

LIVEABLE PLANET



WE FIGHT FOR A LIVEABLE PLANET

WE PROMOTE THE PROTECTION OF THE ENVIRONMENT FOR OUR OWN SAKE AND FOR THE SAKE OF FUTURE GENERATIONS.

(2-23) (3-3) In the face of the climate emergency, inaction is no longer an option, and at Ferrer we believe that **our activity as a pharmaceutical company must create more environmental value than it consumes.** That is why we promote actions to mitigate climate change through the circular economy and energy decarbonisation. As we are well aware that there is a lot of work to be done and that we'll need lots of people to join us on this journey, we have made the protection of the planet a priority in our strategic plan through the *Liveable Planet* pillar. We have the opportunity to regenerate the planet, but, if we let this opportunity pass, things will take their course without us.



6.1 Liveable Planet Goals

AT FERRER WE WANT TO GUARANTEE
A LIVEABLE PLANET FOR EVERYONE

LIVEABLE PLANET STRATEGY

MITIGATING CLIMATE CHANGE AND PROMOTING THE CIRCULAR ECONOMY

PROTECTING NATURAL RESOURCES

(2-24)

- Achieved
- In-process
- Not achieved
- Not started

<p>ENGAGING WITH SCIENCE Reduce direct emissions by 50% by 2030 Reduce global emissions by 25% by 2030</p>	<p>PROMOTING THE CIRCULAR ECONOMY Zero Waste To Landfill 2030: Achieve an overall recovery rate of 90% in our operations centres Reduce packaging-related CF by 25% by 2030 50% of our products to be eco-designed by 2030</p>	<p>ENERGY DECARBONISATION Focusing on self-sufficiency through renewable energies and reducing GHG emissions in industrial processes 100% of our production sites over 1,000 m2 are LEED certified</p>	<p>PROMOTING SUSTAINABLE MOBILITY 100% electric fleet by 2030 Reduce logistics-related CF by 20%</p>	<p>SUPPLY CHAIN PARTNERSHIPS Reduce the GHG (greenhouse gas) impact of our suppliers by 90% in terms of volume of expenditure</p>	<p>NEUTRALISATION STRATEGY Be carbon positive with respect to our direct GHG emissions by 2030 and to global emissions by 2050</p>	<p>ENSURE PROPER MANAGEMENT OF WATER RESOURCES Reduce our water footprint by 25% across the value chain by 2025 Reduce water consumption at operational sites by 5% by 2025</p>	<p>PROTECTION OF NATURAL RESOURCES IN BIODIVERSITY Reduce our biodiversity impact by 10% by 2030</p>
2021	2021	2021	2021	2021	2021	2021	2021
<ul style="list-style-type: none"> Adherence to the SBTs Assess the TCFD Join the Carbon Disclosure Project (CDP) Launch our Climate Strategy Reduce our global CF (13% reduction) 	<p>WASTE PROGRAMME</p> <p>Medicinal products production plant (FISA)</p> <ul style="list-style-type: none"> Achieve 70% recovery <p>Logistics Centre (SFB)</p> <ul style="list-style-type: none"> Achieve 90% recovery <p>Active ingredients production plant (IQ)</p> <ul style="list-style-type: none"> Achieve 70% recovery <p>PACKAGING FOR GOOD</p> <p>Medicinal products production plant (FISA)</p> <ul style="list-style-type: none"> Have 25% of packaging FSC certified <p>Logistics Centre (SFB)</p> <ul style="list-style-type: none"> Eco-design in SFB Picking System <p>Corporate Services</p> <ul style="list-style-type: none"> Launch of the Packaging For Good programme Launch of Eco-design training courses 	<ul style="list-style-type: none"> Obtain 100% of our energy from renewable sources 	<ul style="list-style-type: none"> Implement a new Great Place to Work model 	<ul style="list-style-type: none"> Implement the EcoVadis tool 	<ul style="list-style-type: none"> Offset Scope 1 and 2 emissions 	<ul style="list-style-type: none"> Calculate the organisation's water footprint 	<ul style="list-style-type: none"> Calculate the organisation's biodiversity footprint
2021	2021	2021	2021	2021	2021	2021	2021
<ul style="list-style-type: none"> Reduce our carbon footprint by 5% compared to baseline year 2019 Evaluate the TFCF (Task Force on Climate Related Financial Disclosures) Improve performance in CDP score 	<p>WASTE PROGRAMME</p> <p>Medicinal products production plant (FISA)</p> <ul style="list-style-type: none"> Maintain a recovery rate of 85% Reduce production waste by 5% <p>Logistics Centre (SFB)</p>	<p>Medicinal products production plant (FISA)</p> <ul style="list-style-type: none"> Reduce our energy consumption by 2% compared to 2019 <p>Active ingredients production plant (IQ)</p> <ul style="list-style-type: none"> Reduce energy consumption by 2% compared to 2021 Study the feasibility of LEED certification at Interquim 	<p>Medicinal products production plant (FISA)</p> <ul style="list-style-type: none"> Install 4 electric vehicle charging points <p>Logistics Centre (SFB)</p> <ul style="list-style-type: none"> Install 4 electric vehicle charging points Reduce logistics-related CF by 2% 	<ul style="list-style-type: none"> 50% of our spending on suppliers evaluated in terms of their ESG performance 70% of our spending on suppliers evaluated in terms of their GHG emissions Launch of ESG engagement programme with suppliers 4 awareness-raising and training dialogues run for our partners 	<ul style="list-style-type: none"> Define our neutralisation strategy in our climate roadmap Offset scope 1 and 2 emissions 	<p>Medicinal products production plant (FISA)</p> <ul style="list-style-type: none"> Reduce water consumption by 2% <p>Active ingredients production plant (IQ)</p> <ul style="list-style-type: none"> Reduce water consumption by 2% <p>Corporate Services</p>	<p>Corporate Services</p> <ul style="list-style-type: none"> Reduce our biodiversity footprint by 5%

LIVEABLE PLANET STRATEGY

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MITIGATING CLIMATE CHANGE AND PROMOTING THE CIRCULAR ECONOMY

ENGAGING WITH SCIENCE
 Reduce direct emissions by 50% by 2030
 Reduce global emissions by 25% by 2030

PROMOTING THE CIRCULAR ECONOMY
 Zero Waste To Landfill 2030: Achieve an overall recovery rate of 90% in our operations centres
 Reduce packaging-related CF by 25% by 2030
 50% of our products to be eco-designed by 2030

ENERGY DECARBONISATION
 Focusing on self-sufficiency through renewable energies and reducing GHG emissions in industrial processes
 100% of our production sites over 1,000 m2 are LEED certified

PROMOTING SUSTAINABLE MOBILITY
 100% electric fleet by 2030
 Reduce logistics-related CF by 20%

SUPPLY CHAIN PARTNERSHIPS
 Reduce the GHG impact of our suppliers by 90% in terms of volume of expenditure

NEUTRALISATION STRATEGY
 Be carbon positive with respect to our direct GHG emissions by 2030 and to global emissions by 2050

ENSURE PROPER MANAGEMENT OF WATER RESOURCES
 Reduce our water footprint by 25% across the value chain by 2025
 Reduce water consumption at operational sites by 5% by 2025

PROTECTION OF NATURAL RESOURCES IN BIODIVERSITY
 Reduce our biodiversity impact by 10% by 2030

PROTECTING NATURAL RESOURCES

- Maintain a 90% recovery rate
- Active ingredients production plant (IQ)**
- Achieve a 75% recovery rate
- Develop a programme to improve the WWTP and reduce the sludge waste generated.
- PACKAGING FOR GOOD**
- Medicinal products production plant (FISA)**
- Eco-design 2 products
- Define and implement an eco-design process
- Definition of the eco-design product portfolio
- Optimise 30% of tertiary packaging
- Have 75% of packaging FSC certified
- Active ingredients production plant (IQ)**
- Implementation of a strategy for the reuse of Kraft drums
- Corporate Services**
- 80% of the eco-design training plan implemented

- Corporate Services**
- Obtain LEED certification at Illa
- Mexico subsidiary**
- Obtain LEED certification in the Mexico subsidiary

- Active ingredients production plant (IQ)**
- Installation of 2 electric vehicle charging points
- Corporate Services**
- Installation of 55 electric vehicle charging points in offices and in the sales force residence.
- 100% implementation of telemetry in Spain
- Have a 30% electric fleet in Spain
- Subsidiaries**
- Implementation of an electric and/or hybrid electric fleet in Costa Rica and Portugal

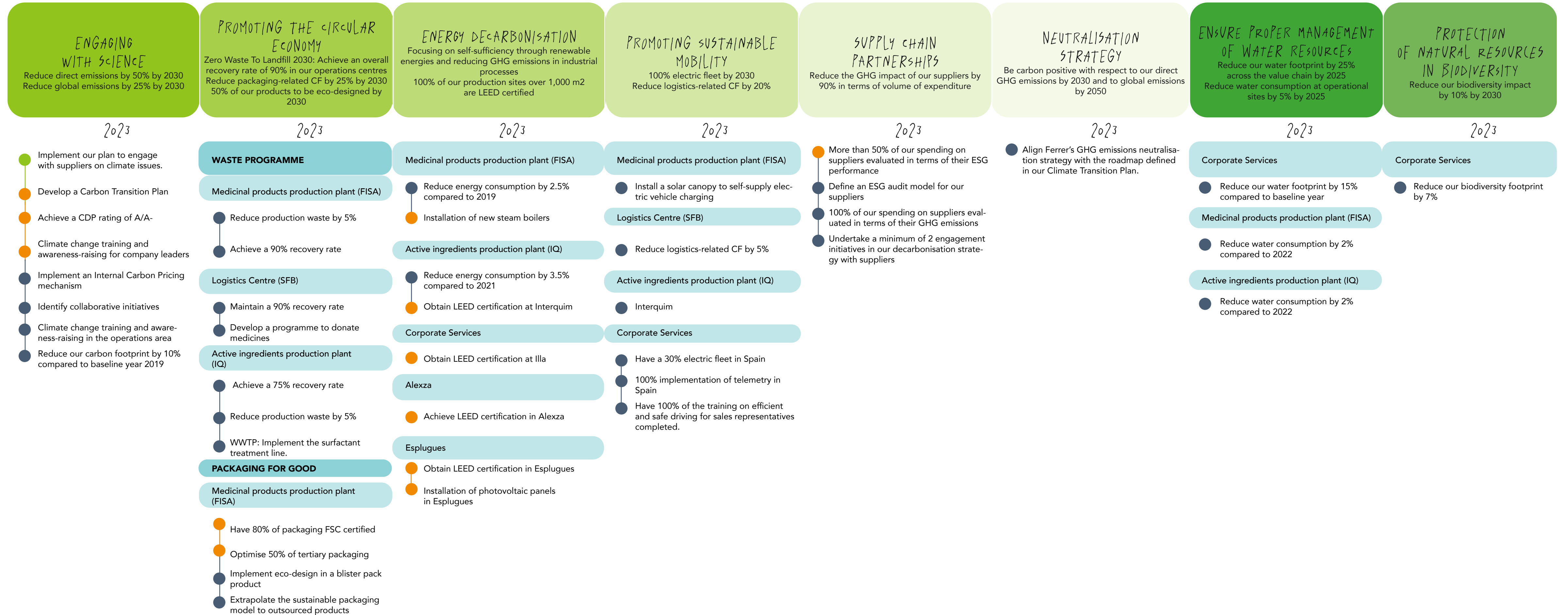
- Reduce our water footprint by 10% compared to baseline year

LIVEABLE PLANET STRATEGY

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MITIGATING CLIMATE CHANGE AND PROMOTING THE CIRCULAR ECONOMY

PROTECTING NATURAL RESOURCES



Progress towards these goals is rooted in the **8 environmental policies** that are the basis of our *Liveable Planet* strategic pillar and formalise our commitments to making the world a better place to live in.



ENVIRONMENTAL POLICY

Commitment to prevention, environmental protection and the integration of the environment in our decisions

CLIMATE POLICY

This policy provides a reference framework that consolidates the seven pillars of action against climate change and the instruments used to address them.

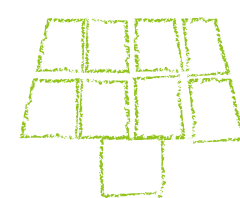


SUSTAINABLE PACKAGING POLICY OUR LOW-IMPACT, CIRCULAR SUSTAINABLE

packaging model, which ensures the safety and proper preservation of our products and multiplies their positive impact throughout their life cycles.

WASTE POLICY

This coordinates and disseminates a waste programme to optimise final waste management and achieve a high recovery rate.

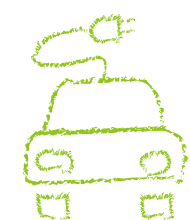


ENERGY POLICY

This policy reinforces our commitment to energy self-sufficiency and decarbonisation, with high sustainability criteria, and continuous evaluation and monitoring.

SUSTAINABLE MOBILITY POLICY

This reinforces our commitment to energy self-sufficiency and decarbonisation, with high sustainability criteria, and continuous evaluation and monitoring.



WATER POLICY

Commitments for the proper management of water resources, monitoring and formulation of an integrated water management programme.

BIODIVERSITY POLICY

Tools to address Ferrer's commitment to fighting for the protection of biodiversity and to raising awareness.



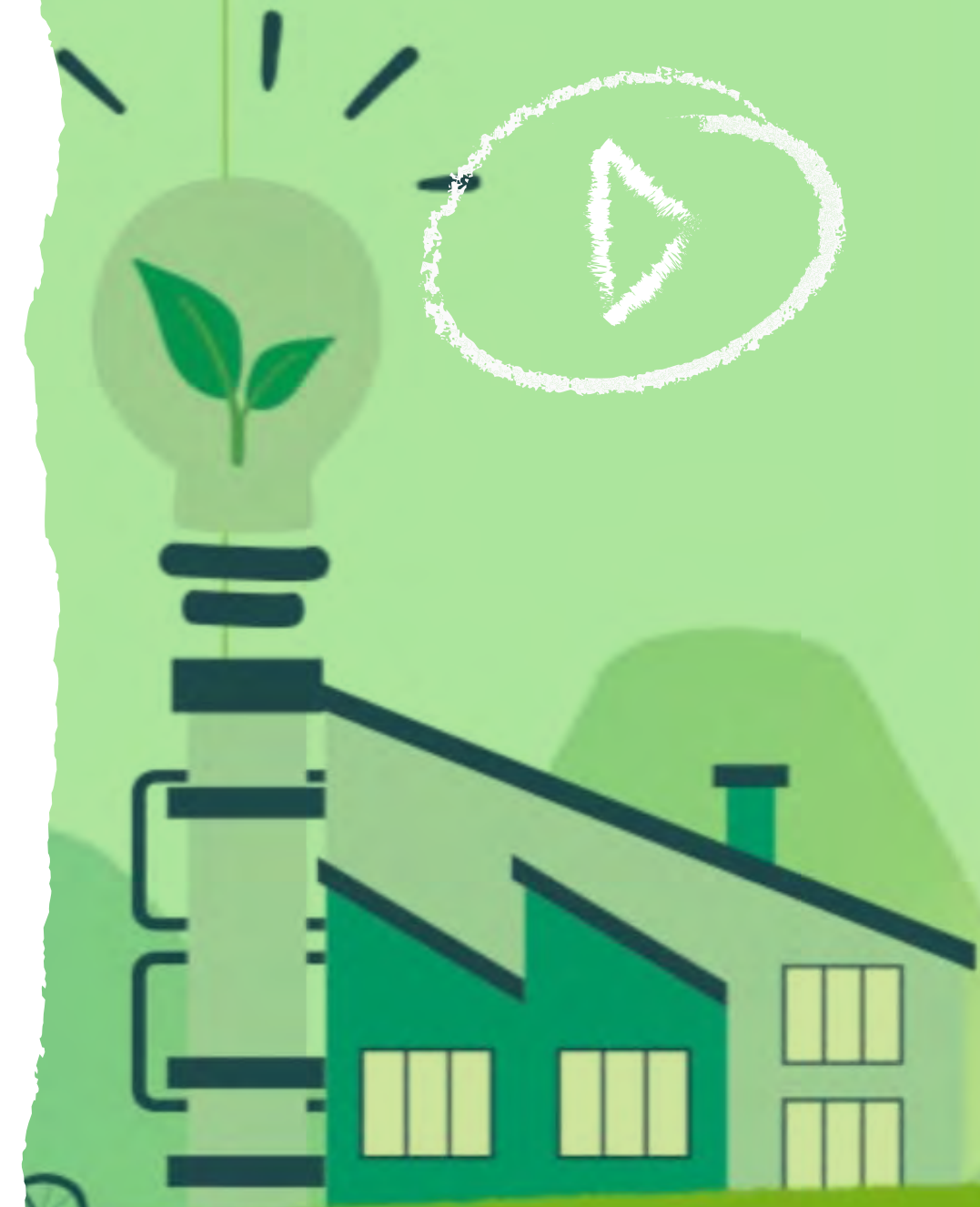
6.2 Mitigating climate change and promoting the circular economy

We live in a world on the brink of collapse. The climate crisis cannot be considered a secondary priority, and at Ferrer we are well aware of this. We are therefore committed to being a carbon positive company with respect to our emissions. We have also publicly announced our decarbonisation targets through the Science Based Targets initiative, committing to a 50% reduction in our direct emissions and a 25% **reduction in our indirect emissions** (which account for 85% of overall emissions).

In addition, the "Carbon-positive Ferrer: One Step Beyond Zero Emissions" strategy is structured around **6 main commitments**:

1. Establish (direct and indirect) science-based GHG emission reduction targets
2. Promote the circular economy
3. Achieve energy decarbonisation
4. Promote sustainable mobility
5. Establish supply chain partnerships
6. Promote "carbon positive" solutions

1 objetivos de reducción basados en la ciencia



6.2.1 Commitment 1: Our commitment to science

In 2022, as part of our firm commitment to reducing our greenhouse gas emissions, validated and approved by *Science Based Targets*, we have made progress as a company on several key aspects related to our climate strategy. Some of our most noteworthy initiatives are:

- For the second consecutive year, we attended the **United Nations Climate Change Conference (COP27)** in Egypt and participated in many of the summit's sessions, where experiences from the scientific community and best practices from other companies were shared, which provided us with an opportunity to validate and align our climate strategy.
- We have worked on defining our **climate change governance model** in order to improve our climate strategy and involve the necessary people from each department in the implementation of our Climate Transition Plan.

The **Climate Change Committee** is the body responsible for implementing our climate strategy from an operational point of view. Its aim is to involve all relevant departments and report on the progress of the **Climate Transition Plan** to the Management Committee. Its tasks include:

(2-12)



Promoting the implementation of the projects defined in the climate strategy and making sure that the responsible teams carry them out.



Supervising the implementation of the climate strategy on an ongoing basis



Develop and set annual objectives and determine the climate change indicators that form part of Ferrer's scorecard and need to be monitored. Report to the Management Committee on the progress of the climate strategy on a quarterly basis.

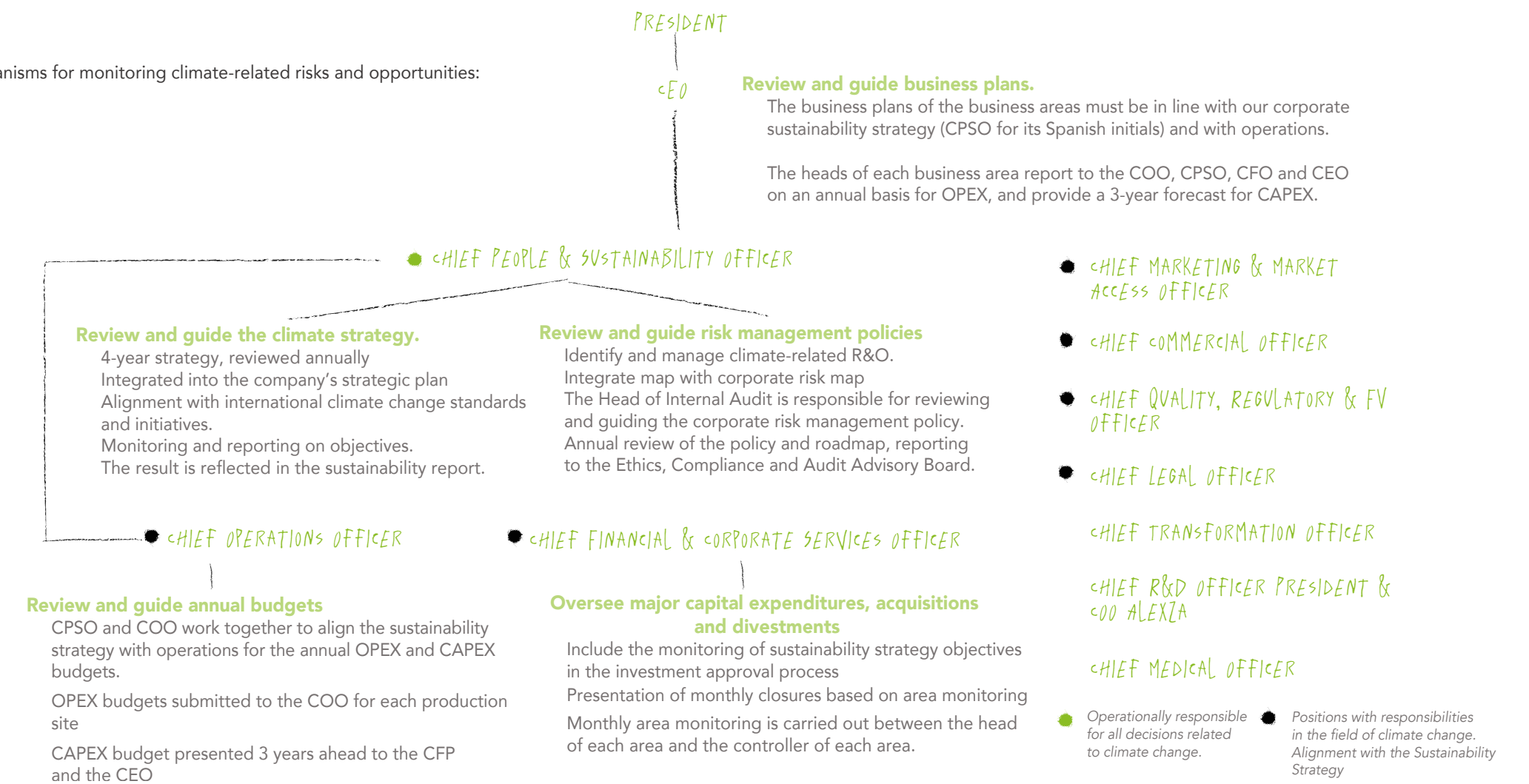


Ensure internal transparency by presenting progress once or twice a year to all staff.

(2-12)

OVERSIGHT OF THE MANAGEMENT COMMITTEE

Mechanisms for monitoring climate-related risks and opportunities:



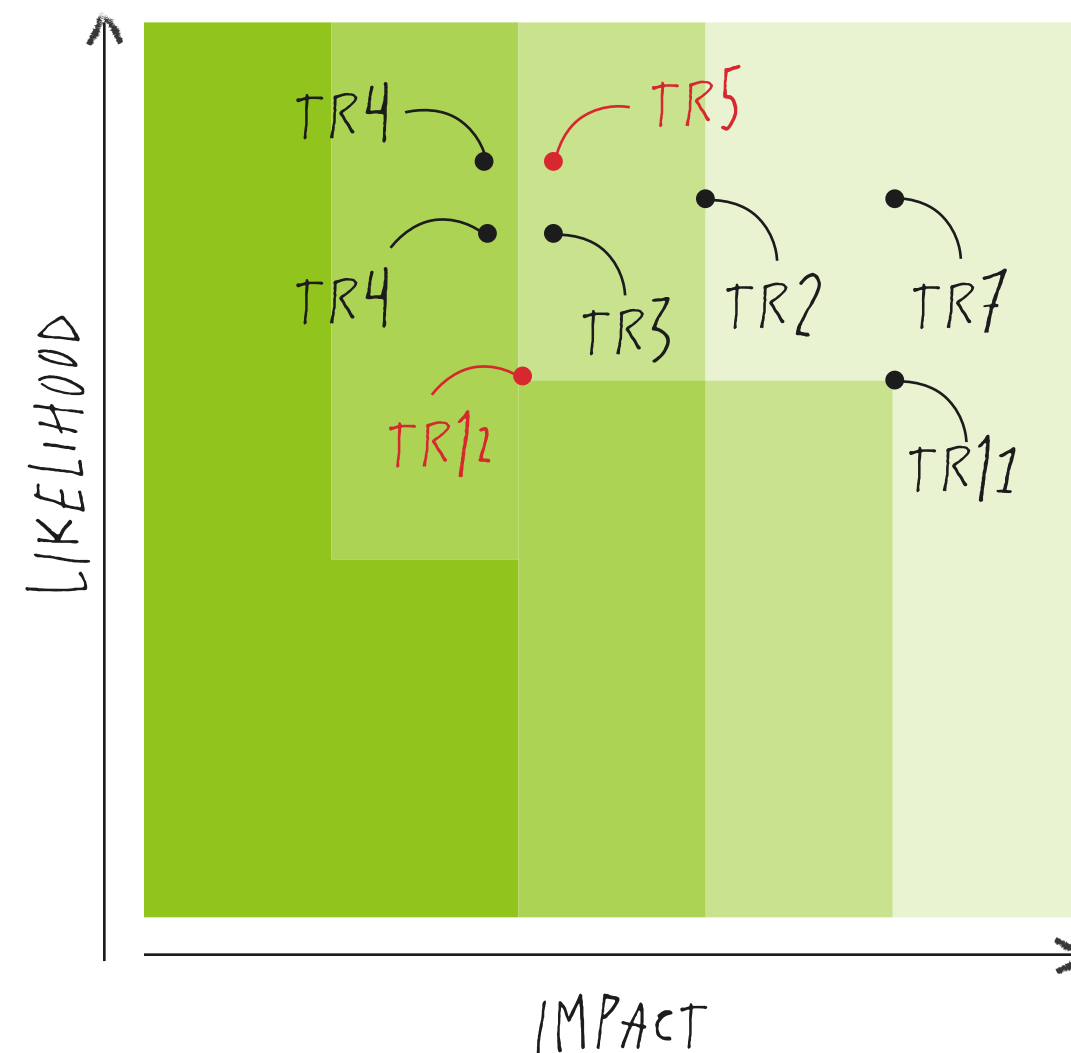
To ensure that Committee members have climate change skills, in 2023 we will run a **training course for the entire leadership team**, which will address how to effectively implement a decarbonisation strategy in the company from an operational and financial perspective.

- This year, we have also updated our analysis of climate risk impacts and opportunities in line with the recommendations set out by the Task Force on Climate-related Financial Disclosures (TCFD). The identification and assessment of climate-related risks has taken into account both transitional and physical climate scenarios.

We have used the results of this analysis to identify those risks that have the greatest impact and highest probability of occurrence in the short and medium term. They have been included as “climate risks” in Ferrer’s corporate risk map. In this way we have been able to monitor the evolution of these risks, as well as the degree of implementation of the control mechanisms put in place to mitigate or reduce their impact.

Main climate risks and opportunities analysed:

TRANSITIONAL RISKS (TR) AND PHYSICAL RISKS (PR)



TR12 LONG TERM 10-30 YEARS
Increased investment costs due to the use of more energy efficient technology and energy efficiency measures.

TR5 LONG TERM 10-30 YEARS
Increase in the cost of emission offsets (2050)

TR1 MEDIUM TERM 5-10 YEARS
Increase in operating costs due to the implementation of new emission regulations (in particular Scope 1 and 2).

TR2 MEDIUM TERM 5-10 YEARS
Increased logistics- and transport-related costs due to the application of new regulations on polluting transport.

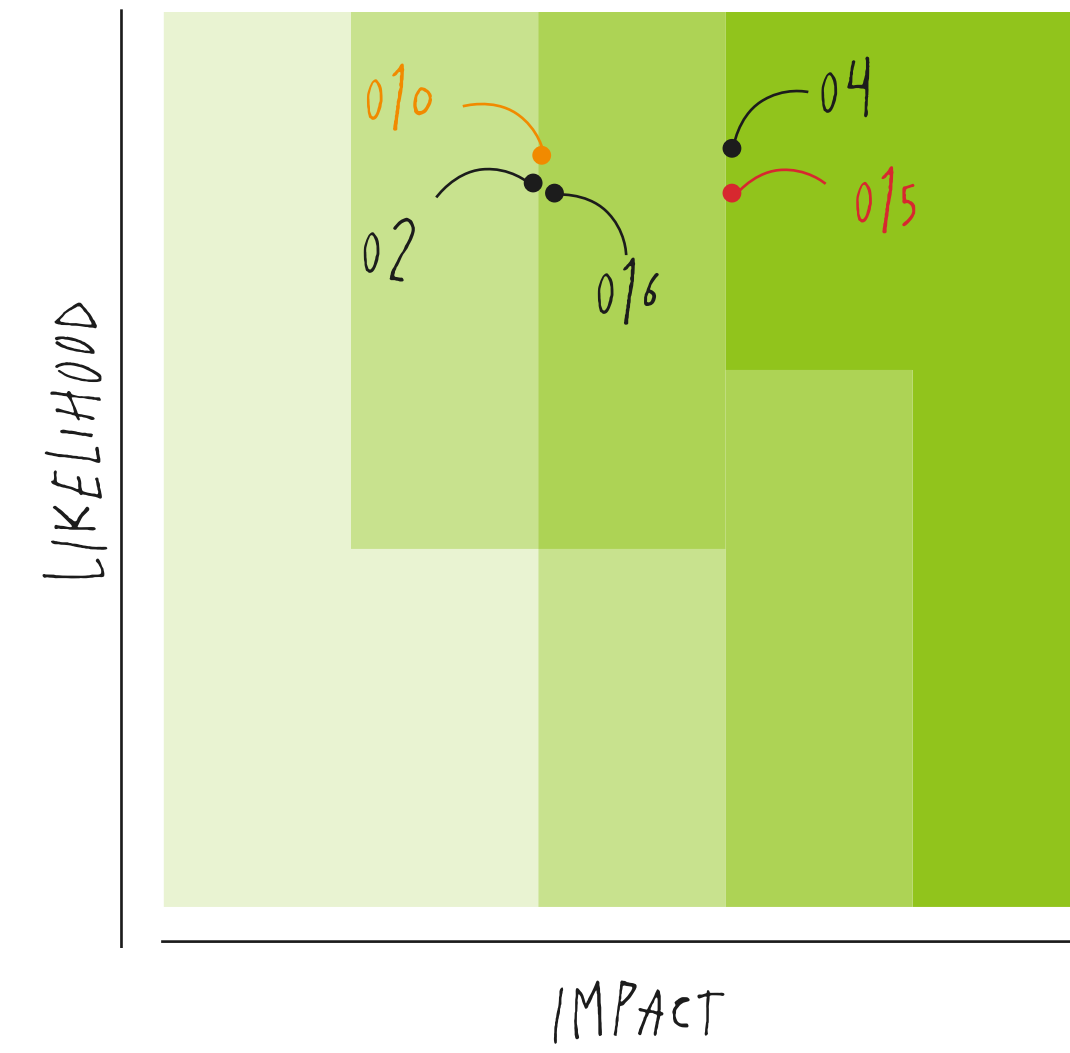
TR3 MEDIUM TERM 5-10 YEARS
Water scarcity. Reduction of sales associated with reduced production; increased water costs

TR4 MEDIUM TERM 5-10 YEARS
Increase in the cost of emission offsets (2030)

TR7 MEDIUM TERM 5-10 YEARS
Increase of costs to mitigate extreme temperatures in line with production and product quality requirements (plant cooling)

TR11 MEDIUM TERM 5-10 YEARS
Increase in investment costs due to change of commercial fleet to electric power

OPPORTUNITIES



O15 SHORT TERM 2-5 YEARS
Increased sales due to increased demand for low-carbon products or services

O2 MEDIUM TERM 5-10 YEARS
Savings in the cost associated with the use of transport by improving the energy efficiency of the fleet (electrification).

O16 MEDIUM TERM 5-10 YEARS
Reduction of electricity costs due to self-supply and energy-saving measures

O4 MEDIUM TERM 5-10 YEARS
Reduction of raw material purchase costs through the implementation of material recycling and circular economy practices (more sustainable and dematerialised product packaging).

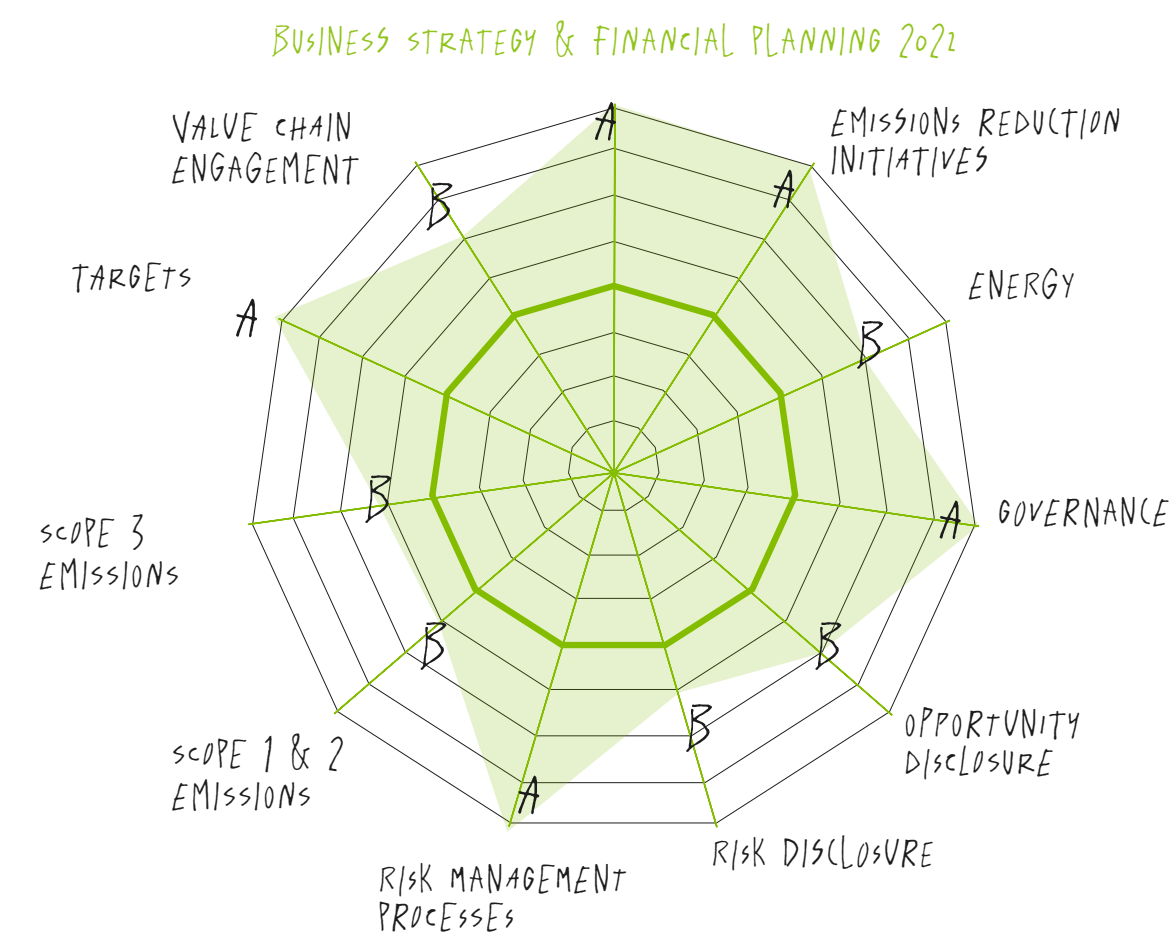
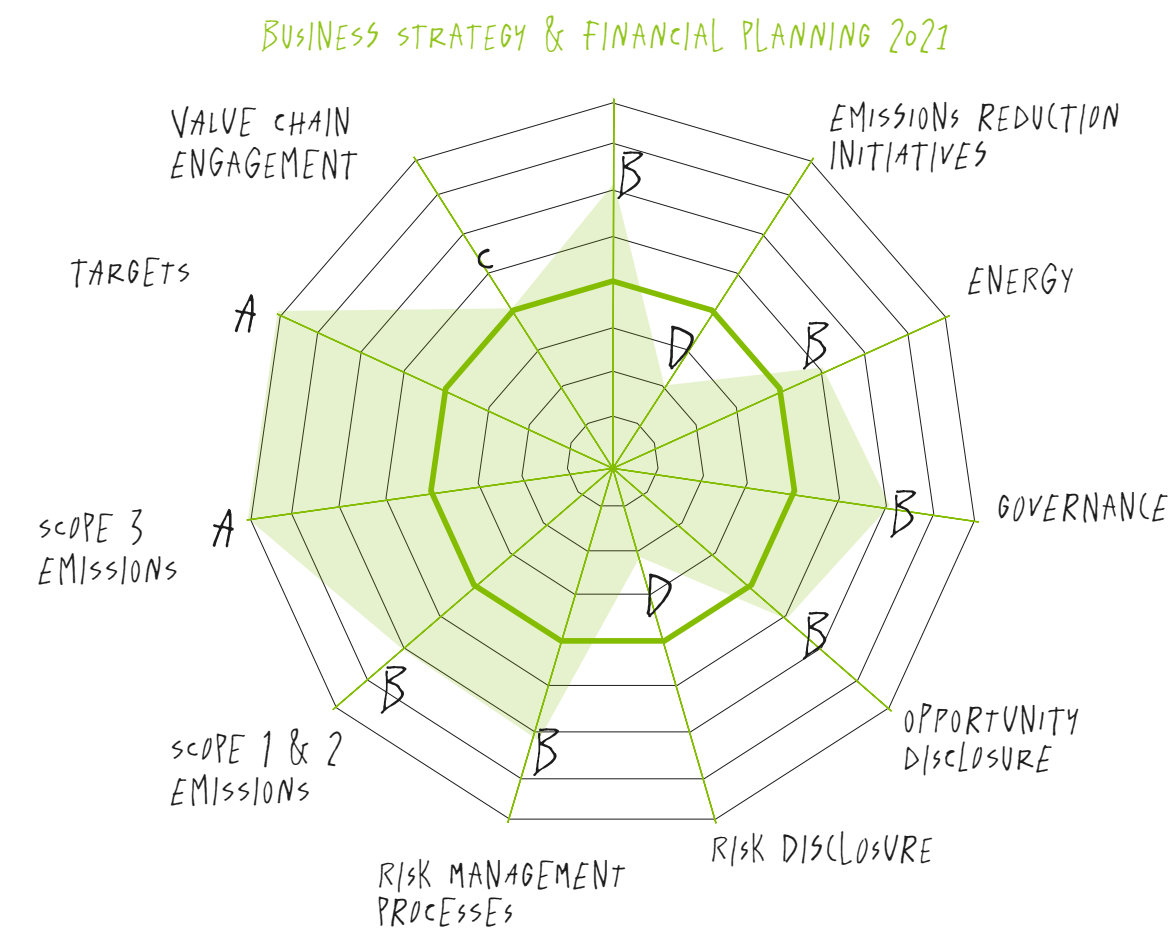
O10 LONG TERM 10-30 YEARS
Increased profits linked to higher product demand and access to new markets

- We have also continued to work to raise people's awareness and understanding of the various issues associated with climate change and how they affect human beings. A good example of this type of activity was the **Agora Talk which was held in July in collaboration with Oxfam Intermón to discuss the concept of Climate (IN)justice**, a term used to draw attention to the ethical and political conflict derived from the negative effects of climate change on people, which goes beyond being an environmental or physical challenge in nature.

As a result of all the initiatives we carried out in 2022, we have been able to greatly increase our performance in several of the categories analysed by the *Carbon Disclosure Project (CDP)* index, a global benchmark for the processing of data on climate change management that ranks companies according to their commitment to reducing their CO² emissions and measuring the environmental impact of their actions.

We have achieved a "B" or "Management" category in the CDP Climate Index, reflecting our internal efforts to review, plan and take coordinated action on managing the climate impact of our business.

For more information on our assessment you can see details of [our 2022 result here](#).



In line with the above, Ferrer believes that it is vitally important to **reduce our Scope 3 emissions, which in fact accounted for more than 80% of our total GHG emissions in 2022**. That is why we are working and will continue to work with our entire value chain to help create a zero net emissions future.

In fact, in 2022, as a result of all the efforts dedicated to the climate management of indirect emissions generated by our suppliers, we obtained the category of **"Leaders in the CDP Supplier Engagement Rating"**, which focuses on how companies are addressing climate change issues with their suppliers. For more information on our assessment, you can see details of [our 2022 result here](#):

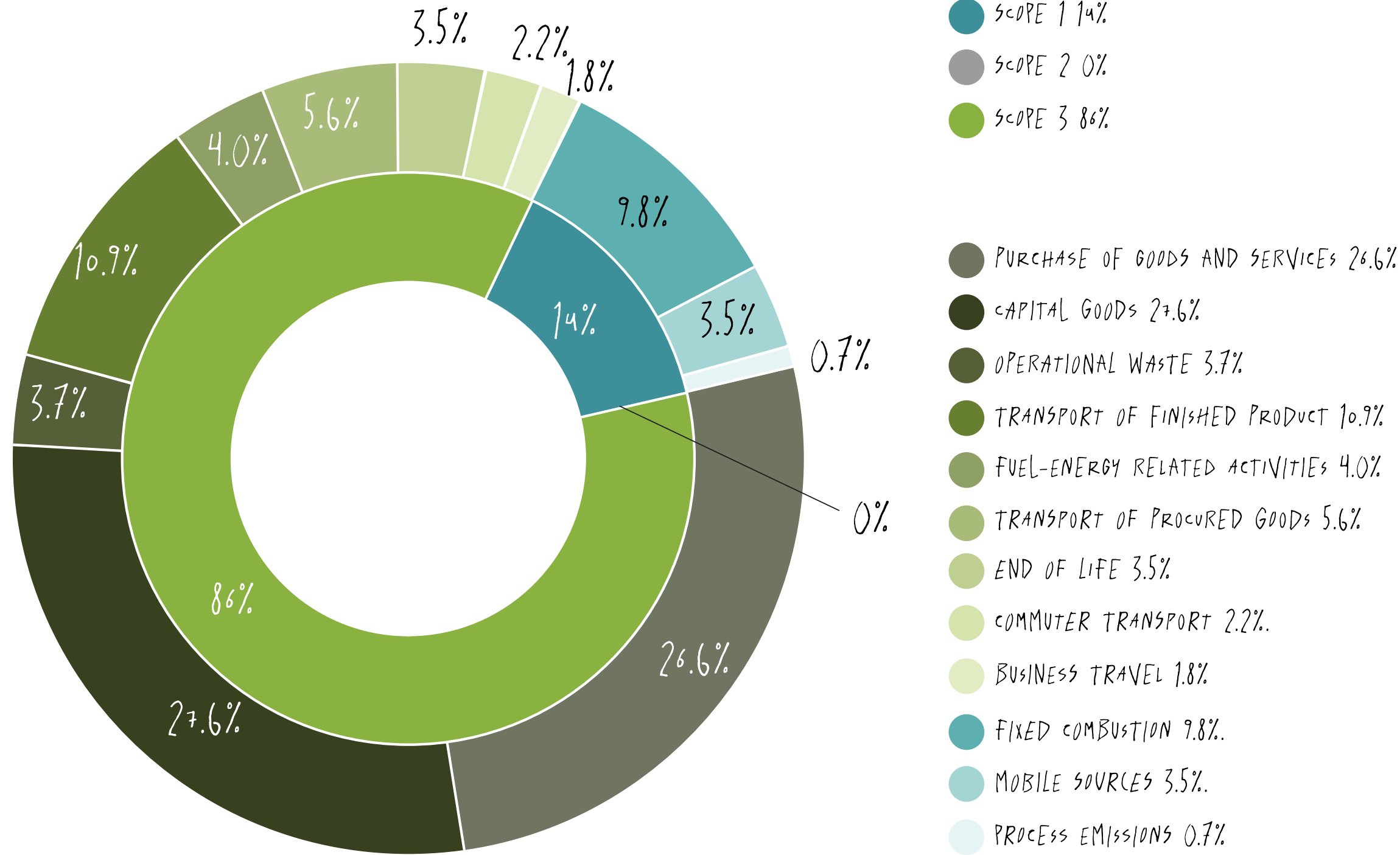
In the coming year, we will continue to work to improve our climate performance in order to become a leader and achieve an "A" score in the global CDP Climate Index. To this end, we will take the following actions:

- o **Detailed economic study** to prioritise the actions needed to achieve the objectives set out in the SBTi.
- o Implementation of an **Internal Carbon Pricing system** to decarbonise the investments to be made in the coming years.
- o We will continue to promote new initiatives in the **programme we have designed to help suppliers to decarbonise** their business activities, thus reducing Ferrer's Scope 3 emissions.



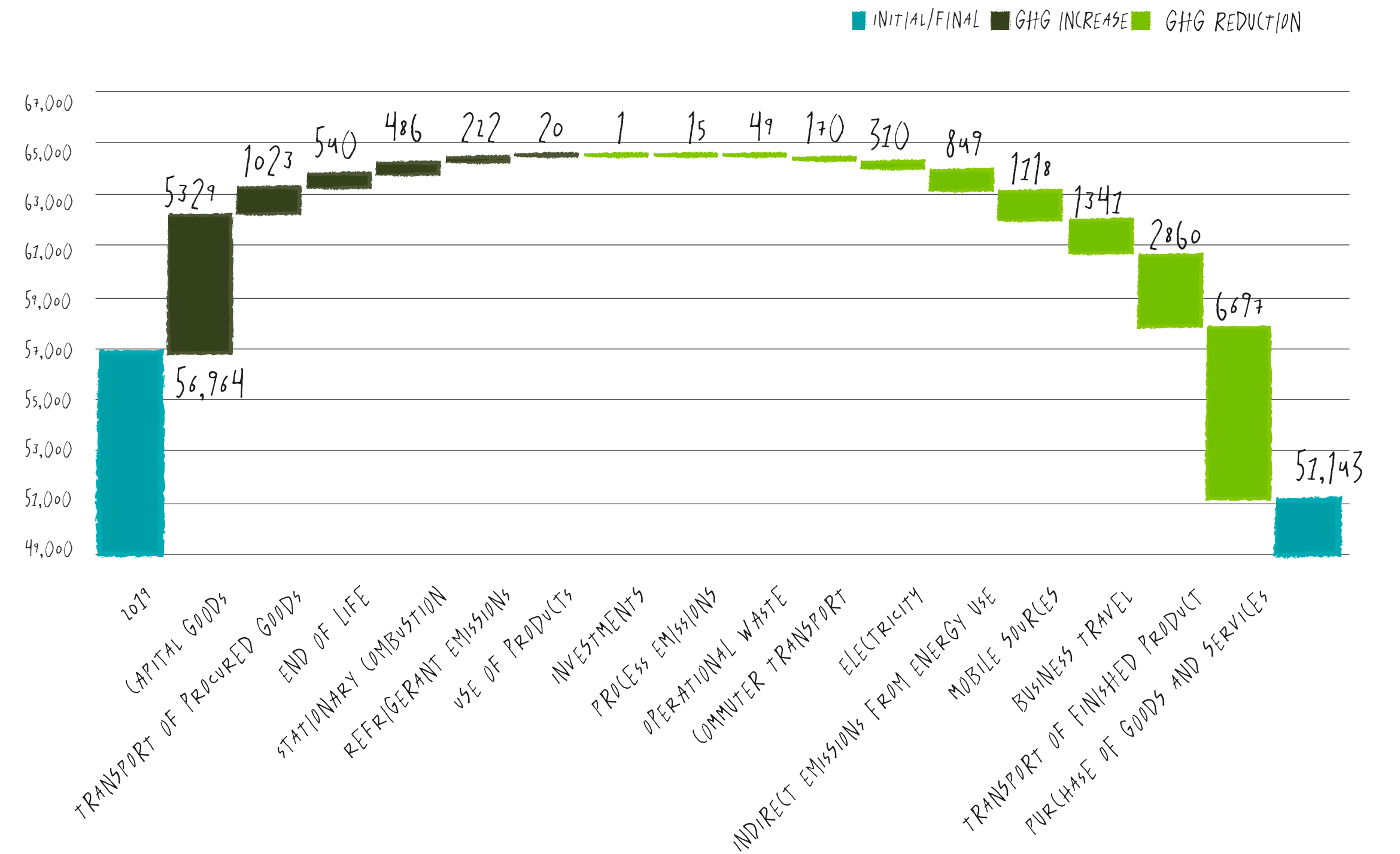
Evolution of GHG emissions in Ferrer

(305-1) (305-2) (305-3)



In 2022, we increased our carbon footprint by 14% compared to the previous year, thereby reducing the level of achievement of the SBTi target. This increase is mainly due to the investments made for the construction of two new production sites during 2022, and all the materials and machinery necessary for doing business in these two new locations. It

is worth noting, however, that, with respect to the baseline year 2019, **we have reduced Ferrer's overall carbon footprint by 10%**, in line with our SBTi reduction targets, reaching 20% compliance with the target for direct emissions and 38% compliance with the target for Ferrer's indirect emissions.



At a general level, we can observe a tendency towards a stabilisation of the categories related to post-pandemic mobility. Thus, categories such as fleet mobility, people mobility and business travel have stabilised at a new normal level and are expected to remain constant in the coming years. Likewise, the continuous increase in production at our chemical plant implies an increase in emissions derived from the consumption of Natural Gas, thus increasing our dependence on this fuel and the criticality of finding a more sustainable alternative in the medium term. For more indicators on the evolution of our GHG emissions, please refer to the following tables:

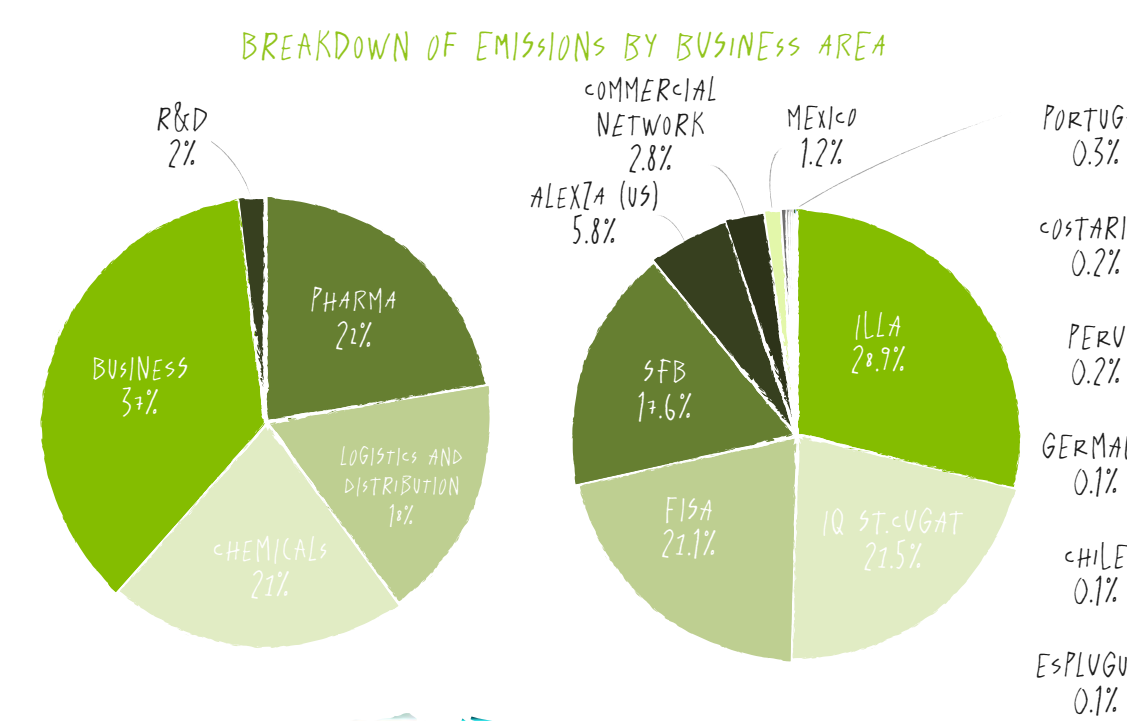
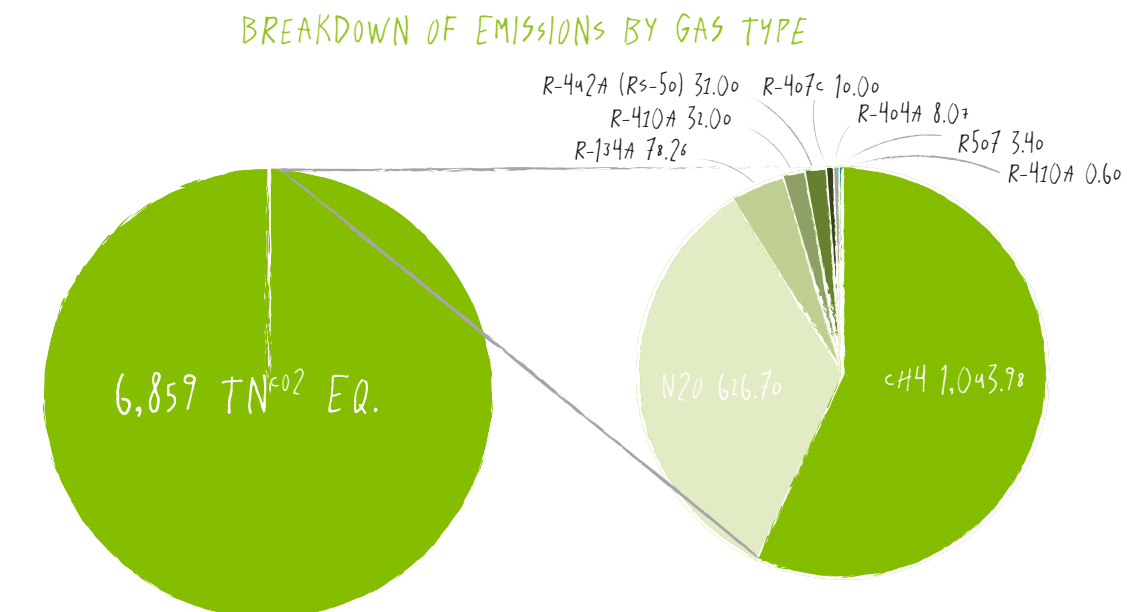
GHG EMISSIONS (T _{CO2EQ})	2022	2021	2020	VARIATION 2021-2022 (%)
SCOPE 1	7,205	7,274	6,087	-0.9%
SCOPE 2	0	0	277	
SCOPE 3	43,939	37,656	40,170	16.7%
TOTAL	51,144	44,930	46,534	13.8%

(305-4)

GHG EMISSIONS RATIO (T _{CO2EQ}) THOUSANDS OF EUROS	2022	2021	2020
GHG emissions / turnover	0.081	0.079	0.078

(305-5)

CHANGE IN GHG EMISSIONS (%)	2022	2021	2020
SCOPE 1	-0.95%	19.50%	-20.23%
SCOPE 2	-	-100.00%	-10.40%
SCOPE 3	16.68%	-6.26%	-18.01%



OBJECTIVES FOR GOOD

2023

REDUCE BY

10%

CARBON FOOTPRINT



6.2.2 Commitment 2: Promoting the circular economy

In line with our commitment to the environment and to future generations, at Ferrer we are currently transitioning to a production model based on the **circular economy**.

Our Packaging for Good programme
 Since 2019, we have promoted various initiatives to encourage efficient consumption of the packaging materials we use in our products, in line with our Sustainable Packaging Model. Our purpose with this initiative is to **promote the circular economy of our packaging and thus minimise its environmental footprint, in line with our Climate Change Policy**, which aims to make us a Carbon Positive company.

OBJECTIVES FOR THE YEAR

2030

Reduce the carbon footprint of our packaging by **25%**.



THROUGH THE **Eco-DESIGN** of the **50%** products we manufacture

The model was first implemented in 2020 and we would like to highlight the following initiatives, which we consider most relevant for us right now:

DEVELOPMENT OF THE PROJECT

PHASE I (2020)





Development of the Packaging Model

-  > PACKAGING MODEL DATABASE
-  > FERRER PACKAGING ENVIRONMENTAL IMPACT RESULTS
-  > FERRER SUSTAINABLE PACKAGING MODEL POLICY
-  > CATALOGUE OF FERRER Eco-DESIGN STRATEGIES

• In 2022 we set out to further implement **eco-design** initiatives in order to mature our sustainable packaging model. To this end, initiatives such as the training courses developed by the sustainability team have been implemented so that people at Ferrer who work in contact with the product can integrate the packaging model into their daily work and into all the processes they are involved in. In these training sessions, as well as being able to learn about the project in depth, participants were able to make proposals for improvement and initiatives to apply these sustainable packaging criteria to other products in the future.

PHASE II (2021)


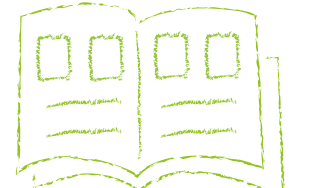
Implementation process

-  > PACKAGING MODEL REPORTING
-  > INTERNAL COMMUNICATION OF MODEL AND TRAINING
-  > DEFINITION OF ROLES AND RESPONSIBILITIES AND PROCESS CREATION
-  > LAUNCH OF THE "PACKAGING FOR GOOD" PROGRAMME

• Another of the aspects we worked on this year that is also key to the success of the project has been the **co-creation** of a process for the implementation of eco-design projects with all the areas involved in this process. In this way, the roles and responsibilities of each area are defined when a product is being eco-designed, thereby integrating these tasks into the organisation's existing processes.

PHASE III (2022)

Project implementation

-  > PACKAGING SUPPLIERS Eco-DESIGN STRATEGY ANALYSIS
-  > DEVELOPMENT OF Eco-DESIGNED PRODUCT PORTFOLIOS

• In addition, to give continuity to the model, we have analysed the feasibility of implementing **3 new eco-design projects** in several of our products, carrying out a life cycle analysis of the product packaging in order to assess their environmental impact and its possible reduction by applying eco-design improvements. Main strategies analysed for these products:



GELOCATIL 1 G 10 TABLETS

DESCRIPTION:

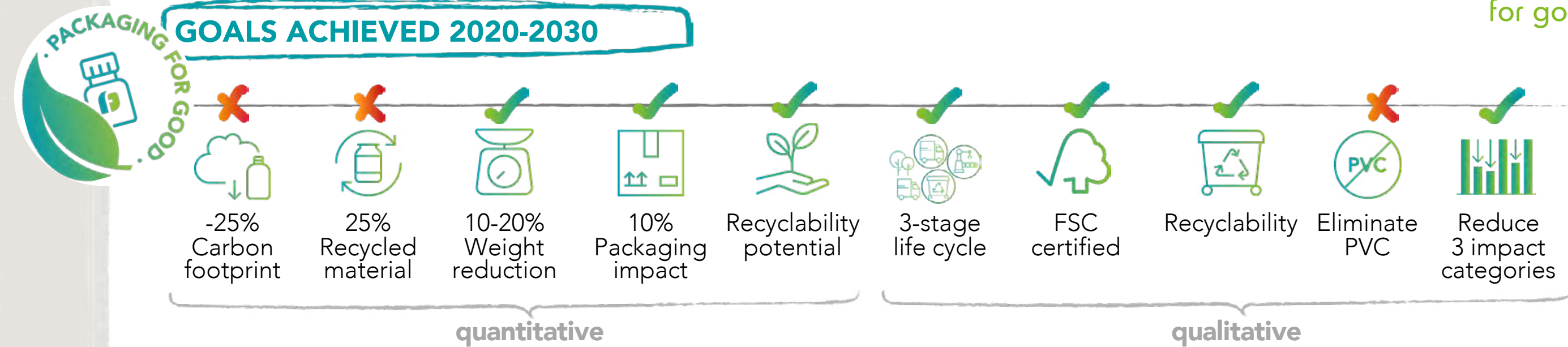
Until now, a pack of 10 1 g Gelocatil tablets consisted of 2 strips, a package leaflet and a box.

We are proposing that the strip and the box be redesigned in line with the eco-design strategies we are implementing, and that we move from 2 strips with a total weight of 3.84 g per package to 5 strips with a total weight of 3.53 g. The volume of the box decreases from 3,172.5 to 1,980 cm², and its weight from 11.34 to 8.68 g. Where each tertiary packaging box previously held 90 Gelocatil packs, with this new design that amount will increase to 160 retail units.

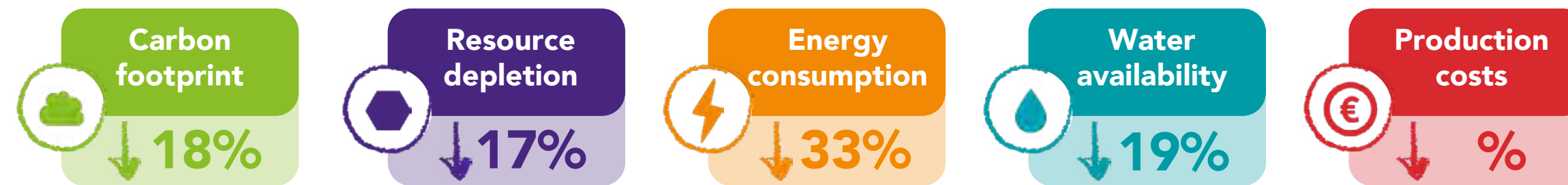
MAIN PACKAGING



ECODESIGN PACKAGING

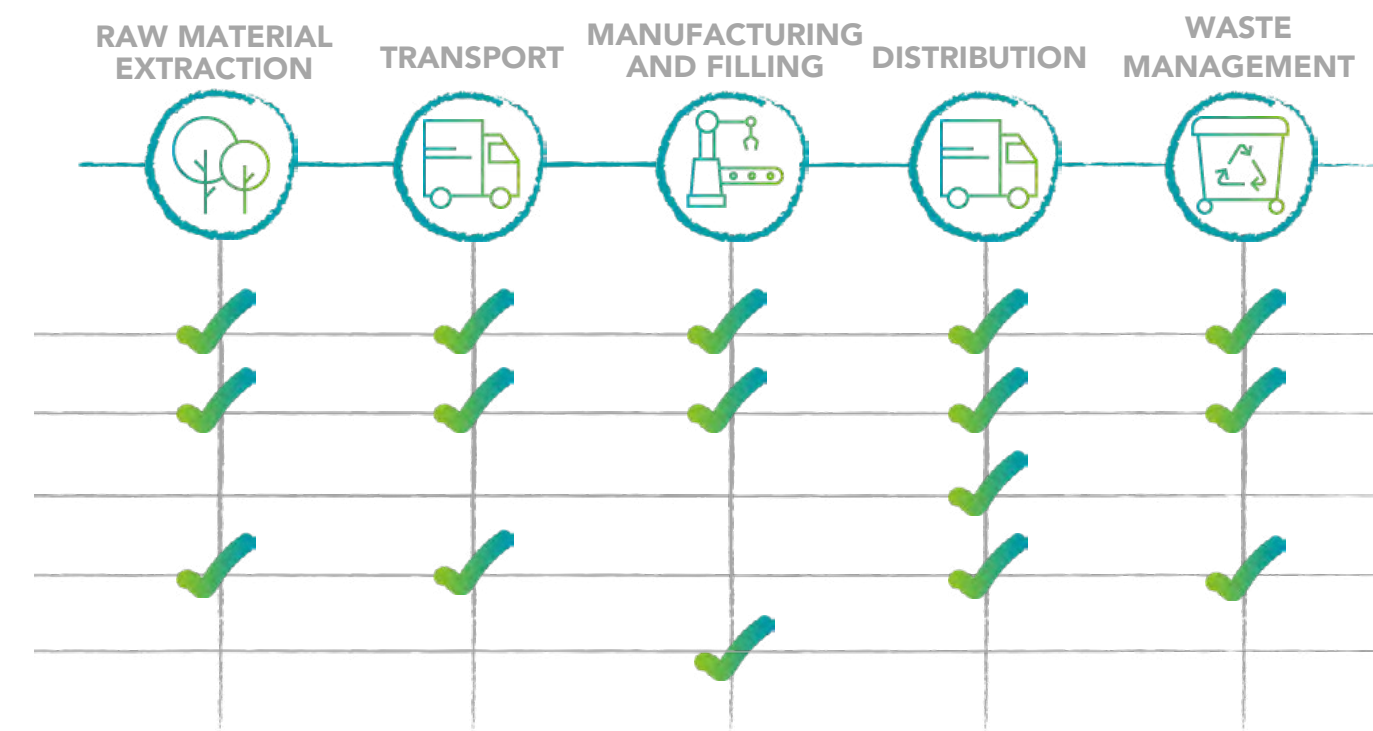


REDUCTION OF ENVIRONMENTAL IMPACTS **Eco-designed packaging compared to original packaging**



APPLIED ECO-DESIGN STRATEGIES

- Reduction of weight of strips per package.....
- Reduction of box weight.....
- Reduction of box volume.....
- Increase in sales units per tertiary packaging....
- Reduction of strip wastage during production...





HEMOVAS 400 MG 60 COATED TABLETS

HDPE/RHDPE

DESCRIPTION:

Until now, a pack of 60 400 mg Hemovas tablets consisted of a bottle, a package leaflet and a box.

We are proposing that the bottle be redesigned in line with the eco-design strategies we are implementing, and that we move from an 11.5 g bottle of 100% virgin HDPE to a bottle of the same weight that combines 60% virgin HDPE with 40% post-industrial recycled HDPE.

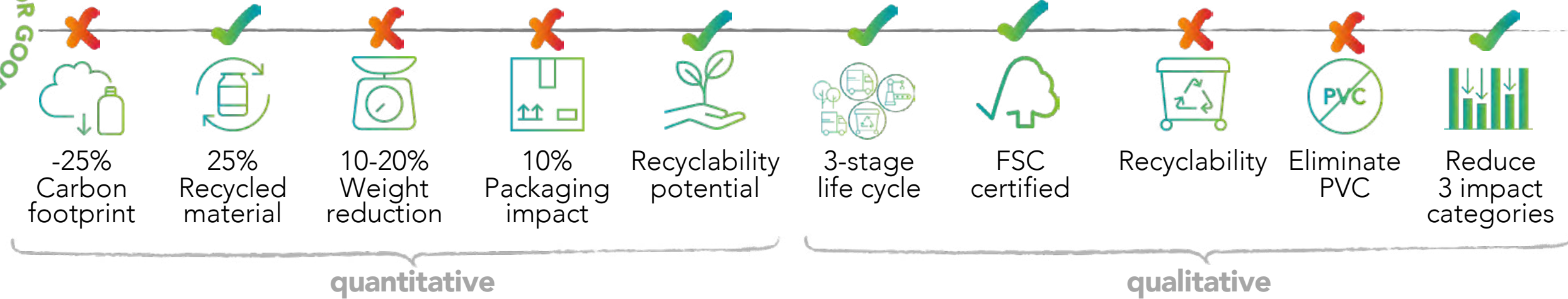
MAIN PACKAGING



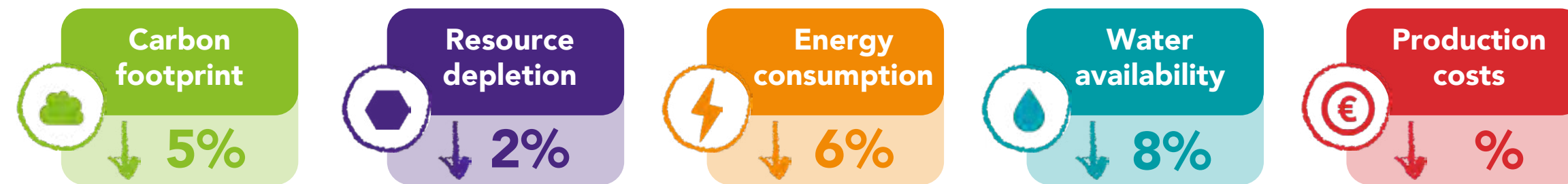
ECODESIGN PACKAGING



GOALS ACHIEVED 2020-2030

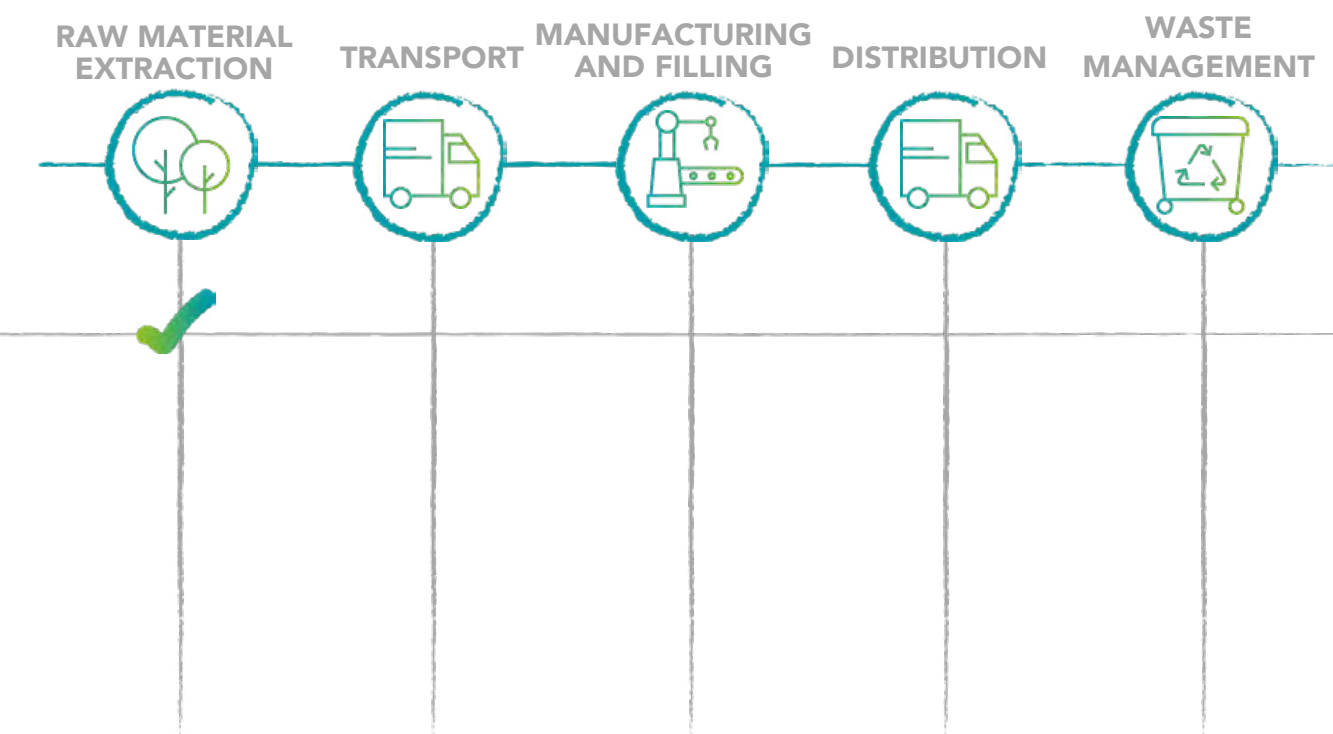


REDUCTION OF ENVIRONMENTAL IMPACTS Eco-designed packaging compared to original packaging



APPLIED ECO-DESIGN STRATEGIES

Increase of recycled material in the bottle.....





ALUMINIUM TUBE 15 MG

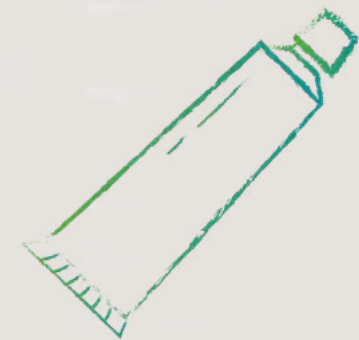
DESCRIPTION:

Until now, a 15mg aluminium tube pack consisted of an aluminium tube, a leaflet and a box.

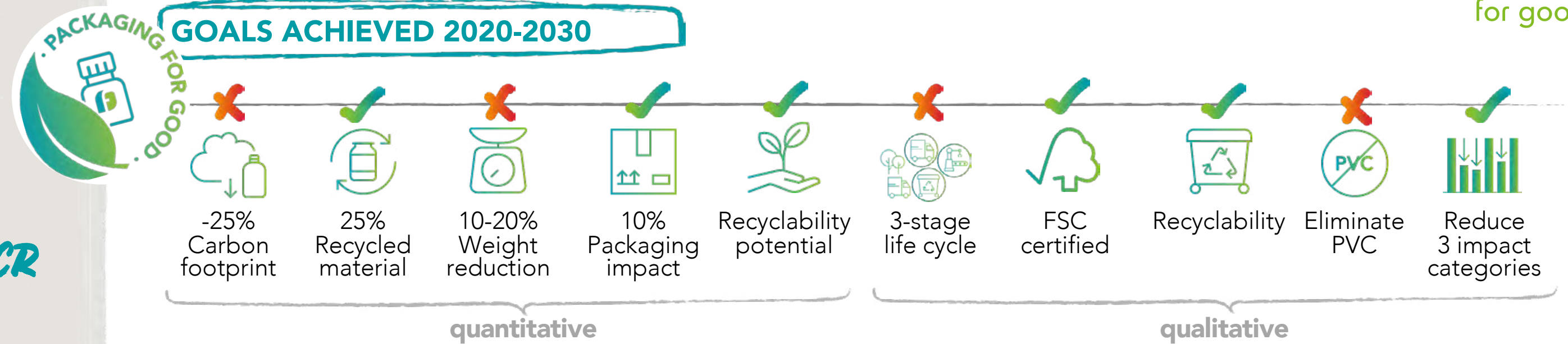
We are proposing that the aluminium tube and the system by which Ferrer receives the tubes from the supplier be redesigned in line with the eco-design strategies we are implementing, and that we move from a tube with 65% virgin aluminium and 35% post-industrial recycled aluminium to a tube of the same weight with 95% post-consumer recycled (PCR) aluminium and 5% virgin aluminium. The boxes in which the tubes are supplied have been changed from single-use to returnable and reusable for 4 cycles.

95% PCR

MAIN PACKAGING

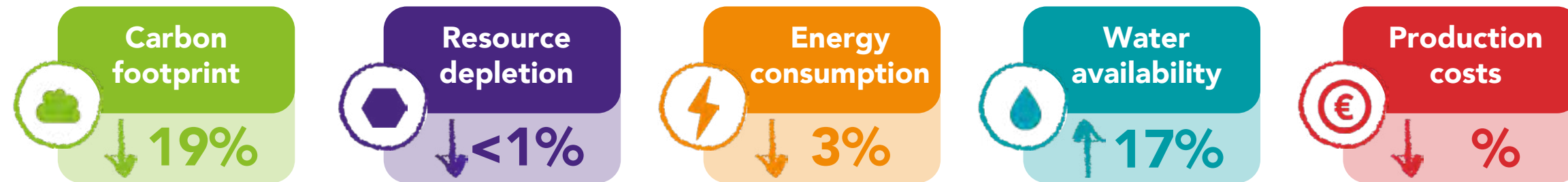


ECODESIGN PACKAGING

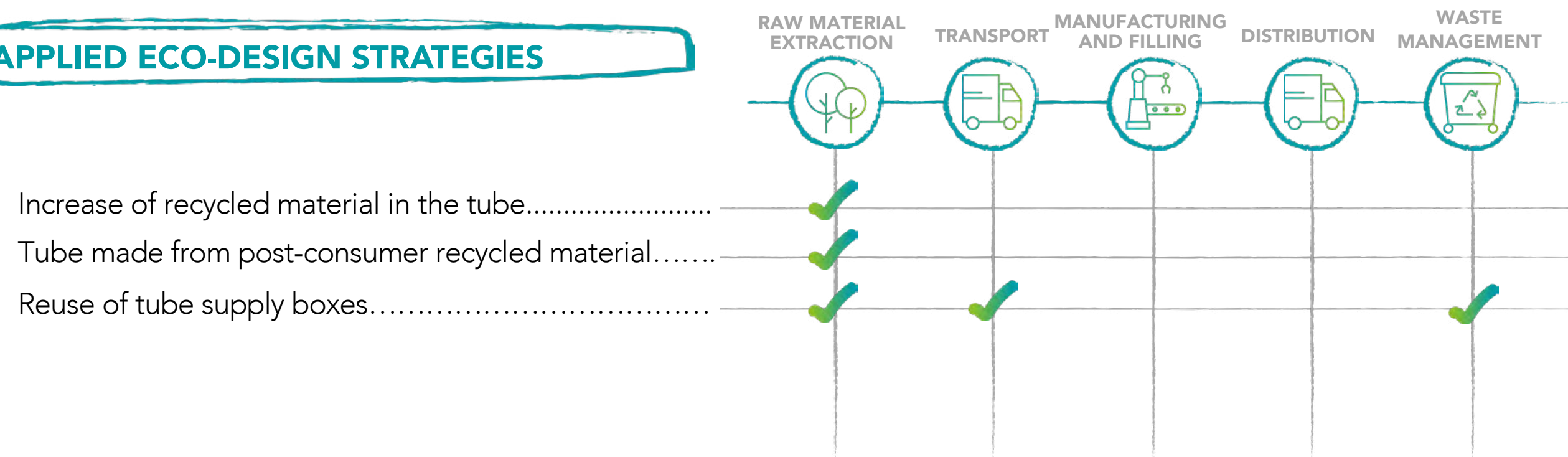


REDUCTION OF ENVIRONMENTAL IMPACTS

Eco-designed packaging compared to original packaging



APPLIED ECO-DESIGN STRATEGIES





- Another objective of our *packaging* model for 2030 is to eliminate deforestation from the production of our packaging by using, along the entire value chain, **Forest Stewardship Council (FSC) certified** materials, which guarantees the *sustainable management of the forests* from which the raw materials for the manufacture of these materials are obtained. Currently, **the degree of use of FSC materials in relation to purchasing units in 2022 is 67%, and we expect to be able to increase this to 75% by the end of 2023.**

- Another of the initiatives implemented in 2022 was to carry out a market study to explore existing sustainable *packaging* alternatives. The purchasing area conducted a survey of the group’s main packaging suppliers and came up with more than 13 viable initiatives for the transition to sustainable packaging. Using this information as a starting point, a report on eco-design proposals was drawn up, which will form the roadmap for the project in the coming years.

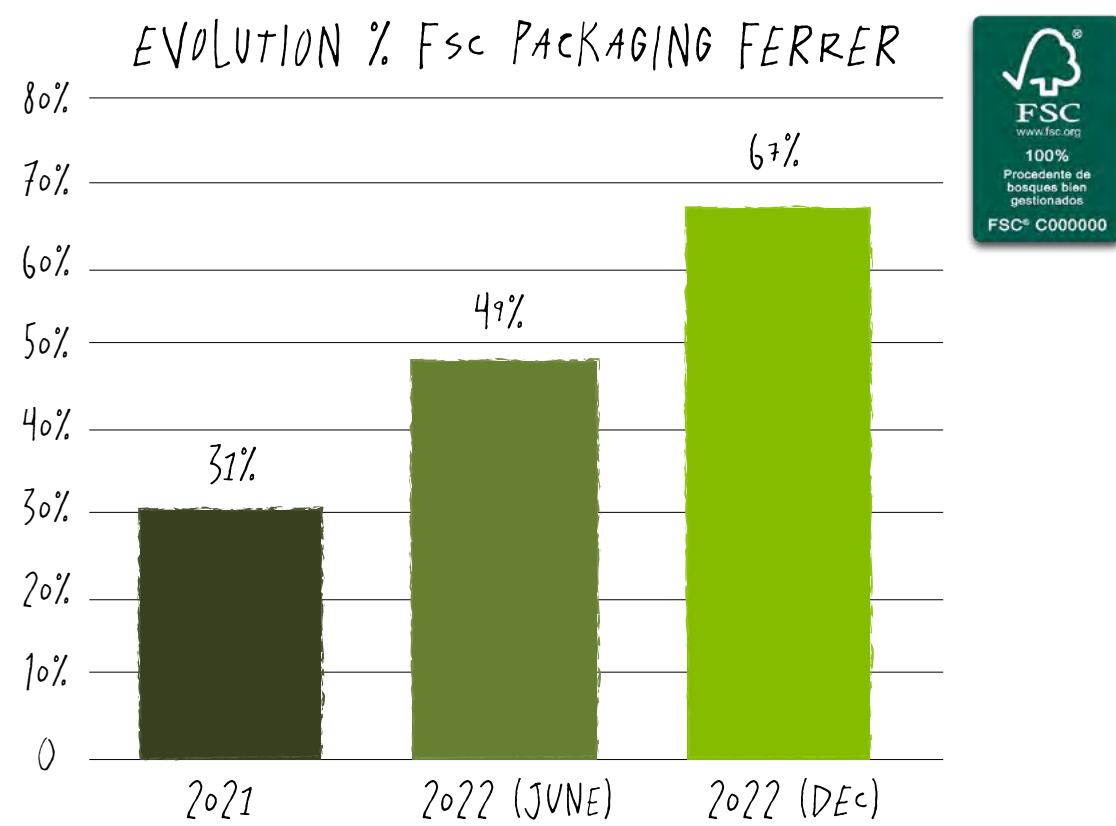
carried out. During 2022 we also participated in the Hispack congress in Barcelona, where we had the opportunity to discuss the transformation of *packaging* in companies that are determined to have a positive impact on the planet, such as Danone, The Body Shop and Quadpack.

- The aim of the **Packaging for Good** programme is to continue working on the development of new projects and to extend these sustainable *packaging* criteria to as many products as possible in Ferrer’s current and future portfolio. Therefore, in 2023 we will analyse for the first time the feasibility of implementing an eco-design strategy for the primary packaging of one of our products in blister format.

Furthermore, in an effort to share our *packaging* model with other companies, we have participated in and attended several industry congresses and forums related to the transition towards more sustainable *packaging*. It is worth highlighting our participation in the *Pharmaceutical Manufacturing & Packaging Congress* in Berlin, where we presented our *packaging* model as well as examples and case studies of eco-design projects that we have

PACKAGING CONSUMPTION DATA 2021

		2019	2020	2021	2022	% ANNUAL
PRIMARY PACKAGING	kg	915,421	1,084,198	613,104	830,582	35.5%
SECONDARY PACKAGING	kg	920,700	961,360	660,422	829,334	25.6%
TERTIARY PACKAGING	kg	615,264	597,058	524,082	590,703	12.7%
PACKAGING FOR CHEMICAL PRODUCTS	kg	52,920	43,550	50,892	43,119	-15.3%



In the Annex to the Global Reporting Initiative (GRI) content index, you can see the details of raw materials and packaging consumption and its evolution over recent years.



Our Waste Management Programme

Continuous improvement in our production processes is paramount when we work on reducing the waste derived from our activity. **We strive every day to implement measures that will transform us into a Zero Waste To Landfill (ZWTL) organisation by 2030.** To achieve this, we have developed a waste management plan that seeks efficiency in waste treatment, avoiding landfill as the final destination. Here are the key considerations underlying these initiatives:



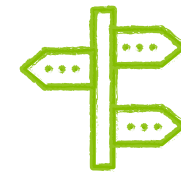
Strengthen the training of key actors in order to establish specific responsibilities in the different centres and carry out specific training on the actions to be implemented.



Dissemination and communication programme.



Adapt all spaces intended for waste management.



Ensure the correct sorting of waste.



Generate alliances with waste managers and other entities related to the promotion of the circular economy and the final management of waste.



Optimise the final management of waste, through monitoring focused on continuous improvement.



Always with reduction in mind, the success in achieving the Zero Waste to Landfill target is based on minimising waste generation.

Below are some of the main actions we performed during 2022 within the framework of our efficient waste management plan:



Much of the waste we generate in our operations derives from the production of the active ingredients and medicines we put on the market.

SANT CUGAT PHARMACEUTICAL PLANT



Use of leftover packaging material in production batches.



Analysis of the possibility of donating obsolete raw materials to universities for research projects.

2022



Optimisation of the material and size of waste bags in the plant.

WE ACHIEVED **89.9%**

RECOVERY OF THE GENERATED WASTE

2023
ACTIONS TO BE ANALYSED OR IMPLEMENTED

#1

Work with our **Factory and Planning** teams to adjust demand and production to make it more efficient.

#2

Analyse and study, together with Planning, the **feasibility of reducing backup stocks** to reduce the number of expired products.

#3

Analyse and study the possibility of creating an **employee's shop** for Ferrer employees.

SANT CUGAT CHEMICAL PLANT



Exhaustive control of the actual percentages according to the final treatments.

2022



Recover the material of several hazardous wastes generated in the manufacturing processes of active ingredients such as contaminated material, alcoholic waste with high ethanol content and isopropyl waste.

WE ACHIEVED **75.4%**

RECOVERY OF THE GENERATED WASTE

2023
ACTIONS TO BE ANALYSED OR IMPLEMENTED

#1

Study the feasibility of **treating** hazardous waste from COCA-2 and DCHU (EU LoW (List of Waste) 070514) in order to change its treatment from disposal to recovery.

#2

Reduce the quantity of sludge from the WWTP (LoW 070512) by reforming it.

#3

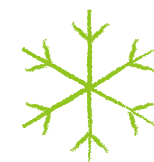
Seek alternative **treatment** methods for the majority of **waste**.

SANT FELIU DE BUIXALLEU LOGISTICS CENTRE



Agreement with the waste manager to segregate and sort the unsorted medicinal products from returns.

2022



Correct segregation of the refrigerated *pallet boxes* used for one of Ferrer's main products.

WE ACHIEVED **100%**

RECOVERY OF THE GENERATED WASTE

2023
ACTIONS TO BE ANALYSED OR IMPLEMENTED

#1

Definition of an **improvement programme for stock** and obsolete **raw material management**.

(306-1)

We are therefore focusing our efforts on **achieving a high recovery rate for this waste** in order to make a significant contribution to the creation of a circular economy. Thanks to these efforts, we achieved an overall recovery rate of 84.6% of all waste generated by the end of 2022. If we analyse these results in more detail, we can see that our logistics centre has already achieved the desired goal of recovering 100% of the waste generated, and that our production plant for pharmaceutical specialities is very close to the desired goal, with an 89.9% recovery rate.



What waste do we generate?

(306-1) (306-2)

VOLUME OF GENERATED WASTE BY TYPE (T)	2022	2020	2019	VARIATION 2020-2021 (%)
Non-hazardous waste	1,438	1,952	1,241	-26.30%
Hazardous waste	4,883	5,087	4,714	-4.00%
TOTAL	6,320	7,039	6,509	-10.20%

When we look at the waste generated from medicines, we can see how it has been reduced in recent years due to **our programme to improve the management of obsolete products**. The aim is to further reduce the generation of this waste by 2023 by introducing new initiatives such as improved planning of the demand for and the quantity of batches to be produced, or the donation of over-the-counter pharmaceuticals to vulnerable groups.

VOLUME OF GENERATED WASTE BY TYPE (T)	UNITS	2020	2021	2022
Expired medicines/ Total products sold	%	4.14%	2.79%	2.63%

Our waste activism

During the month of July 2022, we were able to be activists for our cause once again, with different activities in different territories:

During *Liveable Planet Month*, 61 volunteers from Ferrer **Mexico** took to boats to clean up the Madín Reservoir, collecting no less than 720 kg of rubbish. 8 people braved the mud to clean up the Capulín Reservoir, forming a walking clean-up brigade and collecting 150 kg of rubbish. Another 10 volunteers collected PET plastic bottles and delivered them to an authorised disposal point for recycling. They collected 31 kg of PET. All in all, a great success!

In **Costa Rica**, there was a high level of participation in the Campaign for the Collection of Expired Medicines at Home where, through different means, various groups were invited to hand in waste medicines for their subsequent responsible management by one of the members of the **World Caring Project** ecosystem. In addition, as activists, we performed educational information-sharing activities and helped with the collection of this waste. We included groups such as schools and public institutions to support the campaign and managed to collect 760 kg of waste medicines - 80% more than in previous actions.

Also in **Costa Rica**, in June 2021, we initiated a programme to recover expired or unused medicines from doctors' practices and business allies. Thanks to our alliance with the "Ecoins" initiative

(<http://www.ecoins.eco/>) and with companies such as Puntos Seguro (<http://www.punto-seguro.com/>) and Manejo Profesional de Desechos S.A. (www.desechoshospitalarios.com), and with the endorsement of the Ministry of Health, Ferrer's medical visitors carry out reverse logistics, removing expired products and transferring them to a safe place, so that they can be responsibly managed in accordance with Costa Rican legislation. Over the 18 months of the initiative, 1,686 kg of medicines and their packaging were recovered.

In **Portugal** we challenged the people of Ferrer to stop using single-use items in our offices, such as plastic water bottles and cardboard cups, in line with **our commitment to becoming a Zero Waste To Landfill company**.

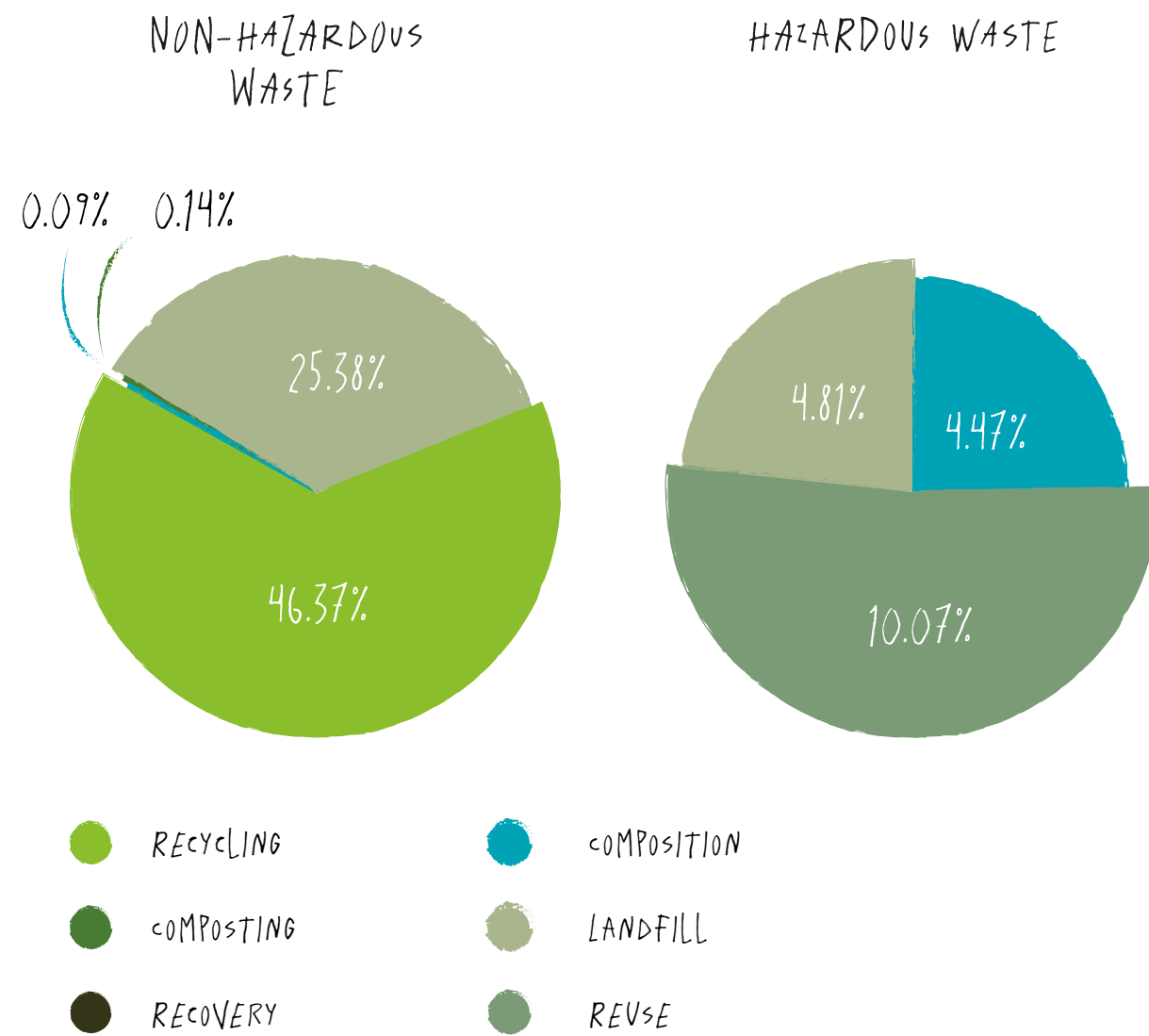
(306-2)

VOLUME OF GENERATED WASTE BY TYPE (T)	2022	2021	2020	VARIATION 2021-2022 (%)
Non-hazardous waste	3,366	3,239	1,920	3.9%
Hazardous waste	4,822	4,816	5,088	0.1%
TOTAL	8,188	8,054	7,008	1.7%

OBJECTIVES FOR GOOD

2023

ELIMINATION METHOD (%)



WASTE PROGRAMME:

SANT CUGAT DRUG PRODUCTION PLANT (FISA)

- > Reduce production waste by 5%.
- > Achieve 90% recovery rate

SANT FELIU DE BUIXALLEU LOGISTICS CENTRE

- > Maintain 90% recovery rate
- > Develop a programme to donate medicines

SANT CUGAT ACTIVE INGREDIENT PRODUCTION PLANT (INTERQUIM)

- > Achieve 75% recovery rate
- > Reduce production waste by 5%.
- > Implement the surfactant treatment line at the WWTP.

PACKAGING FOR GOOD:

SANT CUGAT DRUG PRODUCTION PLANT (FISA)

- > Implement eco-design in a blister product
- > Have 80% of packaging FSC certified
- > Optimise 50% of tertiary packaging
- > Extrapolate the sustainable packaging model to outsourced products



6.2.3 Commitment 3: Energy decarbonisation

(305-5)

Our energy efficiency programme is the backbone of the energy decarbonisation of our production and operations centres, since it helps us to turn our commitments into actions that reduce the greenhouse gas emissions linked to our activity. **We cannot avoid consuming energy, but we can act to make it as efficient and environmentally friendly as possible.**

During 2022, in Ferrer we have implemented several projects that have contributed to reducing energy consumption in the different centres, as well as the emissions derived from this consumption:

- **100% renewable electricity with the purchase of Renewable Energy Certificates (RECs), in line with the goal of achieving a 100% renewable energy supply by 2025.**

All the electricity used by Grupo Ferrer Internacional, including its subsidiaries, is renewable, and the consumption of non-renewable energy in countries where a renewable supply does not exist is offset by the purchase of *Renewable Energy Certificates* (RECs). This has saved more than 7,500 tonnes of CO₂ equivalent per year.

- **Energy efficiency programme in line with our commitment to reduce energy consumption by 10% (electricity, steam and diesel) by 2025.**

At the **Sant Cugat Pharmaceutical Production Centre**, we have implemented the following **strategies and initiatives**:

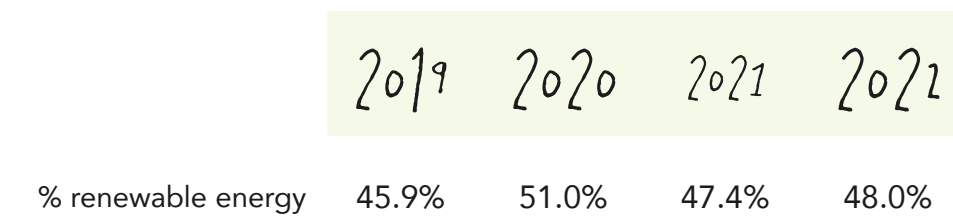
- **Modification and adaptation of 2 existing Industrial Cold Water circuits** for the air-conditioning of production areas. We have moved from circuits with open, high-capacity water tanks to closed circuits. Pumps with variable frequency drives and an automated control system have also been installed.
- **Replacement of a refrigeration unit** with a low-GWP (Global Warming Potential), high-efficiency refrigerant.
- **Optimisation of air conditioning, compressed air and electricity services** during non-productive hours.

The following measures have been carried out at the **Sant Cugat Chemical Plant**:

- **Modification of ethylene glycol distribution** by adapting the primary and secondary tanks and improving control of the network.

- **Own production of nitrogen**, achieving self-sufficiency and reducing environmental impact.
- **Monitoring of consumption** using the *SQL Services reporting tool*.

The intensity of the renewable energy we consumed in 2022 is shown below, accounting for 48% of our total energy consumption. We expect that in the coming years we will be able to increase this consumption by implementing new initiatives such as, for example, reducing the consumption of Natural Gas due to the improved efficiency of our production processes, increasing the consumption of renewable electricity by our electric fleet to the detriment of diesel consumption, and improving our energy consumption efficiency in our operations centres.



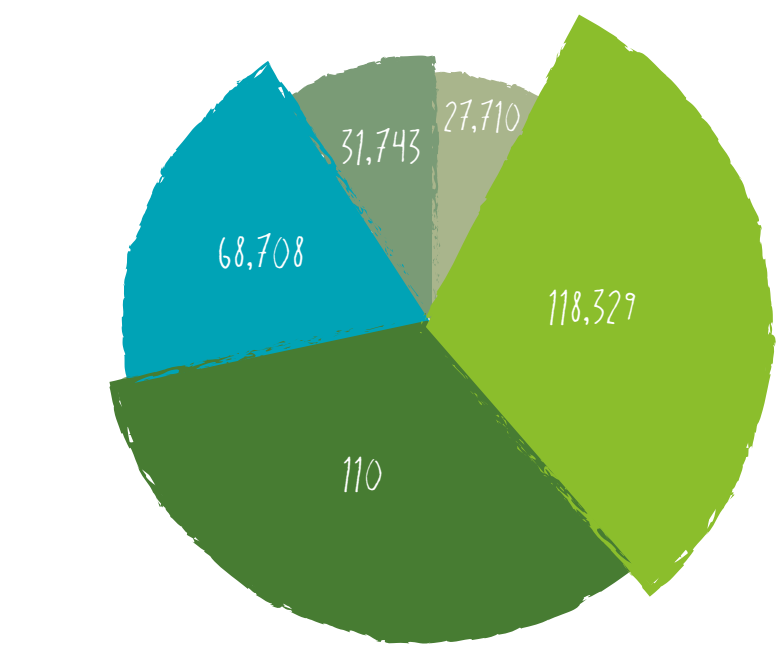
- **LEED Gold Certification Plan for the different facilities with a surface area greater than 1000m²**: To achieve this objective, several of our centres included in the scope are currently in the process of obtaining the certificate. This includes our headquarters in Barcelona, our new

pharmaceutical production centre in Esplugues de Llobregat, and our R&D centre in California. One of the centres that obtained the certification in 2022 was Ferrer Mexico, where the services of our subsidiary in this country are located. Now that Mexico has joined the total number of certified centres, 65% of the total surface area of our sites has obtained this certification, which is a guarantor of an environmentally-friendly building model aligned with Ferrer's values. Similarly, in 2022, we carried out a feasibility study to implement LEED V4.1 certification at our Chemical Plant in Sant Cugat. (*Existing Buildings Operations & Maintenance*). All non-industrial buildings with a total surface area of 4,188m² were included. Now that the study has been carried out, the next steps are yet to be defined in order to achieve certification of the centre in the coming years.

- **Solar panel projects in the different centres**: In order to increase the % of renewable electricity produced at our centres, in 2022, we carried out several studies to analyse the feasibility of installing solar panels at our main operational centres. We expect that these panels will be installed in all our centres in the coming years.

(302-1) Total energy consumption increased by 1.8% compared to the previous year due to increased production at our Chemical and Pharmaceutical plants. The following table shows the organisation's energy consumption by source:

ENERGY CONSUMPTION BY SOURCE (GJ)



- ELECTRICITY
- NATURAL GAS
- PROPANE GAS
- STEAM
- LPG GAS
- DIESEL

(302-3)

ENERGY INTENSITY RATIO	2021			2020	VARIATION
	2021	2021	2021	2020	2021-2021 (%)
Energy consumption (GJ) / turnover (thousands of euros)	0.389	0.428	0.385		2.63%

(302-4)

OBJECTIVES FOR GOOD

2023

SANT CUGAT DRUG PRODUCTION PLANT (FISA)

- > 2.5% REDUCTION IN ENERGY CONSUMPTION
- > INSTALLATION OF NEW STEAM BOILERS

SANT CUGAT ACTIVE INGREDIENT PRODUCTION PLANT (INTERQUIM)

- > REDUCE ENERGY CONSUMPTION BY 3.5% COMPARED TO 2021
- > OBTAIN LEED CERTIFICATION AT INTERQUIM

ESPLUGUES LIQUID MEDICINE PRODUCTION PLANT

- > OBTAIN LEED CERTIFICATION
- > INSTALLATION OF PHOTOVOLTAIC PANELS FOR SELF-CONSUMPTION

CORPORATE SERVICES

- > OBTAIN LEED CERTIFICATION

FERRER USA SUBSIDIARY

- > OBTAIN LEED CERTIFICATION

6.2.4 Commitment 4: Promoting sustainable mobility

Sustainable mobility is crucial in helping to reduce our carbon footprint and preserve the environment. It also significantly improves people's quality of life and reduces traffic in cities, making them more sustainable and accessible for future generations.

In 2022, we implemented the following sustainable mobility initiatives:

- In line with our goal of achieving 100% electric vehicles by 2030, we have already converted 20% of our fleet to electric power and, in 2023, we will also focus on reducing the fuel consumption of these vehicles through a programme to raise awareness and support efficient driving in the commercial network.
- With regard to the emissions generated by our commercial network (320 vehicles), we have gone from 146 grams CO₂/100 km for the current vehicle model to 125 grams/100 km for the new model, selected through a tender, thus reducing the emissions of all vehicles in the commercial fleet by 15%.

- We have installed a total of **55 electric chargers** in all of Ferrer's centres in order to facilitate the charging of the electric fleet.
- We have implemented a 100% flexible work model that corresponds to the needs of the company's different profiles, which has allowed us to **reduce by 20%** the impact of the travel by people who work at Ferrer, in line with the Sustainable Mobility Plans in force in the different centres and countries where we operate.

In 2023, we will continue to implement initiatives to promote the sustainable mobility of Ferrer's employees, as well as new initiatives to work on other relevant categories of impact, such as the logistics and distribution of our products in all the regions where we operate. We want to bolster our logistics emissions reduction programme as a continuation of the project carried out in 2021. Moreover, we intend to adopt recognised standards in sustainability and efficiency in logistics operations such as, for example, **Lean & Green certification**, and we will also analyse the feasibility of implementing the use of sustainable fuels in our operations.

Ferrer Costa Rica: Committed to the sustainability of its fleet

Ferrer Costa Rica is the first in the country's pharmaceutical sector to own a fleet of electric vehicles. As part of our commitment to reducing our carbon footprint, this centre has joined the initiative initiated by Ferrer Portugal in 2021. 7 electric vehicles have been allocated to medical visitors in the country. Until now, this group has been the biggest generator of greenhouse gases in Ferrer Costa Rica.

This decision has been welcomed by the team because, in addition to reducing our subsidiary's carbon footprint and benefiting the planet, it is an initiative that positions Ferrer as a ground-breaking company in the use of ecological alternatives.



OBJECTIVES FOR GOOD 2023

SANT CUGAT PHARMACEUTICAL PRODUCTION PLANT (FISA)

- > INSTALL A SOLAR CANOPY TO SELF-SUPPLY ELECTRIC VEHICLE CHARGING

SANT FELIU DE BUIXALLEU LOGISTICS CENTRE

- > REDUCE LOGISTICS-RELATED CF BY **5%**

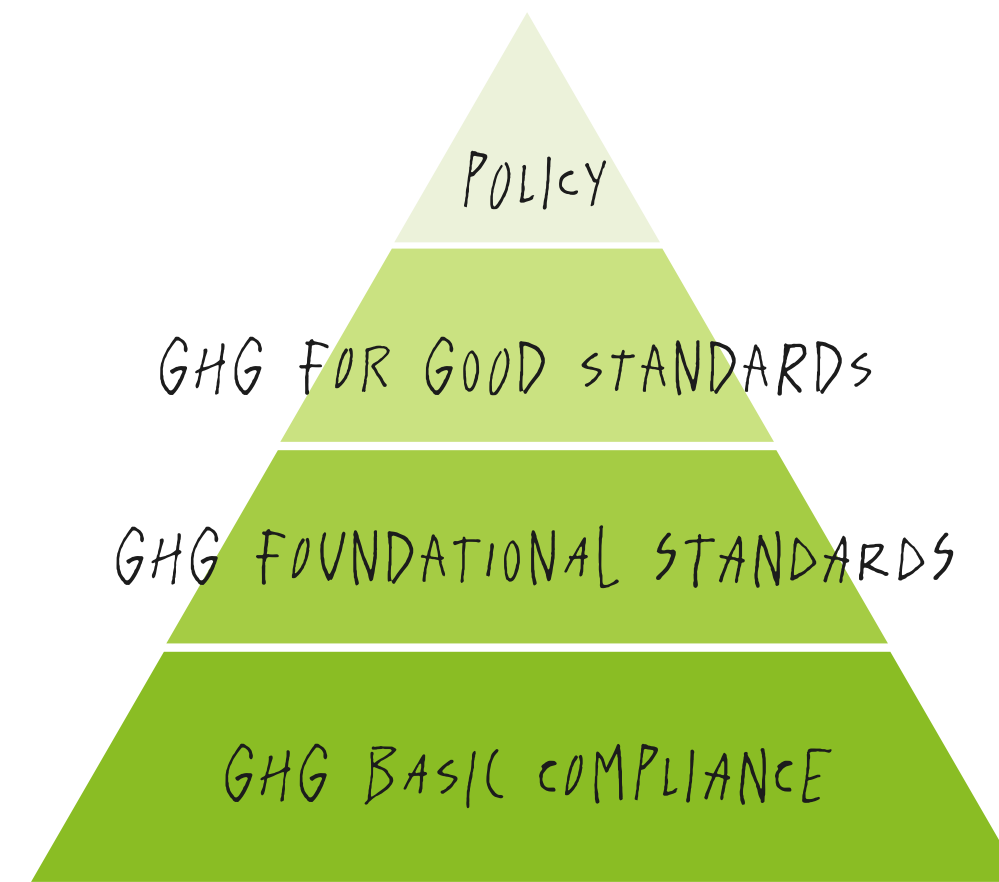
CORPORATE SERVICES

- > ACHIEVE A **30%** ELECTRIC FLEET IN SPAIN
- > INSTALL **100%** TELEMETRY IN THE SPANISH FLEET
- > HAVE **100%** OF THE TRAINING ON EFFICIENT AND SAFE DRIVING FOR SALES REPRESENTATIVES COMPLETED.

6.2.5 Commitment 5: Supply chain partnerships

On average, supply chain emissions are 5.5 times higher than the companies' operational emissions. We are fully aware that we will need the commitment and collaboration of key actors in our supply chain in order to achieve our 2030 emission reduction targets based on our SBTi goals. In this way, **supplier engagement** will be a key element in achieving our Scope 3 emission reduction targets, regardless of whether we have a supplier engagement target.

Aware of this situation, at Ferrer we have drawn up a Supplier's Decarbonisation programme, created as a result of the Supplier's for Good project, a global framework for ESG management that we work on with our suppliers. In 2022, we developed the standards on which we intend to build our Supplier's Decarbonisation programme. It is based on the following aspects:



We also understand that simply asking suppliers to reduce emissions or make environmental sustainability commitments will not lead to the rapid transformation and change required to achieve our targets, so we have also defined the mechanisms that we will use to accompany our suppliers. This takes the form of a programme that supports the real decarbonisation of their activities.

If we analyse the **main indicators used to monitor the environmental performance of our suppliers**, we can conclude that:

- Approximately 23% of our expenditure goes to suppliers that are **ISO 14001 certified**, which guarantees that they have an adequate Environmental Management System in place.

- 30% of our procurement expenditure goes to companies that have implemented energy efficiency and GHG emission reduction measures.
- When we focus on climate change issues, we can see that approximately 20% of expenditure is associated with suppliers that report their emissions and publish them transparently in the CDP. In contrast, only 11% report Scope 3 and only 12% are aligned with *Science Based targets*.

As a result of this analysis, we can conclude that, although in the last year and thanks to the *Suppliers for Good* programme we have seen a significant improvement in our suppliers' performance in terms of climate matters, we still have a long way to go and we will have to continue to support them in the process of defining and implementing their decarbonisation strategies. Therefore, in 2023, we will continue to work on our programme to help suppliers to improve their performance and initiate a roadmap towards the decarbonisation of their activities.

Within this programme, we prioritise the way in which we want to work with our suppliers, distinguishing 4 possible types of accompaniment:

1. AWARENESS-RAISING: a massive support programme for those suppliers that are less significant in terms of our Scope 3 emissions and over which we cannot exert all that much influence.

We seek to raise awareness among these suppliers through dissemination and awareness-raising initiatives so that they bring their activities into line with our Race to Zero strategy and with a world aligned with the SBTi.

2. ACTIVATION: a programme to support and define real and effective decarbonisation strategies for those suppliers that have a medium or high level of significance in terms of our Scope 3 emissions and over which we can exert a certain amount of influence so that they take action. We want to help these suppliers to calculate their emissions (if they do not already do so) and to define their action plans to reduce them in the coming years.



3. MAKE AN IMPACT: a support programme for those suppliers that are highly significant in terms of our Scope 3 emissions and over which we exercise a high amount of leverage to make them address their climate action plan. We want to work hand in hand with them to identify very concrete potential actions that will greatly incentivise the decarbonisation of the products or services they supply to us.

4. COLLABORATION: a support programme aimed at suppliers who are already well established in the climate management of their activity and who can also be a rich source of inspiration for the rest of the suppliers included in the programme. The aim is to give recognition and benefits to these suppliers, who are key players today and contribute greatly to reducing our Scope 3 emissions.

During 2023, we will continue to work to implement this initiative while providing our internal teams with the necessary **training** and knowledge to implement the programme effectively, and we will always implement these reduction plans from the perspective of collaborating with and supporting our suppliers in making improvements.

OBJECTIVES FOR GOOD

2023

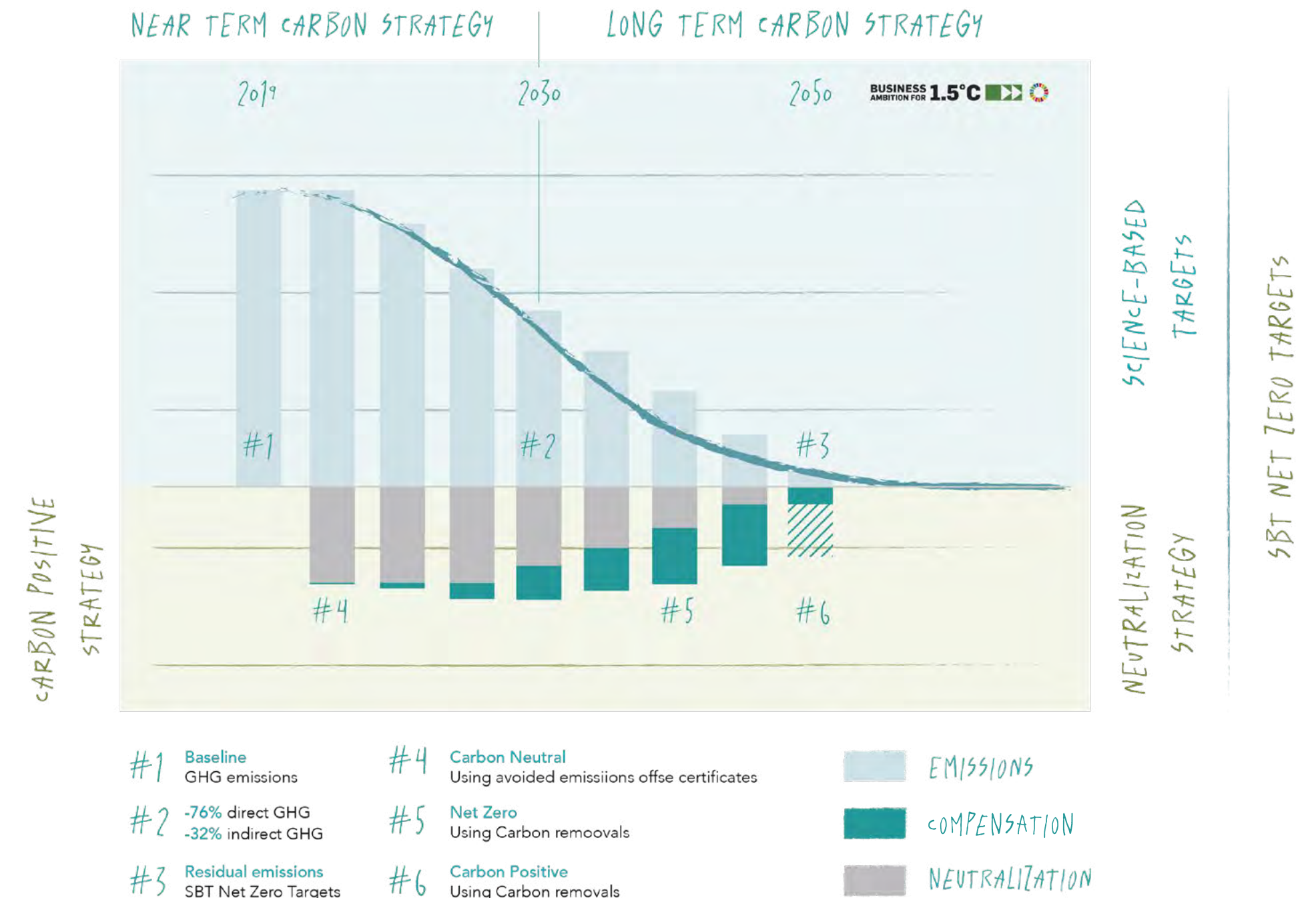
CORPORATE SERVICES

- > MORE THAN **50%** OF OUR SPENDING ON SUPPLIERS EVALUATED IN TERMS OF THEIR ESG PERFORMANCE
- > DEFINE AN ESG AUDIT MODEL FOR OUR SUPPLIERS
- > **100%** OF OUR SPENDING ON SUPPLIERS EVALUATED IN TERMS OF THEIR GHG EMISSIONS
- > UNDERTAKE A MINIMUM OF **2** ENGAGEMENT **INITIATIVES** IN OUR DECARBONISATION STRATEGY WITH SUPPLIERS

6.2.6. Commitment 6: neutralisation of emissions

Our climate strategy focuses on actions to decarbonise our business, both by reducing not only our direct emissions but also all the emissions we generate throughout our entire value chain. Nevertheless, we are also well aware that any

economic activity will always imply a certain impact on the planet. We therefore want to focus not only on reducing the emissions we generate, but also on helping to develop carbon capture projects, which will help us achieve our goal of being a **carbon-positive company** in the future.



In 2022, we defined our emissions neutralisation strategy, which includes the following fundamental elements:

- Our short-term strategy is based on continuing to decarbonise our business in line with the *Net Zero* concept developed under the *Science Based Targets Initiative* (SBTi). This decarbonisation will involve short- and medium-term changes to many of our processes and to the way we operate. In order to contribute rapidly to the challenge of keeping the increase in global temperature below 15°C, we will offset our direct emissions (which represent 15% of the total) by 2030 through projects that prevent carbon emissions into the atmosphere or through nature-based solutions, such as reforestation, or carbon capture by employing new agricultural techniques.
- Once we have reduced our direct and indirect emissions through the implementation of our **Climate Transition Plan**, from 2030 on, we will continue on our path to further reduce, to a large extent, our Scope 3 or indirect emissions. By then we will have reached our carbon positive target for our direct emissions and we must continue to reduce our

emissions in the following years to achieve a drastic reduction of 95% of the total emissions from our business compared to the baseline year (2019).

- Once we have reduced our emissions by at least 95%, the residual emissions, i.e. the 5% that we have not been able to eliminate, must be offset by carbon capture/neutralisation projects that are implemented in the same year in which they are emitted. Thus, our strategy has been designed to ensure the following fundamental requirements:
 - It focuses on reducing our emissions as much as possible, and drastically, in line with our Climate Transition Plan.
 - It is *offset* by reduction/mitigation elsewhere in the world, while emissions are reduced in the short-term and while we invest in decarbonising our business.
 - Residual emissions in the target year 2050 will have to be offset through emission absorption/neutralisation projects that enable us to become carbon positive.

In line with this strategy, by 2022 we had offset 7,500 tonnes of direct carbon emissions by means of two projects:

Piedra Larga Wind Farm: This project aims to generate renewable electricity in Mexico through the construction and operation of a 90 MW wind farm in the municipality of Unión Hidalgo, in the State of Oaxaca. This project results in an increase in the percentage of renewable energy in the Mexican grid, thereby promoting the growth of renewable capacity and diversifying the Mexican power generation mix, all of which contributes significantly to the sustainable development of the region.

Evio Kuiñaje Ese Eja Cuana: Located in the Madre de Dios region of the Peruvian Amazonia, the country's most biodiverse region, this project aims to conserve community forests and prevent their licensing for use in the face of rapidly increasing deforestation. The project proposes to reduce the pressure to change land use in the project area by promoting sustainable economic activities, forest governance, and the establishment of conservation agreements in previously identified critical areas.

In 2023, we will continue to develop our forward-looking neutralisation strategy and analyse existing voluntary carbon markets to become a sponsor or investor in such projects. In this way, we will be able to determine the possibility of obtaining the

neutralisation credits necessary for the development of our strategy and analyse their viability according to our needs and requirements, ensuring they are of sufficient quality and veracity to support our objective of becoming a carbon positive company.

OBJECTIVES FOR GOOD

2023

ALIGN FERRER'S GHG EMISSIONS NEUTRALISATION STRATEGY WITH THE ROADMAP DEFINED IN OUR CLIMATE TRANSITION PLAN.



6.3 We actively protect nature

Real changes are needed to mitigate the deterioration of our natural environment. At Ferrer we know that the only way we will be able to drive change is if we have everyone's help.

6.3.1 Ensure proper management of water resources

Water is an essential resource for all Ferrer's production plants. To take proper care of it, we apply prevention, reuse and recovery measures wherever possible and regularly monitor both the water consumed and the wastewater generated.

We will also encourage methods for the conservation, recovery and reuse of water:



We will collect and put some of the wastewater from our production systems to other uses.



We will reuse rainwater to irrigate landscaped areas and green roofs.



We have carried out water efficiency studies at our main production plants.

In 2022, we implemented various measures at our production centres to establish mechanisms to monitor, reduce and reuse our water resources:

PHARMACEUTICAL PLANT

2 circuits with open, high-capacity industrial cold water tanks for air-conditioning are now closed circuits.

Improvements and repairs to DHW and DCW circuits, eliminating damaged and unusable sections of the pipeline.

Monitoring of consumption through water meters on the main water lines.

Optimisation/stoppage of the old osmosis water generation plant (low performance due to obsolescence).

SANT FELI DE BUIXALLE LOGISTICS CENTRE

In 2022, a new greywater treatment system was installed to reuse water from sinks, washbasins and showers. In this way, the treated water is used to refill the toilets after flushing.

CHEMICAL PLANT

Monitoring of consumption via water meters: Installation of 25 water meters at different points in the plant. A semi-automated database was created to provide information on water consumption by zones and specific equipment on a daily basis. Knowing which equipment is malfunctioning, acting on the information and following up on the measures implemented. A multi-departmental team was also set up to implement and regularly monitor these new measures, thanks to which several anomalies have already been identified and remedied:

1. It was possible to identify a pump that was consuming a much higher than average amount of water and it was decided to replace it with a dry pump, thus reducing the water consumption in that area.

2. Taps that were running longer than necessary were detected and an alarm system was programmed to warn of excessive water consumption in the equipment.

3. A couple of items of equipment were found to be leaking water.

NEW WASTEWATER TREATMENT PLANT AT OUR API PRODUCTION SITE

Interquim S.A. treats the wastewater generated by the production process through a biological treatment plant. In 2022, we determined that the best technology for increasing wastewater treatment capacity through renovation, refurbishment and optimisation, is electro-oxidation. This process totally destroys any APIs in the effluent.

Our surfactant treatment line is being implemented in 2023 and should be completed in the last quarter of the year. By 2024, we will begin to treat aqueous solutions to reduce the amount of waste, which represents a large volume of Interquim's total amount, which will improve the quality of the sludge from the treatment plant and make it possible to maintain the increased production in recent years.



Ferrer has an internal procedure that applies to all discharges generated as a result of its activity in all production facilities, including all types of water: industrial, sanitary and rainwater. Ferrer has also received the mandatory environmental authorisation issued by the Generalitat de Catalunya.

We also monitor and evaluate the consumption and management of the water we use throughout our value chain.



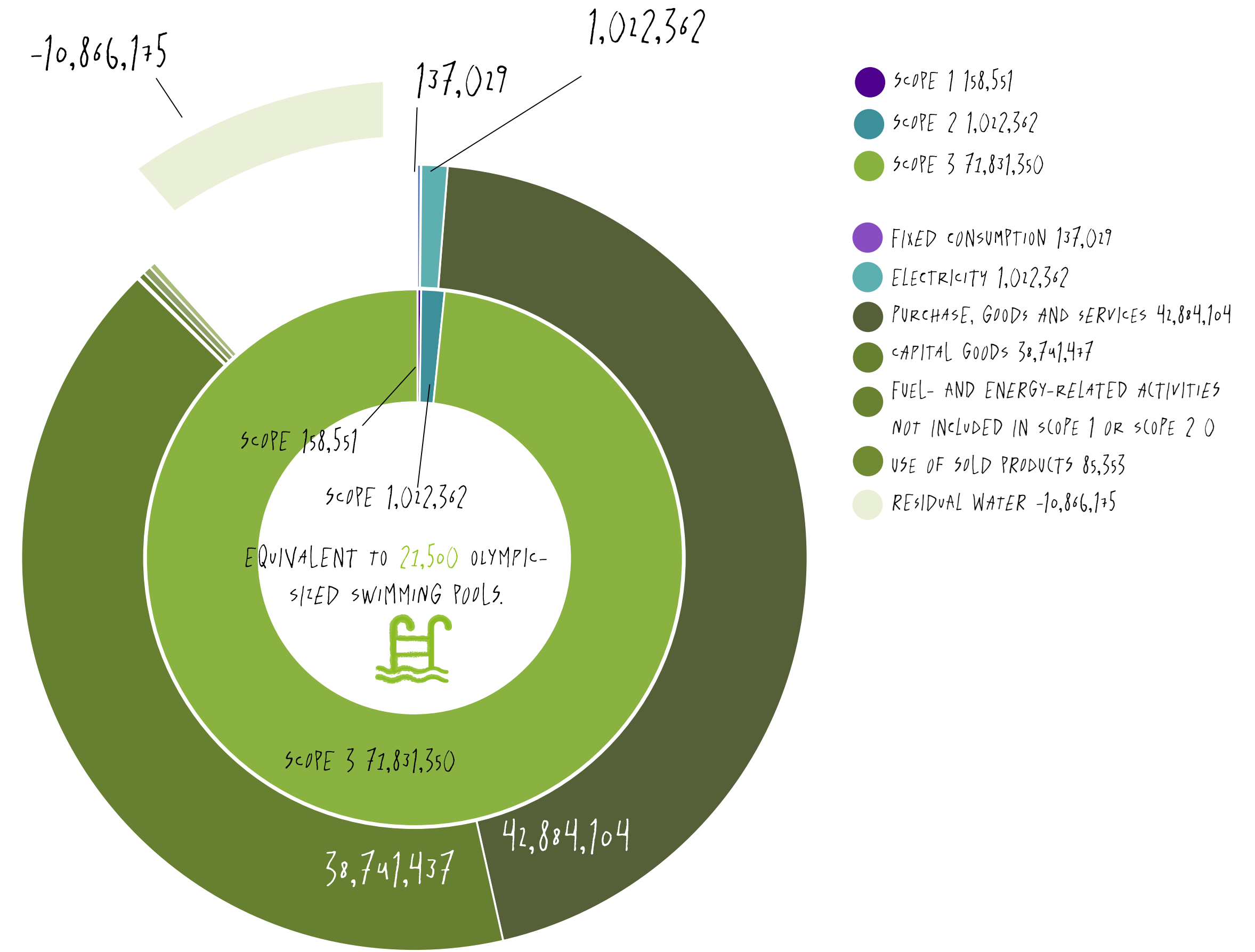
(303-3)

Below are the volumes of water extracted by source and the volume of water recycled in 2022.

WATER EXTRACTION BY SOURCE (M3)	2022	2021	2020	VARIATION 2021-2022 (%)
Municipal water supplies	212,558	201,483	191,783	5.5%
Wastewater	159,886	155,687	130,909	2.7%

(303-5)

VOLUME OF WATER RECYCLED AND REUSED	2022	2021	2020	VARIATION 2021-2022 (%)
Water recycled (m3)	2,035	2,764	2,917	-26.4%
Water reused (m3)	0	0	0	
Water recycled (%)	0.96%	1.37%	1.52%	-30.2%
Water reused (%)	0.00%	0.00%	0.00%	

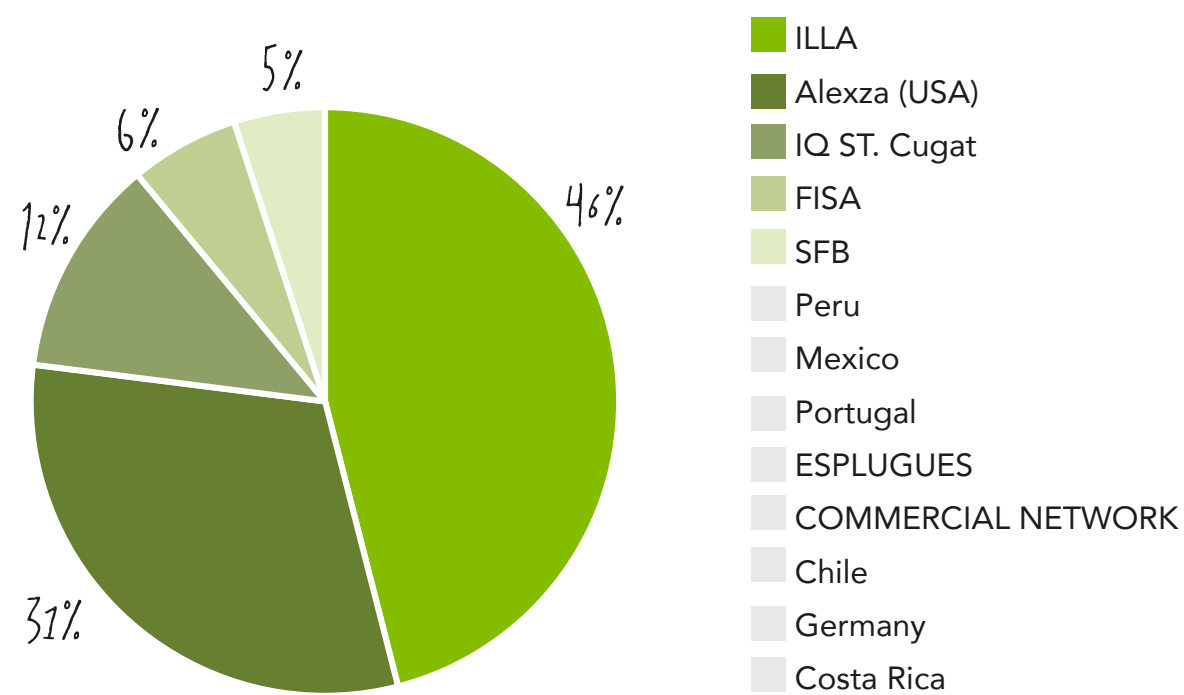


- SCOPE 1 158,551
- SCOPE 2 1,022,362
- SCOPE 3 71,831,350
- FIXED CONSUMPTION 137,029
- ELECTRICITY 1,022,362
- PURCHASE, GOODS AND SERVICES 42,884,104
- CAPITAL GOODS 38,741,437
- FUEL- AND ENERGY-RELATED ACTIVITIES NOT INCLUDED IN SCOPE 1 OR SCOPE 2 0
- USE OF SOLD PRODUCTS 85,353
- RESIDUAL WATER -10,866,175

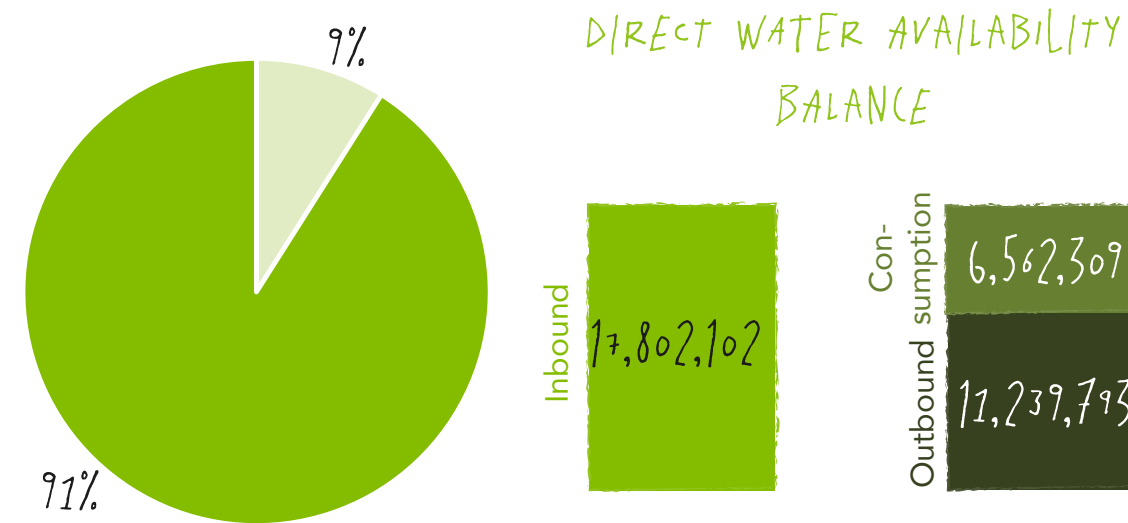
In 2022, we continued to assess the impact of our activity in terms of our water footprint or the impact generated by the organisation in terms of the consumption, scarcity and quality of the water used in our direct and indirect processes.

In 2022, Ferrer's water footprint was 73,451,658 m³ eq. The impact has been concentrated in the ILLA centre (33,676,001 m³ eq) - (46%) and the Alexza centre (22,600,861 m³ eq) - (31%). It is worth noting that in 2022 the major impact made by Alexza is mainly due to the construction of the new building at this location.

IMPACT OF AVAILABILITY PER SITE INCLUDING THE ALEXZA BUILDING



If we analyse the direct vs. indirect impact, we can see that **91% of the impact on water availability is due to indirect water**. In other words, water associated with the products and services that the organisation uses to carry out its activity, while the direct water consumed in the organisation accounts for 9% of the total impact.



The two categories with the greatest impact on water availability are capital goods (58%) and the purchase of goods and services (39%). However, if we exclude the construction of the Alexza building from the Capital Goods category, we can see how these figures reverse, with the purchase of goods and services taking first place. In this category, we can see that the impact is concentrated on consumables and solvent consumption in industrial production processes.

IMPACT OF RAW MATERIAL AVAILABILITY BY LOCATION



On the other hand, with respect to where the raw materials are manufactured, **Spain is the country with the greatest impact, accounting for 40% of the total impact** in this category, followed by other key countries, such as **China, India and Mexico**.


When we analyse the details of the purchase and acquisition of *packaging*, we can see that cardboard materials have a better environmental performance (with respect to water consumption and water scarcity) than aluminium or plastic. However, when we look at purchase volume, the impact is concentrated on **cardboard boxes (41%), plastic (14%), and aluminium/paper/plastic composite materials (13%).**

In the case of purchases of finished products from third parties, semi-finished products and 'maquila' products, 78% of the impact on water availability is related to the outsourced manufacture of products in tablet form, the main pharmaceutical form marketed by Ferrer.


Since the baseline year, a switch from hydro-electric to wind renewable energy has been implemented, significantly reducing the impact on electricity availability from 9,787,970 m3 eq in 2019 to 1,022,362 m3 eq in 2022 (90% reduction).

OBJECTIVES FOR GOOD 2023

SANT CUGAT DRUG PRODUCTION PLANT (FISA)

 > REDUCE WATER CONSUMPTION BY **2%**.

SANT CUGAT ACTIVE INGREDIENT PRODUCTION PLANT (INTERQUIM)

 > REDUCE WATER CONSUMPTION BY **2%**.

CORPORATE SERVICES

 > REDUCE OUR WATER FOOTPRINT BY **15%**.



6.3.2. Committed to protecting biodiversity

Biodiversity is fundamental to sustaining human life on Earth and in the face of overwhelming evidence that it is being destroyed at an unprecedented rate, we want to take urgent action to address worldwide biodiversity loss.

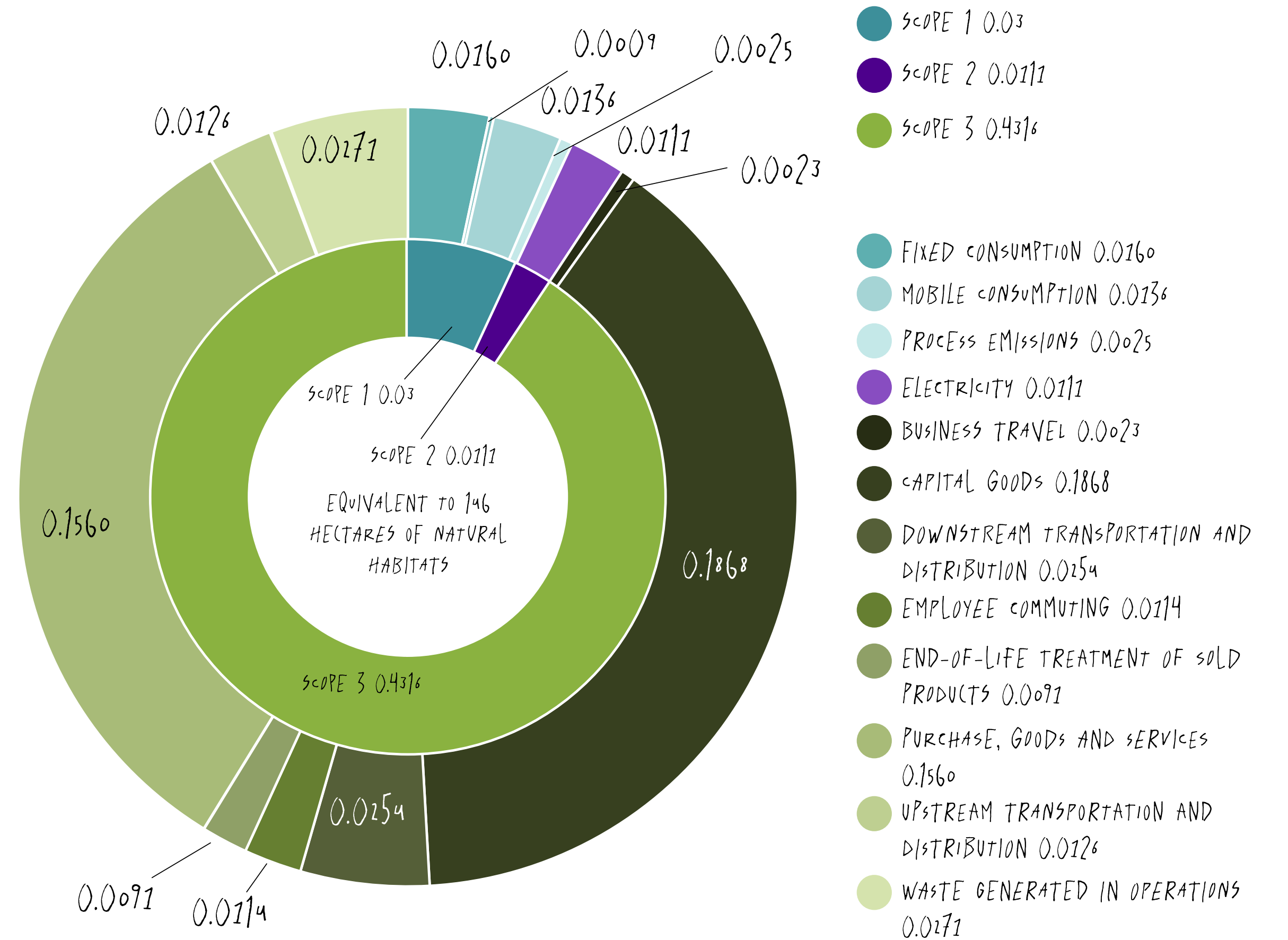
As stated in the EU Biodiversity Strategy 2030, nature is in a state of crisis. The five main direct drivers of biodiversity loss are **changes in land and sea use, overexploitation, climate change, pollution and invasive alien species, leading to the rapid disappearance of nature.** Over the last four decades, the global population of wild species has declined by 60% due to human activities, and almost three quarters of the Earth's surface has been altered, confining nature to an ever-smaller area of the planet.

Biodiversity loss and ecosystem collapse are among the greatest threats facing humanity in the next decade. They also jeopardise the foundations of our economy, and the costs of inaction are high

and forecast to rise. Between 1997 and 2011, it is estimated that the world lost between EUR 3.5 and 18.5 trillion per year in ecosystem services due to change of land use, and between EUR 5.5 and 10.5 trillion per year due to land degradation. In particular, biodiversity loss results in reduced crop yields and fish catches, increased economic losses due to floods and other disasters, and the loss of potential new sources of medicines.

In 2020, with the analysis of our biodiversity footprint, we set a **starting point from which to initiate a biodiversity protection programme**, which accompanies our resource reduction and decarbonisation initiatives and includes a target to **eliminate 100% of packaging-related deforestation** across the value chain.

Within the calculation of Ferrer's 2022 biodiversity footprint, we decided to add new impact categories in order to obtain a better analysis of our impact on natural assets. Adding these new categories will enable us to see the impact of Ferrer's activities on biodiversity in more precise detail and to define more specific actions to minimise this impact

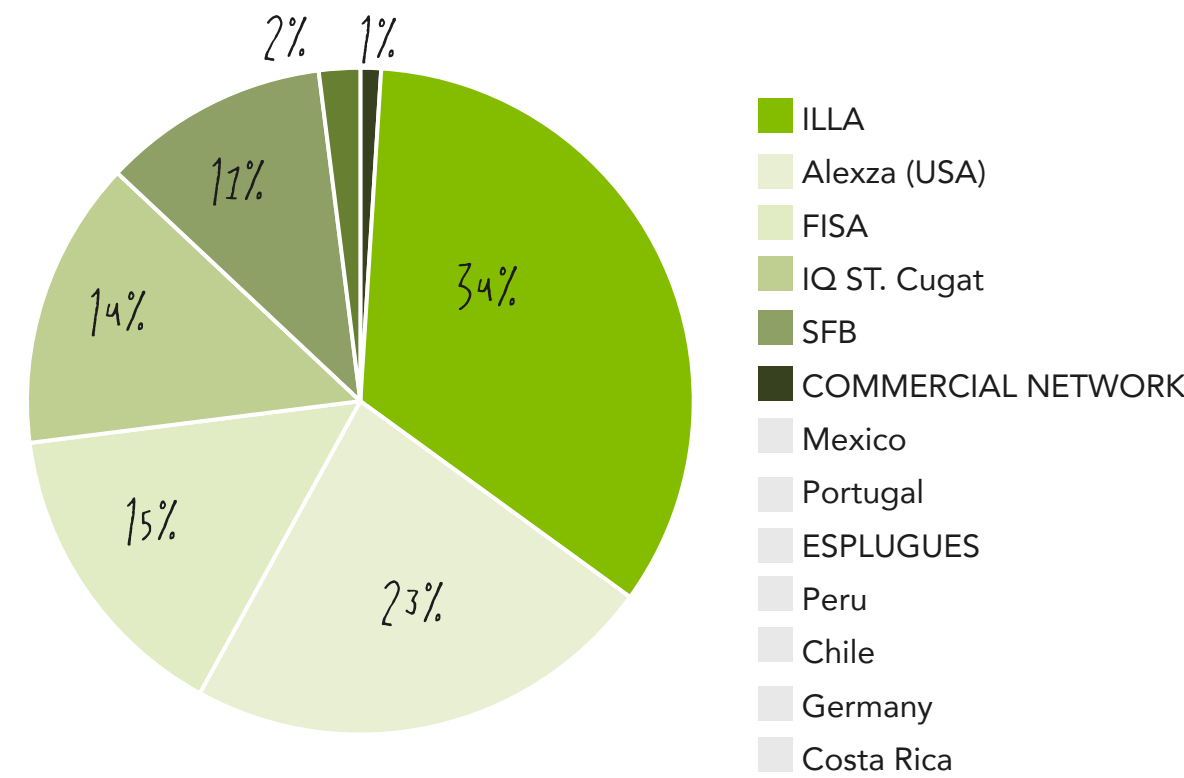


To calculate our biodiversity footprint, we have chosen, on the one hand, the ReCiPe endpoint method to calculate the impact on ecosystem damage and, on the other hand, the three midpoint impacts considered most relevant (excluding the impacts calculated for our water and carbon footprint):

- Freshwater Aquatic Ecotoxicity (FWAE):** Potential contamination of the aquatic ecosystem by toxic substances in the environment. This leads to an alteration of the environment and loss of biodiversity and/or extinction of species.
- Marine Ecotoxicity (MET):** Potential contamination of the marine ecosystem by toxic substances in the environment. This leads to an alteration of the environment and loss of biodiversity and/or extinction of species.
- Terrestrial Ecotoxicity (TET):** Potential contamination of the terrestrial ecosystem by toxic substances in the environment. This leads to an alteration of the environment and loss of biodiversity and/or extinction of species (kg 1,4-dichlorobenzene (DB) equivalent).

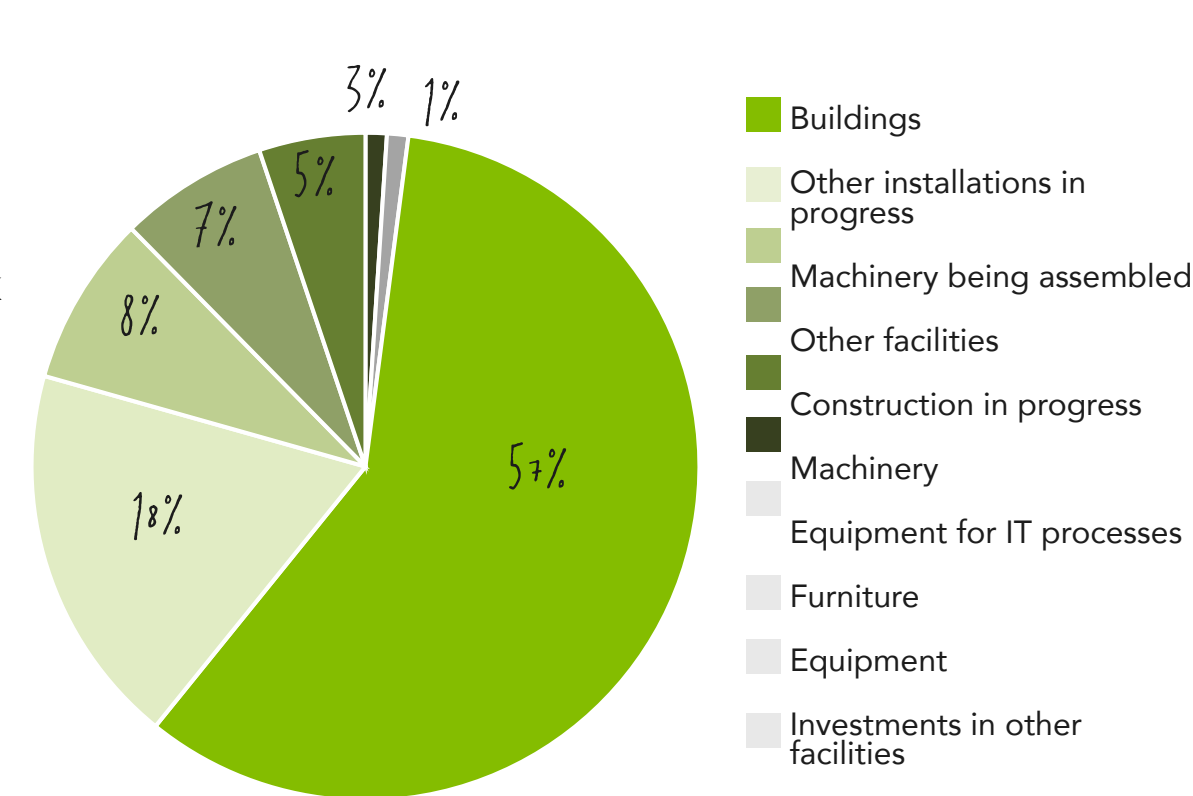
In 2022, the damage caused by Ferrer on ecosystems was 0.4759 species/year. We can see how the impact has been concentrated in the **Corporate Services centres (34%) and Ferrer's subsidiary in California (23%)**. However, the high impact in Alexza is mainly due to the construction of the new centre.

DAMAGE TO ECOSYSTEMS INCLUDING THE ALEXZA BUILDING



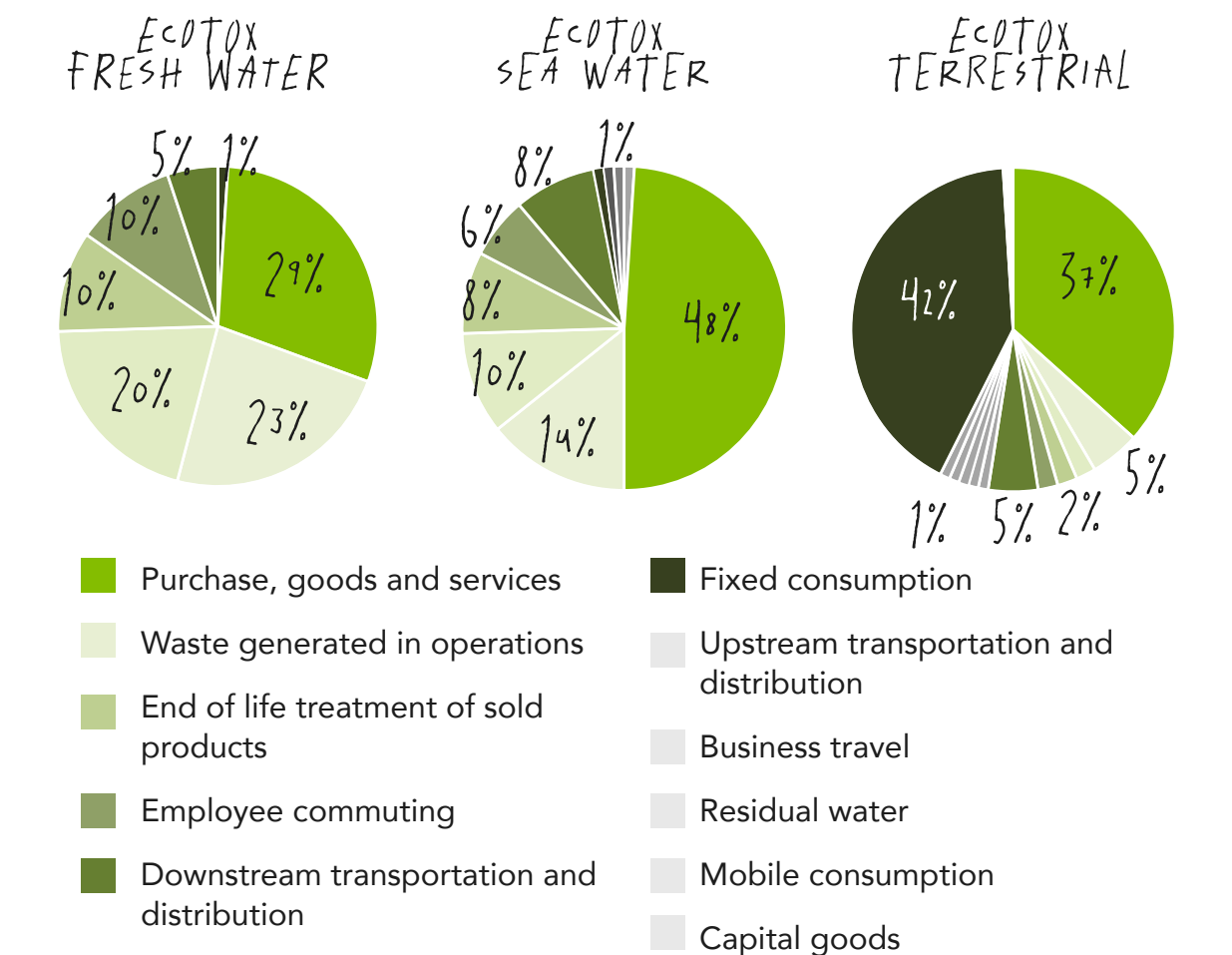
Regarding damage by scopes, this is concentrated in scope 3, with 91% of the total impact, and with two categories of greatest impact on ecosystems: **capital goods (39%) and the purchase of goods and services (33%)**. However, if we exclude the construction of our R&D centre building in California, capital goods account for 24% and the purchase of goods and services for 41%.

DAMAGE TO ECOSYSTEMS BY CAPITAL GOODS



With respect to the consumption of raw materials, if we consider the 10 raw materials with the highest impact on ecosystems, of which there are 60 in total, it can be seen that these are mainly solvents. In the case of **packaging, the impact is concentrated on cardboard boxes 43%, aluminium, paper and plastic composites 12%, and pallets 10%**.

In all three cases, a large part of the impact is concentrated on purchases. However, unlike the endpoint ecosystem damage indicator seen above, of particular relevance in these ecotoxicity-related impacts are the waste-related categories (especially on freshwater and marine water), i.e. waste generated in the organisation and end-of-life waste of products that are placed on the market.



In all three types of ecotoxicity, the impact on waste is concentrated on solvents, cleaning fluids and mother liquors (92%). This corresponds to the volume of generated waste, given that solvents, cleaning liquids and mother liquors are the most common generated waste.

- In 2022, the impact on stationary combustion has dropped due to the reduced consumption of certain fuels.
- Process emissions have increased significantly because emissions of gases that were not taken into account in previous analyses have now been included.
- All transport-related categories have increased significantly due to an update of the emission factors in the *ecoinvent* database version 3.6 used in 2021 to version 3.8 used in 2022. In the past, databases underestimated the impact of transport on biodiversity.

- In the case of capital goods, it has increased significantly because of the construction of the R&D building in California.
- With respect to wastewater, it has changed significantly due to the updating of the emission factors, both by using more regionalised factors and by the updating of the database.
- In the case of the use of sold products, it has decreased because a regionalised electricity factor has been used for Spain, which is more accurate (and less impactful) than the generic one used in 2021.

Volunteering and biodiversity

In 2022, for Liveable Planet Month, 49 volunteers from our *California R&D Centre* team removed non-native and invasive species from the Duck Pond and EcoCenter at the Palo Alto Baylands Nature Preserve. This work was done with the support of **Environmental Volunteers**, a local organisation whose mission is to promote environmental understanding and responsibility through hands-on science education. Thanks to the pro-active commitment of the people who took part, they managed to make a positive environmental impact on more than 8,000 m² of land.

In our Mexican subsidiary, 56 people planted 250 endemic trees to reforest the Cerro de Moctezuma.

In **Catalonia**, two initiatives were carried out with the Foundation for the Conservation and Recovery of Marine Animals (CRAM) in Prat de Llobregat, where clean-up days were held on El Prat beach to help create a clean and liveable ecosystem for native species. Also in Catalonia, a team of 110 people from Ferrer spent two hours **building nests and bird feeders, insect hotels and seed bombs using the Nendo Dango technique**, which were donated to different organisations and projects for the protection of biodiversity in the area.

Our goal to reduce our negative impact on biodiversity also applies to our projects to offset

emissions from events. In 2022, we organised the second **LatAm Ferrer Summit in Panama**, with the aim of offering continuing training to healthcare professionals in the region. Some 500 people attended. The event was run with the highest sustainability criteria in mind, successfully offsetting the 106 tonnes of CO₂ generated by travel, energy consumption, accommodation, food consumed and materials produced, through participation in the *VCS Peralta Wind* environmental project, an initiative to develop and operate an onshore wind farm located 280 km north of Montevideo, in Uruguay.

By the same token, Ferrer also created the LatAm Summit Forest, at which as many trees as attendees were planted symbolically through the Treedom platform, to raise awareness of sustainability among the Latin American medical community.

OBJECTIVES FOR GOOD

2023



> REDUCE OUR BIODIVERSITY FOOTPRINT BY 7%.

