

SUSTAINABILITY POLICY

Approved by the Board of Directors at its meeting of 25 November 2021

This is an English translation of the “Política de Sostenibilidad”. The Spanish version shall prevail over the English version in case of discrepancies.



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1. INTRODUCTION AND PURPOSE

FAES FARMA, S.A. and subsidiaries (hereinafter, Faes Farma or the Group) are aware of the implications that their activity has on the environment and their stakeholders. In this regard, the Group aims to establish guidelines for action that place patients at the centre of its actions, guarantee responsible business management, promote sustainable development and contribute to the creation of value for stakeholders as a whole, without giving up economic performance.

This policy, approved by the Board of Directors on 25 November 2021, is in line with Faes Farma's good governance policies and seeks to respond to the Group's commitment to compliance with applicable laws and regulations.

In accordance with the provisions of Faes Farma's Code of Ethics and Conduct and its ESG strategy, this Sustainability Policy (hereinafter the Policy) establishes the framework for action in sustainability matters, formalises the general principles that guide Faes Farma's activity, as well as the commitments acquired in this area, both in business management and in the relationship with its stakeholders.

2. SCOPE OF APPLICATION

The Sustainability Policy applies to all the companies that make up the Group and over which it has management capacity. On the other hand, in those investees outside the operational control of Faes Farma, the Group will promote awareness of this Policy, as well as action in line with the principles and commitments set out therein. Finally, it will also seek to ensure that the Policy guides commercial relations with its suppliers.



3. SUSTAINABILITY PRINCIPLES AND COMMITMENTS

In this Policy, Faes Farma establishes four principles that enable it to promote sustainable development, responding to the expectations of its *employees, customers, patients, healthcare personnel, the scientific community, regulatory bodies, suppliers* and *investors*. In order to comply with these principles, Faes Farma has defined a series of commitments that reflect the actions on which it bases its actions. The set of principles and commitments have been grouped into three areas: environmental, social and governance and ethics, thus covering the three main dimensions of sustainability.

3.1. Environmental Aspect

Principle 1: Faes Farma bases its actions on respect for the environment, the responsible and efficient use of resources and the contribution to the fight against climate change.

To this end, it makes the following *commitments*:

- Comply with the laws, regulations and standards of national and international *regulatory bodies*, as well as with their internal codes and procedures, related to environmental control and protection.
- Faes Farma undertakes to monitor its environmental performance, as well as the potential impacts it generates on the environment through its activity, defining a series of specific indicators for close monitoring.
- Use the resources necessary for the Group's activities in a responsible manner, using the available control mechanisms in waste management in accordance with current legislation.
- To develop specific actions that enable Faes Farma to improve the efficiency of its energy consumption, also seeking to ensure that this consumption comes from clean sources in order to progressively reduce its carbon footprint and thus contribute to the fight against climate change in *society* as a whole.
- Share and encourage the implementation of responsible practices among its *suppliers* in order to minimise the environmental impacts associated with their activities and, in particular, with the products they develop for Faes Farma.
- Raise awareness and train *employees* on environmental issues, with the aim of making them aware of the impact that their activity generates on the environment and to enable them to take a more active position in proposing and implementing initiatives and actions that improve the Group's performance in this area.



3.2. Social Aspect

Principle 2: Faes Farma's activities seek to contribute to the improvement of the health and well-being of society as a whole through the development of medicines that meet their needs.

Principle 3: Faes Farma promotes respect for fundamental human rights, complying at all times with the principles of equal treatment and non-discrimination, as well as protection against child exploitation. It also promotes the professional development of its employees and ensures their safety.

To this end, it makes the following *commitments*:

- Promote the exchange of knowledge with *healthcare personnel* and the *scientific community*. Likewise, *society's* awareness of the responsible use of medicines is a relevant element that Faes Farma evaluates and considers during the development of its activities, with the aim of contributing to the sustainability of the healthcare system.
- To ensure the safety and health of *patients throughout the life cycle* of Faes Farma products, promoting their responsible use.
- Guarantee a principle of zero tolerance for any action that involves discrimination or a violation of the human rights of both the Group's *employees* and its *suppliers*, evaluating the implementation of the necessary mechanisms for this purpose.
- To have a corporate framework for the selection and development of Faes Farma professionals that favours respectful treatment and diversity, facilitating inclusion and equal opportunities among *employees*.
- Create a safe and healthy working environment for *employees* and workers under the direct influence of the Group.
- To contribute to the professional development of the Group's *employees through* the implementation of training and development programmes that are appropriate and in line with the needs of both the employees themselves and Faes Farma.
- To promote, through Faes Farma's own activities, the sustainable development of the *local communities* in which it operates.
- To develop products that guarantee the quality of nutrition and health of the animals involved in the production of human food, contributing indirectly through these actions to the protection of food safety, with *society as a whole* being the stakeholder group that benefits most from the fulfilment of this commitment.

3.3. Governance and Ethics Aspect

Principle 4: Faes Farma has policies and procedures that advocate the integration of best practices of good governance, ethics, integrity and transparency in its daily operations and management.

To this end, it makes the following *commitments*:

- Comply with legality and good practice, applying the principle of "zero tolerance" to crime and corruption in all its manifestations and establishing a commitment to prevent, combat and pursue them to their ultimate consequences.
- To apply high standards of corporate governance and ethical behaviour as defined by *regulatory bodies* and by organisations of recognised national and international prestige, paying attention to



the emergence of good practices with the aim of incorporating them into its daily operations and management.

- Promote among **employees** an ethical and responsible culture aligned with internal policies and standards, especially the Group's Code of Ethics and Conduct.
- Comply with the ethical criteria of professionalism and responsibility defined in Farmaindustria's Code of Good Practice, generating and maintaining, among others, an appropriate level of trust in relation to the decisions of **healthcare personnel** linked to the prescription of medicines.
- Establish transparent and effective communication channels with Faes Farma's different **stakeholders**, facilitating their access to clear and truthful information in order to avoid, among other aspects, the manipulation of information.
- To prepare and publish relevant financial and non-financial information using internationally established criteria and standards, as well as its review through the application of internal and external procedures that ensure its reliability and continuous improvement.
- To comply with tax and labour legislation in the different countries and territories in which Faes Farma operates in a transparent manner, as a key element in favouring the economic and social development of the **local communities** close to and/or linked to its activities.

4. POLICY DISSEMINATION, MONITORING AND GOVERNANCE

The approval and modification of the Sustainability Policy corresponds to the Board of Directors of Faes Farma.

Pursuant to its Regulations, the Audit and Compliance Committee has among its functions the evaluation and supervision of this Policy, so that it fulfils its mission of promoting the corporate interest and takes into account, as appropriate, the legitimate interests of the remaining stakeholders.

The Committee is also entrusted with the following additional functions relating to environmental, social and corporate governance matters:

- Overseeing compliance with corporate governance rules and internal codes of conduct, and ensuring that the corporate culture is aligned with its purposes and values.
- Overseeing the implementation of the general communication policy.
- Overseeing that the Company's environmental and social practices are in line with the Policy and strategy.
- Supervise and evaluate the processes of relations with the different stakeholders.
- Coordinate the reporting process for non-financial and diversity information.

In order to support the Audit and Compliance Committee with these responsibilities, Faes Farma will designate a corporate manager for the execution of the different actions that serve to implement and communicate the commitments and principles defined in this Policy.

Finally, Faes Farma undertakes to provide sufficient information on the implementation, development and results of the Policy.

This policy will be available on the Faes Farma website (www.faesfarma.com) and will be handed out or made available to employees on the Intranet so that they can become familiar with it.



5. COMMUNICATION AND DIALOGUE WITH STAKEHOLDERS

One of the objectives of the Faes Farma Board of Directors is to create value for all its stakeholders by building lasting relationships based on trust, transparency and collaboration. To this end, the Group has two-way communication channels and active listening processes aimed at the main stakeholders such as employees, customers, suppliers and shareholders. Among the most important of these are Faes Farma's own commercial network, the customer service department, the investor relations department, corporate emails, the whistleblower channel, the website, the corporate intranet, as well as meetings held with the different groups with which the Group has relations. All these channels together form a key tool for understanding stakeholder expectations, responding to them and successfully integrating them into Faes Farma's strategy.

The contact addresses made available to stakeholders can be found at: www.faesfarma.com/contacto-noticias/contacto/.

