

The background of the entire image is a photograph of several people's hands stacked on top of each other in a circle. The hands are of various skin tones and are positioned in front of a blurred background of green foliage and purple flowers. The lighting is bright, suggesting an outdoor setting during the day. The text and logo are overlaid on the left side of the image, which has a semi-transparent teal and green gradient background.

# VALUE CHAIN SUSTAINABILITY REPORT





# OUR STRATEGY

At Ferrer, we know that alone we will not be able to generate significant social and environmental changes to face the challenges of the society in which we live.

Therefore, we believe in interdependence and recognise that we're all part of an interrelated ecosystem, with different levels of maturity and evolution in which only through collaboration can we advance and respond to common challenges.

That is why we strive to fight for social justice "with and through our value chain."



- ✓ BOOSTING PEOPLE'S GROWTH AT WORK
- ✓ FOSTERING DIVERSITY, EQUITY AND INCLUSION
- ✓ PROMOTING HEALTH, SAFETY AND WELLBEING

- ♥ GIVING BACK TO SOCIETY
- ♥ MAKING A DIFFERENCE THROUGH VOLUNTEERING
- ♥ JOINING FORCES AND BUILDING ALLIANCES

WE USE BUSINESS TO FIGHT  
FOR SOCIAL JUSTICE



ACCELERATING  
CLIMATE ACTION



ENHANCING  
NATURAL CAPITAL

# LINKUP PROGRAM

## FIGHTING FOR SOCIAL JUSTICE WITH OUR VALUE CHAIN

Our activist philosophy transcends traditional governance frameworks. We strongly believe that by prioritizing ESG aspects – both inside and outside our organization – we make a significant contribution to building a fairer and more sustainable future.

In 2022, we launched cross-cutting programs with third parties – suppliers, licensors and B2B customers with the aim of multiplying our purpose and strengthening the fight for social justice throughout our entire value chain.

Aware of our responsibility and the socio-environmental impact generated by our business, we went a step further by creating the Value Chain Management Framework, which included two key initiatives: Suppliers for good, focused on our suppliers and licenses, and Partners Activism, aimed at customers and marketing partners.

In 2024 we consolidated these initiatives into a single program: **LinkUp**. This program establishes a common model for all the actors in our value chain under which the main business areas that have a relationship with third parties are governed. In this way we can work under the same objectives and standards, promoting the integration of sustainability in the organizations with which we interact.

LinkUp not only unifies our previous initiatives but also **reinforces our commitment to create a collaborative network that multiplies the positive impact across the value chain**. It is the door through which we want to convey our purpose and invite others to join the struggle, generating an activist inertia in the ecosystem of companies to which we are linked by business model and in which we can influence. Through this approach, **we seek to accompany and strengthen our business partners, generating solid and conscious alliances that contribute to a better future.**

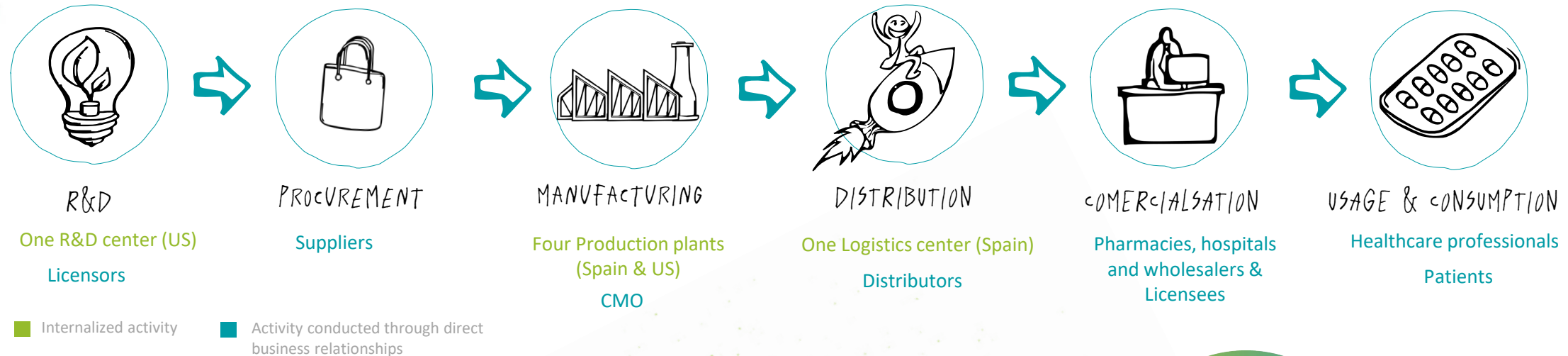
*FIGHTING FOR SOCIAL JUSTICE WITH & THROUGH OUR VALUE CHAIN...*



*...SO THAT THE ACTIVISM BEHIND OUR PURPOSE TRANSCENDS FERRER*

# OUR VALUE CHAIN

Ferrer's purpose is to use business to fight for social justice. As such, we want that goal to transcend our borders and inform our business relationships. Our value chain management model aims to generate a cascade effect of good practices and spread the principles that govern our purpose throughout our ecosystem. This will increase our impact by multiplying forces for the common good.



That is why we have designed a model to leverage our business influence in our relationship with our business partners (business partners understood as third parties, such as suppliers, licensors, licensees, CMOs and distributors) to build a sustainable value chain. Its deployment has been prioritized to maximize impact and establish focus. In 2022, we launched a program with suppliers (Suppliers for good), and in 2024 we have started including key licensees. The end goal is to work collaboratively in terms of sustainability with every partner in our global value chain.



The aim of this report is to provide transparency in the performance of our value chain's sustainability, sharing the milestones of our program and the road that lies ahead to our goals. We are aware that our value chain presents significant challenges in terms of social and environmental impact, but we want to address them through our purpose and values and in a collaborative spirit by building alliances.





# LINK UP FOR GOOD



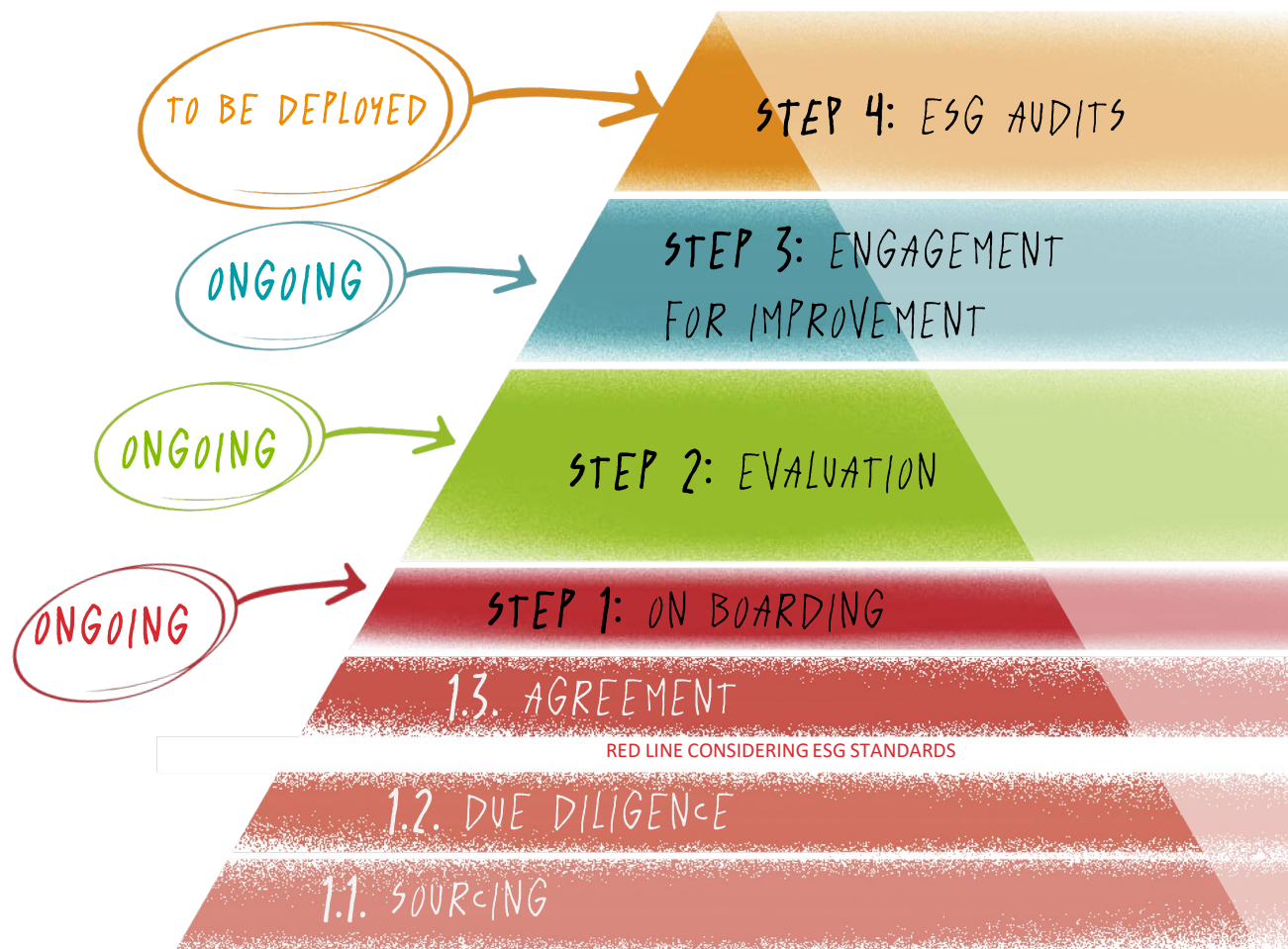
## FIGHTING FOR SOCIAL JUSTICE WITH OUR VALUE CHAIN

To make our strategy and purpose transcend our walls, the **LinkUp model builds a journey towards sustainability for our business partners to, together, join forces to multiply our impact.**

It is based on the life cycle of our business relationships, and in each phase, it sets the levers of influence or change that we use to cause a chain reaction of good practices, driving improvements in ESG performance in our value chain. This model acts as a strategic and operational guide to align all companies in our value chain under common principles of sustainability, ethics and social responsibility.

The model follows a structured approach in four phases, each phase has a clear intention, and we have defined **WHY** (purpose), **WHAT** (objectives), **HOW** (tools and initiatives), and **WITH WHO** (targeted business partners).

Each phase of the journey has specific actions that guarantee the evaluation, commitment and continuous improvement of all the actors in our value chain. It is based on the identification of the most strategic ones (using our prioritization matrix) to maximize the impact of our actions and adjust our expectations and demands according to their level of relevance. In addition, it is aligned with industry standards and is adapted to comply with the new **CSRD** and **CS3D** regulations, ensuring the robustness of our ESG strategy.



**252** business partners improved its score in EcoVadis

**452** business partners evaluated. Representing 56,54% of total in scope turnover evaluated

**1,561** business partners ESG risk assessed

\*The current ESG Value chain management model is aligned with the model of other companies in the industry. We will continue developing it to ensure proper alignment with the new CSRD and CS3D regulation, and effectiveness in the consecution of our goals.

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# THIRD PARTY CATEGORIZATION MATRIX

To maximize the impact of our resources, the deployment of the LinkUp program is prioritized based on the relevance of the companies in our value chain. To identify the key parties, we have designed the following categorization matrix. Depending on sustainability risk (signaling potential impact, assessed by EcoVadis IQ+) and business turnover (which signals business relevance, scale of impact and level of influence we can leverage), we categorize business partners in three types, understanding type A as 'relevant third parties'.

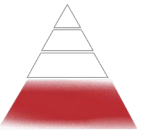


## SCOPE 2024

The model has been applied to suppliers and licensees of Ferrer Internacional, S.A, Ferrer Farma, S.A, Interquim, S.A., Grupo Ferrer Intern. S.A. This represents 448,5 M € of business turnover. Our aim is to continue expanding the scope of our value chain management to apply our model globally and with all business partners.



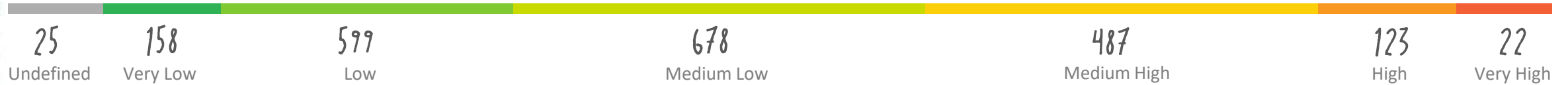
# SUSTAINABILITY RISK ASSESSMENT



## Overview

2092 Business partners 138 Industries 68 Countries

## Overall risk

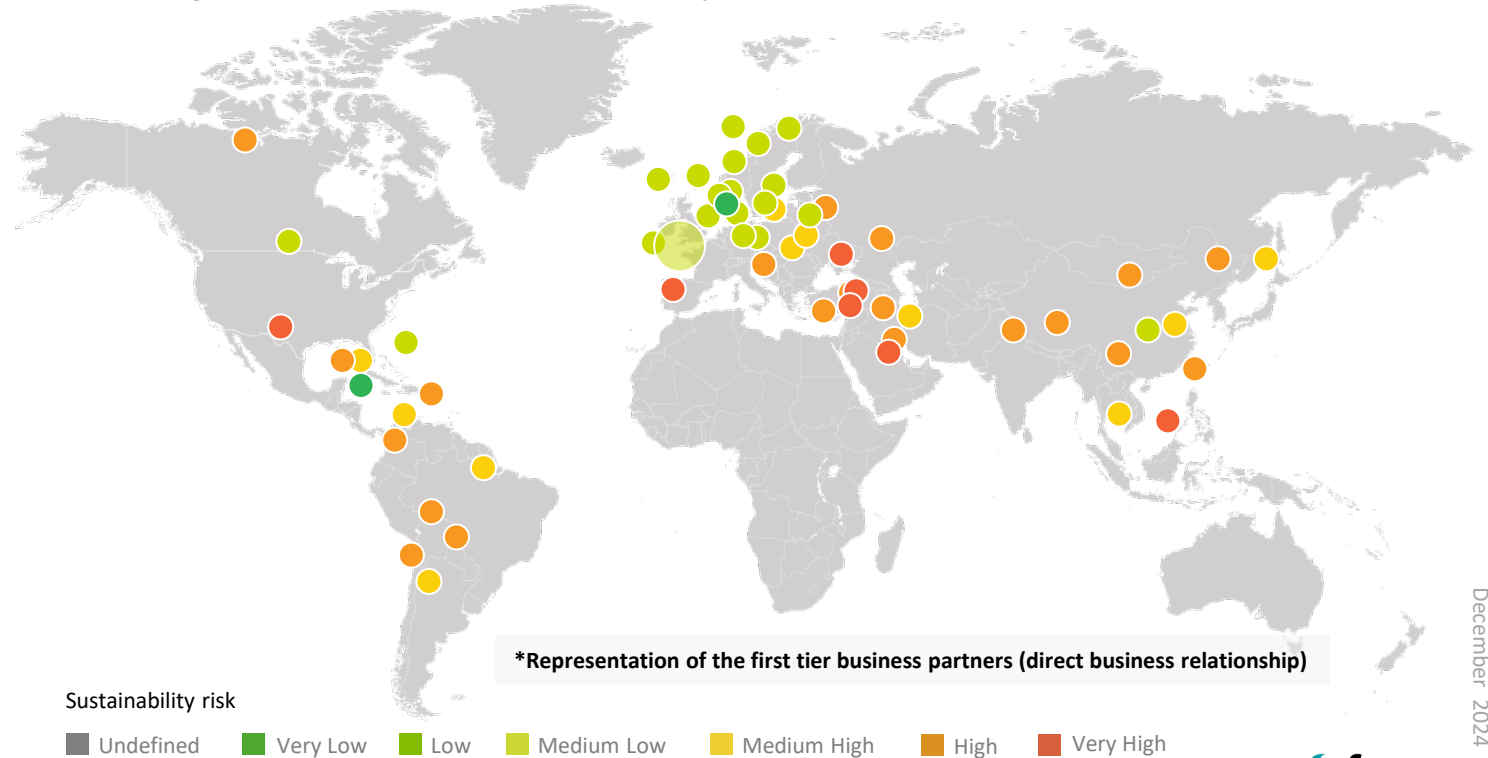


98% of our business partners have been risk-assessed in terms of sustainability (within 2024 scope). The software used is EcoVadis IQ+, which evaluates information available about each company (location, industry, activity, size, public information, etc.) and assigns a Sustainability Risk level. This information signals which third parties have a greater potential to be critical in terms of value chain sustainability and helps us focus on the most important in terms of impact (however, further primary information is key to validate criticality). The results of this assessment is the Y axis in our third-party categorization matrix.

With new business partners, we conduct this assessment before establish a contractual business relationship, to identify possible ESG red flags, to consider sustainability as a key element in the business relationship, to ensure commitment towards improvement from the beginning and avoid establishing business relationships with critical agents in terms of adverse impact.

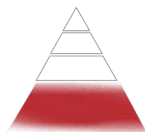
For more information on EcoVadis IQ+ risk assessment software, see [link](#)

## We have a global value chain. Location of our business partners\*



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# SUSTAINABILITY RISK ASSESSMENT



## SUSTAINABILITY RISK BY THEME

Our sustainability risk assessment tool provides useful analytics to understand the potential impact of our value chain in sustainability related issues:

### ENVIRONMENT



### LABOR & HUMAN RIGHTS



### ETHICS



### SUSTAINABLE PROCUREMENT



Sustainability risk

Undefined

Very Low

Low

Medium Low

Medium High

High

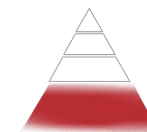
Very High

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# SUSTAINABILITY RISK ASSESSMENT

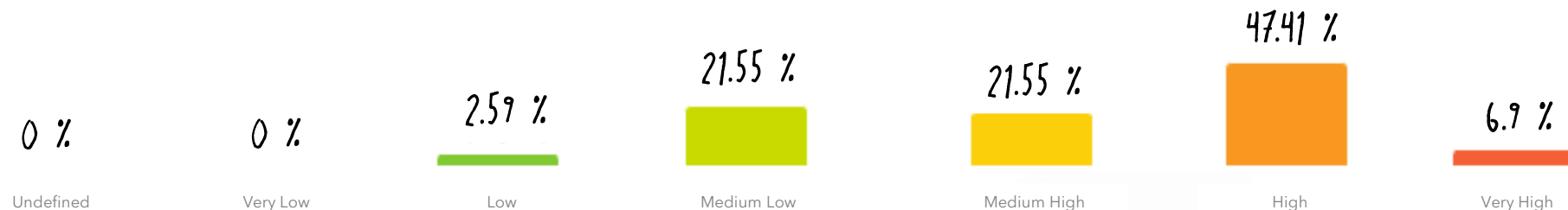
## SUSTAINABILITY RISK BY TYPE OF BUSINESS PARTNER



### TYPE A1

116 Business partners

Average overall risk for this type: **HIGH**



Sustainability risk

Undefined

Very Low

Low

Medium Low

Medium High

High

Very High

### TYPE A2

189 Business partners

Average overall risk for this type: **MEDIUM**

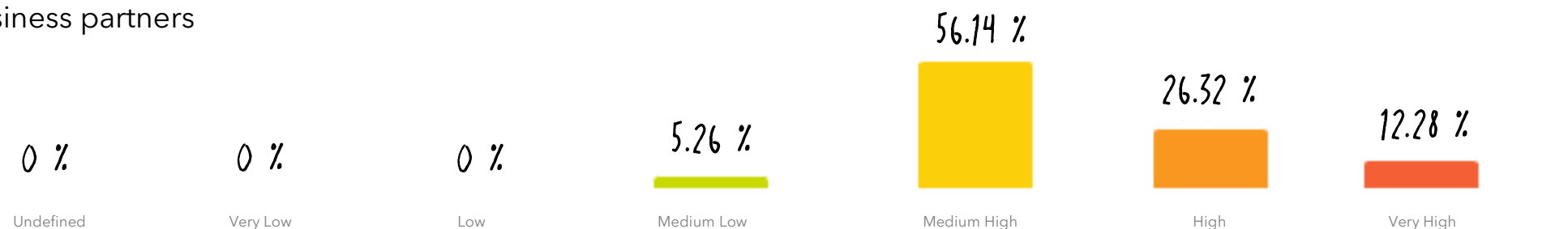


# SUSTAINABILITY RISK ASSESSMENT

## SUSTAINABILITY RISK BY TYPE OF BUSINESS PARTNER

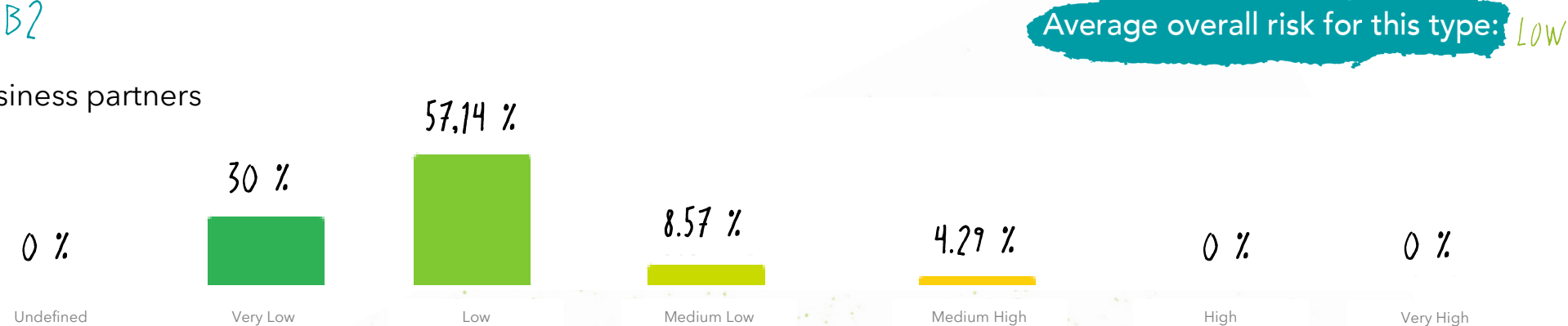
### TYPE B1

57 Business partners



### TYPE B2

70 Business partners



Sustainability risk

Undefined

Very Low

Low

Medium Low

Medium High

High

Very High



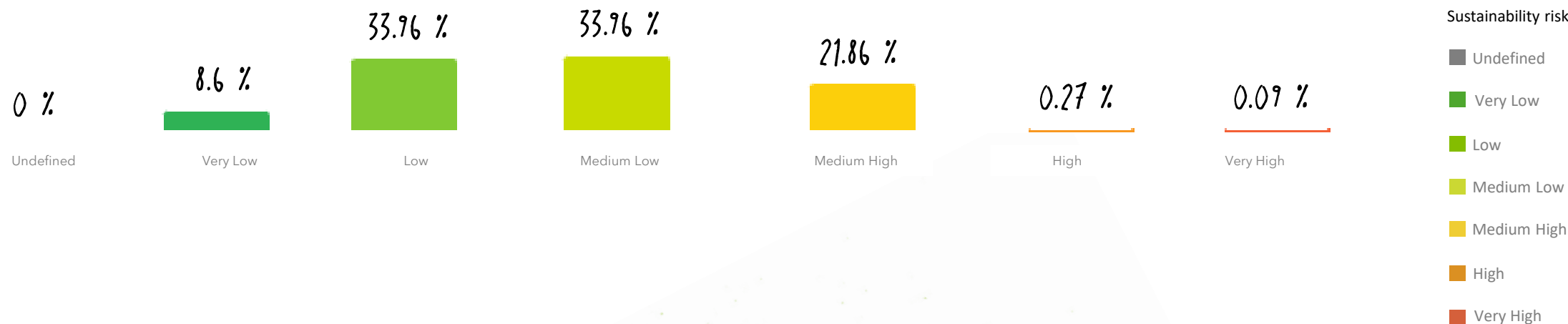
# SUSTAINABILITY RISK ASSESSMENT

## SUSTAINABILITY RISK BY TYPE OF BUSINESS PARTNER

### TYPE C

1116 Business partners

Average overall risk for this type: MEDIUM-LOW



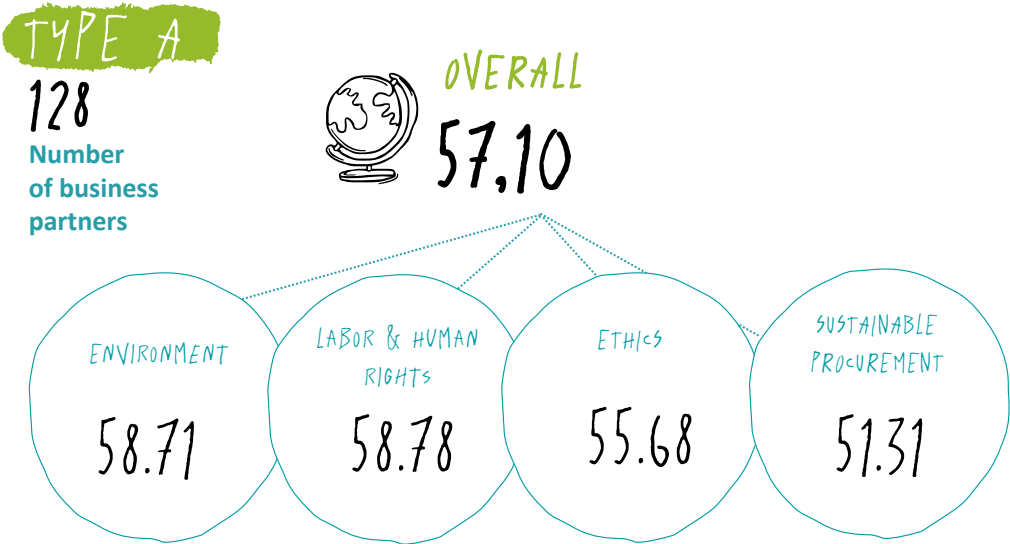
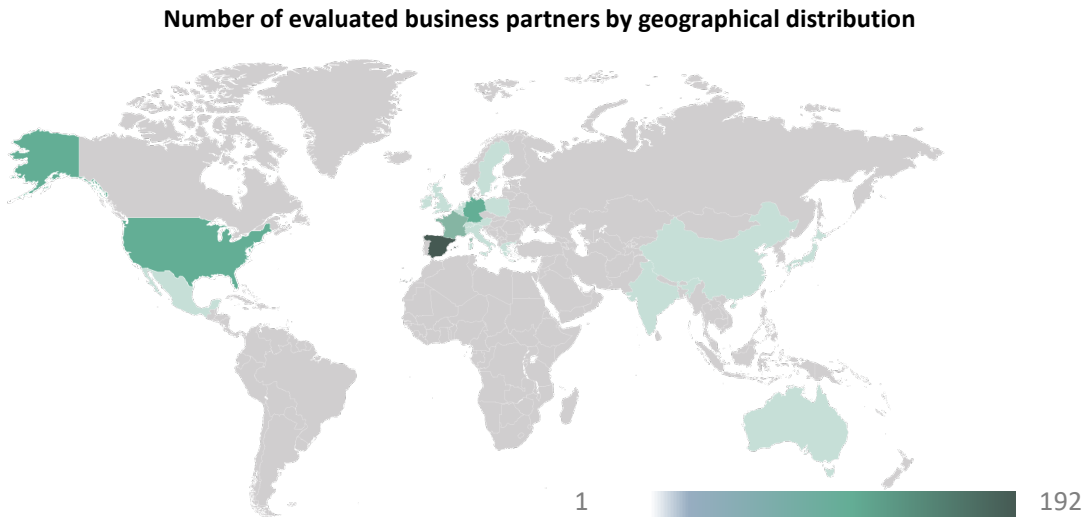
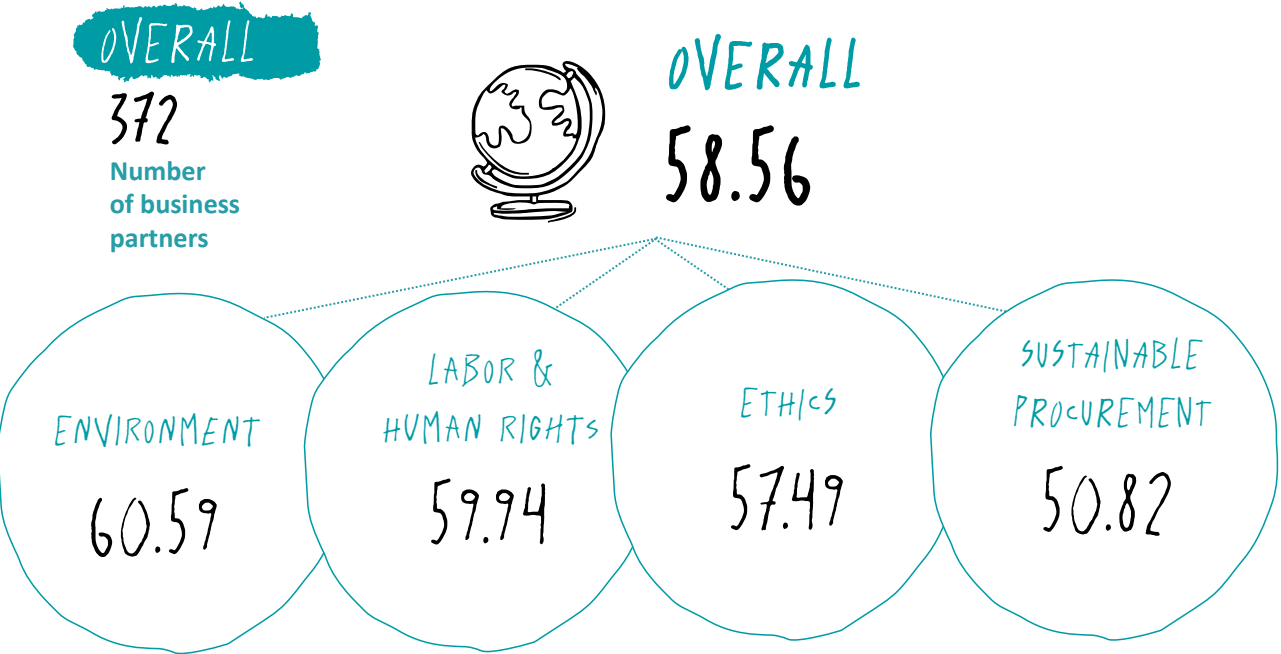
# SUSTAINABILITY PERFORMANCE



Once key business partners in terms of risk and business have been identified, we ask them to conduct an in-depth sustainability evaluation (EcoVadis Ratings qualification) and for mutual transparency (share resulting scorecard). This enables us to identify their level of maturity in terms of sustainability and adapt our engagement strategy to maximize the value Ferrer can provide to our business partners' progress.

We have currently evaluated 56.56% of total in-scope turnover (representing 379 business partners in EcoVadis, and 3 with an internal evaluation). In terms of key business partners (Type A), as of 2024, 52% of total turnover has been evaluated (representing 128 business partners).

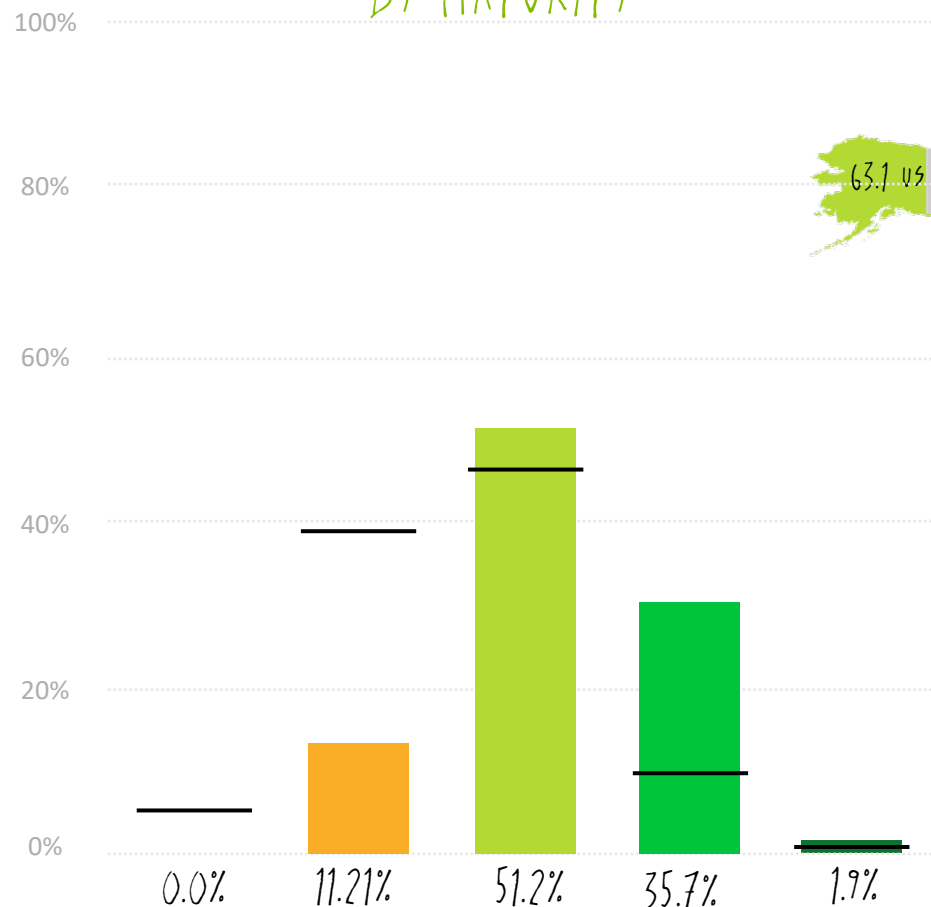
## SUSTAINABILITY EVALUATION IN ECOVADIS RATINGS



# SUSTAINABILITY PERFORMANCE

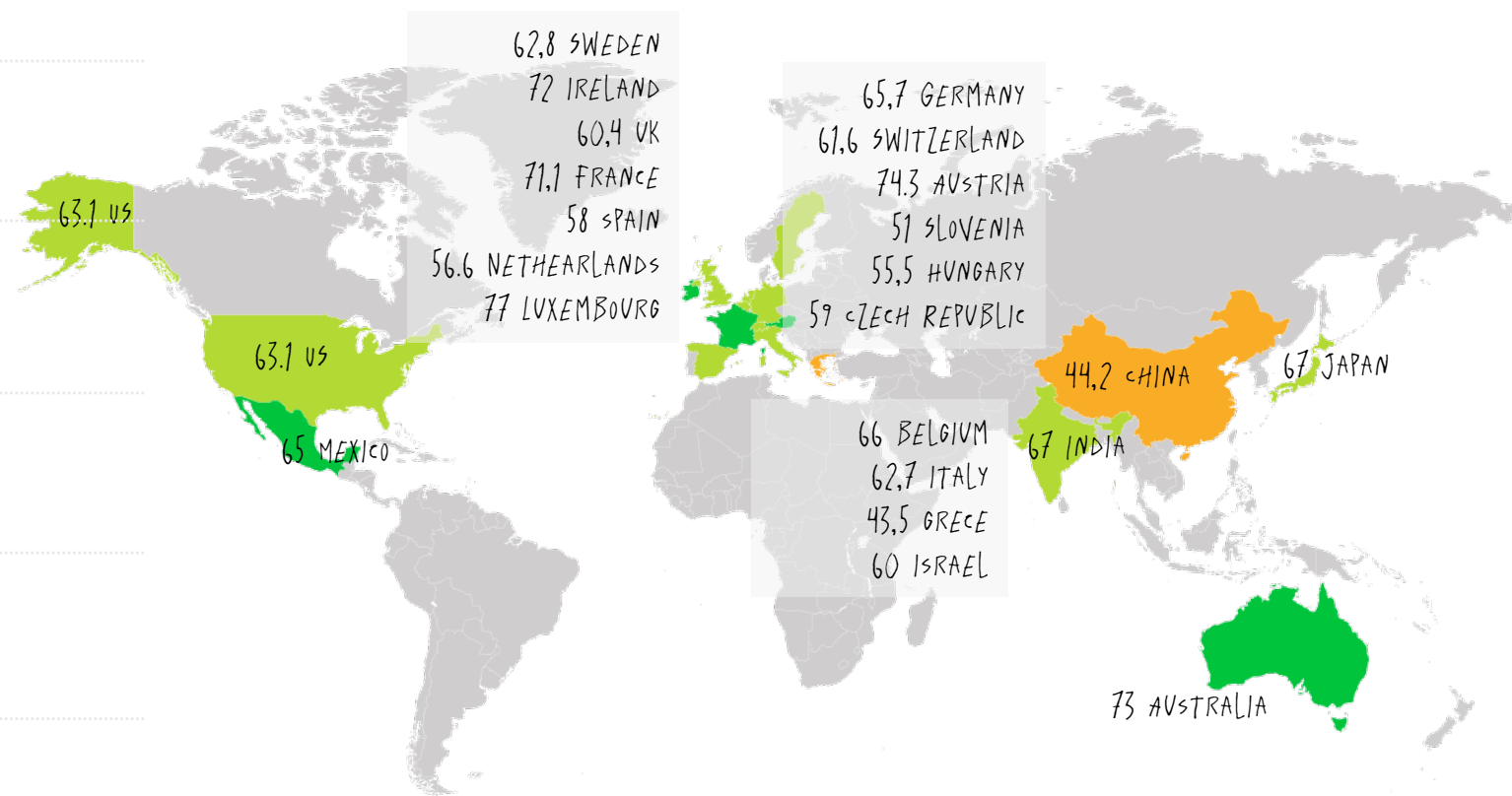


NUMBER OF BUSINESS PARTNERS  
BY MATURITY

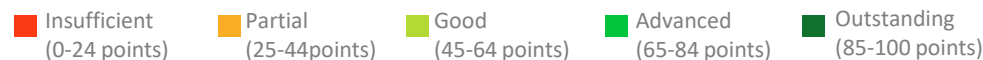


— Benchmark all companies rated by EcoVadis

GEOGRAPHICAL DISTRIBUTION BY AVERAGE OVERALL SCORE



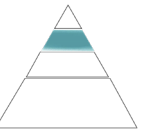
EcoVadis Rating Score



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# ENGAGEMENT FOR IMPROVEMENT



The success of our value chain management model and engagement programs will be monitored using a key impact indicator: the sustainability **improvement** of our business partners.

At the moment, we believe our value chain is largely improving organically (due to industry shift, regulatory frameworks, etc.). Ferrer will engage for improvement in the key areas of our corporate purpose and strategy. We wish to provide support to help business partners advance in the areas that are critical to their impact and key in the fight for social justice. Up till now, our focus has been on engaging to increase transparency to access third party data and create a baseline of performance in value chain sustainability.

## SUSTAINABILITY IMPROVEMENT DATA

### OVERALL

372

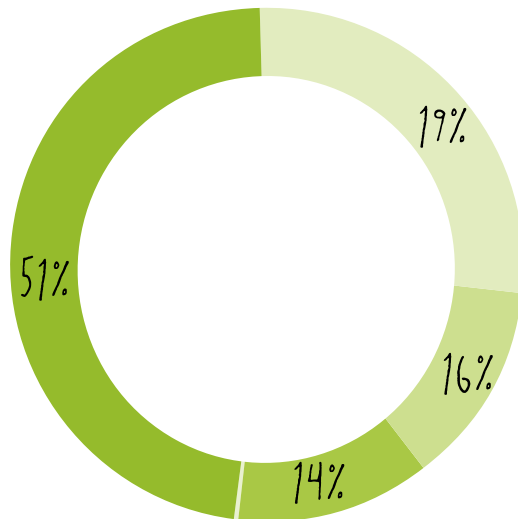


252

Business partners had a reassessment between 2020-08 and 2024-12

Of them improved in overall score (68%) compared with previous assessments

N of times business partners were assessed



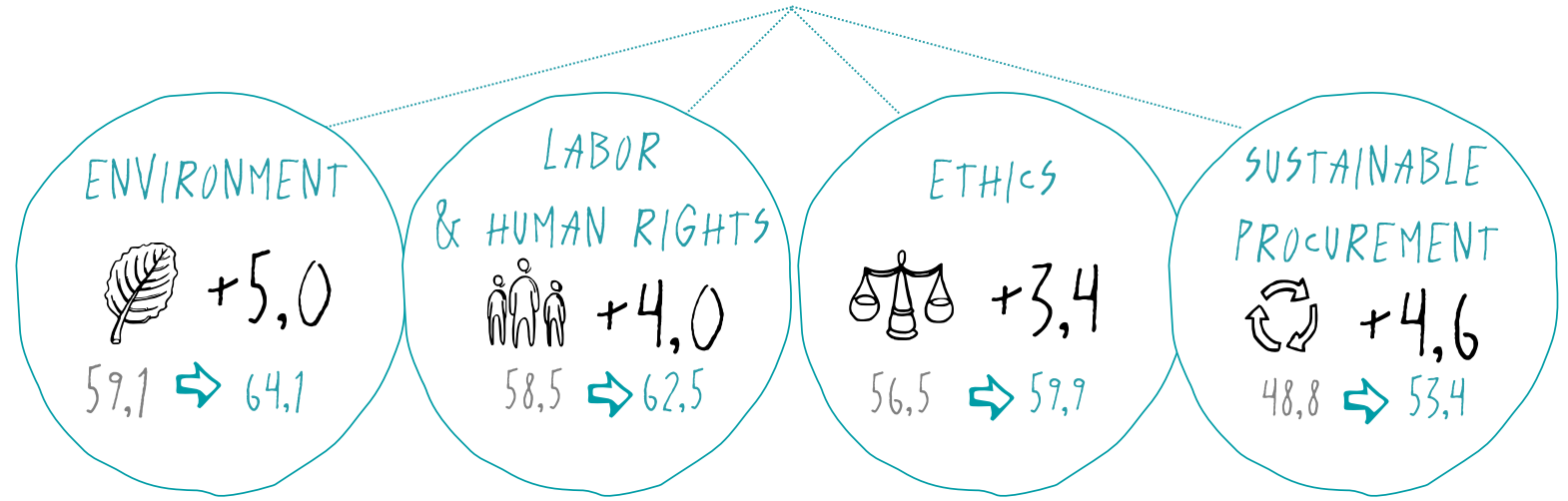
1 time 2 times 3 times More than 3 times



### OVERALL

+4,4

57,1 ⇒ 61,4

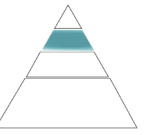


Change in average score

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# ENGAGEMENT FOR IMPROVEMENT

## SUSTAINABILITY IMPROVEMENT DATA



TYPE A

110

Filtered business partners had a reassessment between 2020-08 and 2024-12

⇒ 74

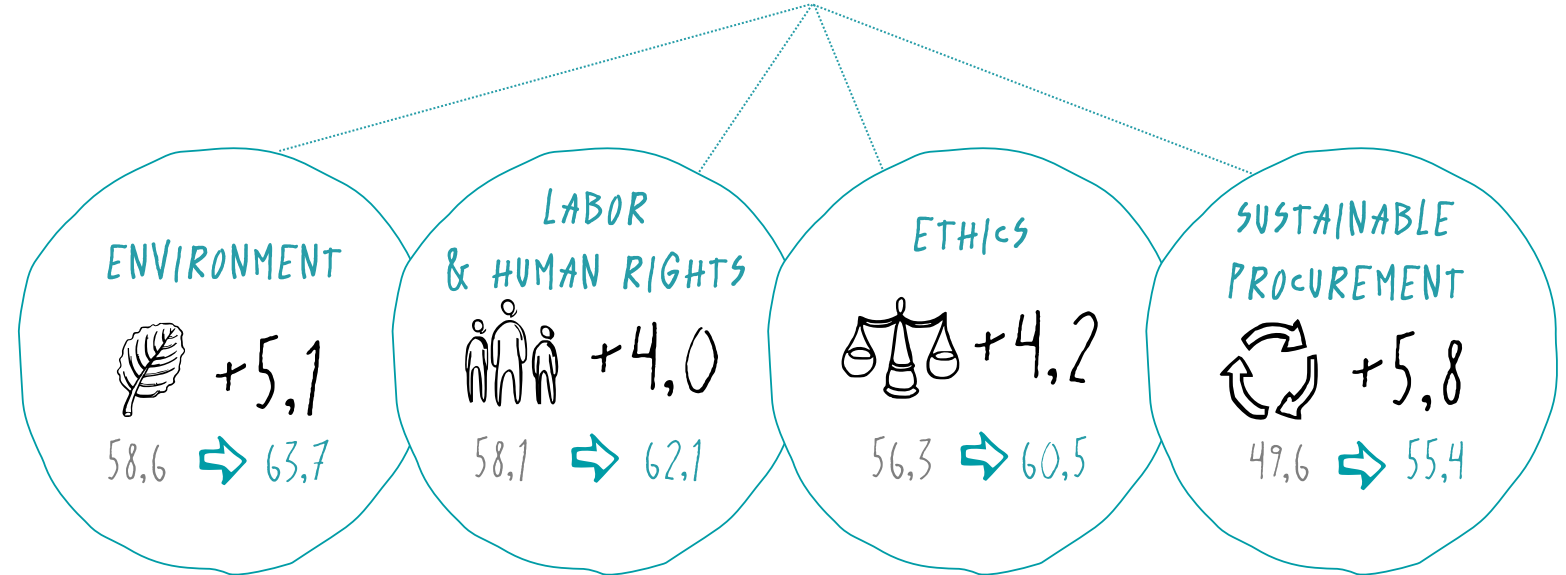
Of them improved in overall score (67%) compared with previous assessments



OVERALL

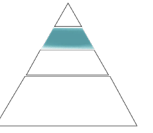
+4,7

56,8 ⇒ 61,5



■ Change in average score

# ENGAGEMENT FOR IMPROVEMENT 2024 INITIATIVES



## OUR 2024 ENGAGEMENT HAS BEEN FOCUSED ON

- ✓ Increasing transparency with our business partners by increasing evaluation of key parties
- ✓ Expanding scope of our model
- ✓ Raising awareness of our purpose and promoting a change of culture and mindset
- ✓ Sharing best practices with our ecosystem
- ✓ Improving carbon footprint data integrity
- ✓ Engaging with business partners with low ethical and compliance scores

## CARBON FOOTPRINT WEBSITE (SCOPE 3)

- ◇ Development of a website with resources to raise awareness and train companies in carbon footprint management.  
[Tools and Resources for Supplier CO<sub>2</sub> Management | Ferrer](#)
- ◇ We have conducted a pilot to collect carbon footprint data from our suppliers, thereby improving our own Scope 3.

## CORRECTIVE ACTIONS

- ◇ From the corrective actions requested in 2023, 5% are in progress and 8% have been completed.
- ◇ 99% of the corrective actions requested were related with Environmental topics.
- ◇ In 2024, we have carried out again a Corrective Action Plan through EcoVadis to boost our business partners commitment in terms of sustainability practices and policies.



## ETHICS AND COMPLIANCE

- ◇ EcoVadis Ratings generate warnings for low scores which should be managed and monitored. In order to mitigate potential risks in terms of integrity and good governance of our third parties, the Ethics & Compliance team regularly monitors and analyses these warnings. Every semester, priority improvements and actions are identified for every partner with a low Ethics score. Then, the procurement team engages with business partners to inform them that Ferrer expects prompt remediation and will be monitoring progress every six months. A corrective action is then sent through EcoVadis to keep track of the status.

## BUSINESS PARTNERS ACTIVISM: RAISING AWARENESS AND SHIFTING MINDSET

- ◇ We have run a sustainability training plan for the Procurement Department.
- ◇ We have organized two Climate Engagement Webinars for business partners to promote climate engagement. The webinars were carried out in English and Spanish.

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# ANNEX | OUR SUSTAINABILITY SCORECARD

As part of the pharmaceutical industry, and with activity from R&D to commercialization, Ferrer participates as a supplier and as a client in many value chains. We acknowledge this responsibility and have become agents of change in the value chain. We provide mutual transparency of our sustainability practices to our business partners, by sharing our EcoVadis Annual Ratings Scorecard or through our annual sustainability report (2023 Sustainability Report, [here](#)). We are open to joining multistakeholder alliances to transform the industry, and collaborate with our business partners to unite forces, multiply impact and, together, build a resilient and sustainable value chain.



In our 2023 assessment, we obtained **EcoVadis Platinum**, the highest possible distinction, with a score of 81 out of 100 points, improving on the 69 points achieved in the previous year.

Having passed the 78-point threshold, we are now in the **top 1%** of the more than 100,000 companies evaluated by EcoVadis every year. Also, the “**Sustainable Procurement**” score has increased by 10 points, reaching 70 points, with the average in the sector being 43.

