

SUSTAINABILITY POLICY

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

TABLE OF CONTENTS

- 1 INTRODUCTION AND PURPOSE**
- 2 SCOPE OF APPLICATION**
- 3 PRINCIPLES AND COMMITMENTS REGARDING SUSTAINABILITY**
- 4 COMMUNICATION, MONITORING AND GOVERNANCE OF THE POLICY**
- 5 COMMUNICATION AND DIALOGUE WITH STAKEHOLDERS**

1. INTRODUCTION AND PURPOSE

FAES FARMA, S.A. and its subsidiaries (hereinafter, Faes Farma or the Group) are aware of the implications of their activities for the environment and their stakeholders. In this regard, the Group aims to establish guidelines that place patients at the centre of its actions, ensure responsible business management, promote sustainable development and contribute to the creation of value for all stakeholders, without compromising financial performance.

This policy, approved by the Board of Directors on 25 November 2021, forms part of Faes Farma's corporate governance policies and seeks to fulfil the Group's commitment to compliance with applicable legislation 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 the area of sustainability, sets out the general principles guiding Faes Farma's activities, and outlines the commitments undertaken in this regard, both in terms of business management and in its relations with its stakeholders.

2. SCOPE OF APPLICATION

The Sustainability Policy applies to all companies within the Group and over which it has management authority. Furthermore, in the case of investee companies outside Faes Farma's operational control, the Group will promote awareness of this Policy and encourage action in line with the principles and commitments set out therein. Finally, the Policy will also be intended to guide commercial relations with its suppliers.



3. PRINCIPLES AND COMMITMENTS REGARDING SUSTAINABILITY

In this Policy, Faes Farma sets out four principles that enable it to promote sustainable development, thereby meeting the expectations of its *employees, customers, patients, healthcare professionals, the scientific community, regulatory bodies, suppliers* and *investors*. To uphold these principles, Faes Farma has defined a series of commitments that reflect the actions underpinning its operations. Furthermore, these principles and commitments have been grouped into three areas: environmental, social, and governance and ethics, thereby covering the three main dimensions of sustainability.

3.1. Environmental Aspect

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

To this end, it has established the following **commitments**:

- To comply with the laws, regulations and standards of national and international **regulatory bodies**, as well as with its internal codes and procedures, relating to environmental control and protection.
- Faes Farma undertakes to monitor its environmental performance, as well as the potential impacts its activities have on the environment, defining a series of specific indicators for close monitoring.
- To use the resources necessary for the Group's activities in a responsible manner, employing the available control mechanisms for waste management in accordance with current legislation.
- To develop specific measures that enable Faes Farma to improve the efficiency of its energy consumption, whilst also ensuring that this energy comes from clean sources, with the aim of progressively reducing its carbon footprint and thereby contributing to **society's** collective fight against climate change.
- To share and encourage the implementation of responsible practices amongst its **suppliers** in order to minimise the environmental impacts associated with their activities and, in particular, with the products they develop for Faes Farma.
- To raise awareness and train **employees** on environmental issues, with the aim of making them aware of the impact their work has on the environment and enabling them to take a more active role 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 aim to contribute to improving the health and well-being of society as a whole through the development of medicines that meet its 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 with the protection against child exploitation. It also fosters the professional development of its employees and ensures their safety.

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

- To promote the exchange of knowledge with **healthcare professionals** and the **scientific community**. Furthermore, raising **public** awareness of the responsible use of medicines is a key consideration that Faes Farma evaluates and takes into account in the course of its activities, with the aim of contributing, in turn, to the sustainability of the healthcare system.
- To safeguard the health and safety of **patients** throughout the entire life cycle of Faes Farma's products, promoting their responsible use.
- To guarantee a zero-tolerance policy towards any action involving discrimination or a violation of the human rights of both the Group's **employees** and its **suppliers**, and to assess the implementation of the necessary mechanisms to this end.
- To have a corporate framework for the recruitment and development of Faes Farma professionals that promotes respectful treatment and diversity, facilitating inclusion and equal opportunities among **employees**.
- To create a safe and healthy working environment for **employees** and workers under the Group's direct influence.
- To contribute to the professional development of the Group's **employees** through the implementation of appropriate training and development programmes that meet 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 ensure the nutritional quality and health of animals involved in food production, thereby indirectly contributing 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

Principle 4: Faes Farma has policies and procedures in place that promote the integration of best practices in good governance, ethics, integrity and transparency into its day-to-day operations and management.

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

- To comply with the law and best practice, applying a 'zero-tolerance' policy towards crime and corruption in all their forms, and to commit to preventing, combating and prosecuting them to the full extent of the law.
- Apply high standards of corporate governance and ethical conduct as defined by **regulatory bodies** and organisations of recognised national and international standing,



keeping abreast of emerging best practices with a view to incorporating them into its day-to-day operations and management.

- To promote among **employees** an ethical and responsible culture aligned with internal policies and standards, particularly the Group's Code of Ethics and Conduct.
- To comply with the ethical criteria of professionalism and responsibility defined in Farmaindustria's Code of Good Practice, thereby generating and maintaining, amongst other things, an appropriate level of trust regarding **healthcare professionals'** decisions relating to the prescription of medicines.
- Establish transparent and effective channels of communication with Faes Farma's various **stakeholders**, facilitating their access to clear and accurate information to prevent, amongst other things, the manipulation of information.
- To prepare and publish relevant financial and non-financial information in accordance with internationally established criteria and standards, and to review such information through the application of internal and external procedures that ensure its reliability and continuous improvement.
- To comply with tax and labour legislation in the various countries and territories in which Faes Farma operates in a transparent manner, as a key factor in promoting the economic and social development of **local communities** in the vicinity of and/or linked to its activities.

4. DISSEMINATION, MONITORING AND GOVERNANCE OF THE POLICY

The approval and amendment of the Sustainability Policy is the responsibility of the Board of Directors of Faes Farma.

In accordance with its Regulations, the Audit and Compliance Committee is responsible for evaluating and supervising this Policy, to ensure it fulfils its mission of promoting the public interest and takes into account, as appropriate, the legitimate interests of other stakeholders.

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

- To oversee compliance with corporate governance rules and internal codes of conduct, whilst ensuring that the corporate culture is aligned with its objectives and values.
- To oversee the implementation of the general communication policy.
- To ensure that the Company's environmental and social practices comply with the established policy and strategy.
- Oversee and evaluate processes relating to engagement with various stakeholders.
- Coordinate the reporting process for non-financial and diversity information

In order to support the Audit and Compliance Committee in these responsibilities, Faes Farma will appoint a corporate officer to carry out the various actions necessary to implement and communicate the commitments and principles defined in this Policy.

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



This policy will be available on the Faes Farma website (www.faesfarma.com) and will be provided or made available to employees on the Intranet so that they may familiarise themselves with it.

5. COMMUNICATION AND DIALOGUE WITH STAKEHOLDERS

One of the objectives of Faes Farma's 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 established two-way communication channels and active listening processes aimed at key stakeholders such as employees, customers, suppliers and shareholders. Among the most notable are Faes Farma's own sales network, the customer service department, the investor relations department, corporate emails, the whistleblowing channel, the website, the corporate intranet, as well as meetings held with the various groups with which the Group interacts. Together, these channels form a key tool for understanding the expectations of stakeholders, responding to them and successfully integrating them into Faes Farma's strategy.

The contact details provided for stakeholders can be found at: www.faesfarma.com/contacto-noticias/contacto/

