

LIVEABLE
PLANET



Climate Change Policy



LIVEABLE PLANET

Climate Policy

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Context and challenges

The global climate crisis is the main challenge facing our society. Maintaining the global temperature increase below 1.5°C is still technically possible, but this requires us to accelerate our efforts, reducing global carbon emissions.

Aware of this, Ferrer considers the transition to a low-carbon economy essential and urgent and aligns its climate change mitigation and adaptation strategy with the objectives of the Paris Agreement (COP21) and the United Nations Sustainable Development Goals as part of its response to the enormous challenges we face as a society.

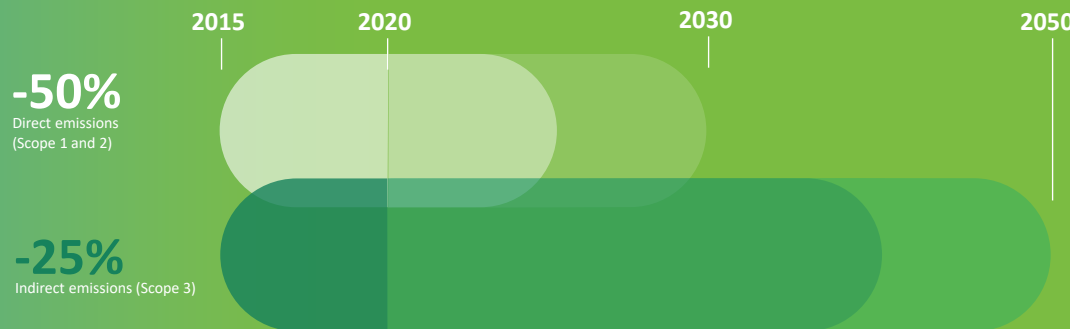
Ferrer wants to have a positive impact on society and understands that economic development must be accompanied by a sustainable management of its activity, which helps to improve quality of life and protect the planet that we live on. Therefore, Ferrer has adopted certain commitments to respond to the handling of the current climate crisis and to help transform the way we deal with the mitigation and adaptation to climate change from our business perspective of promoting people's health.

The message from the Intergovernmental Panel on Climate Change is clear and unequivocal: we must rapidly decarbonise the global economy to limit temperature increases and avoid the worst impacts of climate change.

CO₂+

What have we achieved?

Ferrer aligns its climate change mitigation and adaptation strategy with the SDGs of the 2030 Agenda as part of its response to the enormous challenges we face as a society. Since 2013, Ferrer has been monitoring CO₂ emissions, calculating the carbon footprint of our activity, and since 2015 we have reduced direct emissions by 50% (scopes 1 and 2), and global emissions by 25%, including indirect scope 3 emissions. All this, thanks to different initiatives that the organisation has launched to reduce emissions, such as improving End of Life waste management, encouraging its reuse and recovery, as well as promoting the circular economy on its packaging, protecting natural capital, the use of sustainable resources, and sustainable building, to give some examples.

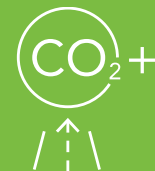


What are we going to do?

We'll be Carbon Positive with regards to our direct carbon emissions by 2030, and Carbon Positive with regards to all our direct and indirect emissions by 2050.

To achieve this, we'll reduce the emissions we're directly responsible for by **50%** by 2030, and those we're indirectly responsible for by **25%** by 2030.

We're also committed to neutralising our residual carbon footprint with emission reduction and carbon removal projects so that we can become a Carbon Positive organisation.



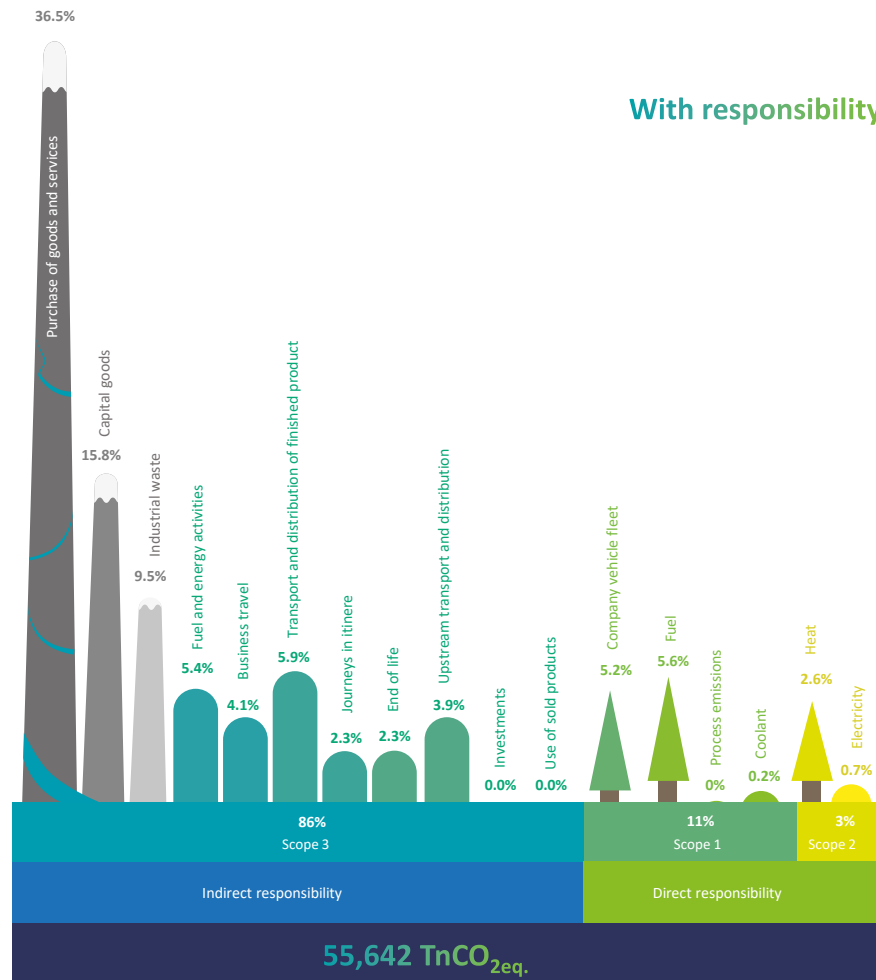
How are we going to do it?

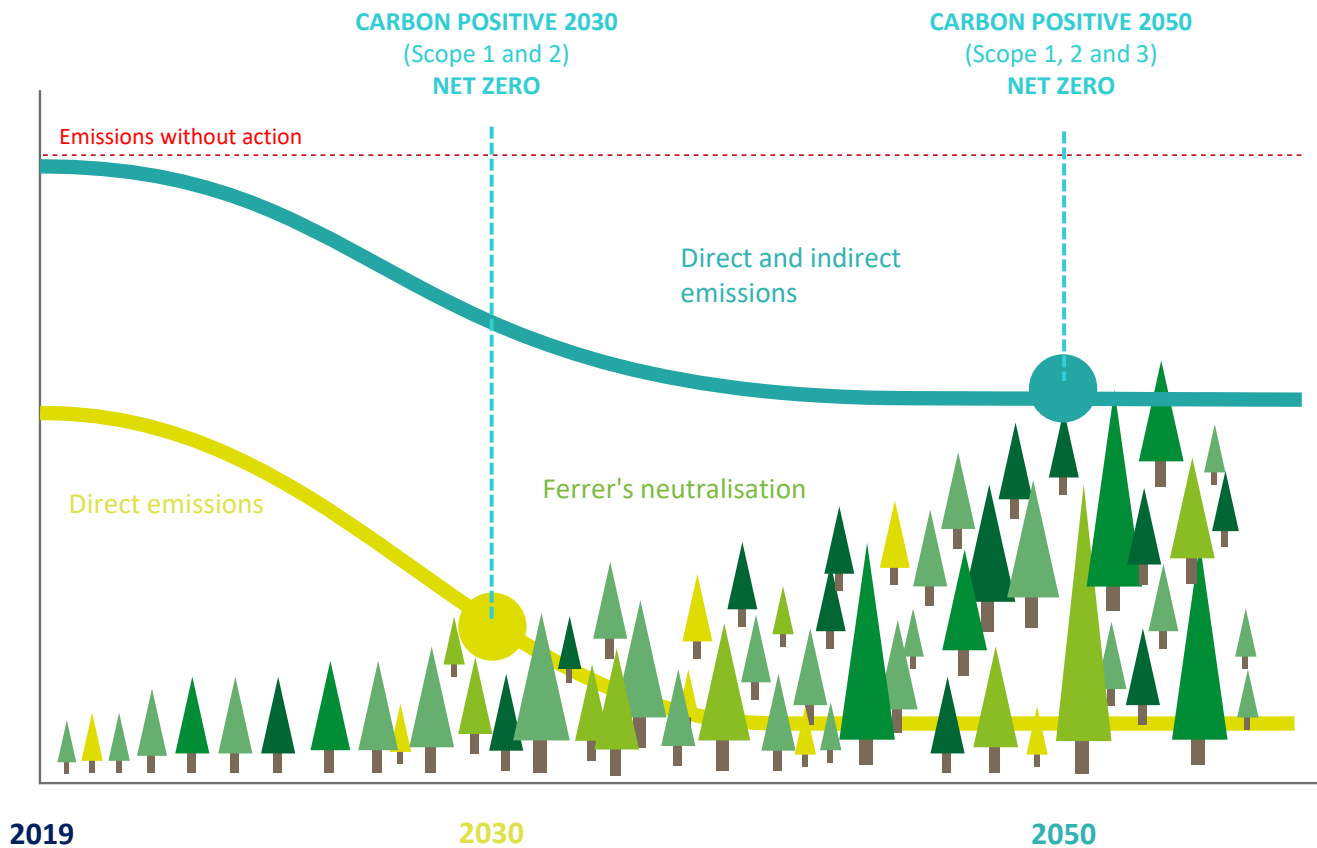
Ferrer is responsible for keeping people healthy by manufacturing medicines, and keeping the planet healthy by responsibly managing the natural resources it uses in its activity.

The first step towards responsible carbon management is to measure our impact and address Ferrer's entire global carbon footprint. In this regard, in 2019 the total scope of direct and indirect GHG emissions related to Ferrer, amounted to 55,642 tons of CO₂ equivalent.

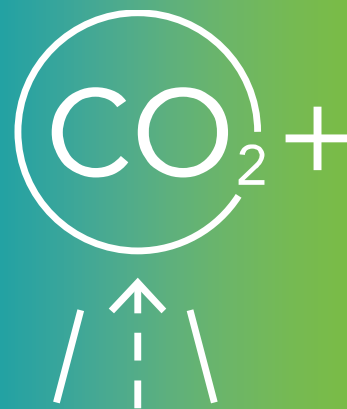
Our impact is divided between

those emissions **for which Ferrer is directly responsible (Scopes 1 and 2)**, emissions over which we have operational control and that we have been working to reduce since 2013. And those for which **Ferrer shares responsibility (Scope 3)**, which is where the emissions of the organisation's value chain are to be found. These are the ones in which we can collaborate with our suppliers and stakeholders to find reduction and neutralisation synergies at all levels of our chain in order to jointly transform the way we tackle climate change.



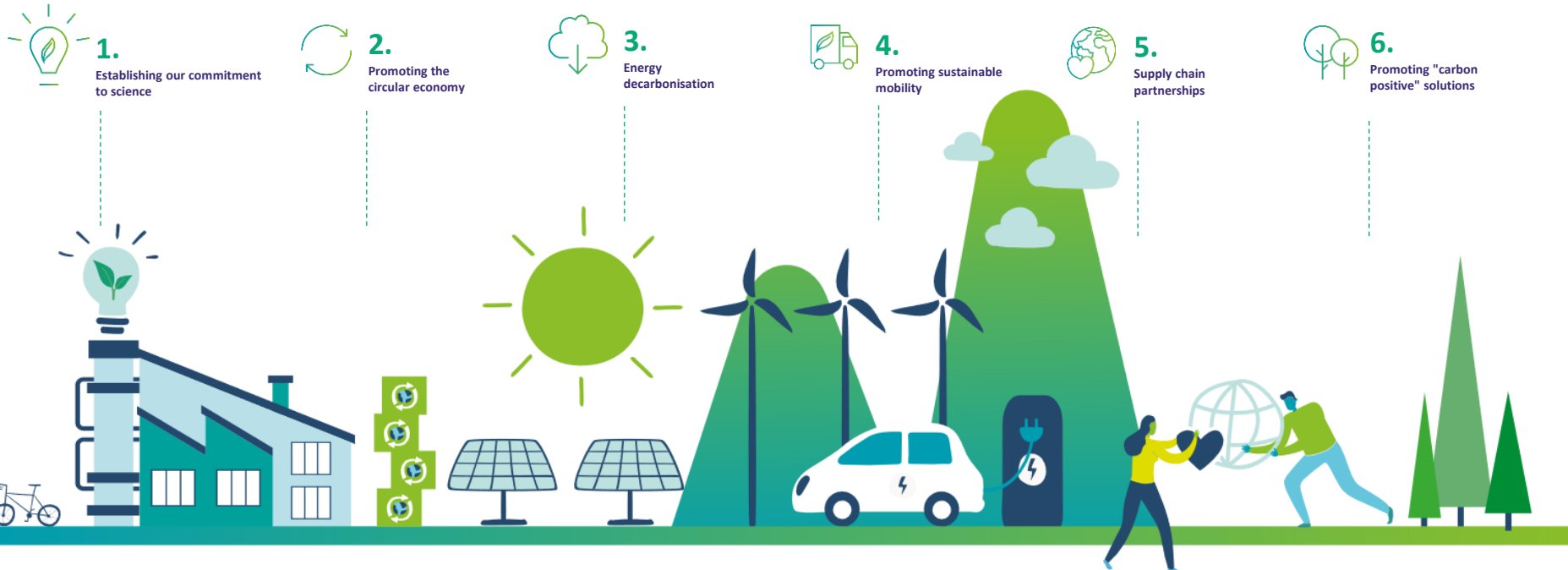


With commitments



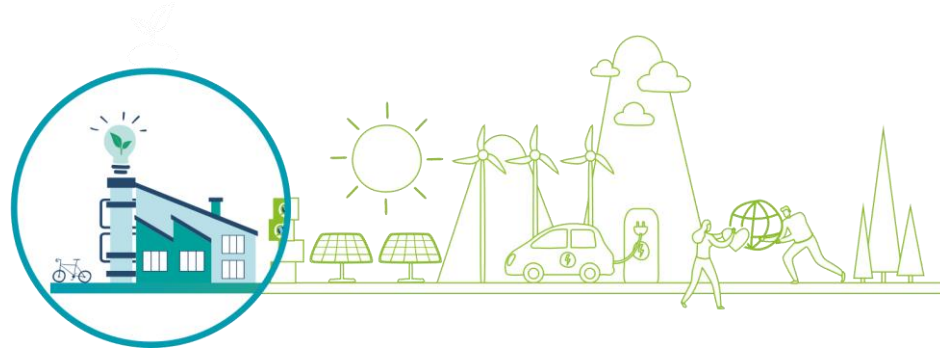
Carbon Positive by 2050

Ferrer will draw up a strategy to reduce and neutralise GHG emissions in line with the 1.5°C context. It will thus contribute towards a low-carbon economy that exceeds the zero emissions target, generating **more reductions than necessary, and achieving its "Carbon Positive" commitment**. Our strategy is structured around 6 main commitments:



1

Establishing our commitment to science



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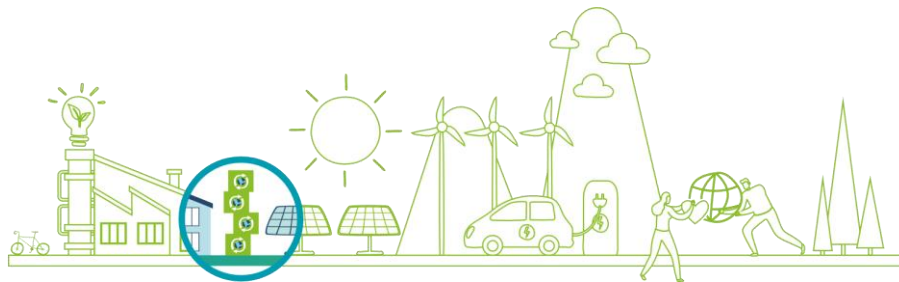
- **Calculating the total impact generated by Ferrer's activity**, including all indirect emissions (scope 3), including 100% of the subsidiaries, which are relevant to the total value of the carbon footprint.
- **Setting science-based targets (SBTs) for reducing our direct and indirect emissions** in line with the latest scientific reports, which state that, in order to meet the Paris Agreement targets, global warming must be limited to levels that are much less than 2°C above pre-industrial levels, and efforts must be made to limit warming to 1.5°C.
- **Ferrer will join the Business Ambition for 1.5°C**

campaign launched at the UN Climate Action Summit by the United Nations, the UN Global Compact, the Science Based Targets initiative (SBTi), and the We Mean Business coalition that seeks the commitment of companies to establish science-based targets that are aligned with limiting the global temperature increase to 1.5°C above pre-industrial levels.

- **Analysing the vulnerability of the organisation to future changes that may result from climate change, following the guidelines of the Task Force on Climate-Related Financial Disclosures (TCFD)** to determine how climate change may affect Ferrer and define the 4 main lines of action in terms of governance, strategy, risk management and climate metrics and targets.

2

Promoting the circular economy



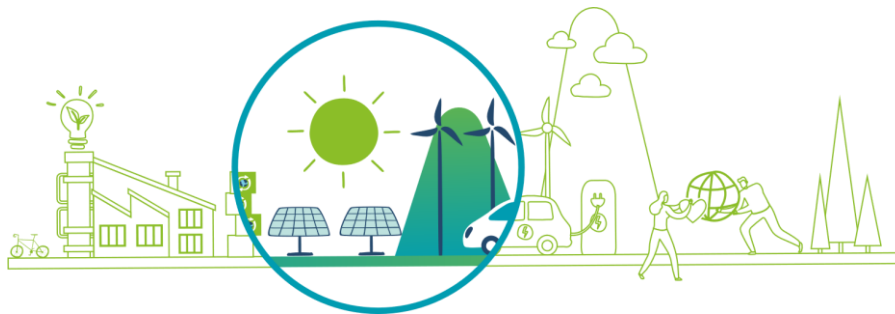
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- **Eco-design of a new packaging model.** Ferrer is committed to the transition of the production model towards a circular economy-based model where the primary endpoint is to reduce the resources used in the production of its packaging and, directly, its impact on the environment. Thus, it is committed to **reducing the environmental impact of its pharma business packaging to 25% by 2025.**
- **Zero waste to landfill by 2030.** A programme that seeks to improve internal waste management by: adapting and improving the waste storage facilities; training and raising staff awareness on the prevention and management of waste flows, while promoting circularity as a solution to the generation of the same; and eliminating or reducing waste derived from CMR substances. In addition, the programme seeks to work with our waste managers to ensure the best End of Life waste management, thus avoiding landfill.
- **Alliances to mitigate the impact generated by our products when they become waste.** 2% of the impact of our corporate carbon footprint is due to the waste generated by our products once they are consumed. In order to minimise the impact associated with our packaging and achieve the established circularity objectives, Ferrer will seek new solutions on the market that facilitate the management of the packaging at the end of its useful life. To this end, Ferrer will work to establish strategic alliances with the Administration, associations, technology centres, waste managers and other organisations, among others, in search of new ways to reduce this environmental impact.

3

Energy decarbonisation



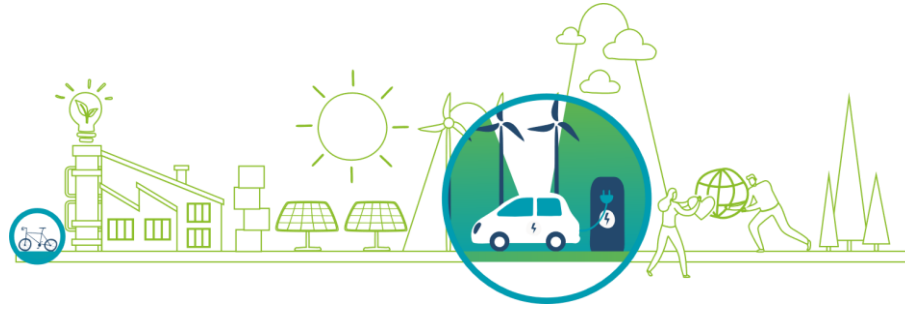
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- Incorporating all the **actions proposed in the energy efficiency programme in order to** reduce consumption, costs and emissions. We are committed to improving the energy efficiency of the cooling and heating systems in our production centres, and in all operations.
- 97% of the energy consumed by Ferrer comes from renewable sources. Our goal is to **be powered by 100% renewable energy by 2025**. For that purpose, **we will join the RE100 initiative**, led by The Climate Group in partnership with CDP, which is the leading corporate renewable energy initiative to accelerate a global shift to clean energy, bringing together hundreds of large and ambitious companies committed to 100% renewable electricity consumption.
- **Committing to self-sufficiency through renewable energies in industrial processes**, in which there is higher energy consumption. **Ferrer is committed to implementing projects**, as well as to **evaluating and installing new techniques available in the field of renewable energy**, in order to **reduce its emissions from production**.
- **Obtaining LEED certifications in all new Ferrer centres and buildings**, to guarantee the health of our planet and the health and comfort of the users. The buildings have sustainable building criteria, are energy efficient, use renewable energy and recycled and local materials in their construction, and have a system that makes it possible to identify, measure and monitor the characteristics of the built spaces that impact on the health and well-being of the occupants.

4

Promoting sustainable mobility



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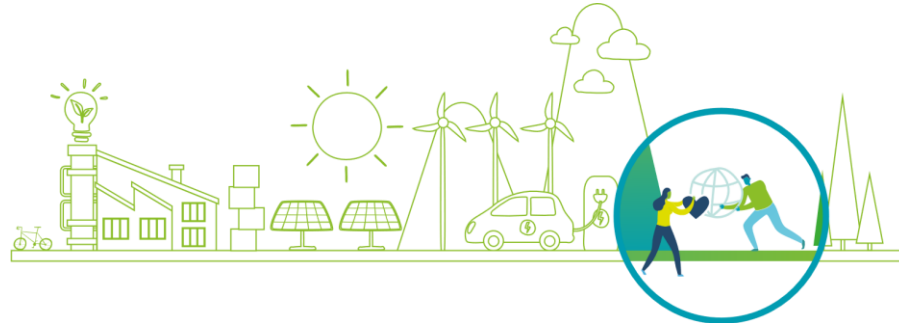


- To reduce the carbon footprint of our fleet, we are committed to including green procurement criteria in our vehicle renewal processes. **Our goal is to work towards transforming our vehicle fleet to be 100% electric by 2030.**
- We are **developing a sustainable mobility and logistics plan** for the organisation, which will allow us to understand, optimise and reduce the

mobility of the organisation. In this context, **Ferrer is also committed to studying initiatives to reduce its emissions associated with the logistics vector** in the coming years.

5

Supply chain partnerships



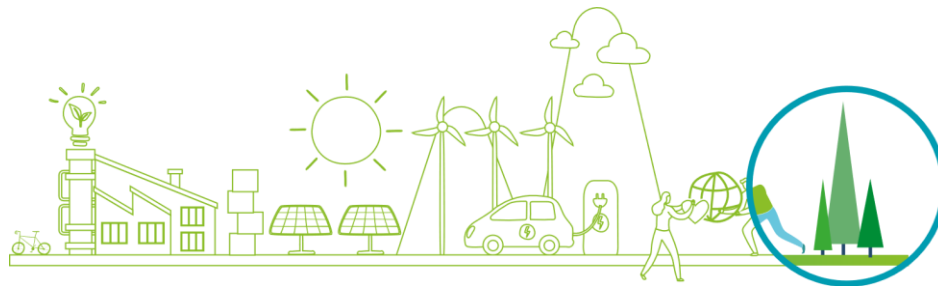
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- Ferrer is aware that the fight against climate change requires external collaboration. Therefore, Ferrer is committed to involving its suppliers and customers in improving transparency and collaboration and encouraging them to take part in international initiatives that combat climate change. In this way, it will be possible to identify opportunities and establish strategies in order to jointly contribute towards climate change mitigation. Ferrer will therefore launch the "**For Good Suppliers Programme**", in which we will work closely with our main strategic suppliers to involve them in improving transparency and collaboration in our "carbon positive" commitment. Thus, Ferrer will work to identify and finance opportunities within Ferrer's value chain in order to establish strategies that jointly contribute to climate change mitigation and adaptation.
- In addition, a **sustainable purchasing policy** will be defined for the selection of new suppliers, in which the selection of suppliers will be prioritised according to their impact on climate change.

6

Promoting "carbon positive" solutions



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- In every activity there are some residual emissions that are impossible to reduce; being aware of this, Ferrer wants to take action and become Carbon Positive. Ferrer will allocate resources and efforts for climate financing in projects to reduce emissions and remove carbon from the voluntary carbon market, and to develop offsetting opportunities within its value chain, making it possible to generate more reductions than necessary, thus achieving its "**Carbon Positive**" commitment as a differential value of its model for transformation in the face of climate change.
- **In 2021, Ferrer will initiate a plan to neutralise the CO₂ emissions that it has not been able to reduce from its carbon footprint** , financially investing in projects that reduce and/or neutralise CO₂ emissions, improve the environment and promote social cohesion where they are implemented.
- Ferrer will invest in sustainable practices such as the capture and use of carbon to **neutralise residual emissions within its own supply chain**, working together with the organisation's strategic suppliers to contribute to climate change mitigation and adaptation.
- **As our first goal, we are committed to eliminating deforestation in our supply chain by 2025.**

Transparency and governance

Ferrer is aware that the fight against climate change requires clear, objective and transparent information. In this context, Ferrer will actively participate, work and report together with other organisations, institutions and initiatives dedicated to curbing global warming and promoting sustainability. In this way, Ferrer can align its lines of action with the latest international standards, anticipate regulatory and policy changes, identify and address growing risks and find new opportunities for action, as well as clearly and transparently report on its global position in terms of climate change. Therefore **Ferrer will work to comply with the requirements of global benchmark initiatives on transparency, such as the CDP and the Task Force on Climate-Related Financial Disclosures (TCFD).**

Ferrer has an internal working group whose objective is to evaluate, manage and approve

different environmental management plans. This works to adequately incorporate the potential effects of climate change into the organisation's planning and decision-making processes and to recognise the social and environmental cost of its contribution to climate change in its investments, with the application of assessment tools such as the internal carbon pricing.

The climate targets will be reviewed and renewed every 5 years unless there are significant changes in Ferrer's trajectory deriving from the organisation itself or from substantial changes in climate regulations and agreements.



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Sustainability

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