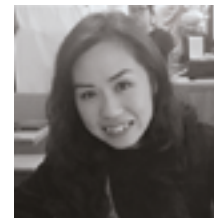
Why were these workshops important for Pierre Fabre and for JAHK?

M.L. Each year, within the association JAHK, we mobilize more than 1,500 volunteers who are employees of our partner companies, to work with over 20,000 students. Our aim is to ensure this dynamic program continues by organizing a number of sessions in schools attended by young people from ethnic minority backgrounds. It is through the involvement of our partners, like Pierre Fabre, that we are able to open up more promising career opportunities for them.

C.C. At Pierre Fabre, through our Foundation, we seek to share our values of tolerance and humanity with the world around us. This program enabled us to support students from ethnic minority backgrounds, who are not afforded the same opportunities as others as they enter the working world. I hope that we can organize more events with JAHK in the coming months, to maintain this dynamic over the long term.



Connie Chow,
Member of the Pierre Fabre International APAC Merchandising Team



May Lam,
Senior Program Manager of the Junior Achievement Hong Kong association (JAHK)

Cultivating regional energy

The Pierre Fabre Group strategy has always placed a focus on regional balance. Our long-term roots allows us to act for and with the regions and countries where we are present.

Over **95%** of our industrial production takes place in France

The health crisis has spotlighted a need to rebuild France's industrial sovereignty in the health industry. This is why we will soon be producing binimetinib and encorafenib, the two active ingredients used in new-generation treatments for several cancers, ourselves at our Gaillac site. Created in 1976, the Gaillac site, in the Tarn area of France, develops and produces active substances for the pharmaceutical, dermo-cosmetics and nutraceutical industries, mainly of plant origin.

To ensure this strategic project is a success, the Group has invested 4.2 million euros, including 1.4 million euros for binimetinib. This has financed the acquisition of the equipment needed for the cold chemistry process used to synthesize the molecule. About 20% of the project has been financed by subsidies under the France Relance plan (see joint interview opposite).

We have helped our staff to develop the skills essential for this new in-house production. Some twenty site employees have followed an intensive training plan. This development relies also on mentoring by a site employee, who has acquired the expertise necessary to master the new processes and will pass it on to their colleagues. And we have recruited new profiles, including a specialized technician tasked with process automation. Ultimately, we expect to create ten new jobs at the site. This project will therefore help to consolidate the position of our Gaillac site and become a source of local employment.

Green Mission Days: uniting employees and encouraging collective commitment



From tree planting, to the creation of hygiene kits, to activities in schools and skills donations... more than 450 employees took action in 2021 to carry out environmental or social actions in various countries. These commitments all fall within the scope of the "Green Mission Days". In Germany, for example, the local Pierre Fabre Dermo-

Cosmetics team were involved in various initiatives throughout August, including the building of 70 "hotels" for bees and birds, travelling by train and carpooling, and sponsoring organic apple trees. Two speakers also came to share their knowledge of climate change and biodiversity. In Turkey, 45 volunteers helped to clean up of one of the islands of the Princes' Islands archipelago as part of an initiative organized by the local municipality. And on March 10, 2021, a Tunisian team spent the day raising awareness of recycling of plastic and paper waste, with the support of the TUNISIE RECYCLAGE association which collects such waste in the offices of Tunis.

JOINT INTERVIEW

Relocating essential production: a strategic objective

How does the plan to move production of the Pierre Fabre binimetinib active ingredient in-house fit in with the objectives of the France Relance recovery plan?



Frédéric Mayrand, Director of the Gaillac Production Site, Pierre Fabre

Frédéric Mayrand

This project, led by the Pierre Fabre Group, will help to relocate pharmaceutical production in France. This has become essential, as clearly evidenced by the recent crises, and the France Relance plan provides concrete solutions.

Frédéric Mayrand

By resuming control of this manufacturing ourselves, we will expand our production and secure our supply chain. To comply with the France Relance plan, we must be able to begin manufacturing from 2024.



François Proisy, Sub-Prefect of Castres

In real terms, what will this project mean for the local community?

F.M. With this project, we will be bringing a new technology, cold chemistry, to supplement those already up and running at Gaillac. We will need to diversify and expand our in-house expertise, and it will secure our site's long-term future.

F.P. The Tarn is truly at the forefront of the health industry, with a whole network of specialized companies and training institutions in this field. In Castres, for example, the Lycée La Borde Basse high school offers a BTS advanced technician course in pharmaceutical quality control, and the ISIS engineering school provides training in eHealth. By its very presence and thanks to its capacity for innovation, Pierre Fabre is further enriching this local specialization.

How will the partnership between Pierre Fabre and the Tarn area continue contributing to local development?

F.M. As part of our project supported by France Relance, we have committed to further improving the relevance and transparency of our product claims, and how they are monitored and controlled.

F.P. We will continue working hand in hand with the Pierre Fabre teams. We have also set up a think tank involving institutions and companies, including Pierre Fabre, to further strengthen our local health industry.

Acknowledgements

For the third year running, we have produced our Integrated Annual Report in a spirit of sharing and collaborative construction with the support of an Editorial Committee comprising employees from various departments of the Group, and of external stakeholders.

The Pierre Fabre Group wants to continue strengthening these ties even further, to get the company's stakeholders more involved in its activities and in this way pursue its ambition to develop innovative, environmentally-friendly products that respect society's needs.

OUR THANKS TO ALL PARTIES INVOLVED, REPRESENTED BY:

- Anne Audouze – President of *Association Ichtyose France*
- Amélie Bouzat – Project Management Officer to Dermo-Cosmetics & Personal Care CEO
- Delphine Cayotte Proesmans – Promotion & Exemplification Projects Manager – Green Mission
- Élise Charles – Group Financial Performance Manager
- Philippe De Carvalho – Managing Director of Pierre Fabre Brazil
- François Denjean – Group Medical Director, Oncology
- Magalie Eclache – Head of Workplace Quality of Life – Human Resources
- Florence Guillaume – Green Mission Pierre Fabre Vice President
- Matthieu Laigneau – Strategy & Market Intelligence Director – Medical Care Business Unit
- Marie-Ange Léophonte – Director of the Haute-Garonne Committee of the *Ligue Nationale Contre le Cancer*
- Thibault Martin – Partnerships and Sponsorship Manager for Association Envol Vert
- Romane Rolland - Transformation Office
- Séverine Rouillet Furnemont – CSR & Sustainable Development Department Director
- Marketa Saint-Aroman – Pharma, Dermo-Cosmetics & Personal Care Medical Vice President – Patient Consumer Centricity Vice President
- Dominique Vaissières – Pharmacist – Owner of Pharmacie de la Tour, Castelginest

CONSULTANCY & EDITING



DESIGN & CREATION



Copyright for photos and images: Felix Marchet - Agence Highlight • Damien Cabrol • Emmanuel Grimault
 • Photothèque Pierre Fabre • Photothèque Eau Thermale Avène • Laurent Galaup • Photothèque A-DERMA
 • Pierre Fabre Algérie • Adobe Stock



This document was produced by an environmentally-friendly printer on certified paper.

PIERRE FABRE, 60 YEARS OF CARING FOR EVERYONE

1962-2022

On May 30, 1962, Pierre Fabre—a young pharmacist working in a dispensary—registered his new company in Castres, with the aim of marketing Cyclo 3, a venotonic he had developed with butcher's broom as the active substance.



All the key values that make us who we are 60 years on were already there at the outset:

- **listening to patients**, the young pharmacist was determined to provide relief for the tired legs of his customers - women working in the local textile factories;
- **innovation**, in terms of drugs, dermo-cosmetic products and consumer health care;
- **local presence**, embodied in the butcher's broom that grows in the undergrowth of the Tam region;
- **partnerships with pharmacies**, since the young entrepreneur set out to convince his peers himself, traveling as far afield as Alsace;

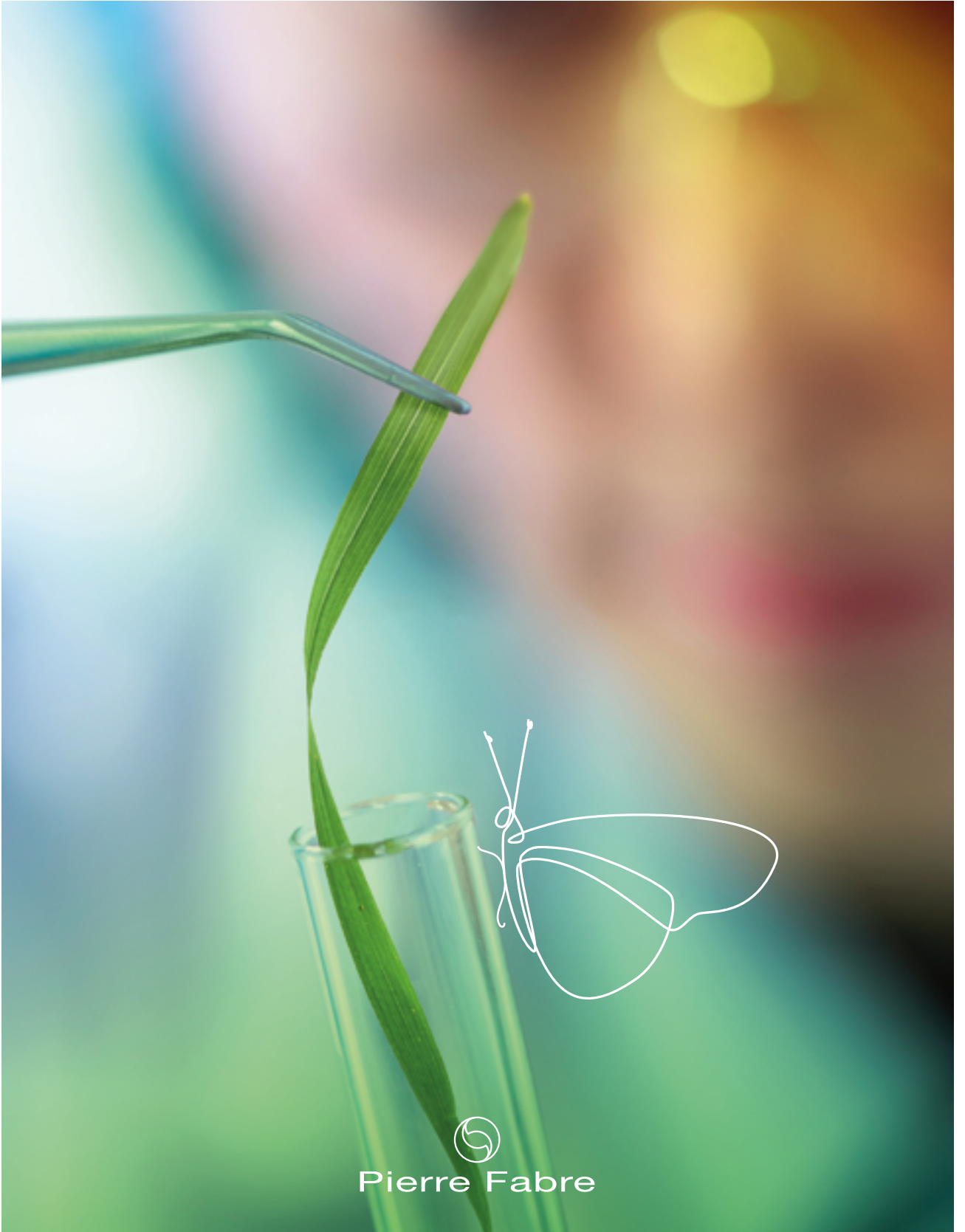
• **the conviction** that, without respect for nature, all human creations are doomed to failure.

Without you, dear partners, consumers and patients, that small company would never have become what it is today: an international Group, committed to oncology and skin care, whose main shareholder, the Pierre Fabre Foundation, trains health care professionals and improves access to health care in the countries of the Global South, while ensuring the independence and stability of the company.

Let us simply say: thank you.




Pierre Fabre
 Taking care, living better



Pierre Fabre