

INTEGRATED REPORT **2020**



Pierre Fabre



This first integrated annual report offers a comprehensive overview of the value created by the Pierre Fabre Group for all of its stakeholders. The timing of the publication of this report is particularly fortuitous. Indeed, in 2019, the Pierre Fabre Group launched an ambitious transformation plan for the period 2020-2023. The year 2019 also saw a milestone in the company's history: the formalization of the Group's raison d'être, its Purpose: "Every time we care for a single person, we make the whole world better."

To create this purpose statement, we chose a collaborative approach: drafting of the purpose was first entrusted to a group of employees representing the company's diversity, then it was validated by the highest level of corporate governance.

This integrated report was also prepared using a collaborative approach. It's worth noting that while drafting the report presented a challenge in the context of the Group's transformation, it was also a great opportunity for discussions and learning between different teams: connections are being made between different areas of expertise; the various business lines are getting used to working together; the links between financial performance and extra-financial performance are becoming more evident... With this first experience under our belts, we will pursue and improve this collaborative approach in the years to come.

Finally, this report was produced in close collaboration with representatives from our stakeholders. Their involvement throughout the project reminds us of their sincere commitment to the Pierre Fabre Group and I would like to offer them my warm thanks.

Eric Ducournau,
CEO

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.

Our best effort was made for translating into English the report from its French original version which shall prevail.

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Governance guided by the public interest

Our original shareholding structure, unique in France, gives us responsibility, independence, and a long-term vision. It is an asset that helps us establish a long-term strategy that balances performance, value creation, and responsibility.

A unique positioning

Founded on a resolutely humanistic purpose, our business model combines the best aspects of medical expertise and naturalness. Our two complementary business lines—pharmaceuticals and dermo-cosmetics—give us a comprehensive approach to health care (prevention, care, and support) in line with the expectations of today's health care professionals, patients, and consumers.

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Our strategy for the future

Listening to our stakeholders and taking into account the disruptions presented by today's world, we have launched an ambitious transformation plan to be completed by 2023. This plan aims to achieve profitable and socially responsible growth based on our unique positioning, particularly by creating greater synergies between our two main business lines.

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Creating value for all

Every day, our employees are driven to respond to the needs of patients and consumers, support health care professionals, participate in the economic, social, and cultural development of our local communities, and help the Pierre Fabre Foundation, a certified French "public interest" organization, pursue its missions. That is the foundation of our Purpose.

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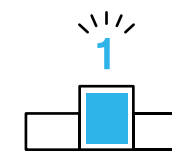
Taking care of all people

Day after day, we develop innovative solutions that contribute to the well-being of all people in collaboration with the research and development world and health care professionals. Health care professionals are trusted partners for us. They understand and truly value our approach. That approach sets high standards and is based on our unique positioning: combining the best of medical and naturalness while upholding the pharmaceutical ethics embodied by our founder, all in service to a holistic approach to well-being and care, from health to beauty.

Today, we do business worldwide, but we are based in a region near and dear to our hearts: France's Occitania region, and particularly the Tarn department, where the Group was founded and has been based since the beginning. We operate on a unique business model: the vast majority of the Group's shares are owned by the Pierre Fabre Foundation, a certified French "public interest" organization; the next largest group of shareholders is the company's employees. With several medical and dermo-cosmetic divisions—notably Pierre Fabre Oncologie, Pierre Fabre Dermatologie, Pierre Fabre Health Care, Pierre Fabre Oral Care, Eau Thermale Avène, Ducray, A-Derma, Klorane, and René Furterer—we are now the second largest dermo-cosmetics laboratory in the world, the leader in terms of over-the-counter products sold in pharmacies in France, and a world player in two major therapeutic areas: oncology and dermatology.



DERMO-COSMETICS
LABORATORY
IN THE WORLD



LEADER IN FRANCE
FOR OVER-THE-COUNTER
PRODUCTS SOLD IN
PHARMACIES



NUMBER
OF EMPLOYEES
10,400



NUMBER OF COUNTRIES
IN WHICH PIERRE FABRE
PRODUCTS ARE DISTRIBUTED

130



REVENUES 2019
€2.422 B



SHARE OF REVENUES
FROM FRANCE VS.
INTERNATIONAL



France
€879M or **36%**

International
€1.543M
or **64%**

SHARE OF REVENUES
FROM MEDICAL CARE VS.
DERMO-COSMETICS &
PERSONAL CARE



Medical care
€978M

Dermo-Cosmetics
& Personal Care
€1.373 B

Other activities
€71M

TOTAL SPENDING
FOR R&D



€160 M

€61M for
dermo-cosmetics
and

€99M for
pharmaceuticals

Governance guided by the public interest

Our governance in **3** points

1 WHAT MAKES US DIFFERENT

As Pierre Fabre is 86% owned by the eponymous foundation, a certified French “public interest” organization, the Group has a shareholding structure that is unique in France for an industrial company. Employees are the Group’s second largest shareholder group, owning their shares through a “Fonds Commun de Placements Entreprise” (company investment mutual fund).

2 HOW IS THIS A STRENGTH OF THE GROUP?

This original shareholding structure gives the Pierre Fabre Group independence, the opportunity for long-term holding of its shares, and an obligation to adhere to irreproachable ethics. This shareholding structure also requires the Group to be sufficiently profitable as it can’t count on its shareholders to inject new capital. In addition, according to the corporate charter, the Group must provide the Foundation with the financial resources needed to carry out its “public interest” mission.

3 WHAT ARE THE BENEFITS FOR OUR STAKEHOLDERS?

As its profits ultimately benefit the Foundation, Pierre Fabre helps improve access to health care for the world’s poorest populations. This aim is extremely meaningful and is a source of great pride for the Group’s employees as well as, more broadly, for all of the stakeholders who contribute to the company’s value creation model: patients and consumers, health care professionals, suppliers, providers, and partners.

EDITORIAL FROM COMPANY LEADERS

A year full of promise



The Group just adopted a statement of purpose. Why was this decision made now?

Eric Ducournau: “Every time we care for a single person, we make the whole world better.” By reminding us of the company’s core values, our Purpose provides employees with the extra dose of confidence they need. Our Purpose affirms the choices and compromises we make, as well as the opportunities we turn down. Each word has been weighed carefully so that they reflect the right balance between our activities, our strengths, and our aspirations. In this way, it reflects who we are and brings us together.

Roch Doliveux: Our Purpose offers a consistent, cohesive vision. It also provides a long-term vision, which is all the more important in a world that’s constantly changing. In addition, our Purpose is a promise to our stakeholders: we are committed to caring for patients and consumers, acting with total transparency, always working together, within our local communities.

Pierre-Yves Revol: The Pierre Fabre Foundation embodies and transcends this Purpose. The better the Group performs, the more the Foundation helps improve the situation of the world’s most disadvantaged populations through its action programs. In addition, this Purpose goes hand in hand with the continuing mission passed down to us by our founder and which must be applied by the Group’s managing holding company: to focus on the medium term, invest in R&D, maintain our regional facilities, protect the company’s independence, and provide the Foundation with sufficient resources.

“We have set ambitious goals for ourselves to achieve by 2023: triple our operating profit, have 70% of our business outside of France, and rebalance our portfolio between pharmaceuticals and dermo-cosmetics.”

Eric Ducournau,
CEO of the
Pierre Fabre Group

How would you sum up the year 2019? How was it a pivotal year for the Group?

ED: In 2019, we put great effort into learning lessons from the previous strategy “Trajectory 2018” and we performed a deep analysis of the Group’s situation. We consulted all employees, working groups were established, and I personally met with 300 employees over 20 interviews, across all departments, with all levels of the organization involved, both from France and from our subsidiaries. This was all to lay the groundwork for the Group’s future transformation. With 5% growth in revenues and increased profitability, 2019 was a real turning point for Pierre Fabre.

RD: To assist with these changes and better support the Group’s transformation, the Supervisory Board changed its composition in 2019, adding members with complementary areas of expertise that are essential for our future challenges.

In an increasingly complex world, how is the Group adapting to pursue its growth?

RD: Research is accelerating, new biotech companies are emerging, health systems are evolving, and we see increasing usage of digital technology and data: the pharmaceutical and dermo-cosmetics industries are undergoing profound changes and we must evolve with them. This requires greater flexibility and a stronger focus on performance. We must also reaffirm the originality and strength of our positioning, combining the medical with naturalness.

ED: We set ambitious goals for ourselves to be achieved by 2023. We want to achieve double-digit profitability, have 70% of our business outside of France, and rebalance our portfolio between pharmaceuticals and dermo-cosmetics. To that end, we decided to concentrate on the projects that are most meaningful for our Group. As such, our R&D efforts will be refocused on two therapeutic areas—oncology and dermatology—and on treatments of the future, such as targeted therapies. Of course, internally, this transformation requires a lot of energy and I know that our employees are already fully engaged in this new strategy. Our statement of Purpose reminds us of the company’s core values and of our ambitions for the future. In this way, it will be the driver of our transformation.

PYR: With a Foundation certified as a French “public interest” organization as our majority shareholder, the Group benefits from a unique shareholding structure. That structure guarantees the company’s independence and a long-term vision, in keeping with the spirit and humanistic values of the company’s founder. This is a major strength, but one that requires the Group to be constantly capable of funding its own growth and thus have a sufficient level of profitability. That sometimes requires changes and innovation, including in the company’s organization, as we see in the transformation plan currently underway. In other words, in order to remain faithful to its principles, the Group absolutely cannot become stuck in its ways. Pierre Fabre must rethink its way of working, as the company’s founder always did.

How is the Group getting through the COVID-19 health crisis?

ED: Like the vast majority of companies, the Pierre Fabre Group has been heavily impacted by this health crisis, which is unprecedented in our recent history. Today, it’s too early to measure the impact on our financial goals for 2020.

I am happy to report that in France and worldwide, our 10,400 employees have remained totally engaged, day after day, to keep our business going. And our business has proved to be essential: producing and distributing drugs and dermo-cosmetic products for those who need them so that they can take care of themselves and heal. These efforts are an illustration of our Purpose. Taking care of people is more than ever what drives us. It’s what drives us to go above and beyond and to come up with solutions to help our local partners.

We were able to quickly put in place measures to protect health in our plants and distribution centers in order to protect our employees and prevent the spread of the virus. We have relied heavily on working from home and, in spite of the complications of living under stay-at-home orders, each individual helped keep our business going. In the span of just a few weeks, two of our plants, in Soual, France, and in Areal, Brazil, reorganized their production lines in order to produce dozens of tons of hydroalcoholic hand sanitizer. We donated around a million bottles to hospitals and nursing homes in our communities, as well as to pharmacies that needed hand sanitizer to protect their staff. We distributed thousands of pieces of essential equipment (masks, gowns, gloves, etc.) to hospitals, health care professionals, and COVID centers fighting the epidemic within our communities. We are participating in several clinical studies, hoping to find a treatment for this disease. There are many more examples of our engagement from all of our different sites around the world...

Only concrete actions bring a statement of Purpose to life. This is true at all times, in every place where we do business. It brings great pride to see how in these difficult times, each individual has proved so beautifully that our Purpose resonates with them. That makes me particularly optimistic for the future.



“Our Purpose is a promise to our stakeholders: we are committed to caring for patients and consumers, acting with total transparency, always working together, within our local communities.”

Roch Doliveux,
Chairman (non executive)
of the Pierre Fabre S.A.
Supervisory Board



“Having a Foundation certified as a French ‘public interest’ organization as our majority shareholder guarantees a long-term vision for the company in line with the spirit and humanistic values that are part of our DNA. This is a real advantage in this period of transformation.”

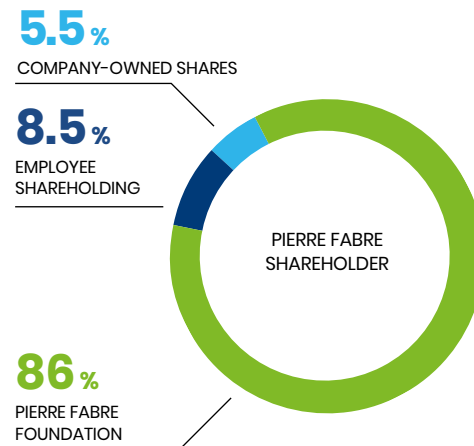
Pierre-Yves Revol,
Chairman of the Pierre Fabre
Foundation and Pierre Fabre
Participations

A unique shareholding structure

The Pierre Fabre Foundation and the company’s employees are the Group’s two shareholder groups. This structure is unique in France. It was gradually put in place starting in 2005 and guarantees independence and a long-term vision for the company.

A shareholding foundation

Recognized as a French “public interest” organization, the Pierre Fabre Foundation holds 86% of shares of Pierre Fabre SA. As the Foundation is dedicated to its public interest mission—helping people in the developing world get better access to medicine and high-quality health care—it delegates to its subsidiary Pierre Fabre Participations the supervision of the Group’s management. Upholding the values passed down from the company’s founder, Pierre Fabre Participations appoints the Group’s top leaders and makes sure that the company follows its vision: ensuring the Group’s independence and sustainability while continuing to grow its two long-standing business lines, dermo-cosmetics and pharmaceuticals; preserving the company’s regional presence; and prioritizing sustainable value creation over short-term profit.



20 years of commitment

In 2019, the Pierre Fabre Foundation celebrated 20 years of commitment to helping populations in the Global South get better access to medicine and high-quality health care. In recent years, the Foundation has particularly focused on two areas of development: first, action in places where conflict has persisted, as in the case of Kivu, Democratic Republic of the Congo, and Central African Republic, where the Foundation supports the programs of Dr. Mukwege, 2018 Nobel Peace Prize Laureate; second, dermatology, by helping close the gap in care for skin diseases in Africa: development of remote diagnostics, skin cancer prevention and treatment for people with albinism, and more.

A team effort

Alongside the Foundation, employees are the Group’s only shareholders. As of the end of 2019, employees owned 8.5% of shares and over 85% of employees are shareholders. These numbers attest to a true team effort in corporate governance. They also show lasting commitment and confidence in the Group, which have been renewed with each new acquisition of shares over the past 15 years. Over the last several years, employee shareholding has gradually grown at the Group’s subsidiaries. In 2020, Austria will become the 11th country with access to the employee shareholding plan.

A source of pride and high standards

“The actions of the Foundation give meaning and importance to the work of our employees. It is a source of true pride.

That said, while this structure guarantees the company’s independence and ensures that the values established by Pierre Fabre are upheld, it does not exempt the Group from the economic constraints of its markets.

In fact, the Group is constantly driven to achieve the performance it needs to ensure its growth.”

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

Balanced governance

The Pierre Fabre Supervisory Board and Executive Committee collaborate closely. Their mission is to create a long-term strategy and implement the transformation plan while staying faithful to the Group’s Purpose and history.

Working together

Supervisory Board

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

- 17 members, including 3 members from Pierre Fabre Participations and 2 employee shareholder representatives

- 7 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 sustainability of the company.

- 7 members

- 2 women



Team players

Regular and constructive exchanges between the two governing bodies guarantee a proper flow of information and sharing of short-, medium-, and long-term visions. The members of the Supervisory Board make their skills available to the Executive Committee in various ways: for strategic decision-making, investment choices, contributions to the development of specific projects, and more.

The way in which the Executive Committee operates reflects the collaborative culture that the Group aims to instill at every level of the organization. As such, each member of the Executive Committee now determines the objectives for their BU with another member of the Committee. This initiative helps rethink old habits and supports collaboration on challenges that are truly shared.



A Supervisory Board dedicated to meeting the company's challenges

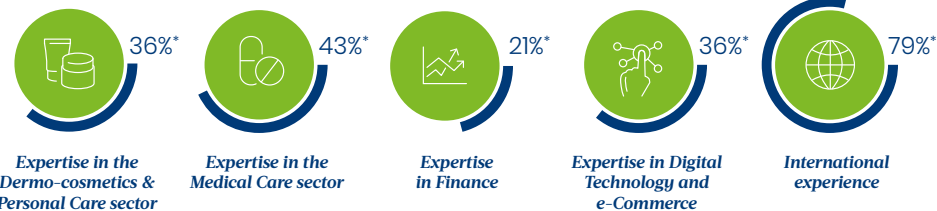
With its diverse and complementary profiles, the Supervisory Board contributes to the company's strategic decisions and their implementation.

Improving the composition

The Group is committed to improving the composition of its Supervisory Board. Objectives: incorporating diverse professional experience in line with the changes in the Group's environment and its strategic orientations. In 2019, the Board added significant expertise in the areas of beauty

and luxury by welcoming two new members, Marie-Anne Aymerich and Rachel Marouani, who bring with them skills related to consumer insights, digital technology, and omni-channel distribution.

A Supervisory Board aligned with the Group's challenges



* % of members of the Supervisory Board having these skills

Kickoff for the transformation plan

In 2019, the Supervisory Board focused on reviewing and approving the Group's statement of purpose and transformation plan, as well as its three-year financial forecast. The Board also examined in detail subjects of significant strategic importance for the Group, such as the impact of digital technology on the business model and the company's growth in China, already the Group's second-largest

market in terms of revenue. In addition, the Supervisory Board established the means for improving its effectiveness via three specific actions plans: expand training for directors, perform more site visits to be as closely aligned as possible with the reality of the business lines, and adopt a process for evaluating projects submitted to the Board so as to encourage new ways of thinking.

Board members appointed by the General Assembly

- Mrs Marie-Anne Aymerich
- Mr Jean-Jacques Bertrand
- Mr Dominique Bazy
- Mr Jean-Luc Belingard
- Mr Jean-Laurent Bonnafe
- Mrs Nathalie Delapalme
- Mr Roch Doliveux
- Mr Jacques Fabre
- Mr Philippe Faure

Board members appointed by employees

- Mrs Agathe Amara Colombie
- Mr Alexandre Giraudon

- Mrs Isabelle Girolami
- Mrs Marie-France Marchand Baylet
- Mrs Rachel Marouani
- Mrs Claire Meunier
- Mr Eduardo Sanchiz
- SAS Pierre Fabre Participations représentée par Mr Pierre-Yves Revol

An engaged Executive Committee

The Pierre Fabre Executive Committee, with a wealth of complementary skills and experience, is committed to working as a team to make the Group's transformation plan a success.

"In a hyper-competitive global market driven by prolific innovation, we are working with biotech firms, public research institutes, and health care professionals to develop products that respond to therapeutic needs that are currently poorly met or not met at all."

1 Jean-Luc Lowinski
Medical Care Business Unit CEO

"The transformation underway makes sense and is needed. By creating a single entity that brings together all teams in charge of production and supply chain activities worldwide, we are optimizing our processes, but also our industrial footprint, while incorporating the highest standards related to CSR."

2 Vincent Huraux
Chief Operation Officer

"The Group's Purpose has become one of the essential drivers for the deployment of our transformation plan. I am confident in the solidity of the plan's foundations, allowing us to improve our performance, increase our flexibility, and reaffirm our unique positioning, which combines the best of medical and naturalness."

3 Eric Ducourmau
CEO

"What matters today is guaranteeing the Group's future while maintaining its business model and the things that make it special. Profitability is one of the key conditions for the Group's sustainability."

4 Eric Gouy
Administrative, Finance and Legal Senior Vice President



"I had never seen such an emphasis put on social and environmental responsibility until I joined Pierre Fabre in 2018. That emphasis gives meaning, a spirit of greatness, and extra motivation to the Group's leaders and employees."

5 Agnès Park
Human Resources Senior Vice President

"Over the past decade, the Group has rapidly globalized, leading to the opening of new subsidiaries on every continent. Thus, today, we have a presence in every major pharmaceutical and dermo-cosmetics market. This cycle of expansion will now give way to a cycle of management and streamlining, with the goal of strengthening our positioning in strategic regions."

6 Giuseppe Mele
International, Export and E-Business Business Unit CEO

"The overlap between our two main business lines—pharmaceuticals and dermo-cosmetics—illustrates our specific positioning. We want to strengthen this foundation in therapeutic products, which really sets us apart in the global cosmetics market. With nature as our inspiration and with patients and consumers pushing us to innovate, we aim to better respond to the expectations of our changing world and thus preserve the world for future generations."

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

A unique positioning

Our positioning in **3** points

1 WHAT MAKES US DIFFERENT

Nature is a beneficial source for healing, soothing, and beautifying. This strong belief, coupled with rigorous scientific research and pharmaceutical ethics, gives the Group a unique positioning. Our products combine the best of medical and naturalness. Effective and environmentally friendly, they help each person live better.

2 HOW IS THIS A STRENGTH OF THE GROUP?

It's an underlying trend in consumption habits: consumer demands in terms of naturalness, efficacy and exemplarity are rapidly increasing. Pierre Fabre responds to these demands with sincerity and authenticity, which have been essential to the company's growth model since the very beginning.

3 WHAT ARE THE BENEFITS FOR OUR STAKEHOLDERS?

With Pierre Fabre, consumers and health care professionals enjoy the benefits of products with scientifically proven efficacy and safety. These products are produced under the industry's strictest standards, both in terms of medical efficacy and environmental protection.

Our Purpose, offering a consistent, cohesive vision

In 2019, the Group undertook discussions with its employees to come up with a statement of purpose. Based on the company's history and values, this Purpose faithfully represents what has made Pierre Fabre special since its founding.

Our Purpose

Every time we innovate to help each person live better... Every time we repay nature for her treasures... Every time we share the fruit of our efforts with those working and living beside us... Every time the Pierre Fabre Foundation improves access to health care for those most in need... **Every time we care for a single person, we make the whole world better.**

- 2019**
The Group's Purpose is formalized
- 2018**
European launch of a new cancer treatment for melanoma
- 2013**
Upon his death, Pierre Fabre leaves all of his shares to the Pierre Fabre Foundation
- 2010**
The Pierre Fabre Research Center moves to the Oncopole de Toulouse, a global center of excellence in the fight against cancer
- 2006**
Founding of the Eczema Foundation
- 2005**
Employee shareholding introduced
- 1999**
Founding of the Pierre Fabre Foundation, a government-recognized public-interest organization
- 1994**
Founding of the corporate foundation Klorane Botanical Foundation
- 1992**
Creation of Phytofilière, later renamed Botanical Expertise Pierre Fabre
- 1970**
Opening of the Group's 1st international subsidiary, in Spain
- 1965**
Invention of the dermo-cosmetics concept with the Klorane brand
- 1962**
Founding of Pierre Fabre Laboratories
- 1959**
Launch of Cyclo 3, a plant-based drug for patients suffering from vein disorders
- 1951**
Pierre Fabre buys a pharmacy in Castres, in France's Tarn department



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

OUR PURPOSE

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

OUR DEFINING CHARACTERISTICS

Governance guided by the public interest

86% of the capital held by the Pierre Fabre Foundation, a government-recognized public-interest foundation

20 years of the Foundation's commitment to providing access to drugs and health care for populations in the Global South

An economic and humanist project, a source of commitment for employees

€2.4 B in revenues in 2019

10,400 employees in **47** countries

84% of employees are shareholders, holding **8.5%** of the capital

Unique positioning, combining the best of medical and naturalness

Over **900** clinical studies conducted in 2019

70% of our revenues are linked to products with active ingredients from nature

Listening to patients & consumers

Dialogue with patients & consumers, constantly improved by digital technology

Distribution

Distribution channels which promote the recommendation and sale of our products by health care professionals, building a unique bond between the Group and pharmacists

THE PATIENT - LISTENING TO PATIENTS FOR INNOVATION TODAY AND IN THE FUTURE

Research & Development

An approach based on partnership and open innovation, meaning that new therapeutic and dermo-cosmetic solutions are brought to market more quickly

Production

More than 90% of our units are produced on French soil and we are not dependent on Asia for our pharmaceutical active ingredients

Procurement of raw materials

Expertise in the extraction of plant-based active ingredients, meaning that we can manufacture the active substances in our products, which account for 35% of Medical Care revenues, on site

OUR RESOURCES

OUR IMPACTS

Patients & Consumers

- Up to **756** safety and efficacy tests performed before and after putting a dermo-cosmetic product on the market
- **€99** million invested in R&D to find new treatments, primarily in oncology and dermatology
- **24** international patient associations with whom we collaborate to develop new products, services and digital applications

Health care professionals

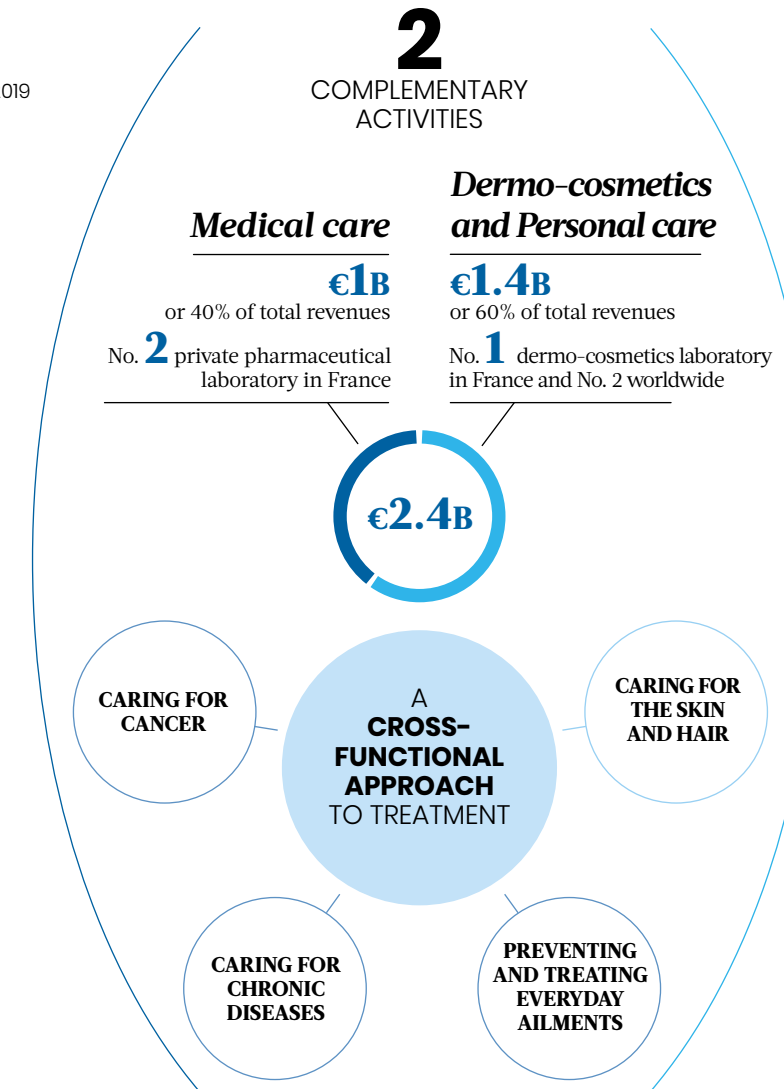
- **1,500** pharmacists registered on POP Training platform to improve the care of their eczema patients
- Dermaweb, an international dermatology platform for information and discussion, bringing together more than **23,000** dermatologists and **27%** of European dermatologists
- Oncoguide: the reference guide for supportive care in oncology, designed for pharmacists, published in **2019**

Employees

- **No.1** private employer in the Tarn
- **1,959** employees changed professions or were retrained between 2017 and 2019
- **103,422** hours of training for developing employee skills in 2019
- **+102.5%** growth in the value of shares in the company since the launch of the employee stock ownership plan in 2005

Regions

- **€143** million invested in greater southwestern France in 2019
- **100%** of our plant extracts have no impact on the sustainability of the resource
- **€5.5** million allocated to the Pierre Fabre Foundation in 2019 in the form of grants and dividends



A business model focused on both economic and human factors

Over the years, the Group has reinforced the special characteristics of its business model, factors that differentiate the company in its markets.

Helping each person live better

Driving employee engagement, the Pierre Fabre Group's business model comes from a deeply humanistic vision instilled in the company by its founder over six decades. The Group has many strengths that make it stand out in its markets: unique positioning that combines the best of medical and naturalness, attentiveness to patients and consumers in order to come up with the solutions of tomorrow, a trusting relationship with health care professionals, and more.

Organized around two complementary areas of expertise, dermo-cosmetics and pharmaceuticals, the Group provides its patients and consumers with a holistic approach to health care: caring for skin and hair, preventing and treating everyday ailments, and treating chronic diseases and cancer.

Pierre Fabre's management is committed to spreading this unique business model all over the world, starting from the company's region of origin. The goal is to care for patients and consumers and create lasting value for all of the company's stakeholders.

+4.5%
for Group revenues
in constant currencies
(€2.422 B)

Green Mission Pierre Fabre: a daily commitment

Launched in 2019, Green Mission reaffirms Pierre Fabre's identity and its deep commitment to sustainable development and naturalness in its activities.

INNOVATE



For Pierre Fabre, innovation combines cutting-edge research with expertise in plant-based products. That said, innovation is also found in modes of agricultural production, more environmentally friendly packaging, our social and environmental partnerships, and our involvement in the public health system.

Green Native Expression

Launched in 2019, the new Green Native Expression extraction technique required eight years of research and development. This new environmentally friendly process allows us to extract the pure essence of plants without water or solvents so that we can incorporate it with its active substances intact into cosmetics or nutritional supplements.

PROTECT



Committed to protecting native plant life and biodiversity, Pierre Fabre is working to shrink its carbon footprint (eco-design and eco-production approaches, short supply chains, etc.) and preserve natural resources (in vitro cultivation of rare plants, in-house and sustainable agricultural production, organic farming, agro-ecology, etc.).

The benefits of Rhealba® oat

The Sterile Cosmetics emollient cream A-Derma Exomega Control is an effective treatment for all dry, eczema-prone skin. Its active ingredient? Rhealba® oat, grown using organic farming in "Terre d'Avoine", in France's Tarn department, where the A-Derma brand was born. The organic seeds are produced on the Group's own land and various partner farmers do the growing.

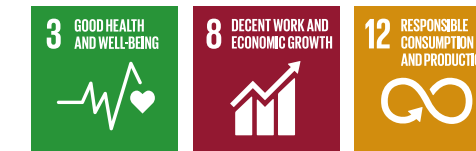
RESPECT



The Group contributes to the sustainable development of the regions in its supply chain and builds lasting relationships with its partners (farmers, growers, suppliers, communities, etc.) based on dialogue and trust. The transfer of skills, raising awareness about safety and about sustainable resource management, and sharing of wealth help make for sustainable networks.

René Furterer in Brazil

Using Brazilian ginseng, also called pfaffia, in certain products that prevent hair loss, René Furterer maintains social and environmental commitments: the brand is committed to fighting against deforestation and wild harvesting while improving the standard of living of small local producers of organic pfaffia.



Sustainable Development Goals

Preserve the planet, promote peace and prosperity for all, and much more: the actions of the Pierre Fabre Group and Foundation contribute to 16 of the 17 Sustainable Development Goals (SDGs) established by the United Nations. The Group and Foundation act on three SDGs in particular: "Good Health and Well-being" (#3), "Decent Work and Economic Growth" (#8), and "Responsible Consumption and Production" (#12).

GUARANTEE



Under its responsible purchasing policy, the Group has several commitments: offer optimal transparency on the sustainability of its products and supply chains, maintain the scientifically proven efficacy of its plant-based active ingredients and its requirements for quality and safety, limit its environmental impact, conduct customer satisfaction surveys, and more.

UnProduction under strict supervision:

Each plant and each active ingredient are checked at every stage in the manufacturing process. At the Gaillac facility for the extraction of plant-based ingredients, an average of six checks are performed on a plant used in dermo-cosmetics, and 21 on a plant used in pharmaceuticals. An average of nine checks are conducted on an active ingredient used in dermo-cosmetics, and 11 on an active ingredient used in pharmaceuticals.

COMMIT



Pierre Fabre encourages a green approach at every level of the company. This happens through knowledge sharing, supporting dispensaries in their CSR initiatives, involvement in educating pharmacists about therapies, and getting employees involved in social and environmental initiatives.

A Foundation to fight eczema

Dédiée à la dermatite atopique, forme Dédiée à la dermatite atopique, la plus sévère forme d'eczéma, la Fondation soutient la recherche, fournit des informations aux patients, prend soin des patients en développant des centres spécialisés, et finance des études cliniques. Plus de 40 écoles de dermatite atopique ont été créées dans environ 15 pays, avec 20 outils éducatifs développés.

Our commitments in target figures by 2025

2019

- 4 new organic or eco-extracted plant-based active ingredients developed each year
- 1 social or biodiversity-protection action carried out per year by each of our employees and for every strategic product launch
- 100% of new products developed are eco-designed

2021

- 80% of new plant extracts sourced from plants grown with organic farming

2023

- 1 in 2 products in the Group catalog will be eco-designed

2024

- 25% reduction in our water consumption

2025

- 30% reduction in our emissions of CO2
- 25% reduction in our energy consumption
- 25% of energy used will come from a renewable source
- 15% reduction of our waste

A holistic approach to health care

From health to beauty, our solutions cover the needs of patients in four main areas: hair and skin care, cancer, chronic diseases, and everyday ailments. We work collaboratively with all health care stakeholders to support innovation for patients and consumers.

60%
of total revenues

69%
of revenues earned outside of France

A portfolio of
10
complementary brands

25
medical dermatology specialties

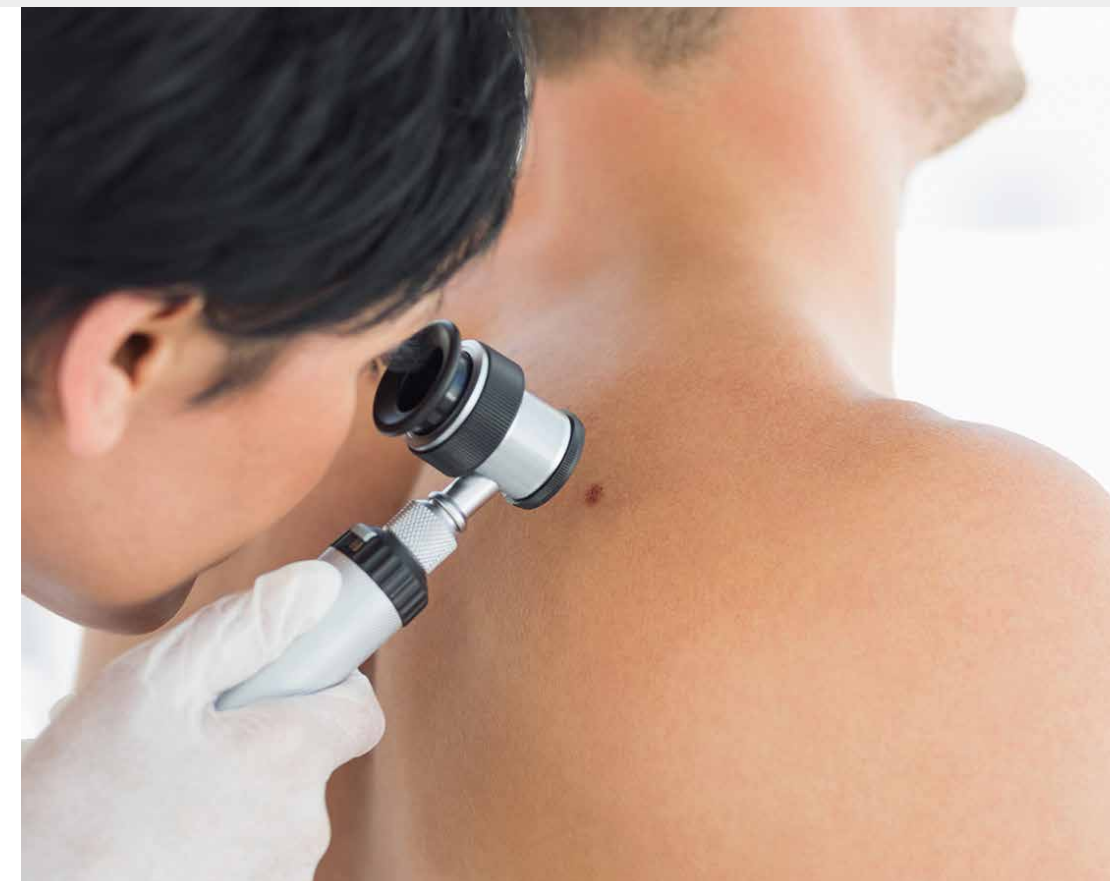
Caring for the skin and hair

Our researchers combine their expertise in medical dermatology and in cosmetology to come up with innovative dermo-cosmetic solutions. Developed under rigorous medical and pharmaceutical rules, these products aim to care for skin and hair, particularly for people suffering from skin pathologies. They bring lasting improvement to the

condition of skin and can even make up for the side effects of certain treatments. Today, with a more comprehensive approach that includes Clean Beauty formulas as well as natural, ethical, and sustainable initiatives and an approach encouraging transparency, we are innovating to provide well-being while respecting our environment.

Improving quality of life for cancer patients

In line with its holistic approach to care, Pierre Fabre has signed onto a financial and sales partnership with the start-up MÈME Cosmetics, with the goal of improving quality of life for patients undergoing cancer treatment. Since 2017, MÈME Cosmetics has offered a full range of dermo-cosmetic products aimed at fighting the negative side effects caused by treatments, including scalp irritation, hand-foot syndrome, and brittle nails. Its products are developed based on a basic belief: maintaining femininity and self-esteem helps patients better fight the disease. In 2019 and 2020, the partnership between MÈME Cosmetics and Pierre Fabre relies on support from the sales, training, and medical representative teams from the Eau Thermale Avène brand, which specializes in sensitive skin. The goal is to boost the reputation of MÈME products in oncology departments and at pharmacies so that more cancer patients can benefit from them.



9%
of the Group's total revenues

90%
of revenues earned outside of France

€68M
dedicated to oncology R&D

Caring for cancer

A pioneer in oncology, Pierre Fabre makes cancer treatment and prevention a priority in its research and development. The Group invests in and works on cancer prevention through its offer of sunscreens and by carrying out information and training initiatives for the detection of certain types

of cancer. In terms of therapies, the Group develops and sells innovative, targeted treatments for cancers such as breast, lung, bladder, colorectal, skin, etc. These innovations are the result of our in-house research and co-development partnerships (with Pfizer in particular).

Preventing and treating skin cancer and supporting patients

As a program dedicated to skin cancer, United Against Skin Cancers coordinates Pierre Fabre's numerous initiatives worldwide. The program relies on our triple expertise in oncology, medical dermatology, and dermo-cosmetics, which puts us in a unique position to fight skin cancer through a three-part model: prevent, treat, and support. United Against Skin Cancers brings together Pierre Fabre's many global initiatives on skin cancer prevention (suntan, treatment of actinic keratosis), melanoma treatment (targeted therapies), and management of negative side effects affecting the skin and other parts of the body.

Caring for chronic diseases

16%
of the Group's total revenues

Our prescription drugs cover a broad spectrum of pathologies and help improve the lives of patients in numerous therapeutic areas, including urology, iron deficiencies, chronic respiratory illnesses, and diabetes, all of which are serious issues for public

health. Pierre Fabre also capitalizes on the expertise of its detailing networks to promote specialties on behalf of other laboratories in France and internationally.



Promoting appropriate physical activity

A sedentary lifestyle is considered the fourth-greatest risk factor for death in the world (6%). It is believed to be responsible for 5 million deaths worldwide according to the World Health Organization, and is the top cause of 20 to 25% of breast and colorectal cancers, 27% of cases of diabetes, and around 30% of cases of ischemic heart disease. For Pierre Fabre, the many advantages of physical activity—a factor in health, wellness, and beauty—are worth shedding light on. That's why we support French doctors in prescribing physical activity adapted to their patients. To this end, we have developed FeelCaps (Formation d'éducation thérapeutique en ligne sur la contribution de l'activité physique à la santé, or "Online therapeutic education on how physical activity supports health") a free and secure application available to patients solely through their health care providers. With this tool, the user has a fun and easy way to learn about the many benefits of regular physical activity for health overall and for certain pathologies in particular.

Treating everyday ailments

Working with health care professionals and patient organizations, we provide everyday support for individuals as they pursue good health and wellness. In support of this goal, we market a broad portfolio of products and solutions, many of which are of natural origin, in

the areas of family health, hygiene, and dental care. Our aim? To get patients engaged in improving their health, to help each person live better, and to help people age well by relieving everyday ailments.

Supporting tobacco cessation

For many years now, Pierre Fabre has carried out initiatives for the general public and for health care professionals. This is particularly true in the area of tobacco cessation, for which there have been many on-the-ground initiatives: tobacco-free days at hospitals, the Défi Stop Tabac awareness-raising initiative at 500 pharmacies, conferences on women's tobacco use, support for non-profit organizations, and more. In April 2019, in Paris, the Pierre Fabre Tabacology Institute held its first scientific conference, bringing together 35 experts specialized in tobacco use and addiction. Together, they created training modules to improve the care given to smokers to help them quit using tobacco. The goal was also to create a network of tobacco specialists/trainers to support other health care professionals with this subject.

14%
of the Group's total revenues

Leader
in the French tobacco cessation, hygiene, and oral health markets



Our strategy for the future

Our strategy in **3** points

1 WHAT MAKES US DIFFERENT

Since its founding, the Pierre Fabre Group has relied on the complementary nature of its two main business lines: pharmaceuticals and dermo-cosmetics. What's more, Pierre Fabre is the only company with a global presence in both medical dermatology and dermo-cosmetics. In particular, the 2020-2023 transformation plan aims to increase synergies between these two business lines.

2 HOW IS THIS A STRENGTH OF THE GROUP?

By combining our expertise in pharmaceuticals and cosmetics, we are able to provide original solutions (products and services) to meet the needs of patients, consumers, and health care professionals. Sterile Cosmetics, a patented technology allowing us to offer preservative-free dermo-cosmetic products, is an example of an approach that benefited from our expertise in the packaging of injectable cancer drugs in aseptic work environments.

3 WHAT ARE THE BENEFITS FOR OUR STAKEHOLDERS?

Our dual expertise allows us to provide comprehensive care for patients and consumers. Each solution developed by the Group comes with a guarantee of optimal efficacy and safety.

Understanding the trends in a changing world

The highly competitive pharmaceutical and dermo-cosmetic sectors must adapt to the emergence of new habits of consumption.

From passive consumer to active consumer

The expectations of patients and consumers have evolved significantly in recent years. While safety and efficacy remain the biggest factors in any decision to purchase, the composition of formulas, the product's impact on the environment or on the skin and, ultimately, on health, are part of a continuum of inextricably linked expectations. The desire for naturalness in production and for transparency in communication have brought us into a new era: the age of the active consumer, who prefers solutions perceived as being healthy and socially responsible. Often more personalized and with simpler formulas, these products are part of a new trend called "Clean Beauty." They are winning over consumers who are looking for meaning. To get these consumers, the company must stand out from the crowd and engage them.

The natural cosmetics market will grow an average of **9.5%** each year from now until 2025
(source: Grand View Research, April 2019)

69% of consumers expect brands to have a positive impact
(Edelman Trust Barometer 2019)

When digital technology shakes things up...

Digital technology has completely changed the relationships between companies, health care professionals, and consumers, who are now very highly informed. Consumers are becoming increasingly independent with regard to their own health and well-being. They're looking for information on the internet, they need interaction with brands, and they're buying health and beauty products online: all of these are becoming habits for a growing number of consumers. New companies entering the market are following these trends using expertise in digital marketing and social media. Knowing how to collect, analyze, and use data on consumers and patients, generating interactions throughout the purchase process to enrich the experience, being more responsive to meet expectations for immediacy, and supporting professionals in digitizing their business: these imperatives created by the digital revolution come with many skills that need to be developed.

38% of consumers have already used social media when buying a product or service
(source: Barometer of the new consumer trends, Wavestone, 2019)

In France, **69%** of consumer journeys include at least one digital touchpoint
(source: Fullsix/CSA, ROPO 2017, scope France all product categories)



A CLOSER LOOK AT THE PHARMACEUTICAL SECTOR

A market driven by innovation

As cancer is now the leading cause of death in industrialized nations, oncology has become a priority in the highly competitive pharmaceutical sector. Innovation efforts are focused on developing new treatments, combined with better care for patients. These massive investments in research and development have resulted in disruptive technologies, notably targeted therapies, offering greater efficacy and shorter treatment times for patients.

+33% for the number of cancer cases worldwide between 2005 and 2015
(source: Global Burden of Disease Collaboration)

A CLOSER LOOK AT THE DERMO-COSMETICS SECTOR

A plethora of newcomers

The increasingly competitive dermo-cosmetics market is divided into several types of players. Alongside the classic players from the cosmetics industry, there is a myriad of newcomers who have joined the market, often small brands with a local base or highly digitized. The industry is characterized by two underlying trends: the rise of online sales and digital communications, as well as growing interest in naturalness and natural and organic products—and let's not forget the importance of saving water in this industry that uses so much of it.

The other revolution in the dermo-cosmetics market has to do with the relationship between brands and their consumers: we are now in the age of conversation, with brands increasingly offering content and experiences for their communities of consumers and patients. More connections, more sharing of expertise, and more services provided throughout the consumer journey: that's the new brand-consumer relationship in the dermo-cosmetics market today.

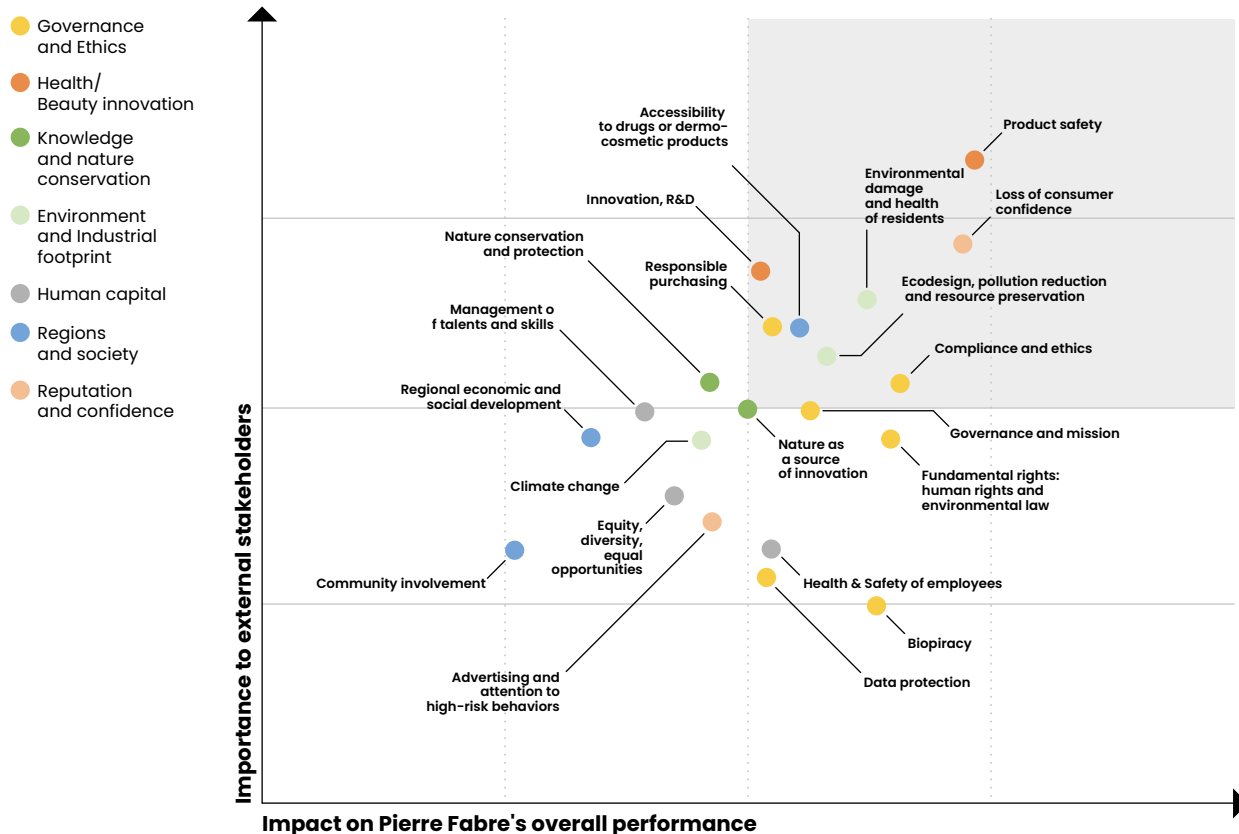
By 2050, demand for water will have increased by **55%**
(source: OECD Environmental Outlook)

Identify and prioritize our main challenges

In 2019, we updated our materiality matrix, a methodology used by the Group since 2015 to identify, analyze, and prioritize its top CSR challenges. Using this methodology, we created a list of 21 CSR challenges, which were approved by a committee made up of members of the Executive Committee, the director of Green Mission Pierre Fabre, the CSR director, the Group's risk manager, and the director of communications.

These challenges were then evaluated by about 20 internal stakeholders representing the company's different departments. They looked at four impact categories: regulatory compliance, financial health, business continuity, and image and reputation. In this way, 11 major CSR risks for the company were identified.

MATERIALITY MATRIX



GOVERNANCE & ETHICS RISKS

Responsible governance

Example of action

The Group's shareholder scheme is the guarantee of a comprehensive and sustainable vision of performance. The employee shareholder scheme is reinforced every year to preserve and strengthen this responsible governance. In 2019, 83.9% of employees eligible for the employee shareholding plan were shareholders.

Ethics & Compliance

Example of action

In early 2020, under the transformation plan, and with the goal of establishing a coordinated approach to ethics and compliance, a Quality, Compliance, and Risks Department was created. This new department covers corporate quality activities, risk management, internal controls, ethics, and compliance, including GDPR compliance. The selection process for our plant-based active ingredients systematically incorporates the Nagoya Protocol on Access and Benefit-sharing.

Responsible purchasing

Example of action

In 2019, we purchased the ECOVADIS tool, which now allows us to evaluate all of our suppliers using a questionnaire based on the main international standards on sustainable development: the Global Reporting Initiative, the United Nations Global Compact, and the ISO 26000 standard.

SOCIAL RISKS

Diversity, skill and talent management

Example of action

To further improve the effectiveness of its offerings, in early 2019, Pierre Fabre University launched a project called "Learner Centricity." One of the major goals of this project is to get employees from operations teams involved in developing training offerings.

Employee health & safety

Example of action

For the second consecutive year, an e-learning program entitled "En route vers la prévention" (On the Road to Prevention) was offered to all employees based in France and in Morocco (as a subsidiary piloting the training). Each month, a training module goes online on our e-learning platform, accompanied by a video broadcast on our sites' information screens.

ENVIRONMENTAL RISKS

Industrial risk

Example of action

The Pierre Fabre Group pays special attention to wastewater treatment. Most of our production sites have their own pre-treatment or treatment stations for wastewater.

Risk of environmental damage linked to the composition, manufacturing, and use of products

Example of action

In 2019, all packaging of the Group's cosmetic products was evaluated using a methodology and tools developed in-house. This process allowed us to give an overall environmental rating to each type of packaging and to identify how to improve their environmental profiles.

SOCIAL RISKS

Lack of product safety

Example of action

In 2019, under the transformation plan, a Medical and Patient/Consumer Relations Department was created and placed under the direct responsibility of the CEO. This new department covers functions in charge of all regulatory aspects of product authorization applications, vigilance, and scientific information for health care professionals.

Accessibility of products for patients and consumers

Example of action

The security of our supplies is guaranteed by the fact that nearly all of our pharmaceutical production is located in France. In addition, we favor the usage of pharmaceutical active ingredients produced in France or elsewhere in Europe. Around 40% of revenues from the Pharmaceuticals business line comes from products whose active ingredient is produced by the Group itself.

A breakdown in innovation

Example of action

Innovation in the area of plant-based active ingredients is an important challenge across both of our two main business lines given that over a third of our revenues relies on products whose active ingredient comes from plants. In 2019, the Group set the goal of developing four new natural or organic plant-based active ingredients per year.

Transparent communication

Example of action

To provide total transparency on the CSR commitments embodied in its products, the Group has developed the Green Impact Index, which measures the CSR performance of a given product. The Index also identifies areas for improvement of the product's social and environmental profile and helps the Group objectively communicate about social and environmental actions behind each product. This continuous improvement process was finalized in 2019 and will be tested in 2020 on the Group's flagship products.

Planning for transformation

At the end of the strategic plan carried out over the 2014–2018 period, the Pierre Fabre Group initiated a phase of reflection. The company took an essential step back to get a better view of how to accelerate its transformation.

300

employees met with Eric Ducournau

120

Ambassadors supporting communications and buy-in for the transformation plan

50

contributors in 25 dedicated working groups in 2019

2019, a year of transition

The year 2019 was the year of introspection. While we of course needed to take lessons away from our previous plan, 2019 was also used to launch and finalize three major projects: the formalization of our purpose statement, an essential source of energy for reinforcing our actions and centering them on a shared vision; the development of our transformation plan; and the establishment of our new ambitions for sustainable development under Green Mission Pierre Fabre.

The diagnostic carried out between November 2018 and February 2019 revealed many strengths: unique expertise in naturalness, a deeply humanistic corporate culture, recognized dermo-cosmetic brands, and promising opportunities in oncology. Quite clearly, the plan carried out between

2014 and 2018 led to the emergence of a modernized company with stronger fundamentals, one that is increasingly global and digital, and that has increased manufacturing and logistical capacities. That said, Pierre Fabre still has progress to be made in various domains: improving its operational efficiency and profitability, creating greater synergies between business lines, and refocusing its product portfolio through concerted efforts.

These are our strategic priorities for the years to come. They require changes within the organization, as well as in mentalities and the ways we work so that we can leverage them to improve performance. This is a major challenge that will require a veritable transformation of the Group in the 2020–2023 period.

Engaged employees

The company's transformation plan got employees engaged through informational meetings and workshops to get them to buy into the plan's challenges. Employees were first consulted early on, in the diagnostic phase: Eric Ducournau, the Group's CEO, met with over 300 employees, from all levels of the organization and from all countries, in small groups for "Transformation Interviews." A network of contributors was then involved in developing the transformation plan. After that, around a hundred "Transformation Ambassadors" were given the mission of helping spread the message about the plan's goals and challenges, of relaying questions from their colleagues, and of supporting managers by helping people understand and buy into the plan.

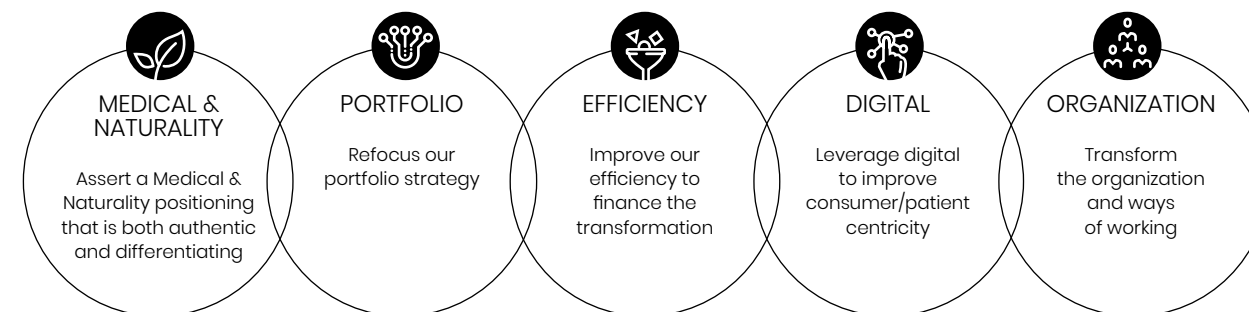


Transformation plan

2020–2023

5
PRIORITIES

FOR BUILDING THE FUTURE



AMBITIOUS GOALS

MISSION 2023

€2.7 BILLION IN REVENUES, COMPARED TO €2.3 BILLION IN 2019

DOUBLE-DIGIT PROFITABILITY

70% OF REVENUES EARNED OUTSIDE OF FRANCE, COMPARED TO 64% IN 2019

FINDING A **NEW BALANCE** BETWEEN PHARMACEUTICALS AND DERMO-COSMETICS

Five priorities for completely transforming the company

The Group's transformation will be organized around five strategic priorities. The goal: to ensure profitable growth for the Pierre Fabre Group.

16

clinical studies planned in 2020 for the Medical Care business, including 14 in oncology

14

strategic partnerships in progress worldwide with pharmaceutical laboratories or biotech firms

20%:

the Dermo-Cosmetics BU aims to earn at least 20% of its revenues online by 2023 (vs. 8% in 2019)



Take advantage of our unique positioning

The Group aims to reaffirm the things that have set the company apart since it was founded by a pharmacist and dedicated botanist: expertise in Medical and Naturalness combined to serve people. This positioning is built on our recognized, complementary expertise in life sciences: cellular biology, biotechnology, botany, and biodiversity. These areas of expertise place our medical franchises and dermo-cosmetics brands in an ideal position to respond to growing patient, consumer, and health professional expectations for health products that are more effective, safer, more natural, and more environmentally friendly, and whose benefits can be scientifically proven.

Among the initiatives in progress:

- Creation of a cross-functional Medical Department. In particular, this department is in charge of evaluating the benefits of therapeutic treatments coupled with the usage of natural-origin products aiming to reduce or prevent side effects and thus improve quality of life for patients.
- Creation of Green Mission Pierre Fabre, in charge of establishing and promoting, across the organization, the Group's ambitions for sustainable development and naturalness.
- We value our botanical resources and we are constantly improving our knowledge of botany based on scientific and clinical studies.



Reset our portfolio strategy

We have established three priorities for investment: oncology, dermatology, and dermo-cosmetics. At the same time, we aim to get as much profit as possible out of our mature product portfolio.

Among the initiatives in progress:

- We are focusing our R&D investments on three priorities while carrying out life cycle management with our mature products (urology, women's health, family health, etc.).
- We are positioning our company as a leading partner for innovative biotech firms in the areas of oncology and dermatology, assisting at all stages of product development (pre-clinical phases, clinical phases, entry into the market).
- We are streamlining our portfolio of mature drugs so that we can focus on the most profitable products and regions.
- We are prioritizing investments in our strongest dermo-cosmetics brands according to our "Medical & Naturalness" positioning and we are streamlining our product portfolio.

The LAB, a revamped customer experience

In December 2019 in Toulouse, Pierre Fabre opened a concept store, The LAB, for its dermo-cosmetics brands. Dedicated to skin and hair care, this 120m² immersive space was designed with customers in mind and will evolve over time. In particular, The LAB offers visitors the opportunity to discover the needs of their skin and hair, to learn about the composition of the company's products, and to deepen their knowledge of textures in order to choose the most appropriate product. A team of experts is available to listen to and serve customers in order to care for them, talk to them, and give them the best possible advice.



Improve our efficiency

Our ability to transform our company, as well as finance those transformation efforts, requires greater efficiency in our operations.

Among the initiatives in progress:

- A better alignment between the priorities of R&D teams (pharmaceuticals and dermo-cosmetics) and those of the sales teams.
- Implementation of more agile innovation processes in order to reduce the lead time between the "idea" and when it reaches the market.
- Focusing our investments on production sites that mainly produce for the Pierre Fabre Group (and not for other pharmaceutical companies).
- Optimizing the efficiency of our production and logistics operations by adopting Industry 4.0 solutions and customer-oriented processes.



Take advantage of the opportunities offered by digital technology

If used well, digital technology and data should help us focus more on patients, consumers, and customers.

Among the initiatives in progress:

- Adoption of the "precision marketing" methodology by all of our brands.
- Systemic use of data to optimize our R&D decision-making processes.
- Selection and incubation of innovative projects from start-ups.



Rethink our organization and ways of working

Establishing a more "horizontal," collaborative organization and developing a culture of performance requires a deep transformation of working methods and relationships.

Among the initiatives in progress:

- Clarification of roles and responsibilities.
- Simplification of the organization and collaborative or transactional processes.
- Increased interdisciplinary work.
- Set individual and group goals focused on the Group's priorities.

Precision marketing to strengthen interactions with consumers

Increasingly well-informed and active in their consumption choices, consumers are becoming increasingly immune to the traditional communications used by brands and they are constantly looking to increase their knowledge and autonomy in their decision-making. As such, relevance and personalization are the keys to getting the attention of consumers, patients, and prescribers. This is the very essence of precision marketing, which has been made possible by the growth of digital technology.

This approach to the digital world will allow us to provide solutions:

- To boost the effectiveness of our communications campaigns, which will be more personalized for greater return on investment and more targeted investment.
- For sustainable growth thanks to training of marketing and digital teams, who will be able to replicate best practices and optimize them.



The digital performance of the Eau Thermale Avène brand is ranked

6th

in the beauty sector, the only dermo-cosmetics brand to appear in the top 10.

(Source: Digital IQ Index, Beauty France 2020, April 2020, Gartner).

Organization aligned with strategy

The transformation plan aims to create an organization that highlights synergies and greater performance.

Developing synergies, improving performance

To strengthen the culture of performance within the Group, we must evolve into a more horizontal organization and promote shorter and clearer decision-making processes and circuits. This starts with the Executive Committee, whose composition is now more balanced between business leaders from operational units and those from support functions (business partners). This new composition allows the Committee to better focus its discussions and decisions on operational challenges. In order to reinforce our synergies, our transformation is supported by constant efforts to create cross-functional cooperation and synergies with the express goal of "breaking silos." For example, an Operations Department bringing together manufacturing and supply chain teams now covers the entirety of the Group's product portfolio. Following the same logic, the business partner functions were also grouped together.

In addition, the Group's business lines were reorganized into three business units (BUs):

- The Medical Care BU and the Dermo-Cosmetics & Consumer Care BU: directly in charge of the Group's five biggest markets (France, China, Italy, Spain, and Germany), they also focus their actions on the innovation strategy and the positioning of the brands and franchises with a view to securing their growth.
- The International, Export, and E-Business BU: this BU is dedicated to the specific challenges for the markets outside the top 5, representing 40% of revenues; it also develops best practices for excellence in sales and e-business for the entire Group.

A corporate medical department

As part of the transformation plan, a Medical and Patient & Consumer Relations Department was created in January 2020. The mission of this department is to define the Group's medical strategy and guarantee that it is properly implemented and monitored. Its strategy relies on asserting a scientific, medical, naturalness, and environmentally friendly positioning for all Pierre Fabre Group products. The department is committed to incorporating patients into discussions of the Group's growth plans and to promoting its activities, particularly through publications and participation in scientific conferences.

"For the Group, e-business is a crucial strategic issue. That's why we've placed it under the responsibility of the International BU, which is very in touch with the markets, making it particularly capable of maintaining the close relationships needed to meet our business challenges. The International BU is also in charge of developing sales methods."

Giuseppe Mele,
International, Export, and
E-Business President



"Training and support from management are two essential mechanisms for helping all employees position themselves within the new organization and view the changes with peace of mind."

Agnès Park,
Senior Vice President
for Human Resources

HR support, the key to the transformation process

To get everyone on board and help each individual buy into the transformation, Pierre Fabre has established a comprehensive support plan. First, from the very beginning of the transformation plan, employees have received regular, transparent information about the diagnostic phase, the steps in the transformation, organizational changes, progress on different projects, the Group's economic situation, and more. Furthermore, a network of 120 ambassadors, involved in the creation and implementation of the transformation plan, was created to strengthen connections with employees and take the transformation initiatives to the teams. To make this transformation a success, the Group is also assisting

employees who need to learn new skills or adapt to the evolution of their duties. This initiative is also for managers, so that they are able to manage the changes and facilitate the adoption of more collaborative work methods. Finally, we have improved our ability to listen to employees. Having launched the "Transformation Barometer" in early 2020, Pierre Fabre encourages all employees to speak up and play an active role in the transformation plan.

A history of innovation

Built into the Group's DNA, innovation at Pierre Fabre has many facets, but one common core: plants.

Innovation, at the heart of the Group's strategy

Pierre Fabre develops innovative solutions inspired by nature and plants. This work is done in close collaboration with health care professionals, placing patients and consumers at the heart of the company's research and development model. In line with the transformation plan, our R&D strategy has three major focal points for the coming years: strengthen innovation in oncology and dermatology using targeted therapies; rely on the complementary relationship between internal resources and external partnerships; and position the company as a leading partner for the development of products adapted to the specific needs of the European and Chinese markets.

Inventing increasingly green products

To constantly improve our protection of nature and people, Green Mission Pierre Fabre has launched in 2019 a tool for evaluating the Group's products, identifying four areas for improvement - eco-designing packaging, eco-designing formula, reducing the impact of manufacturing processes, and encouraging short supply chains - and a social commitment: support products made in France, fair trade, and the protection of biodiversity. Our goal is to have half of the products in our portfolio and all of our new products be eco-designed using this approach by 2023.



Pierre Fabre and plants: 50 years of research

Plant-based innovation is at the heart of the Group's approach to innovation. We have created and brought to market hundreds of products using natural active ingredients: drugs like Permixon, which uses saw palmetto, and dermo-cosmetics from our brands Klorane, A-Derma, and Naturactive, which specializes in phytotherapy and aromatherapy. Discovering new plants, identifying the active ingredients they hold, evaluating their effects, devising innovative extraction methods, selecting and cultivating plants while protecting biodiversity: these are all part of the passion that has driven us since our founding. That passion is coupled with the rigor of our pharmaceutical culture: we don't use any plant extracts without first proving their efficacy. Through the Green Mission Pierre Fabre approach launched in 2019, we are committed to constantly improving our knowledge of nature while protecting biodiversity and the local populations who live off of these natural resources.

A CLOSER LOOK AT INNOVATION IN EACH OF THE BUSINESS LINES

Innovation in pharmaceuticals

Pierre Fabre has made a priority of creating innovative therapeutic solutions in cooperation with partners and health care professionals, while always placing patients at the heart of its research and development. Within its pharmaceutical business, the Group invests in four main areas of research in particular: oncology, dermatology, onco-dermatology, and consumer health care. This is done by combining our medical and dermo-cosmetic expertise. Oncology research is a priority for the Group, with programs focused on targeted therapies.

10%
of Medical Care revenues dedicated to pharmaceutical research

32%
of Oncology revenues dedicated to cancer research

Innovation in dermo-cosmetics

Offering every person dermo-cosmetic products that are safer, more effective, and that respect people and nature. That is the purpose behind our dermo-cosmetics and personal care R&D. With innovation inspired by the living world and the development of ethical, responsible, and differentiated products, we are re-inventing our products to create the dermo-cosmetics of tomorrow and we are highlighting our commitments. This aim has led us to create Conscious Care, a policy shared by all of our brands. It establishes concrete, tangible requirements and commitments. As Pierre Fabre's re-interpretation of the generic concept of "Clean Beauty" with a more comprehensive vision, Conscious Care promotes natural formulas and encourages the use of non-controversial ingredients and substances. These aspects are rounded out with ethical and sustainable actions, resulting in dermo-cosmetics that are useful and well-reasoned. Starting in 2020, 63% of new projects will follow this approach, with the goal of reaching 100% of new projects by 2023. All in all, a more comprehensive approach.

4%
of dermo-cosmetics revenues dedicated to dermo-cosmetics research

129
new formulas developed in 2019

A partnership approach with high added value

Working as a team and combining internal and external resources enables new solutions to get to market faster. The strategic partnership created in 2018 with Array BioPharma, a laboratory acquired in 2019 by Pfizer, perfectly illustrates the advantage of this policy. Thanks to this sharing of knowledge and resources, European patients undergoing treatment for melanoma with a mutation of the BRAF gene can now access a treatment that offers hope: a particularly innovative targeted therapy that combines two cutting-edge molecules that have now been approved in Europe. A new targeted-therapy combination is in development to treat colorectal cancer that has the same mutation of the BRAF gene.

Creating value for all

Our value creation in **3** points

1 WHAT MAKES US DIFFERENT

Maintaining the Group's base in Occitania and contributing to the economic, social, and cultural success of this region are among the missions passed down to us by Mr. Pierre Fabre when he bequeathed the majority of the Group's shares to the Pierre Fabre Foundation. This identity has remained strong through the years and represents a crucial factor that sets our company apart.

2 HOW IS THIS A STRENGTH OF THE GROUP?

With a profound attachment to its roots, the Group has built itself and continues to grow in Occitania. This is a major source of pride for the company's employees. It is also a very distinctive characteristic in an increasingly digital and mobile world.

3 WHAT ARE THE BENEFITS FOR OUR STAKEHOLDERS?

As the biggest employer in France's Tarn department, Pierre Fabre is intimately tied to the history of this region and is responsible for many economic, cultural, and social investments. This local base, combined with the promise of quality offered by products "Made in France," contributes directly to the international success of the Group and its brands.

A constructive dialogue

Listening to our stakeholders and exchanging with them are core components of how we work, as demonstrated by the relationships based on mutual respect that we have always maintained with health care professionals. To reinforce this aspect, which is a source of value-creation and innovation, our transformation plan calls for building stronger ties with patients and consumers.

PATIENTS AND CONSUMERS



- Patients, patient associations
- Consumers

THE MAIN EXPECTATIONS OF STAKEHOLDERS

- Product efficacy, safety, and quality
- Support for the care journey
- Helping patients adhere to their treatment plans
- Transparency on the composition and naturalness of products
- Requirements for the social and environmental conditions of product manufacturing: "Made in France," short supply chains, employee working conditions, respect for the environment, etc.
- Involvement in developing the products and services of tomorrow

HEALTH CARE PROFESSIONALS



- Pharmacists and pharmacy teams
- Family doctors and specialist doctors (dermatologists, oncologists, urologists, diabetes specialists, pediatricians, etc.)
- Allied health professionals (nurses, midwives, etc.)

- Transparency on the composition of products
- Consistent, clear positioning of each brand in relation to others, but also of product ranges within the same brand
- Brand positioning aligned with consumer expectations
- Product efficacy, safety, and quality
- Training for new products, tools and services made available to help advise patients and consumers

EMPLOYEES



- Employees in France and internationally
- Interns, apprentices
- Applicants
- Employee representative bodies

- Transparency and visibility with regard to the company's strategy
- Consistency and alignment with the Group's values perceived as "intangible" and with the Group's new purpose statement
- Training and skill development
- Well-being at work
- Specific understanding of the needs of employees according to their position and their geographic location
- Regular, constructive, and calm dialogue

REGIONS



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

- Creation and preservation of jobs within regions
- Contributions to environmental protection
- Ethics and regulatory compliance
- Open and regular dialogue
- Participation in economic, social, and cultural initiatives started by local communities
- For suppliers: collaborative approach, stick to payment lead times, visibility of future

The first collaborative integrated report

Created in a spirit of sharing and collaboration, our first integrated report relied on an editorial committee that brought together employees from various Group departments (Finance, Communications, Green Mission, Strategy, etc.), as well as external stakeholders, including Marie-Ange Léophonte (Ligue contre le Cancer), Anne Audouze (Association Ichtyose France), Dominique Vaissières (Pharmacie de la Tour in Castelginest), and Evelyne Haber (Ligue pour la Protection des Oiseaux). Their strong involvement demonstrates their attachment to the Group. It also highlights the benefits of having lasting relationships with the company, which is able to offer training and support, as well as better respond to their needs. Pierre Fabre wants to strengthen these ties to get the company's stakeholders more involved in its strategic plan and in this way develop products that are increasingly aligned with their expectations.

Committed to our stakeholders



Anne Audouze,
President of Association Ichtyose France

Founded in 1991 by a group of parents, this non-profit organization aims to improve care for ichthyosis, a rare genetic disorder affecting the skin, with major effects on patients' quality of life.



Marie-Ange Léophonte,
Director of the Haute-Garonne
Committee of the Ligue nationale
contre le cancer

Made up of 103 local committees based in France's different departments, the Ligue contre le cancer is France's biggest non-governmental financier of oncology research. In addition to research, this non-profit organization acts daily alongside patients and their families, and carries out actions for prevention and promoting screening.



Markéta Saint Aroman,
Chief Patient Officer, Pierre Fabre

INTERVIEW

Attentive to patients and consumers

How are you connected to the Pierre Fabre Group?

Anne Audouze

Our association has a close, long-term relationship with Pierre Fabre. This is especially important for us as a small organization because we receive no government support. Their support comes in the form of a financial and logistical partnership that is crucial to our ability to carry out our initiatives.

Marie-Ange Léophonte

As our non-profit and the Group are both cancer-fighting organizations that have long had a presence at the Oncopole site in Toulouse, we have always had a close relationship with the Pierre Fabre Group, regularly working with them on projects aiming to improve care for cancer patients. Our latest project we are collaborating on is the design by the Group's botanical experts of a botanical garden at our future home for patients. This garden will have various plants that are beneficial for cancer patients.

What does the relationship look like in practical terms?

A.A.

The support we receive from Pierre Fabre has concrete effects on the lives of patients in several respects: we are able to offer our members and medical correspondents high-quality brochures and newsletters; Pierre Fabre helps cover our operating costs (transportation, room rentals, etc.); Pierre Fabre receives patients at the Avène Hydrotherapy Center, where they receive customized treatments for ichthyosis; they also organize a weekend event to bring families together. The Eau Thermale Avène brand also donates products to us for each of our general assembly meetings.

Markéta Saint Aroman

Patients are at the heart of our actions. With Association Ichtyose France, we organize product formulation workshops, offer videos on patient care, and provide training on therapeutic makeup to improve patients' quality of life. We collaborate with Ligue Contre le Cancer 31 to help recruit patients for clinical studies and get them more involved in the planning thereof.



Events focused on eczema

The lives of children living with atopic eczema are marked by flare-ups, periods of respite, fatigue, and regular care intended to treat and soothe their sensitive skin. Concerned about quality of life for eczema patients and content with the success of previous events held in Lyon and Paris, Ducray organized another HatoppyDay in November 2019, this time in Toulouse. This morning event was organized in collaboration with the website Mum-to-be Party. It offered discussions and advice from eczema experts, in line with Ducray's mission: to offer treatments that change patients' daily lives so that they can just live without worrying about their skin problems. The program included several workshops and interactive experiences, offering parents the opportunity to exchange advice, concrete tips, and tools throughout a morning filled with fun and information.

With TAVIE Skin, get optimized diagnosis and care thanks to digital technology

To support patients throughout their care journey, the Pierre Fabre Group has designed an application that aims to inform, educate, and support patients suffering from metastatic melanoma and receiving targeted therapy. To best meet their needs, this digital tool was developed with representatives from patient associations from various European countries. The app, named TAVIE Skin, will be launched in Portugal starting in June 2020, then in three other European countries throughout the rest of the year.

How do you envision your relationship in the future?

M.A.L.

In the future, the Pierre Fabre Group has a real role to play in overall care for individuals, with care being more personalized. This will be true for cancer drugs, scalp and skin care during and after treatment, makeup, and more. One of the Group's strengths is its close relationships with non-profits, which help the company collaboratively develop responses adapted to needs.

M.S.A.

Patients are increasingly active in the treatment of their illnesses. For this reason, we want to make patients true partners through close relationships with associations. Patients can be involved in discussions for the development of new drugs. They can also be involved throughout the life cycles of drugs. We can work with them to develop tools that meet their needs: for example, to improve treatment compliance and to inform patients so that they better understand their illnesses.

A.A.

An increasingly close relationship with us... Indeed, that is one of the most important issues for the future.

Committed to our stakeholders



Dominique Vaissières,
Pharmacist

As the owner of Pharmacie de la Tour in Castelnau (in France's Haute-Garonne department), Dominique Vaissières has been involved in Pierre Fabre's eco-responsible pharmacy project since October 2016. In April 2020, she earned a gold-level certification from the Très Haute Qualité Sanitaire, Sociale et Environnementale (THQSE, "Very High Health, Social, and Environmental Quality") program.



Xavier Ormancey,
Director of Dermo-Cosmetics R&D,
Pierre Fabre

INTERVIEW

Working closely with health care professionals

How would you sum up the patient-pharmacist relationship?

Dominique Vaissières

A pharmacist is not a merchant just like any other. We have a true mission to support patients and we care for our customers as if they were our family. With its medical expertise and commitment to quality, the Group is an essential partner for pharmacies.

Xavier Ormancey

From Pierre Fabre's perspective, pharmacists must remain a trusted third party for patients and consumers. That's actually why we like to have direct relationships with pharmacies.

How can we further strengthen connections with patients and consumers?

D. V.

More than ever, we must maintain our close relationships with patients given a context of growing distrust, particularly due to the emergence of applications like Yuka. To do this, we need specialized information. As such, it is essential for use to have access to the full details of formulas, including active ingredients, excipients, etc. That way, we can promote product ranges that are truly eco-friendly. I also think that training for health care professionals is crucial. Thanks to Pierre Fabre, we have received excellent training on phytotherapy and aromatic plants.

X. O.

Our Conscious Care program includes a design policy for our products: we are able to precisely describe the role, origin, naturalness, and environmental impact of each ingredient in our formulas. Starting in 2020, 63% of new projects will meet the Conscious Care criteria.

How do you view Pierre Fabre's commitment to CSR?

D. V.

In the longer term, I think it's important to find out more about the concrete impact of the Group's Purpose and its everyday commitments to sustainable development. For example, there's a need to reinforce the consistency between the different products belonging to the same brand, particularly when it comes to the "no controversial ingredients" commitment.

X. O.

Our Pierre Fabre Conscious Care products are formulated without controversial substances. They have fewer ingredients and more naturalness, while adhering to our requirements for safety and benefits for patients. By incorporating other fundamental aspects—origin of ingredients, traceability, biodegradability, non-eco-toxicity, etc.—we are going well beyond the idea of "Clean Beauty": we end up with a much smaller environmental impact.



Optimized diagnosis thanks to DermaWeb

Being very committed to care for patients with skin pathologies, the Group offers health care professionals, particularly dermatologists, a set of tools aimed at helping them improve their advice and care. The goal is to support our partners the best we can with special services that ultimately benefit patients and consumers. A notable example is DermaWeb, the leading international dermatology platform for professional discussion and resources. Through this tool, Pierre Fabre trains dermatologists and makes available to them two mobile apps that they can use to optimize their diagnosis of skin lesions. The app Skindrug helps users identify skin reactions that may be caused by drugs. The app Skindiag helps dermatologists come up with a diagnosis within 48 hours for optimal care of patients.

An OncoGuide to better advise patients

With new treatments that may be taken by patients at home coming on the market, pharmacists find themselves in a crucial spot for providing oncology support care. For these health care professionals, the challenge is to support patients psychologically, physically, and socially as they battle cancer. To help pharmacists in their evolving role, we have developed a special reference: the OncoGuide. Written based on the expertise of the Group and of specialized contributors, this pharmacy guide provides all the key information needed to better understand cancer: key figures, definitions, interviews with oncologists, patient care, the role of the pharmacist, patient psychology, drug treatments, side effects, support, and more. The OncoGuide is made available to pharmacists through a true partnership approach, in keeping with the spirit of our founder, who was himself a pharmacist.

Committed to our stakeholders



Catherine Barret Grevoz,
Catherine Barret Grevoz joined the Group in 1992 as a senior technician for neurobiology. Following a successful career transition, she has since become an export logistics assistant.



Agnès Park,
Human Resources Senior Vice President, Pierre Fabre

INTERVIEW

Supporting our employees and helping them grow

What is the Group's strategy for human resources?

Agnès Park

The company is founded on a deeply humanistic vision, in line with its values and purpose. The Group navigates through every manufacturing or economic challenge while taking care of its employees. Whether we're talking about products, services, or relations with patients, consumers, partners, or employees, people are our top concern.

Catherine Barret Grevoz

After working at the Group for 27 years and going through a radical career change, I can certainly attest to that! I joined the Pierre Fabre Group in 1992 as a senior technician in neurobiology at the Péraudel site. After a first restructuring, I continued in that career, which fascinated me, in Campans. Then, that business line ended and I had to start a new chapter... It was a difficult choice, but one that ultimately paid off.



What support has been put in place for the transformation plan?

C.B.G.

After that business line ended, the company very quickly set up a program to help find new jobs for workers. Managers came to the Campans site to offer us job opportunities and career exploration events were organized. I actually participated in four of them! They helped me understand the reality of different careers and helped me make choices.

A.P.

As a new chapter in the Group's history, the transformation plan was written collectively. While the Human Resources Department is responsible for change management, the department must also support each individual by listening to employees and searching for individual or collective solutions.

How does Pierre Fabre help its employees grow?

A.P.

Our HR strategy is built around the vision shared by both employees and the company. We strive to develop the skills and employability of our employees and to be an inclusive company. And we've been successful: at Pierre Fabre, many employees transition to new careers internally.

C.B.G.

That's what happened with me. After a career discovery event, I applied for a position as an export logistics assistant and things moved rapidly from there. Not only did I receive a warm welcome from my new team, but I also benefited from several training sessions from the Lavaur Chamber of Commerce and Industry and in Paris. I feel very fortunate to have been able to stay with the Group in the Castres area. We have to trust the teams that support and assist us.



Sharing the wealth with Ruscus

With an original shareholding structure, the Group is mainly owned by the Pierre Fabre Foundation and by the Group's employees. Indeed, today employees own 8.5% of the company's shares. We have the company's founder to thank for this situation: starting in 2005, he wanted employees to have a stake in the Group's growth. By becoming shareholders, employees invest in a sustainable savings scheme. They also enjoy the fruits of the company's growth, which is in turn connected to the value generated by their work. The employee shareholding plan, called Ruscus, has been expanded to cover nine other countries. The annual subscription campaign relies on an original mechanism: Ruscus representatives, who are employees from across the company, hold informational meetings to answer questions from their colleagues.

On the front lines of the fight for gender equality

For the second year in a row, the Pierre Fabre Group earned a rating of 90/100 on the Index of Gender Equality at Work, an indicator that all French companies with at least 50 employees must publish annually. It's a result that reflects the Group's commitments to strengthening the position of women within the company, but also one that encourages us to go even further. In particular, Pierre Fabre earned the top score for three of the five criteria: the percentages of women and men who received pay increases in 2019, the share of women and men who were promoted, and the percentage of female employees who received a raise upon returning from maternity leave. With regard to the company's pay gap and the percentage of women in the highest pay levels, Pierre Fabre received scores of 35/40 and 5/10, respectively.

Committed to our stakeholders



Evelyne Haber,
President of the Ligue pour la Protection des Oiseaux (Bird Protection League) in France's Tarn department. Affiliated with LPO France, this environmental protection organization, certified by the prefecture, works to promote and bring back nature and biodiversity through education, protection, conservation, and awareness-raising.



Serge Castan,
Mayor of the municipality of Avène, home to the Avène hydrotherapy center and hotel, the plant where Eau Thermale Avène products are made, and the Water Laboratory.



Julie Lions,
Head of the Avène Water Laboratory. This entity collaborates with water experts and the Group's research entities to deepen knowledge of the properties of the Avène thermal spring water.

INTERVIEW

Taking concrete action within our regions

What contributions can a company like Pierre Fabre make to regions?

Serge Castan

In 1975, when Mr. Pierre Fabre acquired the Avène thermal spring, as he was developing hydrotherapy and dermo-cosmetics, it brought about the renaissance of the town. Many residents of Avène now benefit directly or indirectly from the wealth he generated.

Evelyne Haber

The Pierre Fabre Group is a major player in the economic and social activity in the region. By protecting the properties it owns, the Group sets a good example and shows the way for companies and local governments.

Julie Lions

The company is duty-bound to repay nature for all it has offered. For us, that means supporting the region where we're located, as well as protecting and encouraging biodiversity, particularly by promoting environmental practices that are respectful of nature and natural resources.



How is the Group responding to your expectations?

S. C.

Our town benefits not only from the renown of the Avène brand, but also from the expertise of the Group's employees with regard to the preservation of water resources, which is a key issue for our region.

E. H.

The Group turns to the LPO (Bird Protection League) when it encounters environmental issues. Two sites, Terre d'Avoine and Avène, are LPO-certified bird sanctuaries. As proof of the company's commitment to openness, we also participate in the work of the Green Mission Pierre Fabre consultative committee...

J. L.

Started by Pierre Fabre, the Botanical Expertise Committee is a CSR initiative that aims to develop innovative, safe, and effective plant-based active ingredients. We also have many concrete actions on our sites: wildflower meadows, LPO bird sanctuaries, no phytosanitary products used, water and energy savings, waste recycling, and more.

How can Pierre Fabre go further?

E. H.

Make a priority of getting new sites LPO-certified as bird sanctuaries. We actually have projects in progress at the Les Cauquillous site and at the Botanical Conservatory in Soual. Eventually, it would be nice to hold an open house to educate a wider audience. Another urgent matter: the reduction of waste generation, particularly plastic waste.

S. C.

Pierre Fabre came into our town over 40 years ago now with respect for our environment. For us, it is essential that the Group continue on the path of responsible growth while remaining a human-scale company.

Protect the source of Avène thermal spring water

In order to protect thermal spring water resources in the long term and, more broadly, drinking water resources in the region, the Water Laboratory is working with the municipality of Avène, in partnership with players operating in the impluvium, to share knowledge and encourage the sharing of best practices and the implementation of more environmentally friendly practices. A series of diagnostics was carried out prior to the creation of this association. The area's watershed covers 6,326 acres (2,560 hectares) of forest distributed across 228 owners. As such, it was subject to a forest diagnostic by the French National Center for Forested Properties and the French National Forests Office. Similarly, the Hérault Department Chamber of Agriculture did a diagnostic in conjunction with the 10 farms in the area, with a view to implementing practices for preserving soil quality, water quality, and biodiversity.

A commitment to regions throughout the world

With ethics and environmental protection at the heart of René Furterer's commitments, the brand chose to source paffia, or Brazilian ginseng, from its native lands in Brazil. Paffia is used in hair care products to prevent hair loss. René Furterer buys its paffia from a cooperative of producers certified for organic farming and fair trade. A dual commitment First, a social commitment, since René Furterer commits to only working with small-scale, local growers to improve their standard of living. Second, an environmental commitment as, by organically farming paffia, the brand promises to not resort to wild harvesting and therefore helps combat deforestation and protect local plant resources. By structuring its supply chain in this way, the brand guarantees a purer, more effective active ingredient for its consumers.

Acting transparently

An evaluation examining 7 central aspects and based on 150 interviews, including with 55 employees and a panel of 8 stakeholders



Our approach to Corporate Social Responsibility was evaluated by the independent organization ECOCERT using the ISO 26000 standard. With a **rating of 77%**, we earned the Excellence level of certification, the highest level under the standards.

As proof of the sincerity of our actions with regard to our stakeholders, this exercise in transparency helps us evaluate ourselves and pursue the path of continuous improvement. While we intend, in the future, to capitalize on the many strengths highlighted by ECOCERT—the visionary spirit of our founder, our affiliation with a certified public-interest foundation, our commitment to all aspects of CSR, and our regional base in the southwest of France—that does not mean that we forget the areas where we need to improve: communicate more to the public about our CSR commitments, develop methodological benchmarks intended for the company’s departments to improve their buy-in for sustainable development issues, and more. And let’s not forget, always improving our support for our partners in their CSR initiatives.

CONSULTING AND EDITING



DESIGN AND CREATION



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Pierre Fabre