



Sustainability Report 2019

for you, for all, for good

 **ferrer**

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Letter of introduction

(102-14)

At Ferrer, everything we do is aimed at contributing to the transformation of our environment and our planet. Through our work, we seek to generate a positive impact on all those who form part of Ferrer, on society as a whole and on the environment, which the human race depends on for survival. Our commitment to sustainability is absolute and unwavering. For all these reasons, we strive to achieve the highest standards of environmental and social performance, transparency, and responsibility, to use the power of our capacities and contribute to solving social and environmental issues.

In 2019, with the launch of our new corporate identity, we used the name of the set of activities we carry out at Ferrer to improve society and promote people's true well-being. We found the perfect way to summarise and synthesise our feeling of wanting to do things, towards a common good, which is after all, our *raison d'être*. This could be none other than that which represents us so well: **Ferrer, for good.**

While our main work is focused on improving people's health and quality of life, we are well aware of the enormous responsibility we have towards our environment. This is why we like to say that we act with global awareness: fostering respect for the environment, developing multiple solidarity social actions, and participating in the sponsorship of a range of diverse activities in the different geographical areas in which we operate.



Essentially, all our activity is people-oriented. We care about our patients, and provide solutions to improve their quality of life; we offer our health-care professionals services and training to improve their daily clinical practice; we work closely with the authorities to contribute to the sustainability of our health system, and of course, we take good care of the more than 1,800 people who make up our team around the world.

Founded in Barcelona in 1959, today we are present in more than 120 countries as a direct result of a job well done. We provide reliable real innovation solutions, mainly in the therapeutic fields of pain, the nervous system, cardiometabolism, dermatology, orphan or niche diseases, such as pulmonary arterial hypertension, and, in Spain, we are also focused on self-care.

Through everything we do, we always seek to make a positive impact on our environment, and this is portrayed in the numerous and diverse initiatives included in this report, carried out during the year 2019. At Ferrer, we will continue committed to this way of understanding the world -we don't know how to work in any other way- and we will continue working to ensure that over the coming years, our contribution to improving the community and our planet will be even greater.

Ferrer, for good.

Sergio Ferrer-Salat
President

Mario Rovirosa
CEO



2019: summary of the year

(102-7)

Ferrer



128

countries where it has a presence



€625 M

net sales (**44%** in the domestic market and **56%** in the international market)



€15 M

Investment in industrial assets



€25 M

Investment in R&D

A global awareness



100%

electricity contracted in Spain comes from renewable sources. By contracting green energy, we avoid generating **10,000** Tons of CO₂ eq. per year



ISO

Integration of all pharma facilities and corporate services under a single multi-site system of the ISO 140001:2015 standard



100%

disposal of plastic packaging waste generated by coffee and water consumption at all our facilities. **70%** reduction in the environmental impact of the new Gelocatil eco-designed packaging



82%

recovery of all our industrial waste



3.9%

carbon footprint reduced compared to 2018



1.7 M€

in contributions to foundations and associations



People-oriented



1,853

people are part of our team (**92.5%** of staff have permanent contracts)



47,765

staff training hours (male and female)



58%

members of the Management Committee are women

A job well done



3

incremental innovation projects in Clinical Development Phase



2

disruptive innovation projects in Clinical Development Phase



1,419

people trained in Ferrer's anti-corruption Policy



+

New Procedure by Business Partner Due Diligence



01

**Ferrer
for good**

Ferrer for good

At Ferrer, we do not work to maximise economic profitability for our benefit, but to return everything that is in our hands back to society. To achieve this, our work includes numerous actions for environmental, social, and economic transformation in all the geographical areas in which we are present.

We aim to cause a positive impact through several lines of action:



**ENVIRONMENTAL
COMMITMENT**



SOCIAL ACTION



**PHILANTHROPIC
VOCATION**



**RELATIONSHIP
WITH PATIENTS**



**TALENT
DEVELOPMENT**



**HEALTHCARE
PROFESSIONALS
TRAINING**

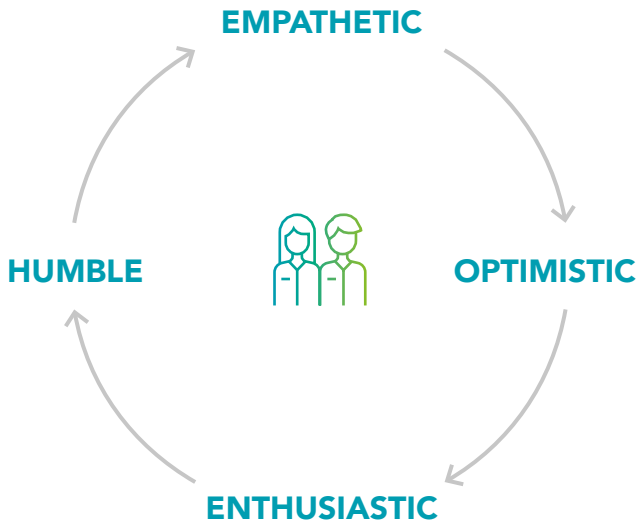
Everything we do is aimed at contributing to the transformation of our environment and our planet. Our work enables us to generate the necessary economic capacity to achieve this.

We want to contribute and play our part in the creation of a society that is more...

- **Healthy**, one in which we enjoy physical and emotional well-being.
- **Respectful**, one that allows next generations to enjoy the planet too.
- **Committed**, one in which we never turn our backs on what is happening around us.
- **Accomplished**, in which people fulfil all their talent and potential.
- **Equitable**, one in which all people have equal opportunities.
- **Prepared**, one in which whoever wants to improve always has access to training.
- **Sensitive**, one in which culture stimulates and enriches us as people.



To achieve this purpose, we are faithful to a series of values that we incorporate in all our work. The Ferrer team is made up of people who are



Specialisation

Our pillars: focus, efficiency, people and sustainability.

2019 marked the launch of Ferrer's new corporate strategy. The primary objective of this is to make Ferrer renowned for placing greater **emphasis** on adding value, and for being a more **efficient** company every day, one that is engaged with **people** and committed to **sustainability** and social awareness.



We want to contribute to the creation of a better society.

(102-2) (102-6)

Ferrer's main activity focuses on key areas to enhance people's well-being: health and fine chemicals, integrated throughout the company, from R&D and manufacturing to international marketing and distribution.

Ferrer's portfolio, with a broad coverage of the healthcare spectrum, includes prescription medicines, hospital products, molecular diagnostics, OTC and health self-care, as well as chemicals for the pharmaceutical and food sectors.

Ferrer's main therapeutic areas are the nervous system, pain, dermatology, cardiometabolism, and niche or orphan diseases, such as pulmonary arterial hypertension.



CONSUMER HEALTH

Ferrer's area of consumer health products focuses on offering the highest quality in skincare, health, hygiene, and self-care. In the field of parapharmacy and over-the-counter medicines, Ferrer provides products in areas that directly affect people's quality of life: dermocosmetics, headlice treatments, insect repellents, and infant nutrition.



MEDICINES

Ferrer specialises in providing solutions for healthcare professionals and improving clinical practice in key therapeutic areas where it has extensive experience. This expertise covers a range of medical contexts: primary care, hospitals, intensive care medicine, pharmacies, clinical specialists, medical equipment, and rare diseases.

Global presence

(102-4)

The key to Ferrer’s expansion has been its commitment to establishing and developing strategic and lasting alliances with other companies. We have also set up a network of 11 international subsidiaries, giving us a solid presence in Europe and the United States, accompanied by constant growth in Africa, the Middle East, and Asia.

The success of our expansion on a global scale is thanks to constant innovation and investment in development, ensuring the right products for the particular needs of each country.

Ferrer has its own manufacturing plants located in Sant Cugat del Vallès (Barcelona), Esplugues de Llobregat (Barcelona), and Manlleu (Barcelona), in addition to the Logistics Centre at Sant Feliu de Buixalleu (Girona). Manufacturing also takes place in Mexico City, carried out by the subsidiary Bioserum Laboratories, as well as research and manufacturing conducted by the North American subsidiary Alexza Pharmaceuticals at its facilities in Mountain View (California).

Ferrer also has international subsidiaries that carry out sales and marketing activities in Portugal, Mexico, Argentina, Peru, Germany, Benelux, Central Europe, Kazakhstan, Chile, and Central America.

(102-10)

The most significant changes in Ferrer’s international structure came about as a result of the strategic divestment planned. Over the course of 2019, these involved the disassociation of the companies Diater

Laboratorio de Diagnostico y Aplicaciones Terapéuticas, SA; Laboratorios Diater, SA; Allergen Servilab, SL; Diagnóstico y Aplicaciones de Veterinaria, SL; and Health-Tech BioActives, SLU. Meanwhile, Ferrer is currently working to reinforce its presence in Central America with the refurbishment and extension of the Costa Rica subsidiary. In Europe, a new subsidiary has opened in Austria, and at the end of 2019, the new corporate offices in Portugal were opened.

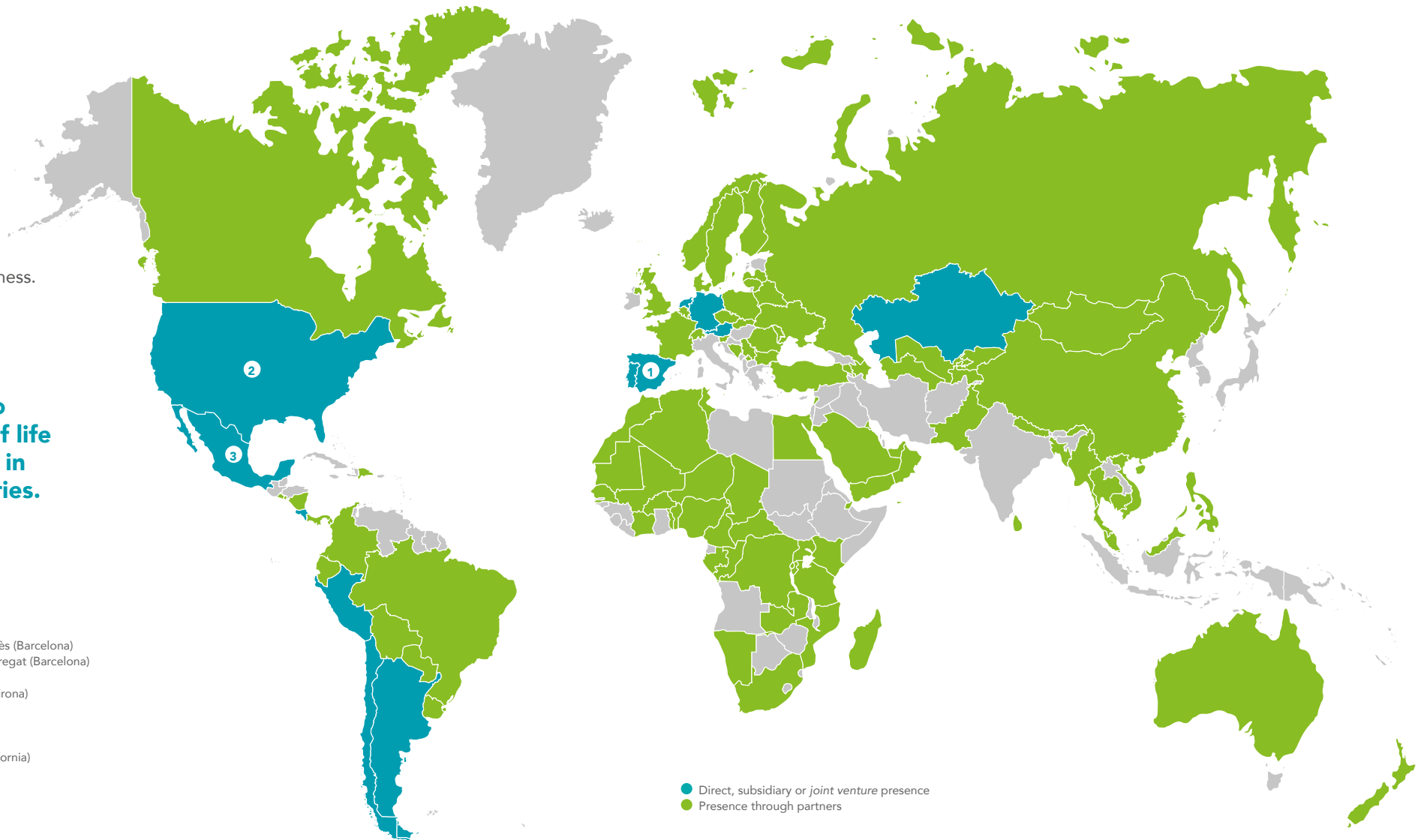


56%

of the total sales volume comes from international business.

Our international consolidation helps to improve the quality of life for millions of people in more than 120 countries.

- 1 SPAIN**
Pharmaceutical Facility at Sant Cugat del Vallès (Barcelona)
Dermocosmetic Facility at Esplugues de Llobregat (Barcelona)
Chemical Facility at Sant Cugat (Barcelona)
Logistics Centre at Sant Feliu de Buixalleu (Girona)
Headquarters L’Illa Diagonal (Barcelona)
- 2 UNITED STATES**
Alexza Pharmaceuticals, Mountain View (California)
- 3 MEXICO**
Bioserum Laboratories, México D.F.



● Direct, subsidiary or joint venture presence
● Presence through partners

Ethics and compliance

(102-16) (103-1) (103-2) (103-3)

At Ferrer we are firmly convinced that sustainable success is born from a culture of ethics and compliance. We always act in compliance with all codes of conduct and respect all regulations that apply to our business.

Underlying principles we are built on.

(102-12) (102-13)

Accordingly, Ferrer is a member of several industry associations in different markets and complies with different codes of ethics and pharmaceutical industry self-regulation in the countries in which it operates.

In Spain, Ferrer is a member and complies with the codes of Farmaindustria, the Association for Health Self-Care (ANEFP), the Spanish Federation of Health Technology Companies (FENIN), the National Association of Manufacturers of Children's Dietetics (ANDI), and Self-control.

On an international level, Ferrer is also a member of API-FARMA and APORMED associations in Portugal; FSA in Germany; the Association of International Pharmaceutical Manufacturers in the Republic of Kazakhstan; the Council of Ethics and Transparency of the Pharmaceutical Industry (CETIFARMA) in Mexico; and the Central American Federation of Pharmaceutical Laboratories (FEDEFARMA).

Likewise, in Europe, Ferrer complies with the requirements set out in the Code of Good Practice by the European Federation of Pharmaceutical Industries and Associations (EFPIA).

Furthermore, at Ferrer, we have our own **Code of Ethics**, applicable to all Group employees and managers, which sets out the ethical behaviour principles expected of all of us in our internal relationships and with our various stakeholders, beyond mere compliance with regulations.



Specifically, the Code of Ethics includes a section related to the fight against corruption, which expresses zero tolerance for actions which may be understood as influence peddling, bribery, or corruption in the business. Ferrer has set up a **Queries and Complaints Channel** so that all employees can report any breach detected in the Code of Ethics. Over the course of 2019, Ferrer has been working to reinforce its corporate ethics and compliance model in order to:

- Continue to foster a culture of ethics and compliance in the organisation.
- Optimise the organisation's crime and regulatory risk management.
- Manage communications and complaints received on ethics and compliance.

New initiatives for 2019 included designing an **ethical climate survey** to be launched next year.

The "do it right" approach is one of the key elements to achieving sustainable success. To achieve this, it is essential that people in the organisation collaborate and show commitment to the values in the Code of Ethics. Therefore, our responsibility at Ferrer is to ensure these values and what is expected from our collaborators is effectively communicated. In 2019, 234 hours of training were provided to new employees on Ferrer's Code of Ethics. Moreover, 1,000 Ferrer staff received additional training on specific legislation and compliance aspects included in the local sector codes applicable to the Company.

Our Code of Ethics for third parties is communicated by including it in contracts and training sessions. Any companies with staff working on Ferrer's premises are requested a certificate of compliance with the Code, and for regular staff a certificate is required confirming they have been trained in the Code of Ethics. This process began in 2017, and in 2019, 204 new companies and 357 workers have joined.

Anti-corruption

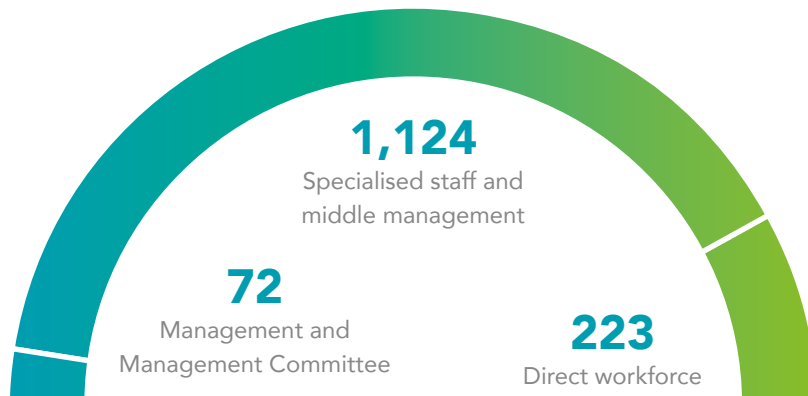


1,419

people already trained in the Anti-Corruption Policy since its launch in 2018, taking into account existing Ferrer staff at the date of this report.

Ferrer has a principle of zero tolerance against corruption. In 2018, Ferrer drew up its Anti-Corruption and Anti-Bribery Policy. In line with its implementation, one year later it was extended to all Ferrer Group companies and action has been taken to apply it to business partners too.

Number of people by professional category who received training on the Anti-Corruption Policy since its launch



Criminal and regulatory risk management

(102-15)(103-1)(103-2) (103-3)

Ferrer advocates for the monitoring and continuous improvement in the management and detection of risks associated with the normal operation of its business activity. To help implement this, new programmes and tools have been developed to identify criminal and regulatory risks, control measures to mitigate them, and determine the people responsible for executing these measures. This approach to preventing corruption is not limited to Ferrer, but is also implemented externally with measures designed to mitigate third party corruption risks that are related to Ferrer (agents, suppliers, distributors, and other business partners).

aimed at ensuring compliance with the applicable laws and regulations in all Ferrer's international business operations, as well as with the Ferrer Code of Ethics. This Policy includes the need to assess and monitor Ferrer's business partners through the corresponding due diligence. In the 2019 financial year, 71 people received online training on this Policy. In addition, in 2019 the Business Partner Due Diligence Procedure was launched, which is mandatory for the main Ferrer companies in Spain from 2020. This will mean business partners are evaluated from different perspectives, including aspects related to corruption, international sanctions and money laundering, among others.

Ferrer has also implemented the **Money Laundering Prevention Policy**, which establishes a Know your Customer (KYC) process prior to accepting a client, in order to detect any risk of money laundering in operations. During 2019, Ferrer has given on-site training sessions. Ferrer's objectives for the 2020 and 2021 financial years include reinforcing monitoring at the Group's subsidiaries.

Business partners and third parties

Ferrer's presence in the world via its subsidiaries and business partners makes it important that we pay special attention to risk management, whether derived from our own business activities, or from our business partners and third parties. To do this, in April 2019, the company launched its **Trade Controls Policy**,

Finally, other requirements in terms of compliance with current legislation and sectoral codes of ethics are integrated into the organisation through policies and procedures, and duly monitored to guarantee compliance.

In 2019 we published our Trade Controls Policy and designed our Business Partner Due Diligence Procedure.

Corporate governance

(102-18)

Ferrer’s governance structure consists of the Board of Directors and the Management Committee. In 2019, the Board of Directors was made up of five people: the president, the CEO, and three directors.



5
members make
up the Board of
Directors

NAME	POSITION
Sergio Ferrer-Salat	President
Mario Rovirosa Escosura	CEO
José Vilarasau Salat	Executive director
Jorge Ramentol Massana	Executive director
Juan Fanés Trillo	Executive director



Ferrer’s Management Committee is responsible for debating the day-to-day aspects of the organisation, and is made up of 12 people -7 women and 5 men- each of whom represent an area within the group.

Mario Rovirosa	Chief Executive Officer
Beatriz Vila	Chief People Officer
Cecilia von Ahn	Chief Affiliates Officer
David Ferrer	Chief Financial & Corporate Services Officer
Marta Vela	Chief Operations Officer
Meritxell Casas	Chief Legal Officer
Olga Fidalgo	Chief Scientific & Business Development Officer
Óscar Pérez	Chief Marketing & Market Access Officer
Pedro De Antonio	Chief Partners Officer
Ricardo Castrillo	General Manager Spain
Silvia Martín	Chief Quality, Regulatory & PV Officer
Tatjana Naranda	Chief of Alexza

12
people make up
the Management
Committee

7
woman

5
men





SERGIO FERRER-SALAT

President

He has a Degree in Economics and Business Sciences from the University of Barcelona, and has been president at Ferrer since 1998. His philanthropic and patronage activities include the Ferrer-Salat Music Foundation, which since 1982, has been committed to empowering people, especially those at risk of social exclusion, through music. He has also carried out a significant amount of charity work over the years with WWF, Greenpeace, and Doctors Without Borders.



MARIO ROVIROSA

Chief Executive Officer

With a Degree in Business Administration and an MBA from Esade, he joined Ferrer as COO Pharma in May 2016, and two years later took up the position of CEO. Before Ferrer, he worked for over 22 years in the pharmaceutical industry in other multi-national family companies such as Almirall and Chiesi, in Spain and Italy respectively.

BEATRIZ VILA

Chief People Officer

Graduated in Psychology from the University of Barcelona, and with an MBA from Esade, she joined Ferrer in 2018. Before joining the company, she held People Management positions in various global companies. Currently and since the start, she has taken on the role of Chief People Officer.



CECILIA VON AHN

Chief Affiliates Officer

With a Degree in Business Administration and International Management from the Hochschule Bremen (Germany), she joined Ferrer in 2003 as an intern in the International Department. Following a year working in logistics, she returned to Ferrer in 2005 to become part of the international team. Throughout these years, she has held different positions in the international department and is currently Corporate Director of subsidiaries, which are present in 18 countries.



DAVID FERRER

Chief Financial & Corporate Services Officer

He holds a Degree in Business Administration and Management from the Autonomous University of Barcelona and a PDD from ESADE. After several years in the professional services field as a financial auditor, and later a strategy and operations consultant, he joined Ferrer in 2007 as financial and systems director at one of Ferrer's subsidiaries. He is currently responsible for Ferrer's Finance, Treasury, Management Control, Purchasing, Systems, Customer Service, and Internal Audit departments.



MARTA VELA

Chief Operations Officer

With a Degree in Chemical Industrial Technical Engineering from EUETIB, she joined the company in 2017, after being Production Manager for 5 years at Novartis. Previously, she had held positions in the field of industrial operations in other international (Alcon-BB Braun) and national (Esteve) pharmaceutical companies. She currently manages the Ferrer Operations department which includes four Farma production facilities, one chemical production facility, and one logistics and distribution hub.

**MERITXELL CASAS***Chief Legal Officer*

Graduated in law from the University of Barcelona and a lawyer, SEP/AMP ESADE, she is the Chief Legal Officer of the Ferrer group of companies. She joined the company in 2015, having held positions in legal and human resource management in various pharmaceutical companies, both national (Salvat) and international (Madaus, Rottapharm). She currently manages Ferrer's Legal, Industrial Property, and Ethics & Compliance departments.

**OLGA FIDALGO***Chief Scientific & Business Development Officer*

She holds a Degree in Medicine and Surgery from the University of Barcelona, a Master in the pharmaceutical industry from the UAB, and a PDD from IESE. She has 30 years of experience in the pharmaceutical industry where she has developed a career in different executive positions in the areas of registration, clinical research, medical marketing and medical affairs, R&D and business development, and licensing. Before joining Ferrer she worked at Uriach, Sanofi, and Lundbeck. She currently manages Ferrer's R&D, medical and business development departments and licenses.

**ÓSCAR PÉREZ***Chief Marketing & Market Access Officer*

He has a Degree in Pharmacy from the University of Barcelona, EMBA at ESADE, and AMP at IESE. Entrepreneurship professor and mentor at ESADE, UPF, and CESIF. After 18 years working in different commercial management positions on a global and regional scale in the biopharmaceutical companies Amgen and Celgene, he joined Ferrer in 2018 to lead the creation of the global strategy department. He is currently responsible for the corporate departments of Marketing, Pricing and Market Access, Business Analysis, and Multichannel Strategy.

**Get to know our team
a little better.**

PEDRO DE ANTONIO*Chief Partners Officer*

He has a Law Degree from the University of Barcelona, PDD from IESE, and PDD from ESADE, and 25 years of experience in various positions in different laboratories (Cusí, Alcon, and now Ferrer) always in international markets. He currently manages Ferrer's International Partners department.

**RICARDO CASTRILLO***General Manager Spain*

He has a degree in Pharmacy from the University of Barcelona, an MBA from ESADE and executive training at SDA Bocconi. More than 15 years of experience in the pharmaceutical sector locally and internationally and he is a regular collaborator at different business schools. He has held different marketing, sales, innovation, and transformation positions before joining Ferrer in 2018. He is currently head of business operations at Ferrer Spain, where he was appointed as General Manager.

**SILVIA MARTÍN***Chief Quality, Regulatory & PV Officer*

She has a Degree in Pharmacy from the University of Barcelona and a Postgraduate degree in R&D and Registries in the pharmaceutical industry from the University of Barcelona's Faculty of Pharmacy. Recently graduated, she joined Ferrer's Regulatory Affairs department in 1999. She is currently responsible for the Quality, Regulatory Affairs and Pharmacovigilance departments at Ferrer.

**TATJANA NARANDA***Chief of Alexza*

She holds a Degree in Chemistry from the University of Zagreb, a Master in Biochemistry from the University of Zagreb, a Ph.D. in Molecular Biology from the Autonomous University of Madrid (Severo Ochoa Center), and an EMBA from Golden Gate University, San Francisco. She has many years of experience in pharmaceutical R&D, especially as Chief Scientific Officer at various companies in the San Francisco area. She joined Alexza in 2005, occupying the position of Business and Alliance Management. She is currently responsible for Alexza's business operations.



6 CLEAN WATER AND SANITATION



7 AFFORDABLE AND CLEAN ENERGY



11 SUSTAINABLE CITIES AND COMMUNITIES



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



02

A global awareness



Sustainability forms part of our raison d'être This is an absolute and constant priority that determines how we plan and implement our business.

We work in the health sector, but we view it from a standpoint that enables us to understand it our own way. We want to create a better society for everyone, so we firmly believe in the importance of promoting social, environmental, and economic sustainability.

(103-1) (103-2)
In 2019, Ferrer launched its new brand purpose “Ferrer for good” in an aim to create a better society by promoting people’s real well-being.

At Ferrer, we have continued firmly committed to integrating sustainability into our different business areas and decision-making processes. In this direction, the Sustainability Department has increased its resources and scope to bring the environmental and social pillars together, integrated into the same department. This provides a global vision of sustainability and helps us move forward in our commitment to generating a positive impact on society.

This led Ferrer, at the end of 2019, to decided to join the B Corp movement and begin our journey to become a B Corp company by 2021 in an aim to maximise our positive impact on employees, communities and the environment. Furthermore, Ferrer’s commitment to sustainability is aligned with the United Nations Sustainable Development Goals (SDGs). With this sustainability strategy, Ferrer makes a positive contribution to enhancing some of the major global sustainability challenges.

Ferrer is currently working on defining a new sustainability strategy to be launched in 2020 with a global vision, embracing environmental and social aspects.

Environmental commitment

(102-11) (103-1) (103-2)
We are fully committed to respecting and preserving the environment. We are confident that conscious and responsible action will mean that future generations can enjoy our planet too.

The world’s climate crisis is the main challenge facing our society. Aware of this, Ferrer wants to create a positive impact on society and understands that economic development must go hand-in-hand with a sustainable management of the business, in order to contribute to improving our quality of life and protecting the planet we live on.

In 2015, Ferrer launched the first sustainability strategy, the aim of which was to ensure the sustainable management of natural resources and minimise the environmental footprint at the different stages of the product life cycle, promoting eco-innovation, and leading a process of change towards a circular economy model.

Through multi-sectorial projects involving all Ferrer areas and departments, the sustainability strategy is integrated into the company’s different decision-making processes and contributes to managing the company’s change towards greater sustainability commitment. All this is carried out through combined initiatives and projects that are developed in seven areas of action:

-  **ENERGY**
-  **CLIMATE CHANGE**
-  **WASTE AND EMISSIONS**
-  **INGREDIENTS AND MATERIALS**
-  **MOBILITY, TRANSPORT AND LOGISTICS**
-  **WATER**
-  **AWARENESS**

Energy

During 2019, Ferrer continued focused on developing environmental initiatives and projects and took an important step in aspects related to materials, waste, energy, and awareness.

In addition, within the framework of the Environmental Management System, in 2019 all the company's pharmaceutical facilities and corporate services were integrated into the same multi-site ISO 14001:2015 certification, while at the same time, the system processes were integrated into the whole organisation.

In 2019, Ferrer integrated the ISO 14001 certification standard into all their facilities.

(103-3)

One of the great achievements of 2019 was the improvement made by the Sustainability Department in the way in which objectives and projects are monitored. Here, we improved data collection in order to gauge the main key sustainability performance indicators (KPIs) and continuously monitor them using the new sustainability panel, which helps in decision-making processes. This involved aligning the indicators of all our workplaces and establishing a homogeneous monitoring methodology, with quarterly monitoring meetings, where the progress made in the main KPI is reported to the managers in order to develop effective action plans. This continuous monitoring has enabled highly optimised results to be achieved in the objectives that were set in terms of environmental impact.

(103-1) (103-2) (103-3)

As part of its sustainability strategy, Ferrer promotes the protection of natural assets by sustainably using natural resources, such as energy, water, and raw materials. Since 2018, 100% of the electrical energy the company contracts in Spain comes from renewable energy sources.

In 2019, we opened a tender to conduct energy audits for the group's main manufacturing facilities.

This was the first step to redefining the new 2020-2023 energy efficiency programme and to seek opportunities for the optimisation and improvement of Ferrer's facilities. Furthermore, the programme includes a consumption analysis for the 2016-2019 period, defines measures to be implemented in the coming years, and assesses the economic and environmental impact.



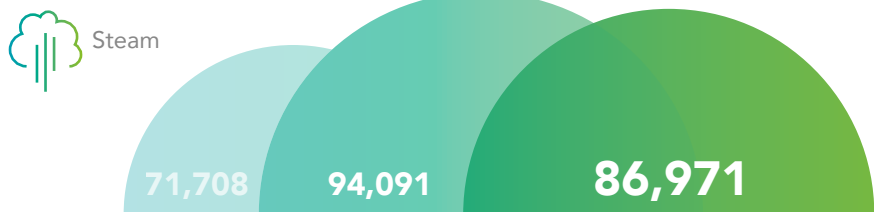
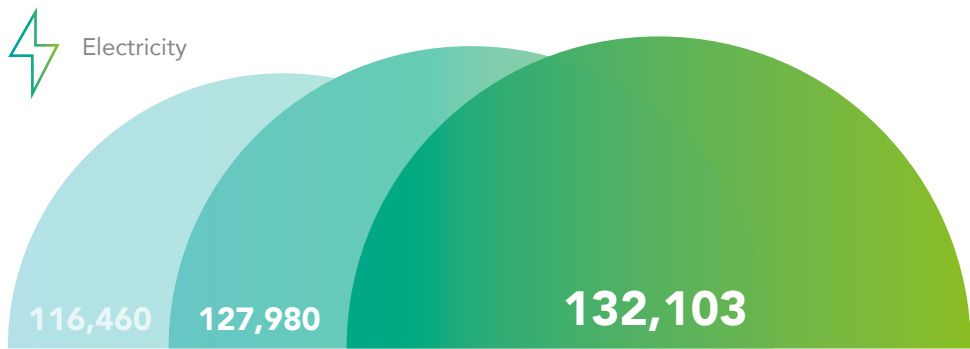
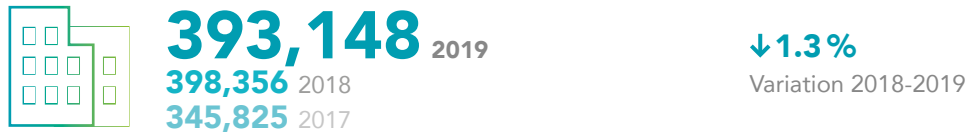
(302-4)

During 2019, we carried out several projects that have contributed to reducing energy consumption at our different sites:

- ➔ Improvement in the management of lighting in the office areas has led to a potential saving of 18,000 kWh per year.
- ➔ In industrial processes, we have implemented a hot water system with solar panels to power steam generation, resulting in a potential saving of 26 tons of steam, the equivalent of 8,500 kWh per year. Similarly, we worked on connecting the steam exchanger using plates connected to the purified water circuit, which has saved 10 tons of steam per year (equivalent to 3,500 kWh) and halved the sterilisation time (from 4 to 2 hours).
- ➔ At our Sant Cugat Chemical facility, we have installed two flowmeters for the return condensates of our steam system. This system means the efficiency of the system can be measured much more precisely and suitable improvements established to optimise it.
- ➔ Also, by 2020 we planned to change the compressed air generation system and one of the industrial cold water circuits to improve energy performance.

(302-1)

Energy consumption in the organisation¹ (in GJ)



1. Includes sales fleet vehicles in Spain and the manufacturing facilities: Sant Cugat Chemical Plant, Beniel Chemical Plant, Sant Cugat del Vallès Pharmaceutical Plant, Esplugues de Llobregat Dermocosmetic Plant, the Sant Feliu Logistics Centre in Buixalleu, the Cerdanyola del Vallès food warehouse, the facilities in Mexico and Alexza, as well as the subsidiaries in Argentina, Chile, Costa Rica, Germany, Kazakhstan, Peru, and Portugal.

In 2019, energy consumption totalled 393,148 GJ, 1.3% less than the previous year. Electricity is the main energy type consumed by our production processes, followed by natural gas.



Sustainable building

Ferrer is committed to integrating sustainable building criteria in the construction of new facilities and buildings. This practice began 2010 with the construction of the Sant Feliu de Buixalleu Logistics Centre, built following criteria such as energy efficiency, the use of renewable energy, recycled materials and local suppliers. This involved, among other actions, recovering the green space the

building had occupied by installing a green space on the roof. In 2014, the site obtained the LEED gold certification awarded by the US Green Building Council. Likewise, since that same year, the new offices at the Sant Cugat Pharmaceutical Plant have been LEED Silver certified. 2018 also saw the completion of the expansion of the Logistics Centre in line with the same LEED building criteria.



Climate change

(103-1) (103-2) (103-3)

According to the World Meteorological Organisation, the last few years of the 21st century have been the warmest on record. Certain consequences of climate change can already be perceived today, such as rising temperatures, water shortages, high energy costs, lack of food and resources, deteriorating air quality, health issues, and economic and social problems, among others. Faced with this scenario, the 2030 Agenda for Sustainable Development (SDGs) set out the most ambitious goals in the history of humanity with a view to building a prosperous, inclusive, and fair socio-economic model.

Ferrer's strategy to reduce and adapt to climate change is aligned with the 2030 Agenda SDGs in response to the enormous challenges we face as a society. Efforts to save energy and fuels as well as promote energy efficiency are therefore aimed at minimising greenhouse gas (GHG) emissions, using renewable energy and offsetting emissions.

In 2020, with the launch of our new sustainability strategy, Ferrer will establish a set of environmental objectives to improve management of the current climate crisis and adopt medium and long-term commitments to continuously contribute to reducing climate change.

At Ferrer, it is essential for us to monitor the emissions produced by our activities. Since 2013, the organisation has calculated its corporate carbon footprint according to the GHG Protocol using the Clean CO₂ tool.

In 2019, we have far exceeded the targets set to reduce Ferrer's corporate carbon footprint by 25% (Scopes 1 and 2) and by 2% (Scopes 1, 2 and 3).



In recent years, Ferrer has made an effort to calculate the impact caused by indirect Scope 3 emissions, specifically the impact resulting from the manufacture of all the packaging consumed by Ferrer, from managing the waste generated at the facilities, from business trips, and commutes to and from work made by all its employees. Thanks to this detailed analysis, Ferrer has identified the main sources of emissions and established cross-departmental projects within the company to reduce these impacts.

Specific action of note taken in this area include measuring the carbon footprint of the transport of national goods by our different suppliers assigned the service for the 2019 tender. By 2020, we hope to calculate the GHG emissions resulting from national transport, and later extend this calculation to international goods transportation. Now that freight transport has been included in Scope 3, we have a much more general view of the environmental impact and contribution to climate change caused by each of our activities. From this, we can develop specific actions to reduce these in line with the goals established.

In 2020, we will include all our national and international transport into the GHG emissions calculation.

In 2019, GHG emissions resulting from the activity at the group's subsidiaries -which represent a low percentage of emissions compared to other locations- have also been included. The production facilities account for more than 75% of annual emissions.

Compared to 2018, Ferrer's carbon footprint has decreased by 3.9%. If the evolution of GHG emissions is analysed in relation to the group's turnover, we can see that it has decreased by 5.2% as a direct result of efforts to minimise the environmental impact associated with the group's different activities.



If we compare the emissions with the previous year, there has been a reduction of 11% in Scope 1 emissions, mainly due to reducing leakage from air conditioning systems and a decrease in fossil fuel consumption thanks to an improvement in energy efficiency at our facilities.

Scope 2 emissions have been reduced by 9% compared to the previous year, mainly due to the fact that most of our facilities worldwide are now running on 100% renewable energy.

Scope 3 emissions show a 0.3% reduction compared to the previous year, which is mainly due to the following factors:

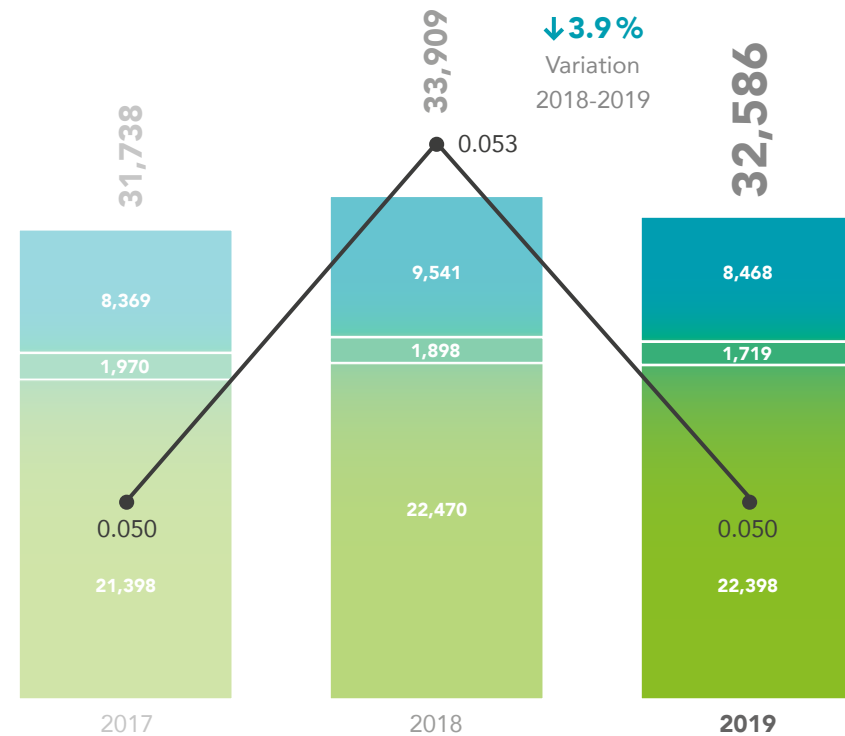
- A considerable reduction of 9% in emissions from waste management following improvements in this area -expired medicines and waste from production- currently carried out by a waste management firm with the technology to maximise waste recovery.

(305-1)(305-2)(305-3)

**GHG emissions per scope (tCO₂eq)
and KPI invoicing (tCO₂eq / thousands of euros)**

We reduced our GHG emissions by 3.9% compared to the previous year.

● Total
● Scope 1
● Scope 2
● Scope 3
— GHG emissions / turnover

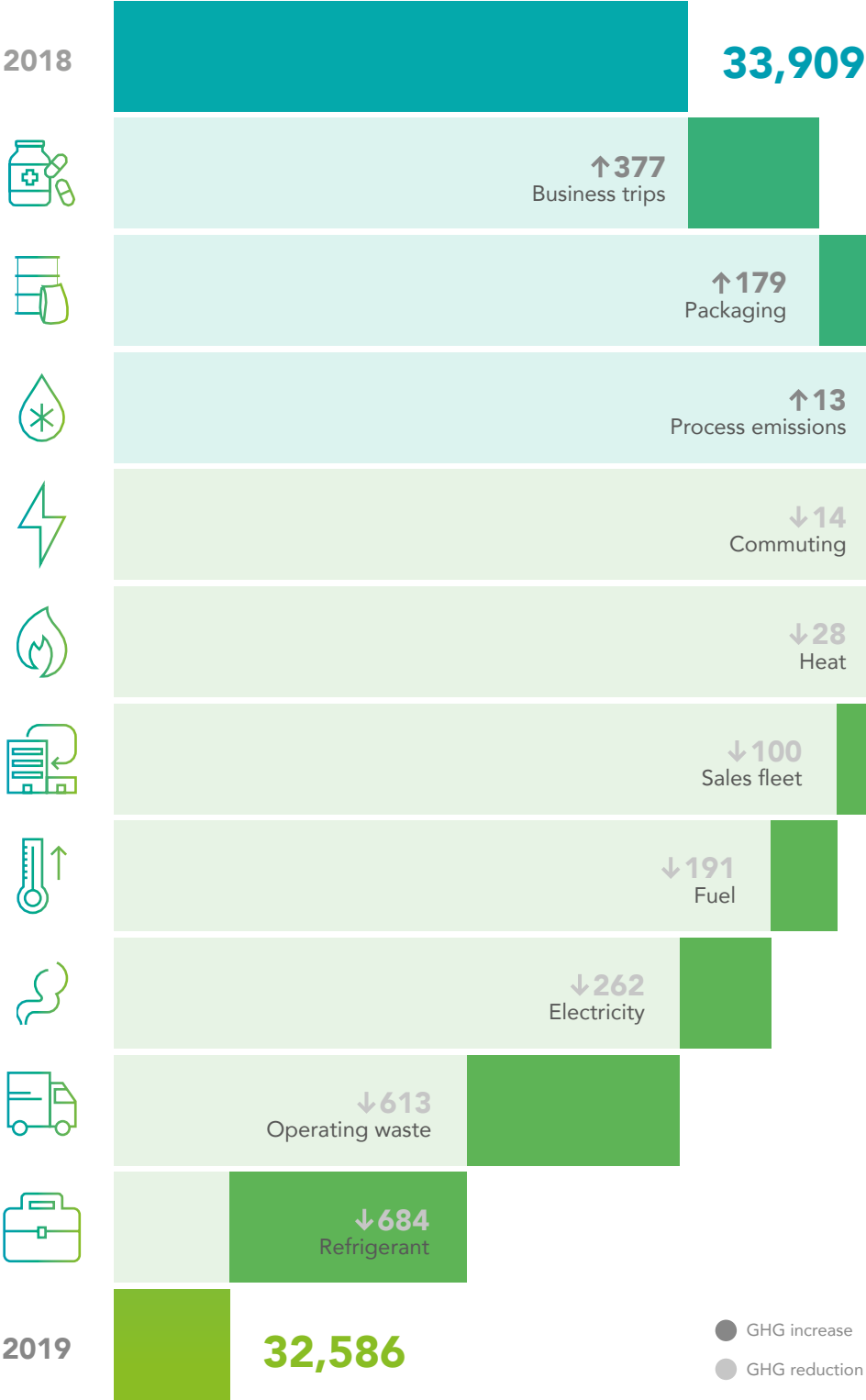


By using green energy, Ferrer avoids generating 10,000 tCO₂eq per year.

Other aspects included in the emissions calculation have remained fairly stable when compared to

2018, except for business trips, for which emissions have increased by 20%. This is due to the fact that in 2018, the group's strategic plan was developed and one of its objectives was to increase our subsidiaries' commitment to the group's policies and values in order to boost their role in business development. As a result, in 2019 the number of trips to transmit corporate policies to all the group's subsidiaries has increased.

Annual comparison of GHG emissions by source (tCO₂eq)
(2018-2019)



(103-2)

Apart from the actions carried out at the production sites, Ferrer promotes the progressive implementation of good practices in other areas of activity:

- In our sales vehicle fleet renewal process, we have taken green purchasing criteria into account to reduce the impact caused by journeys made by our sales network.
- Ferrer works hard to identify opportunities to apply eco-design criteria in the packaging of its products in an aim to reduce their environmental impact and make them easier to recycle.
- Whenever possible, Ferrer uses hotels with certified environmentally friendly practices, and prioritises travel by public transport.
- In addition, Ferrer frequently carries out environmental awareness actions such as training and communication for its staff in order to ensure the Sustainability Strategy is successfully implemented throughout the company.
- The company promotes the organisation and holding of sustainable events, as well as ecodesign criteria for conference stands. Whenever possible, Ferrer offsets the GHG emissions generated from attending events and congresses by buying carbon credits implemented through high quality emission reduction or absorption projects in the Clean CO₂ portfolio.
- We develop actions to promote the circular economy and improve the management of waste generated at our facilities.
- A Sustainable and Safe Mobility Plan has been developed for the production sites located in Sant Cugat del Vallès.
- We take measures aimed at energy saving and efficiency at our facilities to minimise the environmental impact associated with the production phase of our work and we use 100% renewable energy.

Waste and emissions

(103-1)(103-2)(103-3)

Waste is a key factor in Ferrer’s commitment to sustainability. For years the company has been working towards correct waste management, implementing measures of prevention, recycling, reuse, and recovery.

This year, Ferrer launched its 2025 Waste Program, one of the group’s most ambitious projects, which sets out the following general objectives:



Improve Ferrer’s internal waste management.



Adapt and improve waste storage warehouses.



Training and raising awareness on waste.



Promote waste circularity in Ferrer.



Eliminate or reduce waste from CMR substances.

Between 2018 and 2019, we completed an exhaustive study on waste management at the different group facilities. The results of the study show that we have managed to determine the degree of compliance at the different sites, and we have prepared a specific action plan for each of them. These different action plans make up the Ferrer 2025 Waste Programme.



To improve waste management following the programme designed for each site, in 2019, Ferrer worked on a series of actions, the most significant of which were the following:

- ➔ The company has enough waste storage and management spaces available to optimise waste management. Therefore, the selective waste segregation at the facilities takes place at the same points where the waste is generated, which involves high segregation rates at source and facilitates the final management of it which is carried out by external managers.
- ➔ Ferrer has a manual of good environmental practices for suppliers and contractors, which establishes the basic principles in the management of waste generated at the workplace. Additionally, each workplace has an environment manager who ensures the correct waste management procedures are followed. The organisation carries out legal compliance audits every six months to verify that all legal requirements in the environmental field are met, particularly focused on waste.

With our Zero Plastic Offices project, we have reduced packaging waste by 30 tons.



- ➔ We have undertaken a global project to eliminate all single-use packaging and materials at Ferrer’s offices, in which we managed to reduce approximately 30 tons of waste. The main objective of the Zero Plastic Offices project was to eliminate plastic waste from coffee and water cups at Ferrer’s facilities. We installed ultrafiltration water machines on the premises as well as traditional coffee machines to avoid consuming aluminium capsules.
- ➔ To help persuade Ferrer staff to join the initiative, we carried out an internal communication campaign based on the slogan “Say NO. Say YES”, which encouraged staff not to use plastic containers but to bring their own coffee cups. Similarly, we distributed corporate bottles to staff to encourage their use on a daily basis.

At the production centres, we would highlight the following actions:

- We purchased a new evaporator for the Pharmaceutical facility, which will considerably reduce waste (by approximately 75%) from water that is used for cleaning in the production process.
- Of particular note is that we currently send waste from expired or obsolete medicines generated at our sites to a waste manager capable of separating each component of the product (primary, secondary and tertiary packaging) and recycling or recovering those materials that can be recovered. Thanks to this and other measures applied in collaboration with waste managers, Ferrer has reached an 82% recovery rate of its waste generated, well above that of other companies in the sector.

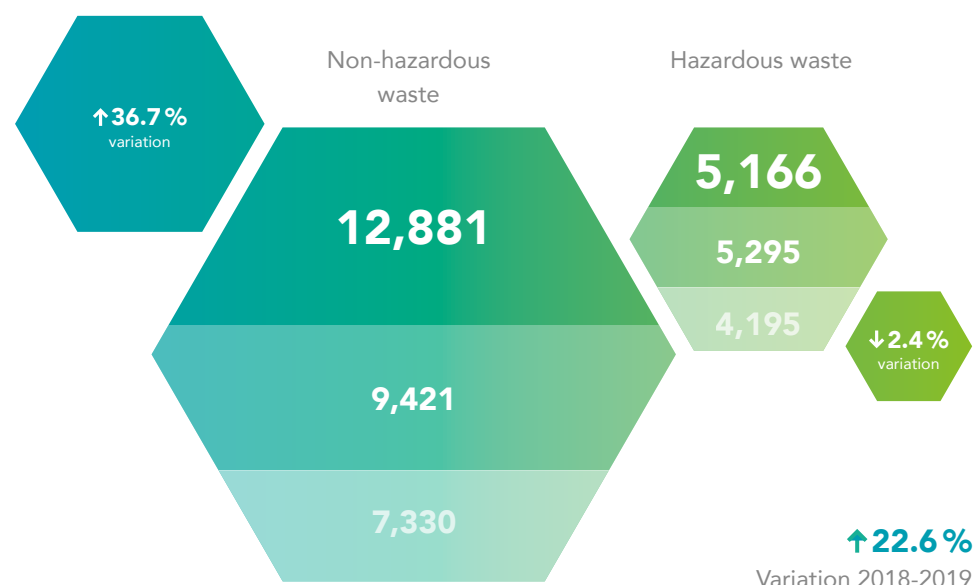
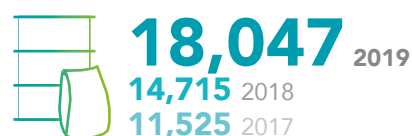
Close collaboration with all the group's waste management has enabled us to optimise our final waste disposal management.

In 2020, Ferrer will carry out audits at the different waste management firms for the group in order to guarantee correct waste management and optimise final disposal management carried out by the waste managers it frequently works with. The results of the audits will lead to improved final waste management as well as promoting waste recovery and the circular economy of our activity through an external agent. This will also enable us to improve waste manager tenders procedures.

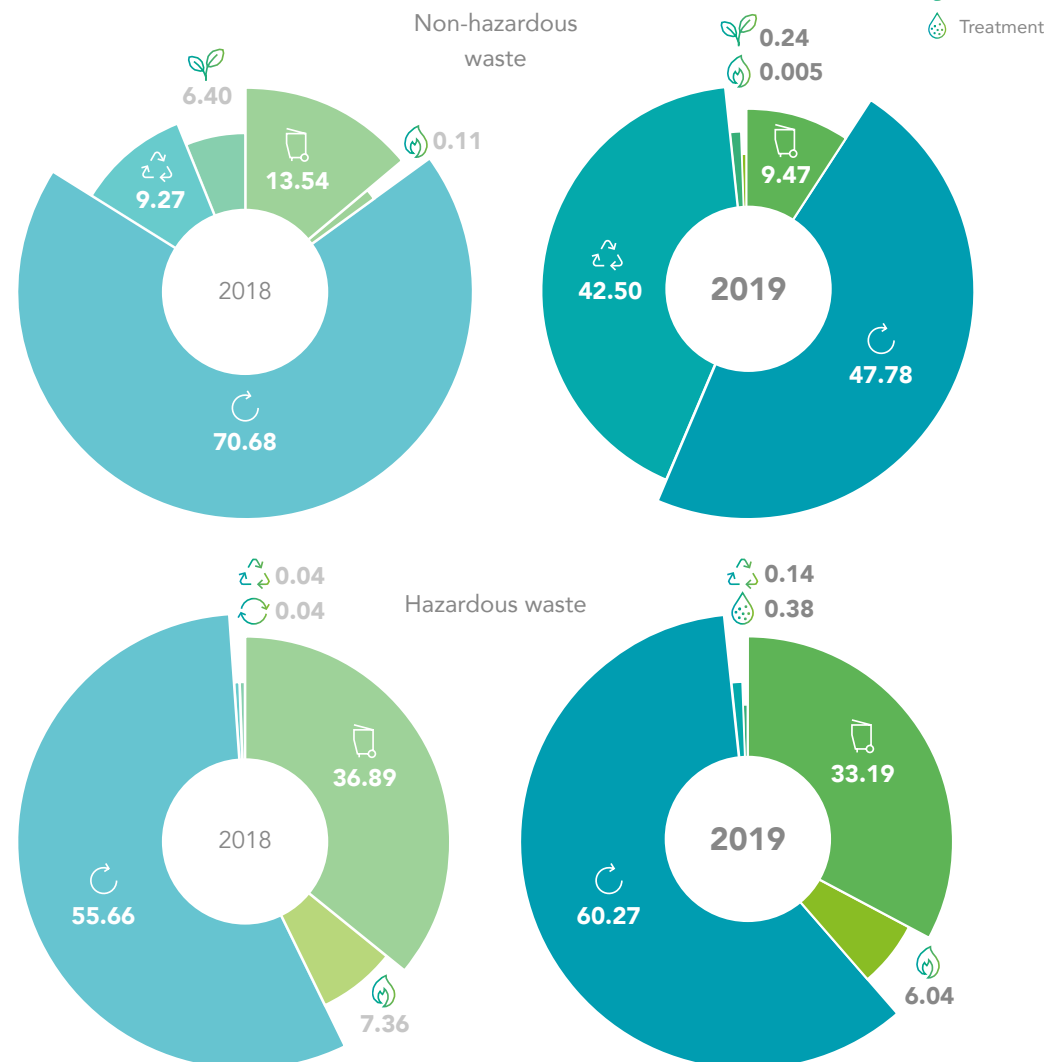
We have reached a generated waste recovery rate of 82%.

(306-2)

Volume of waste generated by type (tons) Ferrer Spain



Waste disposal methods (%)



(103-2)

All the sources of our emissions comply with current legislation on air emissions and preventive maintenance. Periodically, an entity appointed by the competent authorities reviews the sources of our emissions to ensure that the limits established for our activity are not exceeded. Incidentally, none of our sites has breached the limits in terms of air emissions.

To improve our process emission management, two new gas scrubbers have been installed at the Sant Cugat chemical plant

in 2019 to reduce the pollution emitted during the manufacturing processes of active ingredients. Plus we have installed an automatic system for continuous measurement at the outlet of the regenerative thermal oxidiser for methylene chloride gases, as well as to monitor volatile and non-volatile organic compound gas. These measures have been designed to ensure our emissions are rigorously controlled and establish possible ways of reducing emissions into the atmosphere.

Circular economy and use of materials

(103-1) (103-2)

At Ferrer, we are committed to moving from a manufacturing model to a model based on the circular economy. The group is currently in the phase of establishing a starting point from which to integrate a circularity strategy in all internal and external areas of the company, with the objective of promoting a sustainable business model with an emphasis on proximity and the rational use of natural resources.

In 2019, Ferrer implemented a form of gauging the circularity of its activities and help build a circular economy around its business model. With this project, which we plan to finish in mid-2020, Ferrer wants to contribute to promoting the circular economy inside and outside the pharmaceutical sector.

Our vision is to promote the circular economy inside and outside the pharmaceutical sector.

Ferrer's new waste programme is significant in this area as it lays the foundations to integrate the circular economy into the organisation while reducing the environmental impact of its products. We therefore develop projects and initiatives to promote this economic model, applying its principles through our Sustainability Strategy. Another of the fundamental pillars in our transition towards the circular economy is the recovery of waste at the Interquim chemical facility, which is turned into a solvent and can be reused as a suitable raw material.

In 2019, Ferrer obtained three grants from the Catalan Waste Agency to promote the circular economy at its manufacturing facilities. We have therefore established a set of projects to work on during 2020-2021:

→ **Ecodesign and optimisation of pharmaceutical packaging formats**, the general objective of which is to optimise packaging formats to reduce the carbon footprint associated with secondary and tertiary packaging.

→ **Picking boxes ecodesign**, to analyse the current picking system at the Sant Feliu de Buixalleu Logistics Centre in order to optimise resource consumption, and reduce its environmental impact.

→ **Reuse of packaging at the chemical plant**. This project aims to study possible ways of reducing the consumption of packaging or reusing it, at the Sant Cugat del Vallès chemical plant.



The Gelocatil family launches ecodesign packaging and reduces environmental impact by 70%.

In 2019, Ferrer took a step forward in its eco-design project for all the packaging used in the Gelocatil family to make them 100% recyclable and reduce their environmental impact. The new design of this packaging eliminates multilayer materials and uses a mono-material component without plastic coating using FSC® certified cardboard. This project has not only saved 1,000 tCO₂eq, but has also facilitated production processes, waste management process, and cost savings of up to 29%.



Parallel to this, 2019 saw Ferrer start developing its packaging model, based on its previous experience in ecodesign for specific products, which we hope to consolidate in 2020. Therefore, by the end of the year, we implemented an exhaustive standardisation project for the different formats of pharmaceutical packaging and grouping boxes. The objective was to analyse the cardboard saving potential in packaging and product cases. The results of the study showed a high sav-

ings potential in cardboard consumption thanks to standardising current formats, and consequently, we have prepared a materiality matrix that will illustrate the environmental impact associated with each of the products that Ferrer markets. In 2020, we will begin to quantify the environmental impact of the organisation's products in order to lay the foundations for Ferrer's packaging model and integrate this model into the new product design processes or to improve current ones.

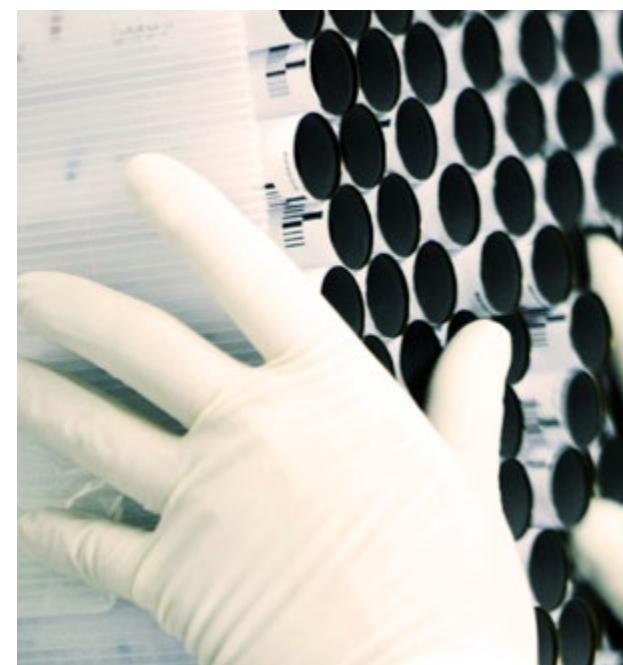
In terms of the use of raw materials, in 2019 the Health & Safety department studied, categorised, and evaluated all CMR and sensitising substances, which are substances that are harmful to long-term health, and eliminated all of them from the raw materials

used at the Esplugues facility. In line with this strategy, in the coming years, carcinogenic, mutagenic, or toxic substances will be evaluated and categorised to continue with replacing and eliminating them.

In the framework of the Environmental Management System, and as part of the ISO 14001: 2015 standard, we seek to promote sustainable purchasing and contracting in the entire company. In 2019, we carried out several tenders in different categories, the products or services of which required compliance with sustainability criteria.

These bidding procedures form part of the purchasing efficiency project, which includes tenders for the different categories identified in all of Ferrer's sites. In those categories in which we have detected an opportunity to include sustainability criteria, we have worked with the Sustainability Department team to include them.

In 2020, Ferrer will begin to evaluate its suppliers according to environmental and social criteria, as part of the cross-departmental B Corp project, for which we aim to become certified by 2021.



Water

(103-1) (103-2) (103-3)

Ferrer's Sustainability Strategy allocates a whole field of measures related to water, given that this is such an essential resource for all Ferrer's manufacturing plants. In general terms, at Ferrer, we ensure correct water management, whenever possible applying measures regarding prevention, reuse, and recovery. We also carry out regular controls on water consumed and wastewater generated. Our comprehensive and efficient water resource management programme includes developing and monitoring a set of indicators to help our sites assess their behaviour in terms of water resource consumption. In 2020, we plan to establish the specific objectives set out in the programme to contribute to the efficient and circular use of water resources. When developing new processes in which water plays an important part, the R&D Department determines the minimum water consumption rate. Parallel to this, each site implements initiatives aimed at reducing significant risks detected by the Environmental Management System.



Some of the measures implemented by Ferrer in 2019:

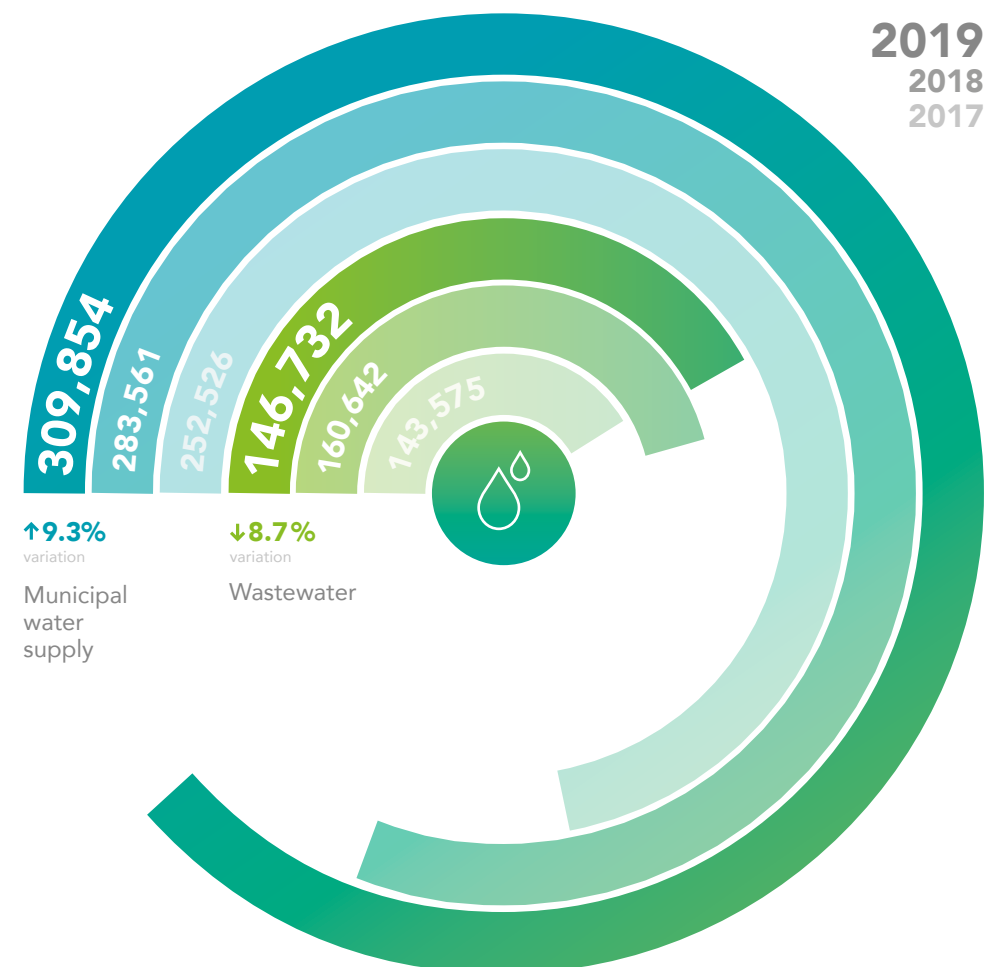
- Daily parameterisation of the water levels and wastewater treatment plant by means of the Environmental Management System, providing greater control over consumption and the levels of chemical demand for oxygen, phosphates, nitrates, water flow, oxygen and PH, among other factors.
- At the Sant Cugat Chemical Plant, the treatment of wastewater from the manufacturing process by means of a biological treatment plant. This enables treated water to be discharged under normal conditions. The sludge produced by the biological reactor is centrifuged to reduce its water content and thereby generate less waste.
- Correct water management at the Sant Cugat Pharmaceutical Plant, which was built following LEED certification guidelines (vegetation cover, water-saving taps, etc.). Water rejected by the osmosis process is recycled here and reused for flushing toilets. In 2019, 33% more reject water was recycled compared with the previous year.

- The manufacturing plants have automated cleaning systems that ensure only the necessary amount of water is consumed to optimise the process, both in terms of quality and efficiency and from an environmental point of view.
- The study of water life cycle at Ferrer's manufacturing facilities in Sant Cugat del Vallès designed to align the company's programme regarding the comprehensive and efficient management of water resources, with the new municipal regulations on water resource

management which entered into force at the end of 2018. This plan aims to maximise water reuse in production processes and identify improvements that can be made to contribute to the efficient use and treatment of water at the facilities. The plan involves implementing and planning a set of measures for water saving and efficient consumption, as well as aspects related to training and raising awareness among staff to promote the responsible use of water.

(303-1)

Water extraction by source (m³)



Environmental awareness



In 2019, we completed our communications campaign “Our experience”, addressed to all the company’s staff and based on the premise that our experiences can inspire and help to change people’s attitudes. The “Our experience” campaign consisted of nine different experiences over twelve months to ensure all Ferrer staff could experience sustainability in person. This included workshops, videos, top tips, tickets to exhibitions to understand the problem of climate change, sustainable mobility exhibitions, etc. All of these experiences were designed to be applied, not only in Ferrer, but also at home, with family and friends.



In 2019, this campaign received the award for the best corporate social responsibility communications campaign in the environmental field from the Observatory on Communication and Corporate Responsibility Action (OCARE).



During 2019, Ferrer has carried out several environmental awareness initiatives addressed to employees and the members of the Management Committee. This included a welcome programme for new employees with environmental training, and awareness-raising sessions with the Management Committee. Specifically, in November 2019, the members of the Management Committee visited the “The Zone of Hope” exhibition, a virtual reality experience to live the consequences of climate change in person.



Additionally in 2019, Ferrer also won the Gaudí-Gresol award for Notoriety and Excellence for its commitment to the environment. These awards, organised by the Gresol Foundation in collaboration with Reus City Council have been designed to recognise the work of individuals, entities, and organisations that excel in different professional disciplines.

Social action

(103-1) (103-2) (413-1)

We strive to give back to society as much as we possibly can. To do so, we engage in activities and collaborate in social projects that generate a relevant benefit for people in the environments in which we operate.

We cannot imagine a world in which we turn our backs on what is happening around us.



Ferrer's commitment to society responds to its people-oriented activities. This is why Ferrer wants to continue promoting patronage and volunteer work, aspects that have always been at the heart of our essence, to reinforce social commitment and contribute to the creation of a better society.

An example of this are our corporate volunteer days, in which Ferrer staff dedicate their time to carrying out some form of social transformation.

REFURBISHMENT OF THE RAMON BERENGUER III SCHOOL, IN BARCELONA'S TRINITAT VELLA DISTRICT

In September 2019, Ferrer held its first corporate event "Ferrer for good", which involved the participation of more than a hundred people from different areas, including the entire Management Committee and the company Chairperson. This involved approximately three hours in which Ferrer employees refurbished the Ramon Berenguer III school in Barcelona's Trinitat Vella district.

Organised in workgroups, all of the participants demonstrated their commitment to society to promote the real well-being of people. Among other tasks, they painted the staircase and the dining room, assembled new furniture for the library, repaired the basketball posts, the goal posts and the picnic tables, revamped the garden area, and gave a splash of colour to the pre-school playground.



MONTGRÍ NATURAL PARK, LES ILLES MEDES AND EL BAIX TER (GIRONA) RESTORATION OF SAND DUNES

The Ferrer staff installed natural sand traps on the beach dunes located in the area of La Platerra area. These are aimed at helping to regenerate the dunes system in the bay of L'Estartit and Pals. The traps consist of wooden fences nailed to the ground, half a metre high and between five and ten metres long. These enable the sand to accumulate from the wind, and collect behind the fences so that a small dune begins to form.

The goal of this project is to conserve protected habitats that include endangered species, such as the black-backed plover, which is regenerating its population in the Empordà region area thanks to dune conservation.

TOYS AND FURNITURE MANUFACTURING FOR THREE EDUCATIONAL CENTRES IN THE PROVINCE OF ALICANTE

Over two half-days, 440 Ferrer staff dedicated their time to building and assembling cabinets, shelves, desks, bicycles, multi-skis, hopscotch, mikados, and twist-ers to bring a smile to more than 300 boys and girls from two schools in Alicante and the youngsters at L'Omet Child Care Centre in Elche.

The following day, the Ferrer staff delivered the furniture and toys they had made in person to the institutions, where the fourth, fifth, and sixth-grade students were waiting eagerly to receive the donation. Different representatives from the educational institutions were present to thank them for their kind gesture. They expressed how well-received these types of actions are for these centres. They are delighted to receive contributions like this, as they help enormously to improving the services they offer.



A Philanthropic Vocation

(103-1) (103-2) (413-1)

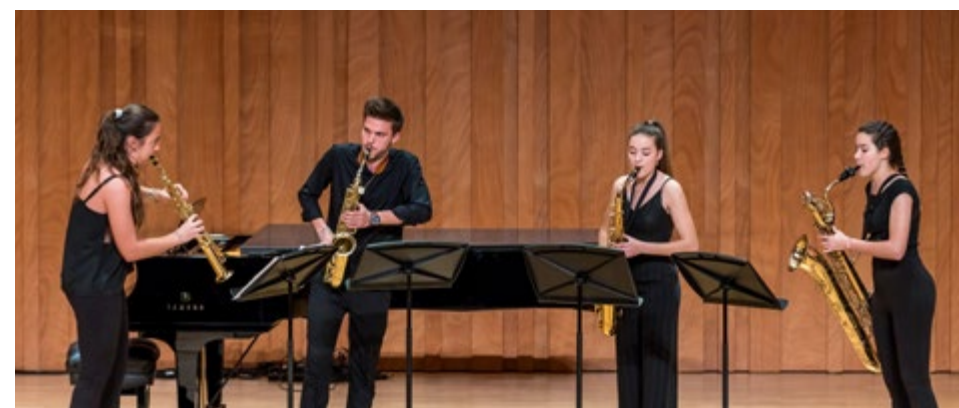
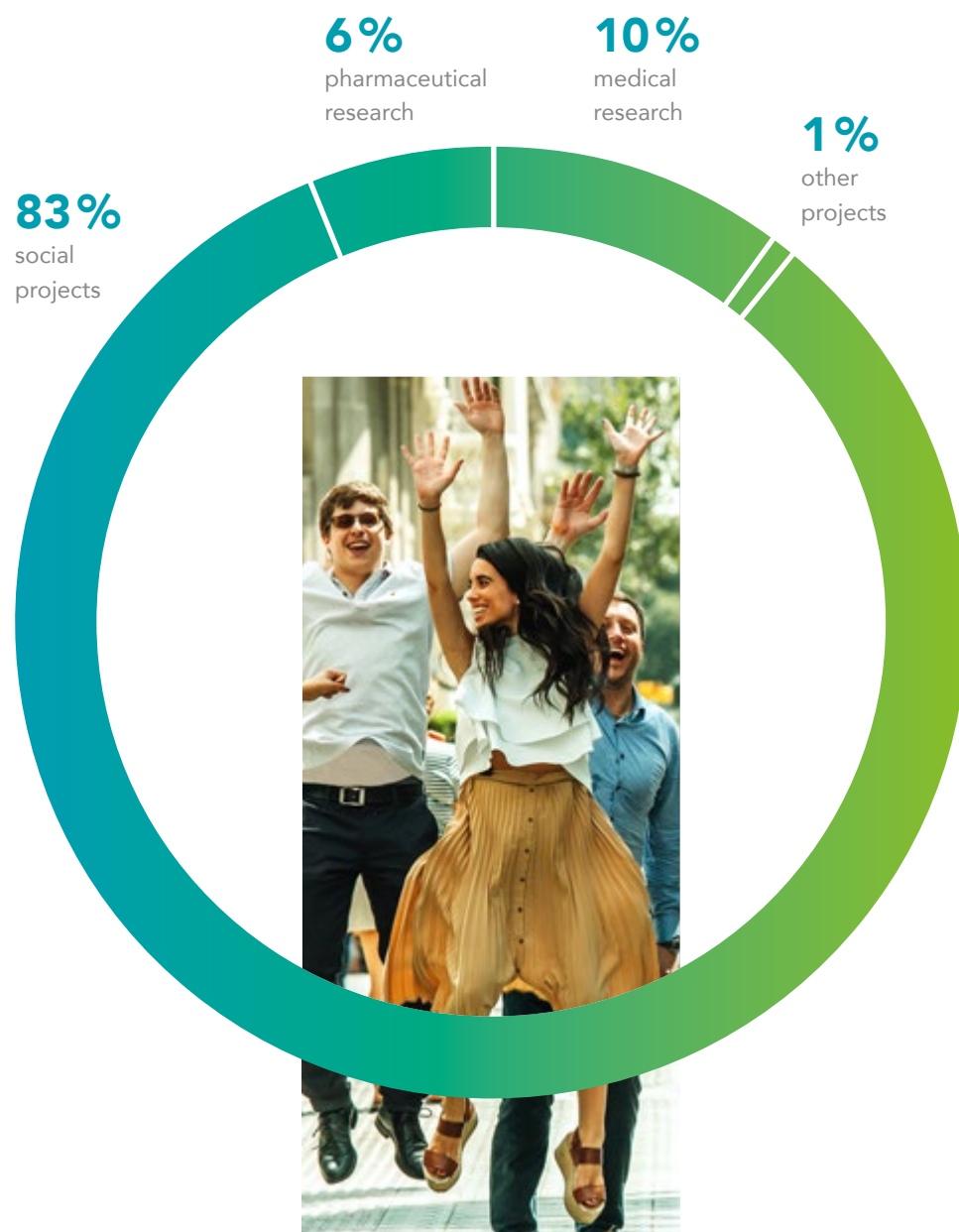
At Ferrer, we understand that our involvement with society goes far beyond our business in the pharmaceutical sector. This is the reason why we participate in initiatives in very diverse fields and support numerous associations and foundations to assist them in all their areas of work.

Ferrer was founded with a clear vocation to provide solutions to society. But not only in the field of health. Ferrer has a philanthropic vision which has led to its patronage in different areas and to the promotion of numerous projects of different kinds.



€1.7 M

allocated to last year's initiatives in different sectors.



Ferrer's main patronage project is the Ferrer-Salat Music Foundation.

In particular, Ferrer sees culture as a positive influence that enriches people's lives, promoting musical education as a means of social cohesion. All this forms part of the roadmap established by Ferrer to contribute towards social commitment and therefore a better society.

The Ferrer-Salat Music Foundation, founded in 1982 with the creation of the Queen Sofía Composition Prize, believes in the infinite power of music as a key element in creating a more equal and cohesive society.

PRIMARY EDUCATION MUSIC PROGRAMME FOR SOCIAL INTEGRATION

Convinced that music, and particularly music education, is a fundamental tool for social integration and cohesion, the Primary Education Music Programme for Social Integration was launched in schools in Barcelona in disadvantaged areas and those at high risk of social exclusion. During the 2018-2019 academic year, a total of 3,606 students were the first to take part in the programme and 20 of them obtained a scholarship to start their basic level training in the specialties of: alto saxophone, clarinet, trombone, and euphonium for the 2019-2020 academic year.

QUEEN SOFÍA COMPOSITION PRIZE

The aim is to stimulate the creation of music for symphony orchestras in their different forms and to help composers get their music performed, heard and publicised. The Ferrer-Salat Music Foundation awards the Queen Sofía Composition Prize every year and it is worth €35,000.

FERRER-SALAT SCHOLARSHIPS

As an example of its commitment to music education as a fundamental element of people's complete development, the foundation offers 42 scholarships for further studies in Performance or Composition at the Advanced Centre of the Liceu Conservatory Foundation. During the 2018-2019 academic year, a total of 42 students were able to access these scholarships.



03

People-oriented

Our patients

(103-1) (103-2)

Ferrer's involvement with society goes way beyond the limits of its business. Today, people are beginning to play a more active role in their well-being, especially from a global perspective. Therefore, Ferrer seeks to provide the necessary information to help people make their own decisions regarding their health. The aim is also to respond to the demand of patients who wish to become involved as early as possible in all decisions concerning their well-being and the processes that affect them.

As a health company in the pharmaceutical sector, it is essential for Ferrer to work closely with, and engage patients in the development of treatments and solutions to meet their needs.

We involve them in the key phases, to ensure treatment ends up being truly useful for those whose task it is to provide a solution for a specific problem. This means including patients in processes such as defining pathologies to focus on developing concepts, choosing the route of administration, designing clinical studies, and evaluating their efficacy.

We are permanently committed to boosting people's true well-being.

At Ferrer, our commitment to patients is very clear: to be close to their health, working together with them to develop the best comprehensive solutions with the greatest possible well-being.

Ferrer develops comprehensive solutions for doctors, patients, family members, and caregivers through the appropriate use of existing technologies. These solutions help to improve treatment compliance and its results, always putting the patient at the heart of the process and empowering them to efficiently manage and control their illness.



Our goal is to ensure the safe use of medicines and provide reliable and up-to-date information.

We work to guarantee the safe use of medicines, providing the latest and most reliable information. Safety is a key aspect in the quality of healthcare and a patient's rights. True to its principles, and in order to improve public health, Ferrer strives to prevent or reduce the possible adverse effects of drugs on patients. Therefore, they are subject to constant controls and monitoring, even when they have no specific warnings.

Before medicines can be used, they undergo a series of strict controls that guarantee their safety. However, despite all the advantages they offer, all medications can still cause adverse reactions. Consequently, even when they are available on the market, they should still be closely monitored to detect any problems that might have gone unnoticed in the preclinical and clinical research phase, prior to their authorisation.

The WHO defines pharmacovigilance as the science and activities carried out in relation to the detection, evaluation, understanding and prevention of the adverse effects of medicines or any other issue related to them.





Ferrer has mechanisms and procedures in place to evaluate and control the degree of safety offered by the clinical use of medicines. The independent and duly resourced Department of Pharmacovigilance ensures that decisions taken regarding drug safety are not linked to commercial interests.

The Pharmacovigilance Department handles all queries, complaints, or claims regarding patient safety, such as the notification of an adverse reaction to a medication. Additionally, in an aim to improve knowledge about the use of medicines and improve patient compliance with the treatment prescribed by the doctor, this department ensures that the safety information available to patients in the leaflet and the technical information data for health professionals are up to date. Using the safety information received, this department also prepares periodic reports that are continuously shared with the relevant health authority.

During 2019, we consolidated the process to identify and manage safety signs and warnings on medicines. Furthermore, we have managed to roll out Ferrer's pharmacovigilance system to all our subsidiaries,

by drafting and establishing common and standardised working procedures.

The Pharmacovigilance Department also manages the improvement of the cosmetic and health product surveillance system.

We are working to roll out Ferrer's pharmacovigilance system to all our subsidiaries in order to establish standardised procedures.

(416-1)

Each drug is different and its particular risks to patients are identified. Consequently, there is an individualised risk management plan for most of Ferrer's medicines. In certain cases, risk minimisation measures are implemented and routine pharmacovigilance actions taken, such as distributing safety information materials to healthcare professionals and patients.

Maximum quality and safety guaranteed

Ferrer's Pharmacovigilance Department works in collaboration with the Pharmacovigilance Quality Department to establish an optimal system. System audits are carried out every year to detect possible non-compliance and to implement measures to correct and prevent any deviations. Additionally, in 2019 we began im-

plementing audits in our procedures to make a detailed evaluation of any processes considered critical. 100% of Ferrer's products come under the scope of pharmacovigilance management, and we assess the impact on health and safety for each one of them.



(102-17) (103-3)

Ferrer's vocation for proximity is reflected in the different channels set up to attend to and communicate with consumers and health professionals in order to deal with any queries related to medical information, drug safety, and quality defects. These include our 24-hour call centre and the website. Additionally, Ferrer staff, especially the sales network, are trained to notify the Pharmacovigilance Department of any cases of adverse reaction reported to them. In 2019, we integrated cosmetic related inquiries into the corporate inquiry management system.

We listen to our patients.

Moreover, we also receive all the drug-related safety information from the companies selling Ferrer products in other countries, in accordance with the agreements established with them.



875
queries



2,035
cases related to Ferrer
medicines registered in the
global safety database





Complaints procedure



QUERY



CALL CENTRE



**QUERIES RECORDED
IN DATABASE**



**RESPONSE (PRIORITY
ACCORDING TO URGENCY AND
CONTENT)**

→ **Medical Information**

→ **Quality defects**

→ **Adverse reactions (AR)**

Global safety database

AR notified to the
relevant health
authorities

Our people

(103-1) (103-2)

Ferrer cares about everybody who forms part of the organisation. That is why we help our professionals to develop their career in a free, fair and equal manner, and always receive friendly and humane treatment.

We aspire to be more efficient and more focused as an organisation, with clear, transparent priorities and goals. It is our people who give us a competitive edge. Our commitment at Ferrer is to empower our internal team and the professionals around it to help them perform at their best and contribute to the organisation's goals.

It is therefore essential to provide a working environment that enables people to develop their skills, contribute their knowledge and generate positive impacts for Ferrer and society.

The aim of the People Department is to promote this transformation of corporate culture, focusing particularly on aspects that will stimulate this internal change:

- Setting up agile processes and structures.
- Promoting a leadership model in line with Ferrer's values to achieve greater impact on business results.
- Working via relations based on trust and responsibility; both crucial to achieving our goals.
- Developing talent on a daily basis to achieve responsible, independent workers with experience and a thorough knowledge of the business.
- Defining and applying standardised criteria to ensure the Ferrer team is informed, comprehends the decisions that are made and believes in where the company is going.



(103-3)

In 2019, Ferrer launched the organisation's first large-scale workplace climate survey, carried out together with Great Place To Work. Based on the results, we developed an action plan, with the participation of 145 people resulting in 28 different needs detected and to be responded to during 2019 and 2020. This year, Ferrer implemented a total of 14 initiatives focused on four main areas of action: team vision, leadership, communication, and operational efficiency.

We launched the first workplace climate survey on a global scale.

Creating rational structures

(103-2)

Ferrer wants to have solid, sustainable structures that ensure employability. One of the pillars of our people strategy developed over the year, was to set objective, measurable, egalitarian, transparent and homogeneous criteria. Therefore, one of the actions taken during 2019 was to define and communicate our human resources policy, in an aim to gain transparency and set and design equal working standards for all Ferrer staff. First and foremost, the company wants professionals who identify with Ferrer's value proposition and can develop in stable jobs.

(102-7) (102-8)

Workforce
(at 31 December)²

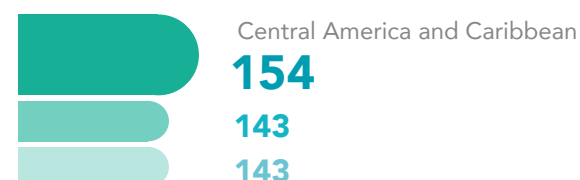
2019

2018

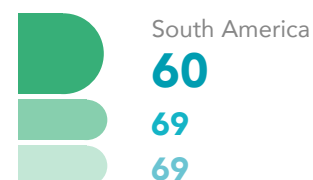
2017



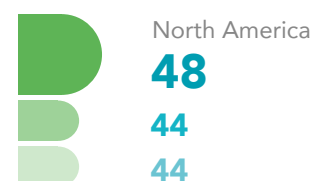
Europe
1,570
1,888
2,443



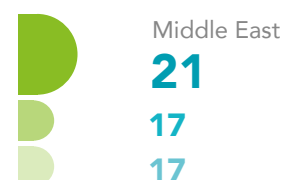
Central America and Caribbean



South America



North America



Middle East



Ferrer encourages periodic meetings between the various departments in the different subsidiaries to align working procedures and share tools, in line with its efficiency goals under the corporate strategy. An example of this in 2019, is the two affiliate meetings held between the country managers, sales and financial management teams from the group subsidiaries.

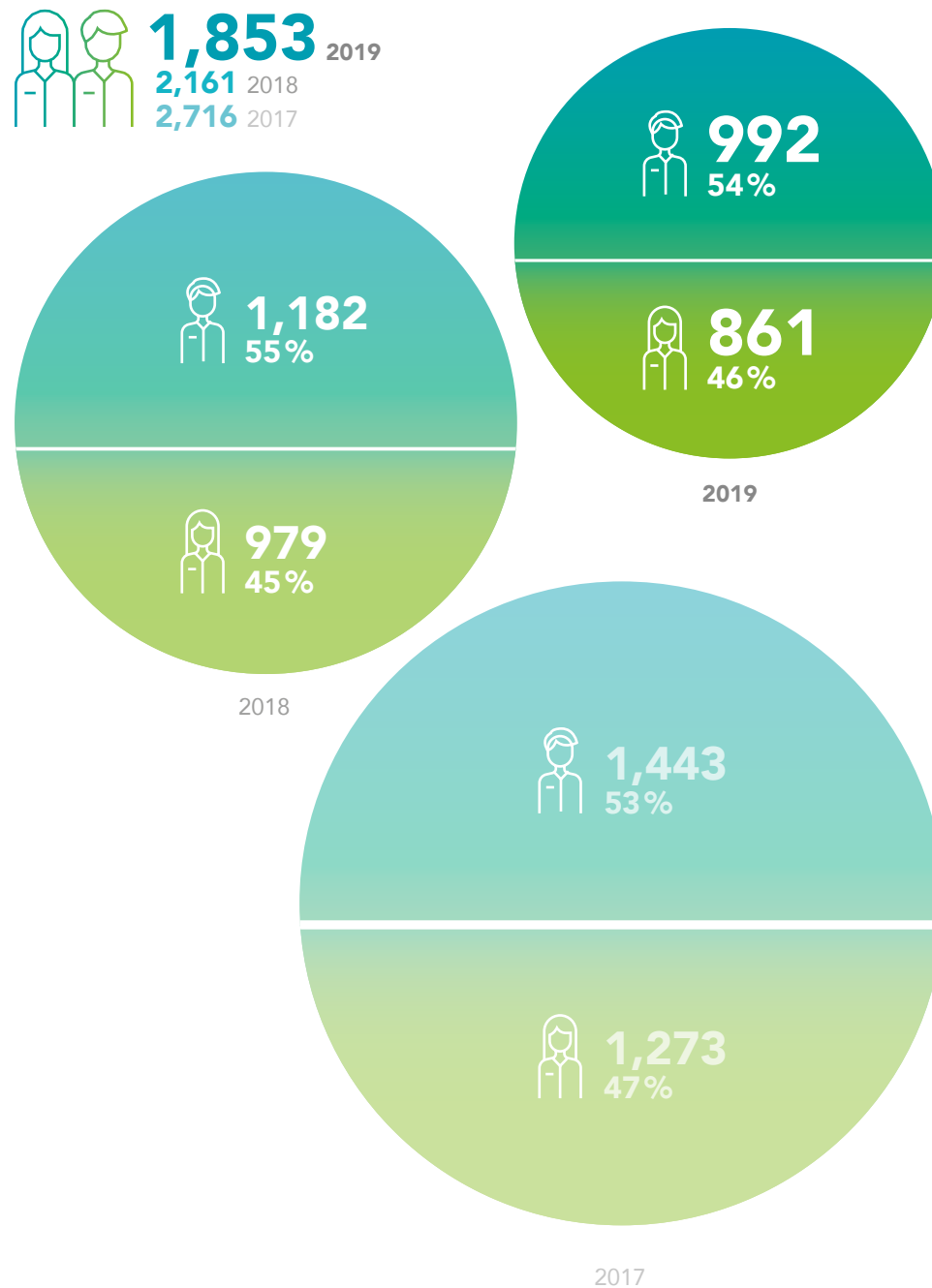
In 2019, Ferrer's workforce totalled 1,853 people working on three continents, 92.5% with permanent contracts.

The main change in the workforce is due to company divestment as part of the strategic divestments that took place throughout 2019.

2. Data include employees in the following countries: Spain, Germany, Portugal, United States, Mexico, Costa Rica, Chile, Argentina, Peru and Kazakhstan. In previous years (2018 & 2019) Brazil data is included.



Workforce by gender (at 31 December)



(103-1) (103-2)

Ferrer's global presence means it is made up of people who live in and come from different cultures. The company's people strategy takes these differences into account, supported by the idea that "We are all Ferrer".

At Ferrer, people management is based on respect for diversity, equal opportunities and non-discrimination on the grounds of sex, age, ethnic group or any other circumstance. The company has strict recruitment policies, applied in all operational sites, which are based on non-discrimination to ensure equality and diversity.

We guarantee equality, diversity and non-discrimination on any grounds throughout Ferrer's operational sites.

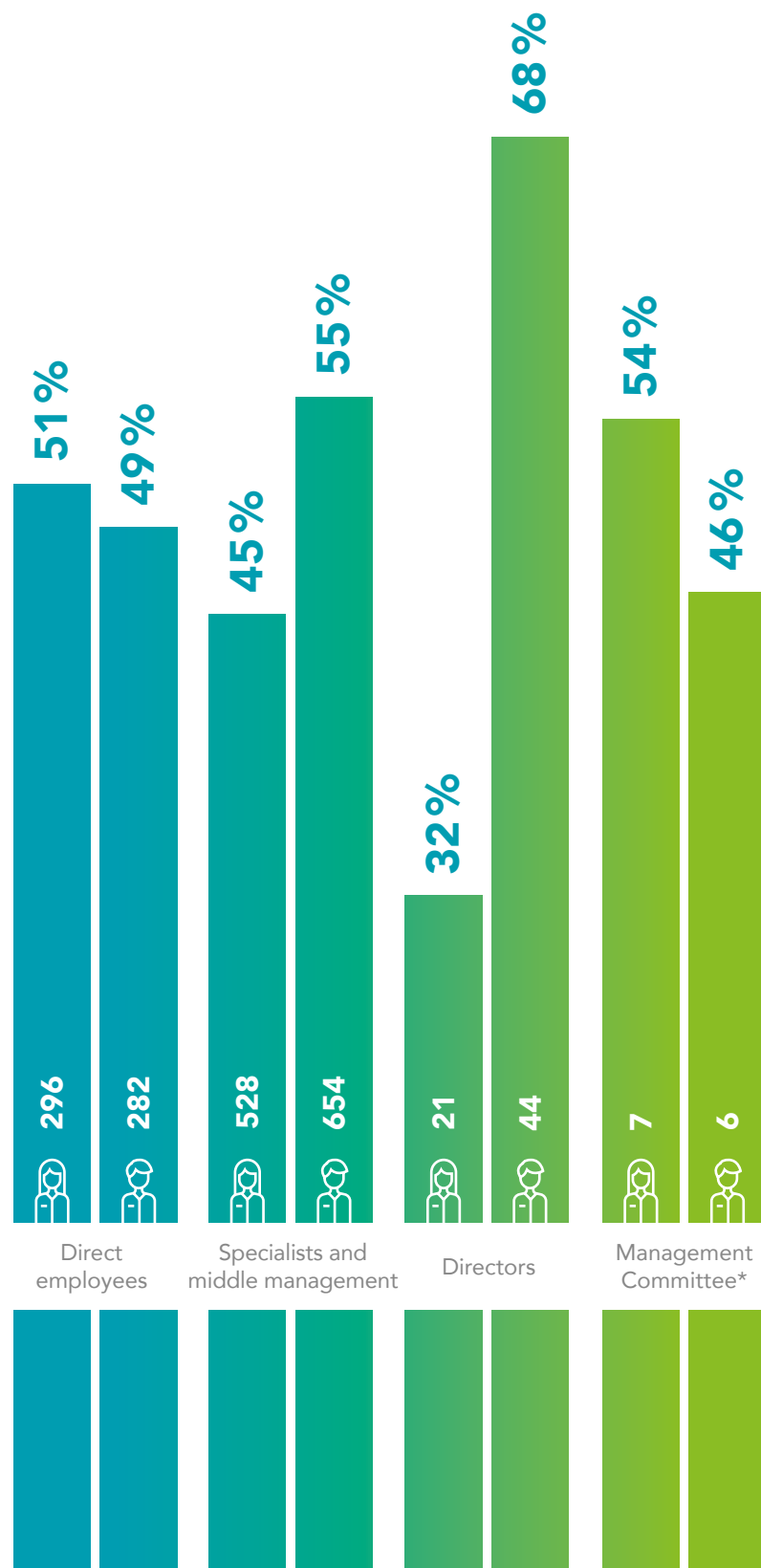
Ferrer is governed by the Equality Plan with the aim of promoting, disseminating and contributing to equality in the company between men and women, as well as incorporating equal opportunities within the company's strategy and culture, including a gender perspective in all policies. To achieve this, the company has a protocol on harassment and aggression which has again been shared with entire workforce.

Furthermore, for 2019 we unified the equality committees from all sites and workplaces into one single team. This team has decided to form a diversity committee and extends to other people from the organisation with a view to covering issues other than gender equality. Ferrer plans to develop a diversity policy in 2020, to include projects and initiatives aimed at improving the following six areas of action:

- Gender diversity
- Cultural diversity
- Functional diversity
- Generational diversity
- Affective-sexual diversity

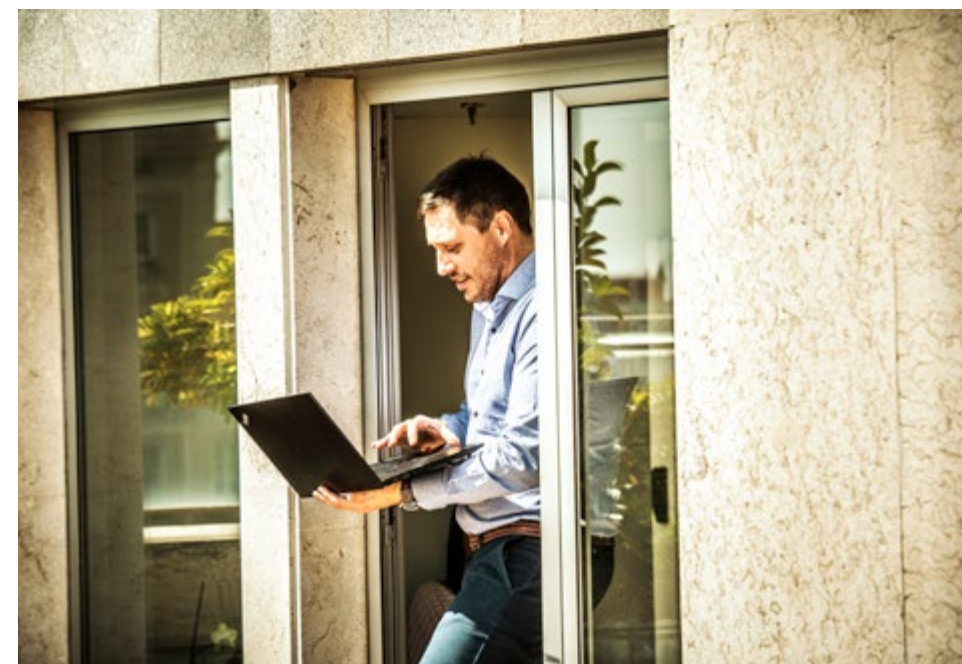


(405-1)
Employees by employee category
(at 31 December 2019)³



* Includes the Chairman, who participates regularly in the Management Committee.

3. The job positions of 11 Ferrer Mexico employees and 4 Ferrer Argentina employees are not categorised.



(103-3)

Ferrer reinforces a culture of meritocracy based on achieving targets and how these targets are achieved. Consequently in 2019, we created a performance management model defining individual, group and corporate targets, in line with the four core aspects of the company's strategic plan. This evaluation will help to link individual development plans, as well as apply the remuneration policy, based on internal impartiality and competitiveness. This year, we have applied the assessment model to a pilot group with more than three hundred employees with a view to gradually rolling the model out to the entire organisation.

We define and apply criteria to encourage transparent decision-making.

(103-2)

The company integrates systems to ensure the criteria applied are as objective and uniform as possible throughout the organisation. For Ferrer, it is essential to guarantee transparency in the selection and internal promotion of our professionals, which is why we have facilitated access to online tools to improve internal communication and published our selection policy, based on equality criteria and non-discrimination.

Developing talent

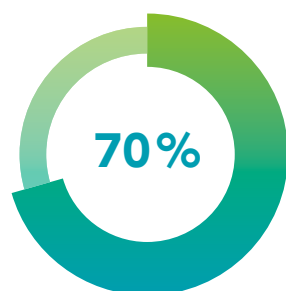
(103-1) (103-2) (103-3)

Developing talent is a top priority in Ferrer's strategy. People development embraces all initiatives that help them to continue grow from a professional and personal perspective and also improves employability in the company.

The aim is to provide tools and methodologies to help people put their knowledge into practice and enhance the skills required for them to develop and grow in the organisation.

(404-2)

This year Ferrer has defined a new 70-20-10 Training Plan for 2019 based on the combination of three types of actions and in line with the organisation's strategy and goals: experience, exposure and education.



Experience
Daily learning in relation to the job.



Exposure
Learning through others via feedback and mentoring or guidance schemes.



Education
Learning through formal, face-to-face and online training.

We make it easy: we offer the tools and platforms necessary for people to take responsibility for their own development.



Some of the existing programmes and initiatives that have proven to be highly beneficial for developing talent will be continued:

→ Change and Marketing Leadership Programme (ESADE), a pioneering corporate programme for the organisation, the second and third editions of which were launched in 2019, and included participation from our international subsidiaries, totalling 70 people trained.

→ Campus Ferrer, a platform accessible to all Ferrer people with bespoke training for each particular need.

→ Training for partners' sales teams, carried out every year.

→ Language training.

In 2019, a total of 47,765 training hours were provided representing a 2% increase compared to 2018.

The new plan is reinforced by our Performance Management process. This process evaluates the employee's goals and values and ends with an individual action plan, which is included in the Training Plan and aligned with the 70-20-10 model. Also in 2019, we have defined a new welcome process for new recruits and established all the training needs so that, during 2020, we can launch learning initiatives that include the development of skills in addition to technical training.

(404-1)

Employees training



47,765 2019
46,904.50 2018
33,969.75 2017
Total training hours



25.78 2019
25.83 2018
18.35 2017
Average hours of training per employee



Ferrer realises that one of the keys to sustainable growth and success lies in having leaders who are capable of envisioning the future, anticipating change, managing resources appropriately and promoting values in all areas. For this reason, this year we have launched the Leader Ferrer programme to train more than 280 employees in charge of coordinating teams in order to improve and develop their leadership skills within the organisation.

We defined the Leader Ferrer programme to achieve a recognisable leadership style based on actively listening to people and encouraging involvement.

Focused on responsibility and trust

(103-2)

Ferrer bases its approach to people on trust and responsibility. This means that different work options and tools are made available to all professionals so that each person can find their own formula for work, organised according to their particular priorities and goals.

Within its capabilities, Ferrer offers different ways to achieve a good work-life balance, in addition to those defined by current legislation:

Holiday period

Paid annual holiday totals 29 working days.

Flexitime

Time flexible start and finish working hours provided the job allows this, so that each person can organise their work according to their needs and those of the organisation.

Flexible working measures

Smart Work: this formula allows employees to work away from the workplace one day a week, provided this is possible for the job position.

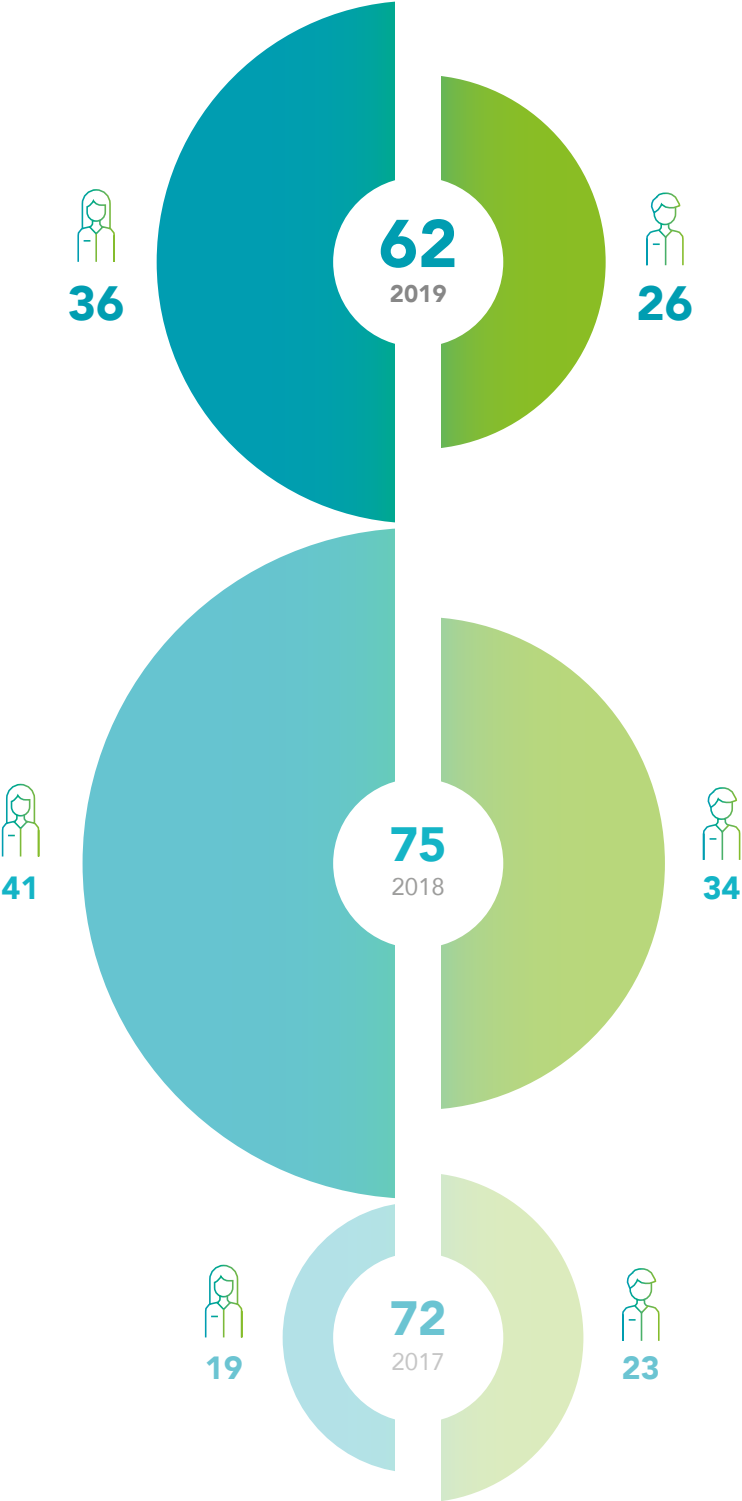
Smart Work Plus: depending on the job position, this formula allows parents of children under three to work away from the workplace for up to a maximum of 50% of their working day.

(401-3) (103-3)

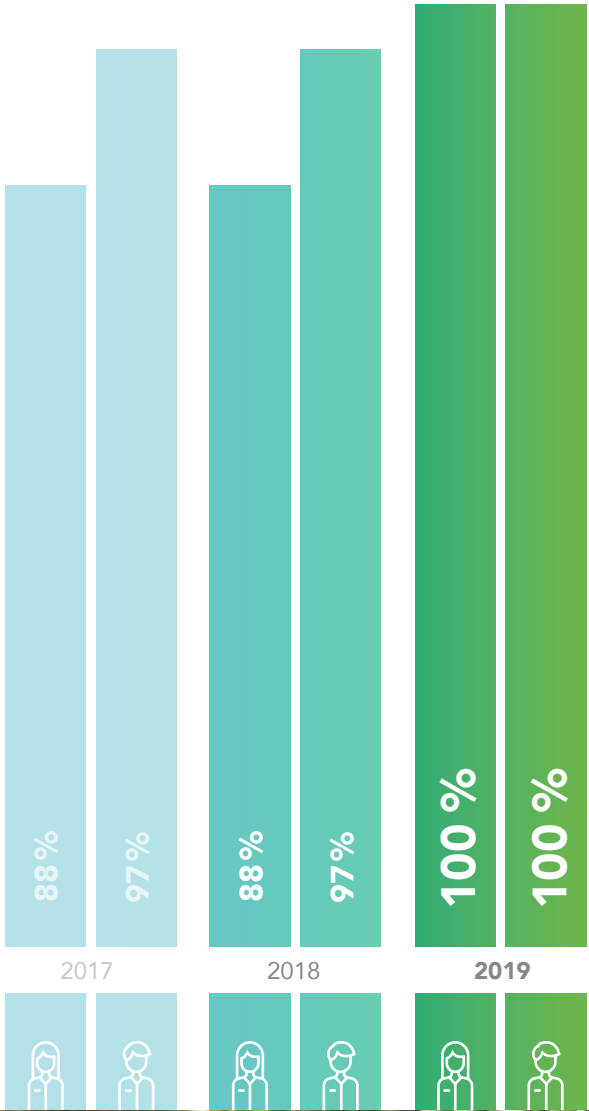
Parental leave



Employees entitled to, and have taken parental leave



Return to work rate



Employee health and safety

(103-1)(103-2)(103-3)

Ferrer realises that the complexities of modern society can affect employees in many different ways and the combination of work pressure, family situations and personal feelings all affect our sense of well-being. It is therefore essential to ensure the most appropriate working conditions in order to be a healthy organisation.

In 2019, Ferrer has defined the new strategic health and safety plan and published a new corporate policy based on the following points:

We ensure our professionals have the necessary tools to manage their health.



- We dedicate the necessary energy and attention to protect staff.
- We believe that all accidents can be avoided by allocating adequate resources.
- We work to constantly improve our safety and health performance.
- We encourage participation and collaboration to create new health and safety leaders.
- We are proactive by promoting communication and training.
- We verify the compliance of our principles to ensure our culture evolves.
- We believe in creating shared value between the organisation and the society.



Our occupational health and safety goals:

2019

- Reduce the accident rate.
- Draw up corporate health safety procedures.
- Increase legal compliance at manufacturing sites.

2020

- Continue reducing the accident rate.
- Publish corporate procedures for occupational risk prevention.
- Increase the level of health and safety culture in the organisation.

The corporate management system comprises a compendium of corporate procedures that are set out in the Health and Safety Manual, and are applicable to the entire group with a view to helping us improve the level of our approach to safety:

- Continuous management improvement.
- Internal health and safety audits.
- Non-conformities corrective actions or opportunities for improvement.
- Communication, registration, and investigation into accidents and incidents.
- Coordination of business activities.
- Health and safety inspections and observations.
- Communication, consultation, and participation.
- Information, competence, and awareness.
- Health and safety objectives and programmes.
- Identification and assessment of risks and opportunities.

Indicators of work-related accidents and occupational illnesses**ACCIDENTS**
2019
2018
2017

Accidents without sick leave



34	10	24
64	–	–
48	–	–

Accidents with sick leave



41	20	21
49	22	27
57	24	33

Frequency rate*



13.16	14.02	12.43
13.84	16.25	15.29
16.15	15.12	17.00

Severity rate**



0.45	0.36	0.53
0.36	0.49	0.32
0.42	0.57	0.29

Absenteeism rate***



0.36	0.28	0.42
0.29	0.35	0.23
0.34	0.46	0.24

Hours absent



11,160	4,056	7,104
10,312	5,568	4,744
11,840	7,272	4,568

OCCUPATIONAL ILLNESSES
2019
2018
2017

Frequency rate*



0.64	1.40	0.00
0.28	0.71	0.00
0.85	1.26	0.52

Severity rate**



0.049	0.108	0.000
0.004	0.010	0.000
0.028	0.061	0.001

* Frequency rate = (No. of accidents resulting in sick leave) / (Total no. of hours worked) × 1,000,000

** Severity rate = (No. of days lost) / (Total no. of hours worked) × 1,000

*** Absenteeism rate = (No. of hours lost) / (Total no. of hours worked) × 100





3 GOOD HEALTH
AND WELL-BEING



9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



17 PARTNERSHIPS
FOR THE GOALS



04

**A job
well done**



We want to do our best. For this reason, we focus on where we truly make a difference and we focus our efforts and energy on offering solutions that respond to people's real needs.

Our goal is to make Ferrer a sustainable and solvent company, concentrating efforts on promoting research, development, and the marketing of prescription and hospital-use medicines under our brand, to offer patients innovative treatments and thus contribute to the creation of a better society. Therefore, over the last year, Ferrer divested some non-strategic businesses.

Throughout 2019, Ferrer has also worked hard internally to reduce organisational complexities and maximise its efficiency. This has involved shuffling certain processes and adopting a new structure, with new areas and an added global vision, to contribute to boosting the sustainability of the business in the medium to long term.

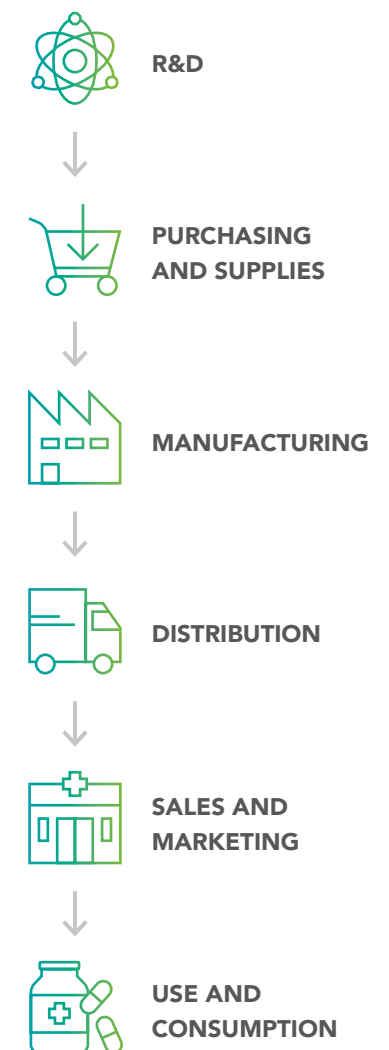
Our responsible value chain

Ferrer is a vertically integrated organisation covering all links in the value chain: research and development, purchasing and supplies, manufacturing, distribution and sales and marketing.

Since it was first set up, Ferrer has been renowned for its commitment to product research and development, as well as its solid industrial structure. With the new strategy, R&D and in-house manufacturing remain key for the company's future.



Ferrer's value chain



Research and development

As an inherent part of the pharmaceutical industry's business, Ferrer has always focused on finding and developing new therapeutic alternatives aimed at satisfying unmet needs or improving existing treatments, creating value for patients, healthcare systems and society.

At Ferrer, we are committed to dynamic, flexible R&D that's open to collaboration.

Developing a new medicine is a highly complex process but there has also been an exponential leap in knowledge and new technologies. These factors, which open the door to unprecedented advances, require specialisation and knowledge in fields other than the traditional areas for pharmaceuticals, and focus on developing products and services that respond to the needs of the different stakeholders in the health system. Currently, there is a growing need to ensure the sustainability of the health system over time, integrating a more holistic view of health treatment.

Collaboration with third parties is therefore essential given the impossibility of covering and internalising, in a single company, all the different disciplines and specialisations available today. Faced with this new environment, the involvement of the different stakeholders -health professionals, managers, and the patients themselves- are increasingly relevant in the process of developing new treatments.



For some years now, Ferrer has been evolving from a model based on a traditional R&D centre towards a more dynamic, flexible structure that's open to collaboration. The aim is to become more efficient in producing results, in the firm belief that being open to the scientific community is the only way to remain competitive in a world with a multitude of new technological platforms that are both costly and changeable over time.

Such collaboration is essential to ensure the sustainability of Ferrer's R&D model, in which the company works together with third parties throughout the entire R&D value chain, from generating a new therapeutic entity (be it chemical, biological or digital), working with or subcontracting to third parties specialised in carrying out the different tasks involved in the R&D process, to collaboration in order to access anonymous clinical data that can speed up and improve the design and performance of clinical studies, as well as treatment personalisation and the development of new business models that allow us to transform our capabilities and strengths.

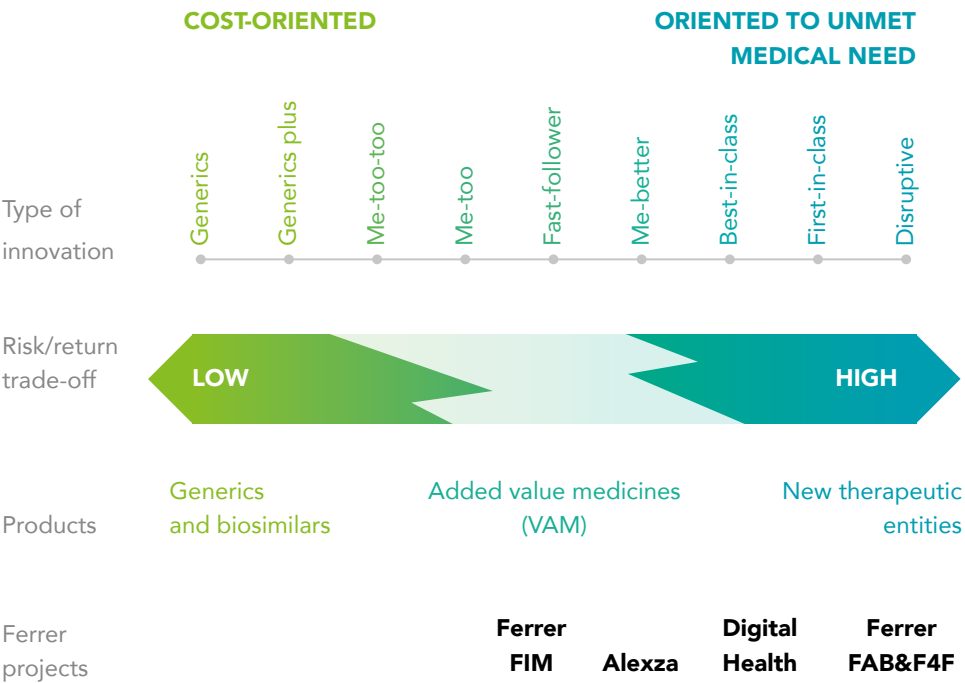
R&D strategy

We want to have a portfolio of projects that provide value, impact patients' quality of life and reduce friction in healthcare provision.

Ferrer's R&D aims to achieve a portfolio of projects with a differentiated therapeutic value which is balanced in terms of risk and its degree of innovation, both incremental and disruptive.



Range of returns by type of innovation



Given the current market access conditions, innovation must provide a significant clinical value recognised by the system and its agents to ensure a return on investment.

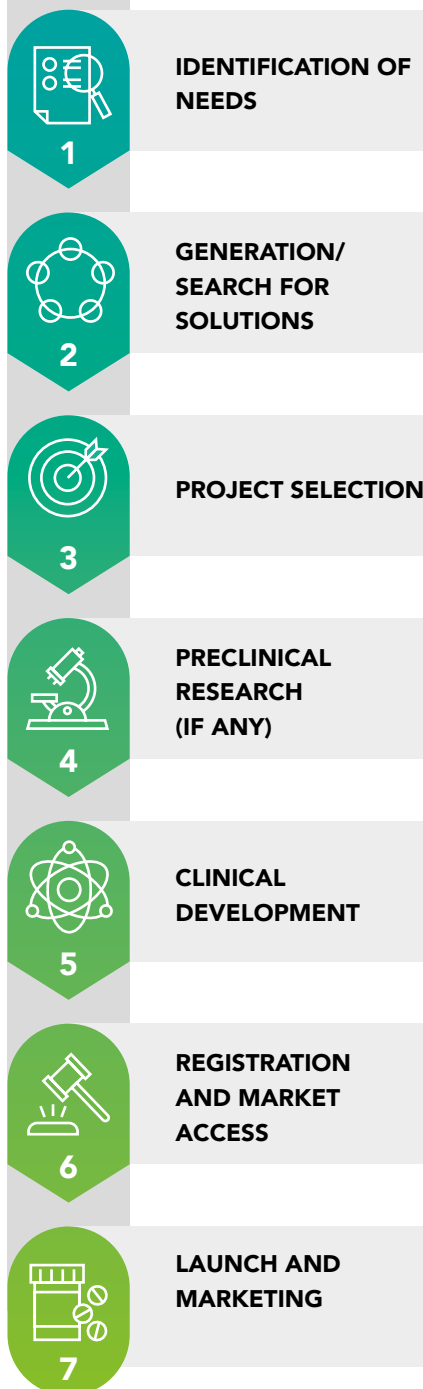
Taking this situation into account, the ultimate goal of the company's R&D is to generate value for patients, health-care systems and society by covering unmet medical needs.

For this reason, Ferrer's R&D focuses on identifying projects with a differentiating value, whether they are based on incremental innovation or their disruptive value. It has therefore stopped developing generic products and focuses on the therapeutic areas defined as priority by the company: the central nervous system (CNS), pain, cardiometabolism and niche or orphan diseases.

Included in this last therapeutic area are palliative and support products in oncology and some relatively rare types of cancer.

In all cases, the differentiating value of our products always lies in the ability to significantly improve the management and treatment of the pathology or its symptoms with the resulting positive impact on patients' quality of life.

OUR R&D PROCESS



With these shared and aligned strategic objectives, R&D activity is divided into four units:

FERRER ADVANCED BIOTHERAPEUTICS (FAB)

Based on an open collaboration model, this unit focuses on searching for and incorporating disruptive projects with high added value and therefore high technical risk. FAB works closely with hospitals, public research centres, and biotech companies to identify and develop therapeutic solutions on a variety of technology platforms.

FERRER INNOVATION MANAGEMENT (FIM)

This unit leads internal innovation: takes advantage of the internal potential in order to generate new products and services, shares the knowledge generated in the innovation process, and establishes a cross-departmental culture of innovation. In addition, it collaborates with external experts and companies, both in identifying needs and generating solutions and in executing development projects.

DIGITAL HEALTH AND TECHNOLOGY

This unit leads innovation in digital health, the meeting point between technology, health, healthcare, and life in society. Through the “Ferrer for Future” programme, we launch challenges to the entrepreneurial ecosystem and collaborate with technology-based companies to solve them. In 2019, we searched for digital solutions to improve care for chronic patients with arterial pulmonary hypertension, cardiometabolic diseases, and chronic pain.

ALEXZA

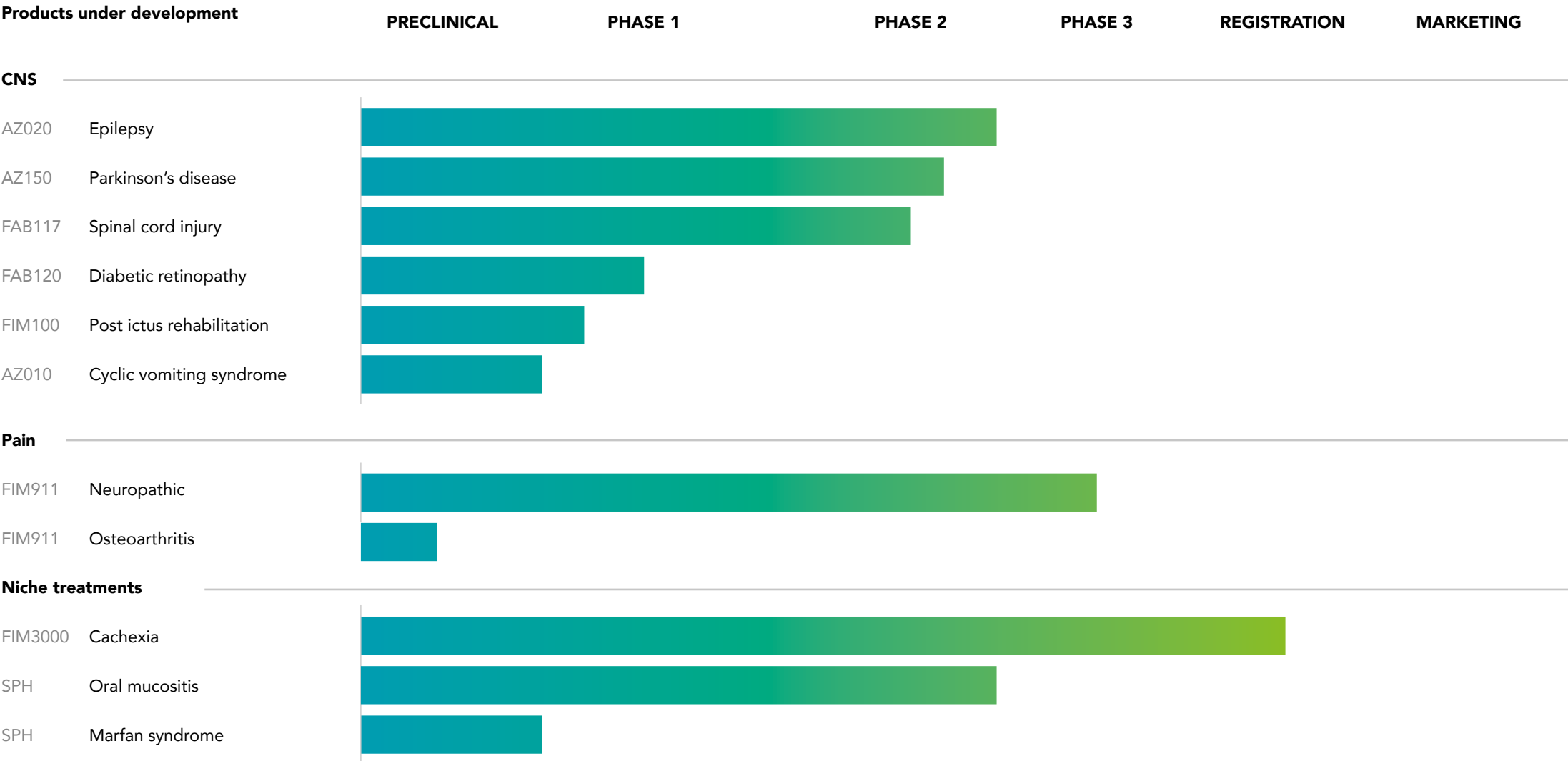
This is a Ferrer company set up in Palo Alto, California (USA), owner of the Staccato® platform for the pulmonary administration of active pharmaceutical ingredients that achieves similar kinetics to intravenous administration but via a non-invasive route. Alexza’s projects produce a clinical response within a few minutes of the drug being inhaled and are aimed at treating acute symptoms in pathologies of the central nervous system. Alexza has various products under development in fields such as Parkinson’s disease and gastroenterology, among others.



How the Staccato® system works

The Staccato device contains a rapid heating system capable of reaching very high temperatures, vaporising the active ingredient, unformulated and deposited as a thin layer on a stainless steel substrate. When the patient inhales through the Staccato system, the surface of the stainless steel substrate is instantly heated, the drug then condensing to create an aerosol. The patient inhales the active ingredient in the form of aerosol particles whose size is ideal for reaching the deepest and most vascularised areas of the lung, thereby ensuring rapid, complete absorption into the bloodstream.

We seek a balanced portfolio of projects that provide differentiating therapeutic value.



Responsible purchasing

(102-9) (103-2)

Ferrer believes all its activities must be sustainable. Consequently, its relationship with suppliers must also be based on this principle, which incorporates a comprehensive view of sustainability; i.e. from an economic, social and environmental perspective.

The trend in the maturity of Ferrer's purchases is a clear indicator of the principle of sustainability being present in its supplier relations through the goods and services purchased by the company. Sustainable criteria are being gradually incorporated, adapting them to the needs of each purchasing category and taking into account the different aspects of sustainability:



ECONOMIC

Ensure the goods and services purchased by Ferrer are the best choice in terms of market needs and price, grouping together volumes and accurately defining the characteristics of the goods to be acquired.



SOCIAL

Ensure the conditions under which Ferrer acquires a good or service and in which people are involved are the terms and conditions set out in the corresponding labour agreements, that the personnel involved in an activity and hired by the organisation have the necessary training and permits to carry out their work, that they do so in a safe environment, that the salary they receive is fair, and that, should any abuse be committed, the appropriate channels are available to them to report this, among other aspects.



ENVIRONMENTAL

Positively assess the environmental management systems implemented by Ferrer's suppliers. Ensure the products and services purchased comply with the environmental criteria defined by the company in terms of sustainability; i.e. they have the corresponding certificates regarding harmful substances, emissions, waste and its management, among other aspects.

Ferrer's indirect purchasing policy, in force since 2018 for all Group companies in Spain and also in Mexico includes the incorporation of sustainability criteria for new suppliers to be approved. The policy is mandatory for all personnel directly or indirectly involved in the purchasing process.

In an aim to promote sustainable subcontracting throughout the company, in 2019 Ferrer opened tenders in different categories, incorporating environmental and social criteria in the requirements of the products and services tendered. Parallel to this, we launched the purchasing efficiency project, which integrates sustainability criteria and has proven an great source of economic saving for the company.

In 2019, we have incorporated environmental and social criteria into the requirements when opening tenders for products and services.

In the case of direct purchases, Ferrer does not have a formal system for incorporating sustainability criteria when selecting its suppliers. This is mainly due to the existing limitations related to the lack of supply, quality or health authority regulations. However, the Direct Purchasing

Department has worked hard to guarantee the economic sustainability of the business, ensuring the supply of the necessary raw materials.

As part of the B Corp project, Ferrer will work to incorporate sustain-

ability throughout its entire value chain, as a sign of its firm commitment to reducing the environmental impact of its products at the materials and raw materials purchasing stage.

Manufacturing and distribution

(102-6)

Ferrer has certified manufacturing plants in Spain, the United States and Mexico that produce chemical substances, active pharmaceutical ingredients (APIs) and finished pharmaceutical products, both for the company and for third parties. Ferrer's logistics centre is located in Spain, specifically in the municipality of Sant Feliu de Buixalleu, and is an effective combination of state-of-the-art automation and sustainable architectural design.

Pharmaceutical products are subject to strict regulations that must be complied with. It is therefore Ferrer's responsibility to ensure that its manufacturing processes meet the highest standards and do not pose a risk to people's health.

We have certification confirming that Ferrer's processes guarantee the quality of our products.

At Ferrer, having solid structures also means having the best installations at its factories. The company therefore invests continuously to improve its manufacturing plant facilities and the operation of equipment. This is a clear example of investing in the organisation's fixed assets to ensure the continuity of its manufacturing and be able to produce under optimal conditions, evidenced by the global presence of Ferrer's products which compete in international markets with the authorisation of the main authorities in the sector.



Ferrer has also decided to invest in the environmental improvement of its industrial infrastructures beyond the mandatory environmental measures. In this respect, Ferrer demands a level of sustainable development supported by the different certifications obtained for its sites, such as the ISO standards and LEED (Leadership in Energy and Environmental Design, from the US Green Building Council).

Thanks to integrated supply chain management and the combination of R&D, scaling and manufacturing, Ferrer guarantees the maximum efficiency of its industrial processes. All this is an example of the implementation of good manufacturing practices which, together with cutting-edge technologies, ensure the highest level of quality.

Ferrer currently holds the following certification:

- Compliance with the most demanding international quality assurance standards, as the accreditation from the EU, FDA, ANVISA and the full implementation of the GMP ICH Q7A and ISO 9001 standards.
- Implementation of a single environmental management system, in line with the ISO 14001: 2015, at all Ferrer facilities and corporate facilities.
- LEED gold and silver accreditation at the logistics centre and in the extension of the medicine facility, respectively.



Our products

Our strengths mean that we can offer reliable products.

value for health professionals and patients. For this reason, Ferrer concentrates on marketing branded pharmaceutical products notable for their incremental innovation and differentiation.

There are five therapeutic areas where Ferrer’s experience and knowledge truly make a difference: the central nervous system (CNS), pain, cardiometabolism, dermatology and niche or orphan diseases. In these areas Ferrer offers reliable products, many of them manufactured in-house, in line with the highest European quality standards.

(102-2)

One fundamental aspect of Ferrer’s business strategy is that the company focuses on areas where its know-how can truly add

KEY PRODUCTS AND BRANDS WORLDWIDE

The following table contains the key products and brands in different countries, classified by therapeutic area, active ingredient and brands marketed:⁴



Spanish market



International markets

CNS

Inhaled loxapine	Adasuve	Adasuve
Citidine, uridine	Núcleo	Núcleo / Keltican
Citicoline	Somazina	Somazina / Ceraxon / Zynapse

Dermatology

Sertaconazole	Zalaín	Dermofix / Sertopic
Ozenoxacin	Ozanex	Ozanex / Xepi / Dubine

Cardiology

Treprostinil	Trespostinilo Ferrer	Remodulin
Cangrelor	Kengrexal	Kengrexal
Clevidipine	Cleviprex	Cleviprex
Omega-3 polyunsaturated fatty acids	Omacor	Omacor
Enalapril maleate / Nitrendipine	Eneas	Eneas
Polypill (ASA, ramipril [or simvastatin ⁵] and atorvastatin)	Trinomia	Trinomia / Sincronium

Pain

Paracetamol	Gelocatil range	
Fentanyl citrate	Abfentiq	

Two drugs in particular stand out in this product portfolio - Trinomia and Remodulin - as these played an important role in Ferrer’s commitment to contribute value to society through its products.

4. Including prescription drugs, food supplements and OTC products.
5. Simvastatin is used instead of ramipril in some countries

Cardiovascular disease is still the leading cause of death worldwide. Consequently, in 2007 Ferrer entered into a public-private agreement with Spain's National Cardiovascular Research Centre (CNIC) to develop a polypill for the secondary prevention of cardiovascular events as a replacement treatment in duly controlled adult patients with monocomponents given concomitantly at equivalent therapeutic doses. Trinomia/Sincronium/Iltiria came out of this initiative, also known as CNIC-Polypill, a polypill containing Acetylsalicylic acid, Atorvastatin and Ramipril (ACEI, angiotensin-converting enzyme inhibitor); in some countries containing Acetylsalicylic acid, Atorvastatin and Simvastatin.

In 2018, the company launched Trinomia in Lebanon, Georgia, Angola and Costa Rica, the latter under the Sincronium brand. In 2019 this product was launched in Armenia and Moldova.

Ferrer is involved in the major progress being made in the field of cardiology by providing a basic treatment for patients who have suffered a cardiovascular event.



Remodulin (Treprostinil) is a prostacyclin analogue drug to treat pulmonary arterial hypertension in class III patients (NYHA classification), a disabling and life-threatening condition that generally worsens without proper treatment. According to different guidelines published, prostacyclin therapy is recommended for intermediate-risk patients with rapid progression and also for high-risk patients.



Product quality and information

(103-2) (103-3)

Ferrer has a comprehensive Quality System with its own policies and procedures, as well as a continuous quality evaluation and monitoring system complemented by annual internal audits.

(417-1)

With regard to chemical and pharmaceutical sector regulations relating to medical products, cosmetics, etc., Ferrer complies with the provisions set out in these by requiring that the following product information is provided:

- Package leaflets include instructions for use and safe handling recommended for consumers.
- Technical data sheets include the safe and advisable conditions of products use and handling for healthcare professionals.
- European labelling legislation requires notification when substances of particular concern are present in mixtures and preparations. At the Sant Cugat Chemical Plant, risk assessments are carried out on new processes, identifying any substances that may be produced during the reaction (including waste) and evaluating possible impacts and the options to minimise or contain these. Product Safety also classifies active ingredients according to their degree of risk. The most appropriate protective and handling measures are recommended based on this assessment
- An environmental risk assessment is carried out as part of the applications for drug marketing authorisation.

Transparency and good practices

(103-2)

Doing things well is one of the key elements for Ferrer to achieving sustainable success and help build a better society. For this reason, Ferrer acts with integrity to ensure that all who are part of the company or act in the market, such as its business partners, act in accordance with the company's mission and values.

Furthermore, it is vital for Ferrer to earn the trust of its patients, clients, and partners, and we consider that trust comes through clarity, sincerity, and transparency.

It is important for society to be aware of and understand the relationships that are generated between industry and healthcare professionals because these result in new medicines and developments allowing healthcare professionals to be at the forefront of scientific development and its application in the clinical practice.

In this regard, Ferrer applauds and wholly supports the initiative that the pharmaceutical industry has voluntarily taken in their new commitment to transparency. And to guarantee that commitment, as a member company of the Farmaindustria's Code of Good Practices, each year Ferrer publishes its transfers of value and payments made to healthcare professionals and organisations, and patient organisations in the form of donations, training activities, service provision, research and development. Collaboration with this initiative by Spain's pharmaceutical industry, a global pioneer, is a result of Ferrer's commitment to constantly improving its relation with third parties.

We support ongoing training for professionals in the health sector.

(103-2)

Ferrer ensures that the medical community is duly informed about the use and administration of medicines. In this regard, it is essential for health professionals to have detailed knowledge on innovations in the diagnosis and treatment of their particular therapeutic area to enable them to pass this on to the general population and ultimately, contribute to benefiting people's health. Therefore, Ferrer wholly supports and verifies the ongoing training of professionals in the health sector.

Throughout 2019, we have promoted various training activities related to the therapeutic areas in which Ferrer has experience, such as the treatment of stroke and its sequelae, cognitive disorders, neurological pain, pulmonary arterial hypertension, cardiovascular diseases, and dermatological diseases, among others. Likewise, the organisation participates in highly relevant international conferences, such as the Congress of the European Society of Cardiology and the Congress of the European Respiratory Society, which Ferrer attended in 2019.

Ferrer considers that this commitment also entails the obligation to contribute to the sustainability of the Spanish National Health System (SNS). And this is achieved through different actions:

- Contribution to the SNS of 7.5% of turnover of products less than 10 years old and 15% of the turnover of products older than 10 years.
- Access for health professionals to continuous training to update their knowledge as developments in the medical field occur.
- Training patients on various pathologies through informative brochures.





About the report
GRI Content index

About the report

Ferrer's 2019 Sustainability Report covers the period from 1 January to 31 December 2019. The scope of the information in this report relates to the activities of Grupo Ferrer Internacional, S.A. and its subsidiary corporations.

This report has been prepared with the direct participation of people from different key areas of Ferrer, who have provided information related to the range of aspects included. It is therefore the result of teamwork in which each of those involved has contributed their knowledge and experience.

This report has been prepared in accordance with the following standards:

- GRI compliance GRI Sustainability Reporting Guidelines Core option.
- AccountAbility's AA1000 Stakeholder Engagement Standard (AA1000SES) for the materiality analysis.



Ferrer's 2019 Sustainability Report complies with the following principles, defined by the GRI standards to determine the content of this type of document:

Stakeholder inclusiveness. When starting to prepare the sustainability report, Ferrer's different stakeholders were directly involved in the materiality analysis carried out, using in-depth and specific interviews on sustainability issues, as well as surveys.

Sustainability Context. When identifying the different sustainability aspects relevant to the organisation, the benchmarking proposed for this purpose was taken into account. During this process, other companies in the sector and international sustainability initiatives were studied in order to understand the organisation's sustainability context and take this into account in drawing up the report.

Materiality. To prepare this report, a materiality analysis was carried out in line with the GRI standards and also taking the AccountAbility AA-1000SES standard into account. The analysis carried out, as well as the results obtained, can be consulted in the first chapter of the report.

Completeness. Within the framework of the management systems implemented, Ferrer has defined a series of indicators, both absolute and relative, in order to monitor changes in the organisation's behaviour over time and analyse the effect of the actions carried out, as well as to compare this information with that from other companies in the sector.

With regard to applying the principles for defining report quality, also provided by the GRI standards, an attempt has been made to provide balanced information, reporting both the positive and negative aspects of the organisation's performance. The data provided are accurate and used to monitor the management of the various sustainability topics contained in the report that are relevant to Ferrer. Wherever possible, data are provided for 2019, 2018 and 2017, established as the reference years for subsequent reports, with the aim of reporting how Ferrer's performance for each sustainability issue has altered over the period in question.

For any queries regarding the content of the report, please contact Ferrer's Communication department (comunicacion@ferrer.com).

Stakeholders

One of the most important tools for socially responsible management is the involvement of stakeholders in the organisation's lines of action. Ferrer strives to build strong relationships of trust with its stakeholders and to create shared value through fluent, inclusive dialogue. Its principles are based on honesty, transparency, ethics, a responsible management approach and the reporting of relevant and reliable information.

(102-40) (102-42) (102-43)

As part of its materiality analysis, Ferrer identified its main stakeholders in 2018, taking into account the scope and impact of its activities on these groups, as well as their effect on Ferrer's capacity for organisation and action. The main communication channels established for each stakeholder are as follows.



Stakeholders



WORKFORCE

SUPPLIERS

Direct purchases

SUPPLIERS

Industrial purchases

CUSTOMERS

Hospitals and hospitals pharmacies

CUSTOMERS

Healthcare professionals/ doctors

CUSTOMERS

Street pharmacies

Main channels of communication and dialogue



Ethical channel for queries and complaints, workplace climate survey, contact with the HR business partner for each area, intranet, email, screens, face-to-face meetings.

Face-to-face meetings, telephone and email.

Face-to-face meetings, telephone and email.

Call centre, customer hotline, website for Ferrer hospitals, medical representatives, congresses, symposia, training sessions, corporate website.

Call centre, medical representatives, congresses, symposia, training sessions.

Customer hotline, email, representatives in pharmacies, congresses, symposia, training sessions, corporate website.

Stakeholders



CUSTOMERS

Patients

SOCIETY

CONSUMERS

PUBLIC ADMINISTRATION

AUTHORITIES

Health sector institutions

PARTNERS

FINANCIAL INSTITUTIONS

Main channels of communication and dialogue



Call centre (Sellbytel), corporate website, contact and collaborations with patient associations.

Corporate website, customer hotline, pharmacovigilance, media.

Corporate website, television advertisements, customer hotline, pharmacovigilance.

Face-to-face meetings, telephone and email (department of Institutional Relations / Market Access).

Face-to-face meetings, telephone and email (department of Institutional Relations / Market Access).

Face-to-face meetings, telephone and email, congresses, symposia, training sessions, online channels to share documentation.

Face-to-face meetings, telephone and email.

Materiality analysis

(102-46)

A materiality analysis was carried out by Ferrer in 2018, to detect the most relevant (material) topics for Ferrer and its stakeholders and to determine the report's content. This process followed the GRI standards and AccountAbility AA1000SES principles

The process was conducted as described in the following phases.

1. IDENTIFICATION

In order to determine the areas of greatest general interest, material topics were identified in which Ferrer operates by carrying out a benchmarking study for the sector.

2. PRIORITISATION

Material topics were selected using both internal and external studies, helping to ascertain the degree of importance of the points identified, both for Ferrer and its stakeholders.

- Internal scope (relevance for Ferrer). A total of 19 people were interviewed, among Management Committee members and the heads of various departments. As a result, a score was assigned according to the degree of importance of each topic previously identified and the areas for improvement and most significant opportunities for Ferrer's activity were determined. Finally, interviews with the CEO and the Chairman provided a global view and an idea of the future of Ferrer's sustainable management.
- External scope (relevance to stakeholders). The analysis took the form of anonymous online surveys of employees, customers (pharmacists, health and medical professionals, hospitals, wholesalers, etc.), partners, public administration and suppliers of raw materials and goods and services. A degree of relevance was assigned to each group according to its impact on Ferrer's economic, social and environmental performance and also the degree to which the group is affected by this performance.. (102-43)

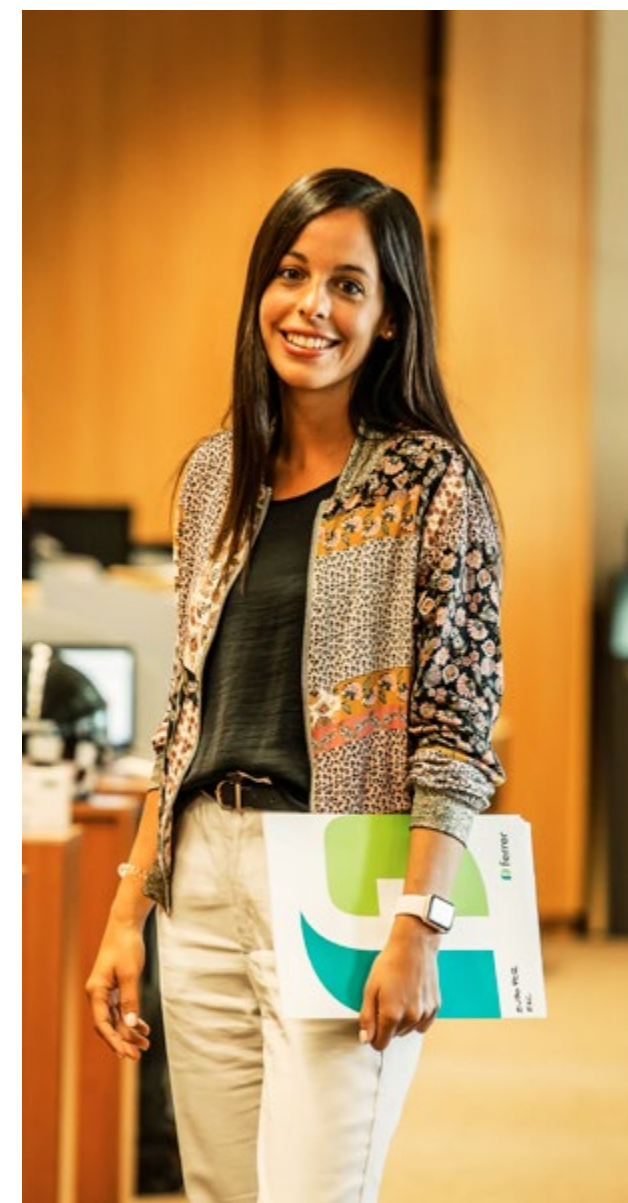
As a result of this process, the material topics for Ferrer and its stakeholders were identified. The topics with high internal and external relevance were deemed material.

As a result of this process, the material topics for Ferrer and its stakeholders were identified. Those topics with medium and high internal and external relevance were deemed material. The material issues identified are the following: mitigation and adaptation to climate change, waste management, water management, employability, occupational health and safety, talent development, collective safety and public health, risk management, contribution to society and human rights, and product safety and quality.(102-47)

3. REVIEW AND VALIDATION

In 2019, we have reviewed the results obtained in the previous year with different department managers to assess the coherence of the results in relation to the company's sustainability. In this process we decided to give high importance to the innovation topic and include it in the list of material topics. (102-49)

The organisation plans to carry out a new materiality analysis for the upcoming year, taking into account the context of cultural transformation and change which has taken place as part of the new strategic approach.



GRI Content Index

The following table presents the Global Reporting Initiative (GRI) general and specific disclosures according to the standard core option.

(102-54)



GRI Standards	Page number or direct answer	Omission	External assurance
GRI 101: Foundation 2016			
GRI 102: General Disclosures 2016			
Profile of the organisation			
102-1 Name of the organisation	Grupo Ferrer Internacional, SA.		
102-2 Activities, brands, products and services	12-13, 96-98.		
102-3 Location of headquarters	Avinguda Diagonal, 549, 08029 Barcelona (Spain).		
102-4 Location of operations	14-15.		
102-5 Ownership and legal form	"Sociedad Anónima" (limited company), capital 100% of family origin.		
102-6 Markets served	12-13.		
102-7 Scale of the organisation	6-7, 64-65.		
102-8 Information on employees and other workers	64-65. Workforce information according to the type of employment contract can be found in 2019 Ferrer's Non-financial Information Statement.		
102-9 Supply chain	92-93.		
102-10 Significant changes to the organisation and its supply chain	15.		
102-11 Precautionary Principle or approach	29-30.		
102-12 External initiatives	17.		
102-13 Membership of associations	17.		
Strategy			
102-14 Statement from senior decision-maker	4-5.		
Ethics and integrity			
102-16 Values, principles, standards and norms of behaviour	16-19.		



GRI Standards	Page number or direct answer	Omission	External assurance
Governance			
102-18 Governance structure	20-21.		
Stakeholder engagement			
102-40 List of stakeholder groups	106-107.		
102-41 Collective bargaining agreements	All Ferrer employees in Spain work under employment conditions governed by the Collective Bargaining Agreement for the Chemical Industry (except Ferrer Alimentación and Medir Ferrer, under the Collective Bargaining Agreement for Wholesalers and Importers of Industrial Chemical, Drugstore, Perfumery and Related Products). Subsidiary staff are also governed by their corresponding collective agreement (in Germany, this covers 100% of the workforce), except in cases where local legislation establishes that the general labour law is applicable.		
102-42 Identifying and selecting stakeholders	106.		
102-43 Approach to stakeholder engagement	106, 108.		
102-44 Key topics and concerns raised	2018 Sustainability report, p.142-143.		
Reporting practice			
102-45 Entities included in the consolidated financial statements	Grupo Ferrer Internacional, SA, and its subsidiary corporations.		
102-46 Defining report content and topic Boundaries	108-109.		
102-47 List of material topics	108.		
102-48 Restatements of information	There has been a restatement of information from previous reports. The main reason is due to the expansion of the scope of the report, which includes information on the subsidiaries for the objective period, which has implied the re-expression of data related to previous periods (2017-2018) in order to guarantee the principle of comparability of the indicators.		
102-49 Changes in reporting	109.		
102-50 Reporting period	2019.		
102-51 Date of most recent report	2018.		

GRI Standards	Page number or direct answer	Omission	External assurance
102-52 Reporting cycle	Annual.		
102-53 Contact point for questions regarding the report	comunicacion@ferrer.com		
102-54 Claims of reporting in accordance with the GRI Standards	110.		
102-55 GRI content index	110-117.		
102-56 External assurance	Independent Verification Report of the Non-Financial Information Statement 2019.		
GRI 200 Economic performance			
Risk management (Not GRI)			
103-1 Explanation of the material topic and its Boundaries	19. Where the impact occurs*: within and outside the organisation. Ferrer's involvement**: direct. (*) Indicates where the impact occurs: within the organisation, outside the organisation or within and outside the organisation. (**) Indicates the involvement of the organisation regarding the impact: direct (the organisation has directly caused the impact) or indirect (the organisation is linked to the impact through its business relationships).		
103-2 The management approach and its components	19. Given the recent change in management and the new strategic plan, a project started in 2019 to map the company's risks in order to evaluate the business model's main threats and impacts.		
Ethics and compliance (GRI 205 Anti-corruption)			
103-1 Explanation of the material topic and its Boundaries	16, 17. Where the impact occurs: within and outside the organisation. Ferrer's involvement: direct.		
103-2 The management approach and its components	16-19, 100.		
103-3 Evaluation of the management approach	16-21.		
205-2 Communication and training about anti-corruption policies and procedures	18.		





GRI Standards	Page number or direct answer	Omission	External assurance
Innovation (No GRI)			
103-1 Explanation of the material topic and its Boundaries	84.		
103-2 The management approach and its components	84-91.		
GRI 300 Environmental topics			
Water management (GRI 303 Water 2016)			
103-1 Explanation of the material topic and its Boundaries	28-29, 48 Where the impact occurs: within and outside the organisation. Ferrer's involvement: direct.		
103-2 The management approach and its components	29, 48-49.		
103-3 Evaluation of the management approach	30, 48-49.		
GRI 303-1 Interactions with water as a shared resource	49.		
Mitigation and adaptation to climate change (GRI 302 Energy 2016, GRI 305 Emissions 2016)			
103-1 Explanation of the material topic and its Boundaries	28-29, 34. Where the impact occurs: within and outside the organisation. Ferrer's involvement: direct.		
103-2 The management approach and its components	29, 31-33, 34-39/106.		
103-3 Evaluation of the management approach	30, 31, 34-38.		
302-1 Energy consumption within the organisation	32.		
305-1 Direct (Scope 1) GHG emissions	36.		
305-2 Energy indirect (Scope 2) GHG emissions	36.		
305-3 Other indirect (Scope 3) GHG emissions	36.		

GRI Standards	Page number or direct answer	Omission	External assurance
Waste management (GRI 306 Effluents and waste 2016)			
103-1 Explanation of the material topic and its Boundaries	28-29, 40. Where the impact occurs: within and outside the organisation. Ferrer's involvement: direct.		
103-2 The management approach and its components	29, 40-42.		
103-3 Evaluation of the management approach	30, 40-42.		
306-2 Waste by type and disposal method	42-43.		
GRI 400 Social topics			
Employability (GRI 401 Employment 2016)			
103-1 Explanation of the material topic and its Boundaries	63. Where the impact occurs: within and outside the organisation. Ferrer's involvement: direct.		
103-2 The management approach and its components	63-69, 73.		
103-3 Evaluation of the management approach	64, 69, 74-75.		
401-3 Parental leave	74-75.		Data on retention rate are not available. The organization will work to include this information in future reports.
405-1 Diversity in governing bodies and employees	68. Information regarding diversity in the workforce by groupage can be found in Ferrer's 2019 Non-financial Information Statement.		
Staff health and safety (GRI 403 Occupational health and safety 2016)			
103-1 Explanation of the material topic and its Boundaries	76. Where the impact occurs: within and outside the organisation. Ferrer's involvement: direct.		
103-2 The management approach and its components	76-77.		
103-3 Evaluation of the management approach	76-77.		





GRI Standards	Page number or direct answer	Omission	External assurance												
403-2 Types of injury and frequency rates of injuries, occupational diseases, lost work days, absenteeism and number of work-related fatalities or ill health	78-79. There have been no fatalities due to work-related accidents or ill health.	Data on accidents without sick leave broken down by gender are not available. The organisation will work on including this information in future reports.													
Developing talent (GRI 404 Training and education 2016)															
103-2 The management approach and its components	63, 70. Where the impact occurs: within and outside the organisation. Ferrer's involvement: direct.														
103-1 Explanation of the material topic and its Boundaries	63, 70-72.														
103-3 Evaluation of the management approach	64, 70-72.														
404-1 Average hours of training per year per employee	71. <table><tr><th>Total of hours of training per employee category</th><th>2019</th><th>2018</th></tr><tr><td>Direct employees</td><td>3,394.25</td><td>3,273.75</td></tr><tr><td>Specialists and middle management</td><td>40,590.79</td><td>43,049.75</td></tr><tr><td>Directors and Management Committee</td><td>3,780.08</td><td>581.00</td></tr></table>	Total of hours of training per employee category	2019	2018	Direct employees	3,394.25	3,273.75	Specialists and middle management	40,590.79	43,049.75	Directors and Management Committee	3,780.08	581.00		
Total of hours of training per employee category	2019	2018													
Direct employees	3,394.25	3,273.75													
Specialists and middle management	40,590.79	43,049.75													
Directors and Management Committee	3,780.08	581.00													
Contribution to society and human rights (GRI 412 Human rights assessment 2016, GRI 413 Local communities 2016)															
103-1 Explanation of the material topic and its Boundaries	28, 52. Where the impact occurs: within and outside the organisation. Ferrer's involvement: direct.														
103-2 The management approach and its components	28, 52-55. Ferrer respects the human rights internationally recognised in the Universal Declaration of Human Rights and the principles related to rights established in the International Labour Organisation's Declaration. Ferrer's Code of Ethics, a pillar of its regulatory structure, establishes the company's commitment to comply with the universal principles of human rights.														

GRI Standards	Page number or direct answer	Omission	External assurance
413-1 Operations with local community engagement, impact assessments and development programmes	52-55.		
Collective safety and public health (GRI 416 Customer health and safety 2016)			
103-1 Explanation of the material topic and its Boundaries	58-59. Where the impact occurs: within and outside the organisation. Ferrer's involvement: direct.		
103-2 The management approach and its components	58-60.		
103-3 Evaluation of the management approach	61.		
416-1 Assessment of the health and safety impacts of product and service categories	60.		
Product safety and quality (GRI 416 Customer health and safety 2016, GRI 471 Marketing and labelling 2016)			
103-1 Explanation of the material topic and its Boundaries	58-59. Where the impact occurs: within and outside the organisation. Ferrer's involvement: direct.		
103-2 The management approach and its components	58-59, 99-101.		
103-3 Evaluation of the management approach	61, 99.		
416-1 Assessment of the health and safety impacts of product and service categories	60.		
417-1 Requirements for information and labelling of products and services	99.		



