



Sustainable Procurement Policy

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**

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.

This Sustainable Procurement Policy aims to extend our ethical and sustainability principles throughout our entire supply chain. This means working with our suppliers to improve their management and performance in terms of sustainability; as well as adapting our 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 our stakeholders.

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

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.

Sustainable
Procurement Policy

INDEX

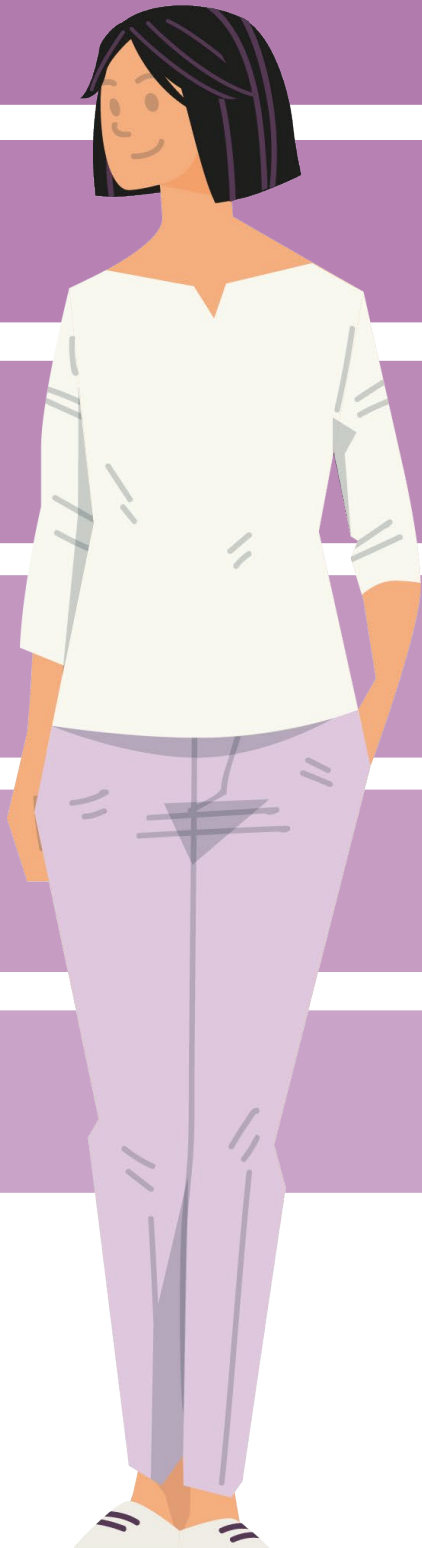
- 1. Context
- 2. Scope of application
- 3. Specific commitments
 - C1: Supply
 - C2: Quality
 - C3: Environmental protection
 - C4: Safe, secure, inclusive work
 - C5: Anti-bribery and Anti-Corruption
 - C6: Local purchasing
 - C7: Financial performance
- 4. Management of Sustainable Procurement
- 5.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



03. Specific Commitments

Ferrer takes on the following commitments:

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.



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

Ferrer focuses on specific actions to maintain a continual flow of the products and services required.



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 to revise in detail the supplier's quality system and approve 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.



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

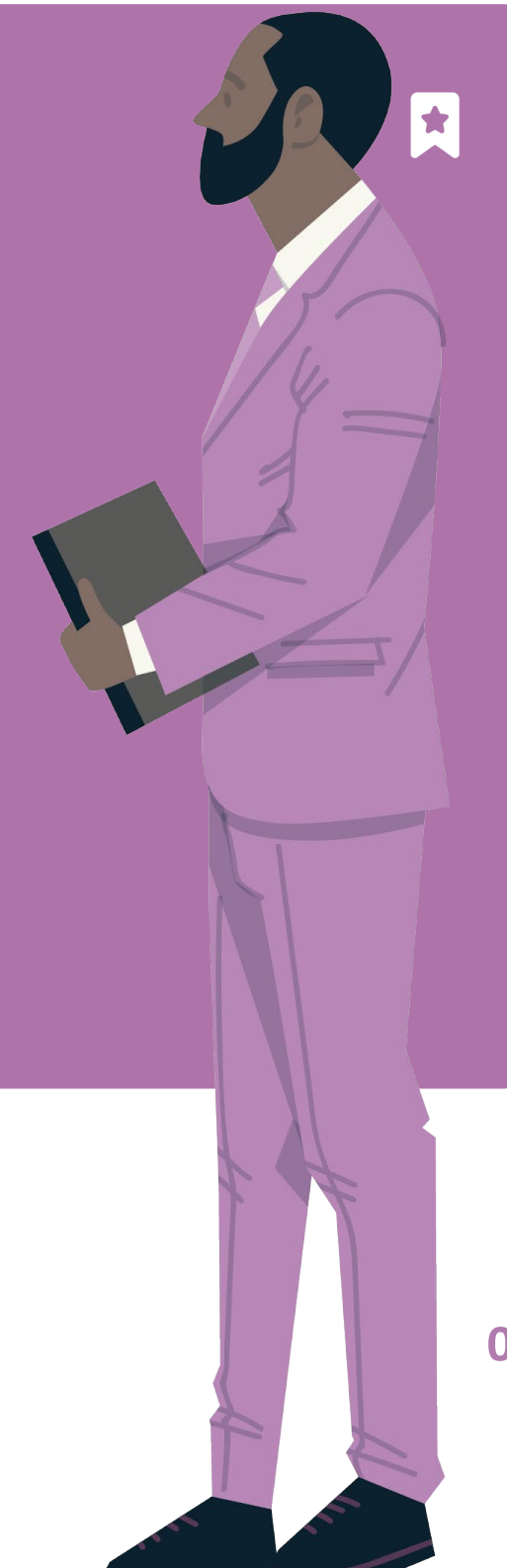
Commitment 3 Environmental protection

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.



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

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.



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.



03. Specific Commitments

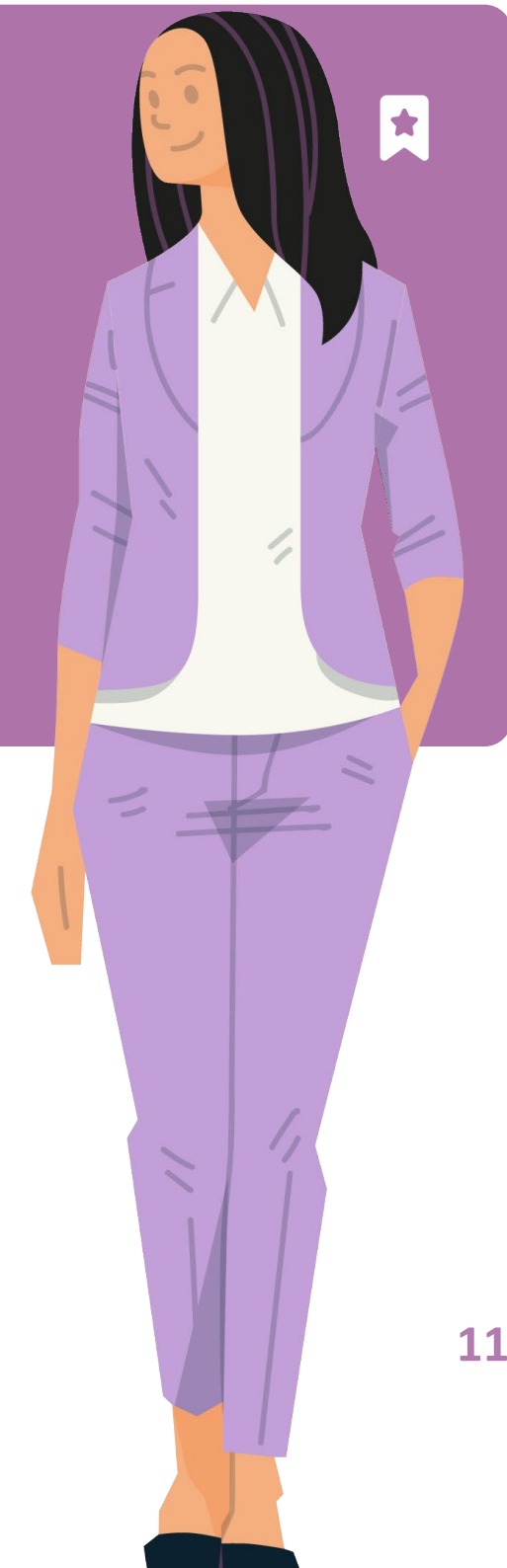
Commitment 6

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.



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.



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

04. Management of Sustainable 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

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.

INDEX

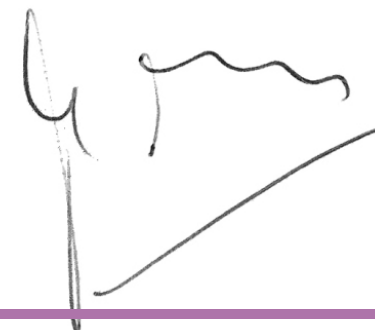
- 1. Context
- 2. Scope of application
- 3. Specific commitments
- 4. Management of Sustainable Procurement
- 5. Continuous Improvement: Approval, revision and communication of the Policy

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

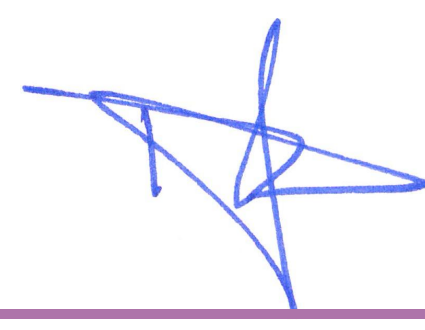
This policy will be subject to continuous revision and improvement. Revision can occur due to changes in business operations, or during the annual revision process. Non-compliance with this Policy may result in disciplinary actions.

This policy enters into effect as of **20th April 2021**.

Signed by:



Mario Rovirosa
CEO



David Ferrer
CFO



Sustainable
Procurement Policy

