

LIVEABLE PLANET



Water Policy

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Water Policy

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1 Context and challenges

Water is a fundamental resource to cover the basic needs of the population, but also for industrial development, energy production and the maintenance of ecosystems.

However, freshwater accounts for only 2.5% of the total water on Earth, and much of it is frozen. Thus, access to drinking water is severely limited. Sustainable and equitable management of this resource is crucial to ensure the survival of all ecosystems on the planet.

Today, water scarcity affects more than 40% of the world's population. However, this is not the only problem we face: pollution is another factor that seriously affects the state of water and can derive from many different sources. Approximately 1.8 billion people in the world use contaminated drinking water sources, and it is estimated that by 2030 half of the population will be living in water-stressed regions.

Ferrer wants to have a positive impact on society, and understands that economic development must be accompanied by the sustainable management of its activity, thus helping to improve the quality of life and the protection of the planet on which we live.

For all these reasons, and due to water's importance as a resource for production processes at Ferrer, the Liveable Planet pillar comprises an area of action dedicated to the protection of natural resources, including water. We work to ensure proper water management, applying prevention, reuse and recovery measures, whenever possible.

The report of the Intergovernmental Panel on Climate Change states that, by 2025, 25% of the world's population will suffer from recurrent water shortages, as most of the impacts of this climate emergency are water-related.



2 What have we achieved?

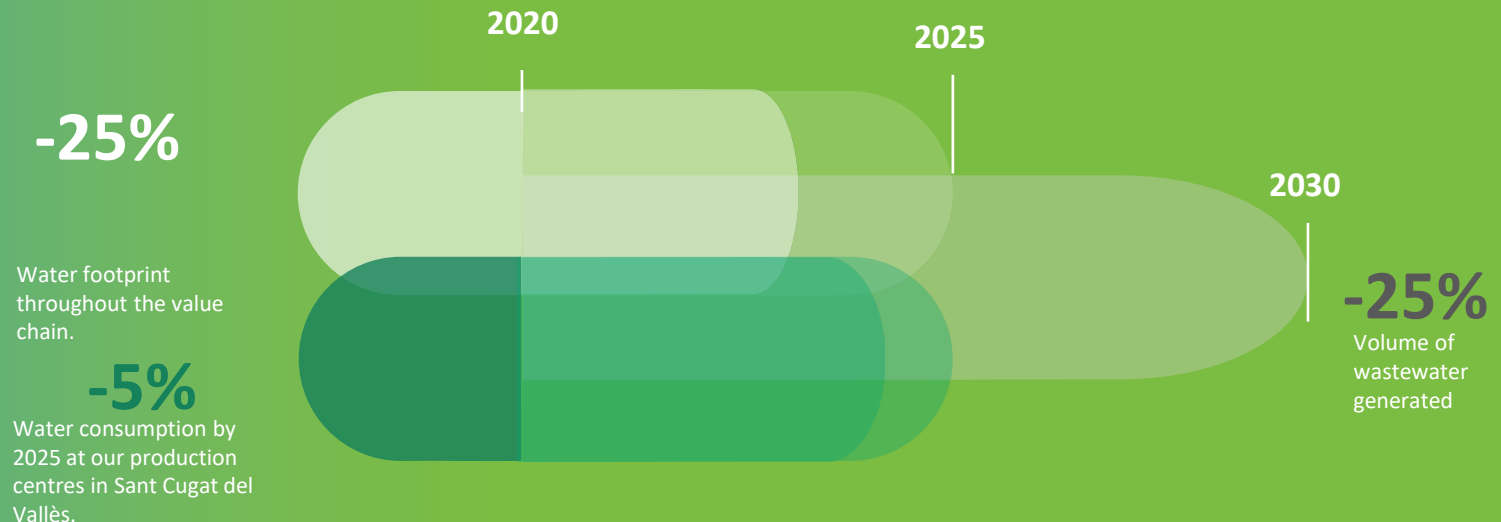
At Ferrer, we **monitor and evaluate the consumption and management of the water** we use throughout our value chain, which is why we are creating the Integrated and Efficient Water Resources Management Programme.

In 2020, Ferrer developed a **Water Management Plan** for the production plants in Sant Cugat (medicinal products plant and Interquim fine chemicals plant) to minimise the use of water in all the plants' processes, and we've identified actions to help improve efficiency in its use and treatment.

In 2020, we set the baseline for water management throughout our value chain by **calculating our Water Footprint** in order to quantify and identify the extent of the impact generated by our

activity.

We also developed and planned **water consumption saving and efficiency measures**, as well as aspects related to raising staff awareness, to encourage responsible use of this resource.



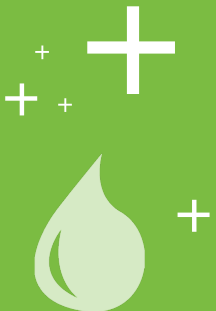
3 What will we do?

We want to put the necessary measures in place to ensure appropriate water resource management at our sites and throughout our value chain.

We will therefore work to:

- Reduce our water footprint by **25%** across the value chain by 2025.

- Reduce water consumption by **5%** at our production centres in Sant Cugat del Vallès by 2025.
- Identify the presence of critical APIs in the final effluent from production processes.
- Reduce the volume of wastewater generated at our production centres by 25% compared to 2019 by 2030.



4 How are we going to do it?

Ferrer is responsible for keeping people healthy by manufacturing medicines, and keeping the planet healthy by responsibly managing the natural resources it uses in its activity. To continue taking steps to improve water management at Ferrer, we believe it is necessary to quantify the impact generated by the company.

That's why, in 2020, we started to calculate **Ferrer's Water Footprint (WF)**, taking the company's entire value chain into consideration. The study was carried out based on 4 different indicators:

- **Water scarcity:** Quantification of water that remains available per area once Ferrer's demands have been met.
- **Water consumption:** Overall indicator of consumption and changes in the quality of the water resources that the organisation directly and indirectly uses to produce goods and services.
- **Acidification:** Potential for a decrease in the pH of the medium (soil or water) as a result of the emission of acidic substances. It increases the acidity of water and soil systems.
- **Eutrophication:** Potential for nutrients to accumulate in aquatic systems

The Water Footprint concept helps us to visualise the hidden water impact of our products and activities and helps us to understand the effects of consumption and trade on the water crisis. This indicator takes into consideration the consumption and the changes produced both directly and indirectly, either by the consumer, the producer or the marketing company.

With responsibility

- Water balance, electricity consumption, raw material consumption and packaging are the processes that contribute most to Water scarcity.
- For Acidification and Eutrophication, processes involving fossil fuel consumption, such as logistics and the company's own fleet, become important, together with raw materials and packaging.
- Finally, the centres with the greatest impact on our Water Footprint are FISA and Interquim, since they have the highest consumption of water, electricity and materials.

29%

Direct water consumption



Water balance

24%

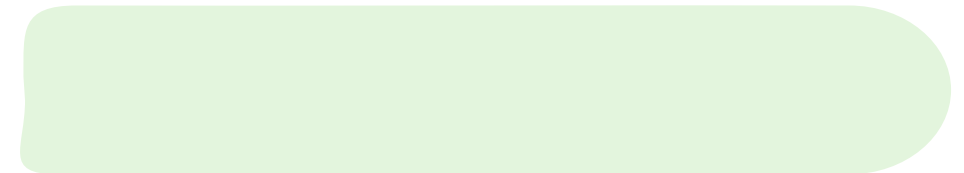


Usage phase

5%

71%

Indirect water consumption



Electricity

43%



Raw materials

19%

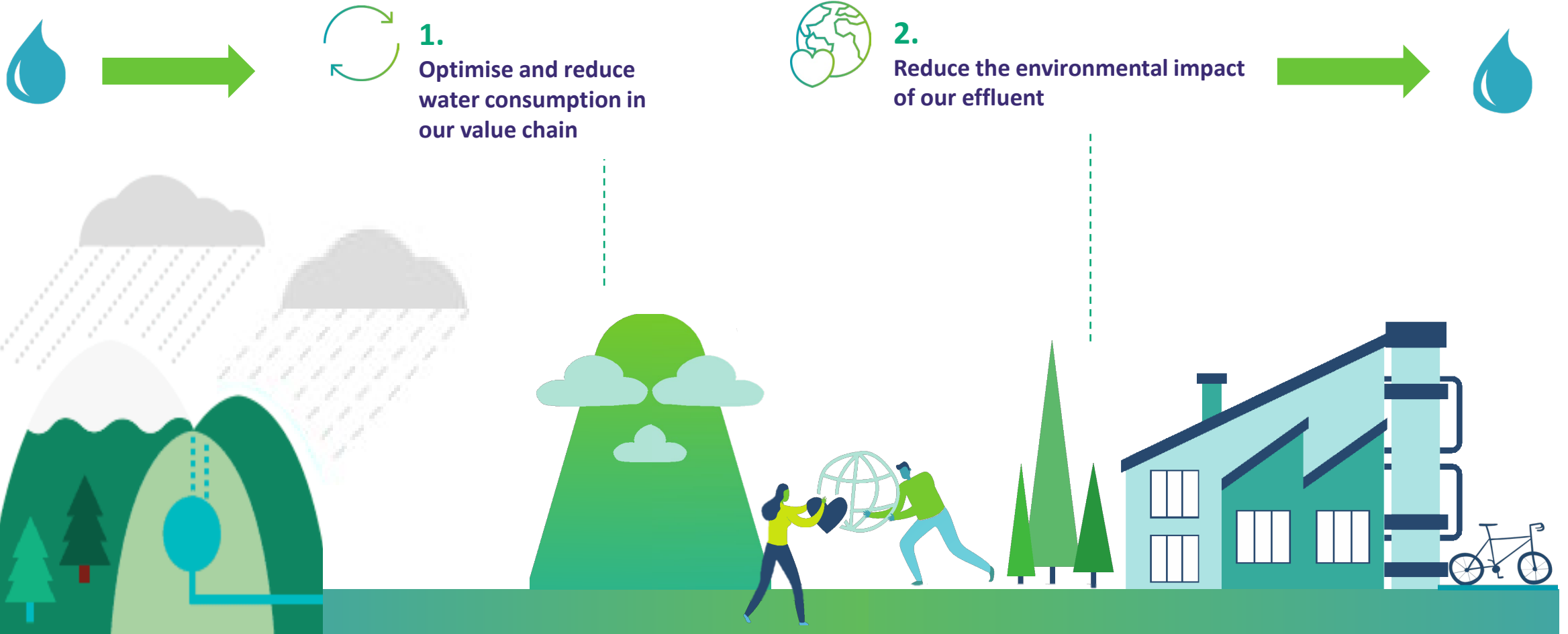


Packaging

9%

With commitments

Ferrer will draw up a strategy to ensure that water resources are appropriately managed at our centres and throughout our value chain. For this reason, our strategy is built around 2 commitments:



1

Optimise and reduce water consumption in our value chain



✓ We will encourage methods for the conservation, recovery and reuse of water and for this purpose:

- We will collect and reuse wastewater from our production systems for other uses.
- We will reuse rainwater to irrigate landscaped areas and green roofs.
- We will carry out water efficiency studies at all Ferrer centres to ensure pre-industrial levels.

✓ To ensure compliance with the highest sustainability standards, all our facilities are or will be endorsed by LEED certification, guaranteeing proper use and management of natural resources at all certified centres.

✓ We will analyse the main raw material suppliers that have an impact on our water footprint, through the “For Good Suppliers Programme”, and we will define actions for improvement.

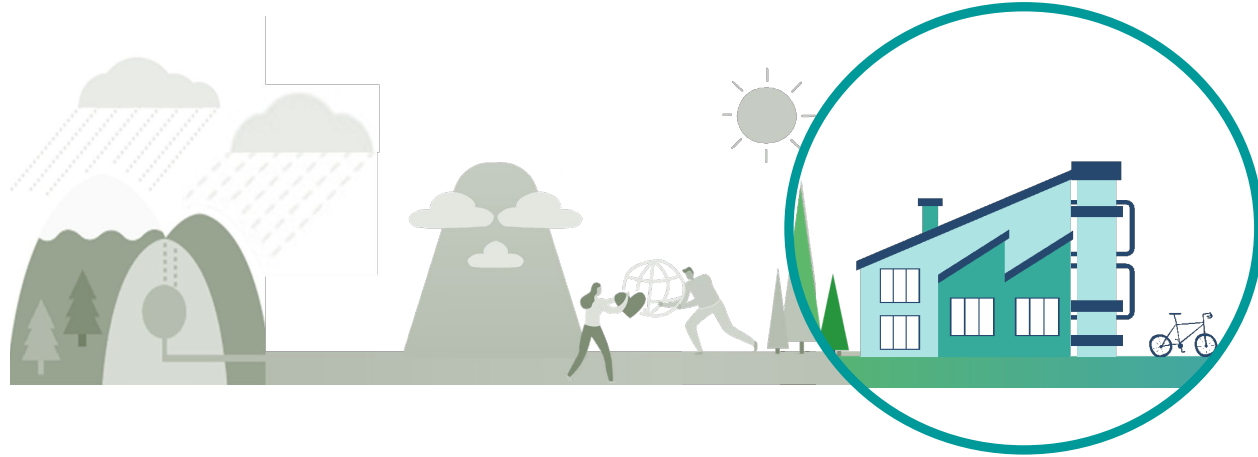
✓ We will study the origin of our raw materials to detect the regions where water is most scarce or least available. We will focus our actions on reducing this impact by seeking alternatives in the origin and procurement of these raw materials.

• Reduce our water footprint by **25%** across the value chain by 2025.

• Reduce water consumption by **5%** at our production centres in Sant Cugat del Vallès by 2025.

2

Reduce the environmental impact of our effluent



Our commitment

- ✓ We will act according to the principle of preventing and minimising water consumption and wastewater generation.
- ✓ We will ensure that any unavoidable wastewater generated during installation or operation is diverted to the sewer system and/or wastewater facilities.

- Identify the presence of critical APIs in the final effluent from production processes.
- Reduce the volume of wastewater generated at our production centres by 25% compared to 2019 by 2030.



Monitoring and control

We will periodically monitor the measures established to ensure that they are working correctly and being complied with. We will also measure the indicators to adjust or correct those measures or actions that need it, thereby avoiding potential discharges or spillages at production centres.

We will also carry out regular maintenance of the installations to prevent water leaks.

- We will find out where the highest consumption occurs by monitoring the centre's water flows and balances (installation of meters).
- We will create a database to monitor water consumption.
- We will set up a water management working team to align the initiatives at the centres and the attainment of the defined goals.

Training and awareness-raising

With the calculation of the Water Footprint and the study of the Integrated and Efficient Water Resources Management Plans, Ferrer will create a **Water Management Programme** that will be aligned with the commitment undertaken in the Sustainability Strategy to protect our planet's natural resources.

A series of communication and awareness-raising actions on good practices for water use and management will also be carried out at all Ferrer's centres.



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05. Continuous improvement: policy approval, review and communication

This Policy will be subject to continuous review and improvement, especially when business circumstances require this. In any case, this Policy will be reviewed annually as a matter of course and will be duly updated if required.

This Policy will come into force **from 27 April 2021** and will be available to all Ferrer Group employees through the usual internal channels.

Signed by:

Mario Rovirosa
CEO



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Version control

Version	Changes made	Effective date
0.1	Original version	27 / 04 / 2021
0.2	Second version	30 / 05 / 2023

Departments / Governing Bodies involved

	Department / GB	Entity	Date
Prepared by	Sustainability Department	Grupo Ferrer Internacional, S.A.	27 / 04 / 2021
Approved by	CEO	Grupo Ferrer Internacional, S.A.	27 / 04 / 2021

Relevant Information

Scope of application (global / local)	Global
Related standards	Climate Change Policy Biodiversity Policy Waste Policy Sustainable Packaging Model Policy
Main party responsible for its oversight	Sustainability Department