

Corporate Services *By your side*

Procurement

Sustainable Procurement Policy

Procurement

Sustainable Procurement Policy

INDEX

- 01. Context**
- 02. Scope of Application**
- 03. Specific Commitments**
- 04. Management of Sustainable Procurement**
- 05. Continuous Improvement: Approval, revision and communication of the Policy**

Procurement

Sustainable Procurement Policy

INDEX

1. **Context**
2. Scope of application
3. Specific commitments
4. Management of Sustainable Procurement
5. Continuous Improvement: Approval, revision and communication of the Policy

01. Context

Ferrer is committed to having a **positive impact in society and in the environment**. Our objective is to operate as a sustainable, responsible and successful business.

Ferrer's Procurement department seeks to be **a driver of value for the business**. This means providing fast, cost-efficient, and customer-oriented service to our stakeholders, based on deep understanding of their needs and of the market.

The Procurement Department has also a leadership role for **ensuring the sustainability of Ferrer's supply chain**. This means working with our suppliers to improve their management and performance in terms of sustainability; as well as helping our internal clients to adapt their purchasing decisions in order to improve in terms of sustainability management.

We work with our network of suppliers to provide the business with products and services which offer excellent value, and which at the same time have a positive impact for all of our stakeholders.

Procurement

Sustainable Procurement Policy

INDEX

1. Context
- 2. Scope of application**
3. Specific commitments
4. Management of Sustainable Procurement
5. Continuous Improvement: Approval, revision and communication of the Policy

02. Scope of Application

Our commitment to improve sustainability performance, and to coordinate with suppliers in their sustainable development, includes all of our purchases, both **direct (referring to purchases of the raw materials and packaging for our productions as well as finished products that we commercialize)** and **indirect (referring to the products and services required to carry out our internal business activities)**. The specific actions and purchasing criteria used to improve sustainability performance may vary according to the type of purchase.

The Sustainable Procurement Policy will be based on operational processes which will specify in detail the procedures to be used in each situation.

Procurement

Sustainable Procurement Policy

INDEX

- 1. Context
- 2. Scope of application
- 3. **Specific commitments**
 - C1: Supply
 - C2: Quality
 - C3: Environmental protection
 - C4: Safe, secure, inclusive work
 - C5: Anti-bribery and Anti-Corruption
 - C6: Local purchasing
 - C7: Financial performance
- 4. Management of Sustainable Procurement
- 5. Continuous Improvement: Approval, revision and communication of the Policy



03. Specific Commitments

Ferrer commits to the following ideals which form part of the responsibility of the Purchasing Department, in conjunction with other corporate departments:

Commitment 1	Ensuring the supply of essential medicines.
Commitment 2	Product quality; patient health and safety.
Commitment 3	Environmental protection.
Commitment 4	Safe, secure, inclusive work.
Commitment 5	Anti-bribery and Anti-Corruption.
Commitment 6	Purchasing with local and social criteria.
Commitment 7	Financial performance and inclusive economic growth.



Procurement

Sustainable Procurement Policy

INDEX

1. Context
2. Scope of application
3. **Specific commitments**
 - C1: Supply**
 - C2: Quality
 - C3: Environmental protection
 - C4: Safe, secure, inclusive work
 - C5: Anti-bribery and Anti-Corruption
 - C6: Local purchasing
 - C7: Financial performance
4. Management of Sustainable Procurement
5. Continuous Improvement: Approval, revision and communication of the Policy

03. Specific Commitments

Commitment 1

Ensuring the supply of essential medicines.

Ferrer produces medicines which are crucial for patients' health. We have a responsibility to ensure that the materials needed to produce these medicines or the finished products that we do not produce, as well as the products and services required to bring them to market, are continuously available.

Application

The Procurement Department focuses on maintaining a continuous, affordable flow of the products and services required.



Procurement

Sustainable Procurement Policy

INDEX

1. Context
2. Scope of application
3. **Specific commitments**
 - C1: Supply
 - C2: Quality**
 - C3: Environmental protection
 - C4: Safe, secure, inclusive work
 - C5: Anti-bribery and Anti-Corruption
 - C6: Local purchasing
 - C7: Financial performance
4. Management of Sustainable Procurement
5. Continuous Improvement: Approval, revision and communication of the Policy

03. Specific Commitments

Commitment 2

Product quality; patient health and safety

Ferrer is committed to ensuring product quality, and thereby protecting the health and safety of the users of our products. Depending on the product or service that is being acquired, it is necessary that the Quality Assurance department performs a detailed revision of the supplier's quality system and approves its suitability.

Application

Quality forms a specific part of our supplier selection criteria and we actively track and analyse risks in our supply chain in order to ensure the safe and efficient provision of medicines for patients. We guarantee that our suppliers comply with GxP regulations. Suppliers need to go through a quality homologation process before the purchase takes place and are supervised through specific evaluation and monitoring procedures.



Procurement

Sustainable Procurement Policy

INDEX

- 1. Context
- 2. Scope of application
- 3. **Specific commitments**
 - C1: Supply
 - C2: Quality
 - C3: Environmental protection**
 - C4: Safe, secure, inclusive work
 - C5: Anti-bribery and Anti-Corruption
 - C6: Local purchasing
 - C7: Financial performance
- 4. Management of Sustainable procurement
- 5. Continuous Improvement: Approval, revision and communication of the Policy

03. Specific Commitments

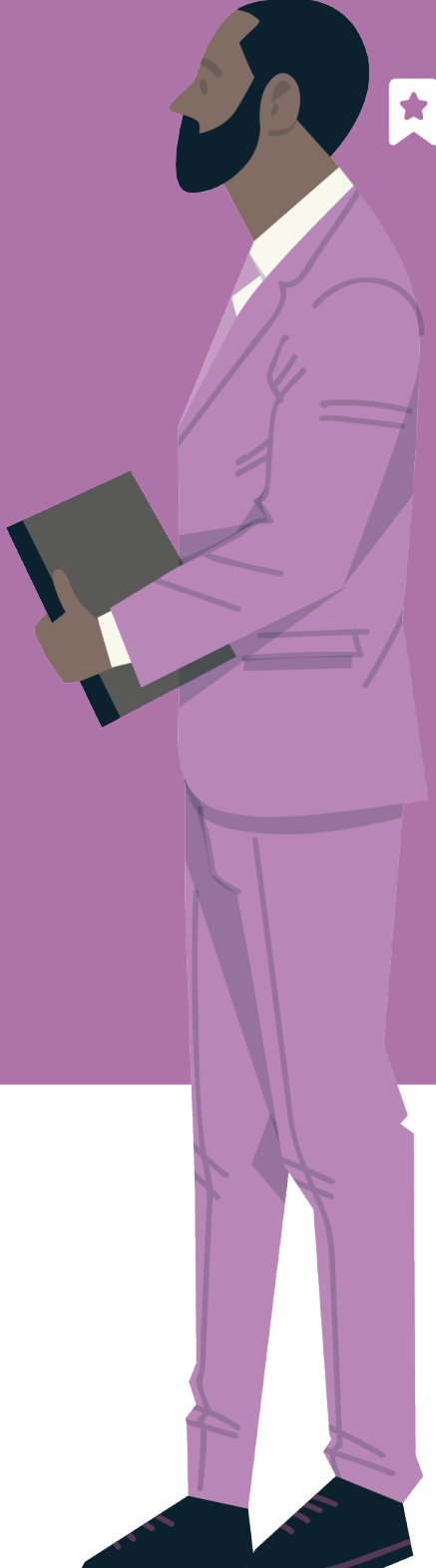
Commitment 3 Environmental protection

We are committed to the environment, and this commitment applies to the full life cycle of the product. This includes sourcing materials responsibly, reducing the carbon generated in our supply chain, promoting the transition to green energy, shifting to sustainable transportation, and working to reduce the environmental impact of our packaging, among other initiatives

Application

We commit to use supplier rating tools which measure their environmental impact.

We also commit to include environmental protection clauses in our purchasing terms and conditions, and to set objectives for reducing our carbon footprint.



Procurement

Sustainable Procurement Policy

INDEX

1. Context
2. Scope of application
3. **Specific commitments**
 - C1: Supply
 - C2: Quality
 - C3: Environmental protection
 - C4: Safe, secure, inclusive work**
 - C5: Anti-bribery and Anti-Corruption
 - C6: Local purchasing
 - C7: Financial performance
4. Management of Sustainable Procurement
5. Continuous Improvement: Approval, revision and communication of the Policy

03. Specific Commitments

Commitment 4

Safe, secure, inclusive work

We are committed to human rights, and to promoting safe secure and inclusive working environments. We expect the same from our suppliers. It is of primary importance to us that our suppliers ensure safe working conditions for their employees; and we oppose child labour and forced labour of all kinds.

Application

We commit to use supplier rating tools which measure their social impact. Suppliers who do not transparently cooperate in this effort may be disqualified or evaluated unfavorably in selection processes.

We commit to applying purchasing terms and conditions which reinforce the importance of safe and inclusive working environments.



Procurement

Sustainable Procurement Policy

INDEX

- 1. Context
- 2. Scope of application
- 3. **Specific commitments**
 - C1: Supply
 - C2: Quality
 - C3: Environmental protection
 - C4: Safe, secure, inclusive work
 - C5: Anti-bribery and Anti-Corruption**
 - C6: Local purchasing
 - C7: Financial performance
- 4. Management of Sustainable Procurement
- 5. Continuous Improvement: Approval, revision and communication of the Policy

03. Specific Commitments

Commitment 5 Anti-bribery and Anti-Corruption

In Ferrer we promote a zero-tolerance policy regarding corruption and bribery, as described in our Ethical Code, our Ethical Code for Third Parties, and our Anti-Corruption and Anti-Bribery Policies.

Application

Ferrer conducts due diligence on our suppliers, as defined in our Policy on Business Partner Due Diligence, and in the procedures it defines. We apply the principle of zero tolerance for our internal organization and require the same from our suppliers, as indicated in our purchasing terms and conditions.



Procurement

Sustainable Procurement Policy

INDEX

1. Context
2. Scope of application
3. **Specific commitments**
 - C1: Supply
 - C2: Quality
 - C3: Environmental protection
 - C4: Safe, secure, inclusive work
 - C5: Anti-bribery and Anti-Corruption
 - C6: Local purchasing**
 - C7: Financial performance
4. Management of Sustainable Procurement
5. Continuous Improvement: Approval, revision and communication of the Policy

03. Specific Commitments

Commitment 6

Purchasing with local and social criteria

Ferrer is committed to having a positive impact on local communities and understands the social and environmental importance of purchasing locally. We value diversity and inclusivity in our suppliers, both in terms of business ownership and employment practices. We take into consideration independent certifications and recognitions (including B Corp, Fair Trade, ISO and others).

Application

We review our purchasing categories to identify those where local purchasing and ownership diversity can have a positive impact.



Procurement

Sustainable Procurement Policy

INDEX

1. Context
2. Scope of application
3. **Specific commitments**
 - C1: Supply
 - C2: Quality
 - C3: Environmental protection
 - C4: Safe, secure, inclusive work
 - C5: Anti-bribery and Anti-Corruption
 - C6: Local purchasing
 - C7: Financial performance**
4. Management of Sustainable Procurement
5. Continuous Improvement: Approval, revision and communication of the Policy

03. Specific Commitments

Commitment 7

Financial performance and inclusive economic growth

We are committed to providing cost effective service that creates value for Ferrer and ensures the long-term success of the business. We are also committed to working with a strong, sustainable, and inclusive network of providers, and to helping suppliers move towards increasingly sustainable practices.

Application

We take into consideration the size and financial performance of our providers in order to protect Ferrer and to allow our providers to share in our growth with dignity and independence.



Procurement

Sustainable Procurement Policy

INDEX

1. Context
2. Scope of application
3. Specific commitments
- 4. Management of Sustainable Procurement**
5. Continuous Improvement: Approval, revision and communication of the Policy

04. Management of Sustainable Procurement

Our commitment to sustainable procurement is supported by specific operational mechanisms to ensure its impact. These include:

- 1. Alignment of the sustainable purchasing initiatives with the financial and operational objectives of the business.**
- 2.** Creation of an **action plan** for implementing sustainable purchasing. The plan includes initiatives to promote sustainability in our supply chain using policies, procedures, contract clauses, supplier evaluation, supplier communications, internal working groups, and participation in sectorial initiatives.
- 3. Use of KPIs** to measure the performance of the procurement department, and the degree of implementation of sustainability measures in the department.
- 4.** Inclusion in the annual corporate budget of the **resources and tools** required to maintain the sustainable purchasing action plan.
- 5.** Definition of **roles and responsibilities** for directing the Sustainable Procurement program and coordinating its governance, including when acting in collaboration with other Departments of Ferrer. This applies to both to the general governance of the program, as well as to the management of cross-functional working groups focused on specific purchasing categories or sustainability issues.

Procurement

Sustainable Procurement Policy

INDEX

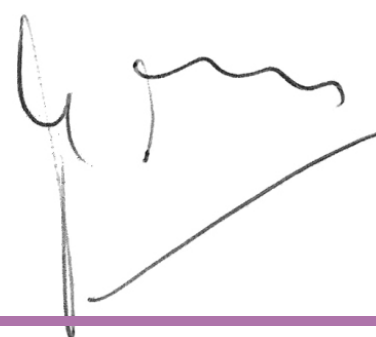
1. Context
2. Scope of application
3. Specific commitments
4. Management of Sustainable Procurement
5. **Continuous Improvement: Approval, revision and communication of the Policy**

05. Continuous Improvement: Approval, revision and communication of the Policy

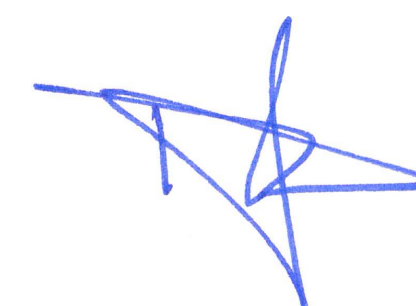
This policy will be subject to continuous revision and improvement. Revision can occur due to changes in business operations, or during the annual revision process. Non-compliance with this Policy may result in disciplinary actions.

This policy enters into effect as of 20th April 2021, and will be available for all employees of Ferrer through the usual internal channels.

Signed by:



Mario Rovirosa
CEO



David Ferrer
CFO

Procurement

Sustainable Procurement Policy

Version control

Version	Modifications	Date of Signature
0.1	First Version	20 / 04 / 2021

Departments / Governance structures involved

	Departament / Function	Organization	Date
Drafted by	Procurement Department	Grupo Ferrer Internacional, S.A.	15 / 04 / 2021
Approved by	CEO and CFO	Grupo Ferrer Internacional, S.A.	20 / 04 / 2021

Relevant information

Scope of Application (global / local)	Global
Related norms	Ethical Code Ethical Code for Third Parties Human Rights Policy Climate Change Policy Policy on Anti-Corruption and Anti-Bribery (ABAC) Policy for the Prevention of Money Laundering Policy for Business Partner Due Diligence
Responsible for maintaining and implementing the policy	Corporate Procurement Department

Corporate Services *By your side*

Procurement

Sustainable

Procurement Policy

