



**Environmental,
Social and Governance**

Action Plan

2021-2023

Grupo Pharma Mar



“Pharma Mar was born with the concept and conviction that, since the origin of life was in the oceans, it is there that we could find innovative compounds or molecules to combat diseases.

Research inspired by the ocean underpins Pharma Mar’s ongoing commitment to caring for the environment, which pervades everything we do. Together with this

commitment, since its foundation over 35 years ago, Pharma Mar has defended the value of people’s dignity and, more specifically, the value of teamwork and diversity; both our senior management and our Board of Directors reflect this approach”.

José María Fernández Sousa-Faro
Chairman
Pharma Mar, S.A.

At Pharma Mar, our goal is to provide solutions and improve the lives of patients with serious diseases through innovative treatments, always with a sense of responsibility, respect and commitment to the environment, society and our stakeholders.

On that basis, we have designed this Action Plan, which represents our strategy in environmental, social and governance (ESG) matters and sets out our commitment to our stakeholders in line with the Group’s Sustainability Policy, the materiality analysis carried out in 2020 and the United Nations Sustainable Development Goals (SDGs).

Lines and objectives of the Action Plan

Pharma Mar’s environmental, social and governance action plan is based on the following lines of action: Innovation, Quality employment, Environment, Supply Chain Value, Governance, Business Ethics and Transparency. A number of commitments (in line with the Group’s Sustainability Policy), strategic objectives and tracking indicators have been established for each of them.

Through this plan, Pharma Mar also assumes its commitment to the Sustainable Development Goals under the United Nations 2030 Agenda. The SDGs underpinning the Pharma Mar Group’s actions are as follows:

“Sustainability: Meeting the needs of the present without compromising the ability of future generations to meet their own needs”.

Our common future: Report of the World Commission on Environment and Development (Brundtland Report), 1987.

SUSTAINABLE DEVELOPMENT GOALS



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Innovation

- 1.1 Our data.
- 1.2 Our commitment.
- 1.3 Our goals.
- 1.4 Key indicators.

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Quality employment

- 2.1 Our data.
- 2.2 Our commitment.
- 2.3 Our goals.
- 2.4 Key indicators.

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Environment

- 3.1 Our data.
- 3.2 Our commitment.
- 3.3 Our goals.
- 3.4 Key indicators.

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Supply chain value

- 4.1 Our data.
- 4.2 Our commitment.
- 4.3 Our goals.
- 4.4 Key indicators.

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Governance, business ethics and transparency

- 5.1 Our data.
- 5.2 Our commitment.
- 5.3 Our goals.
- 5.4 Key indicators.

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INNOVATION

“REACHING FOR THE FUTURE”

Pharma Mar is the first company to develop and market a marine-based anti-tumor drug. We are in an innovative industry, we have the necessary knowledge to pursue our goals, and we are driven by a commitment to achieve optimal results for all our stakeholders.



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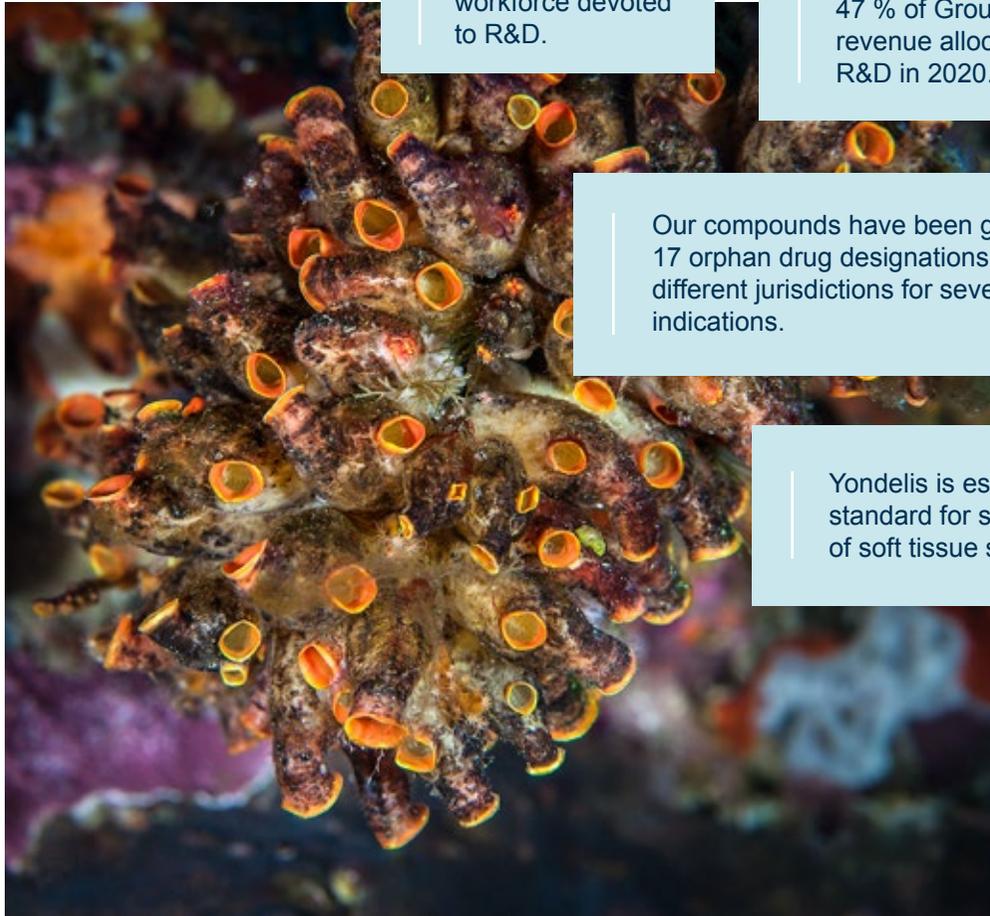
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1.1 Our data



48 % of the workforce devoted to R&D.

47 % of Group revenue allocated to R&D in 2020.

Therapeutic options developed in Spain by Pharma Mar are now available to meet patients' needs in more than 80 countries around the world.

Our compounds have been granted 17 orphan drug designations in different jurisdictions for several indications.

More than 2,500 patients have been treated with Pharma Mar's products under compassionate use programs.

Pharma Mar conducts clinical trials in more than 150 hospitals around the world.

Yondelis is established as the standard for second-line treatment of soft tissue sarcoma in Europe.

Pharma Mar's research has resulted in 1,200 patents and another 200 patents pending.

1.2 Our commitment is to promote the research and development of novel therapies and diagnostics that improve patients' lives while promoting the dissemination of scientific knowledge in the communities in which we operate.

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1.3 Our goals

- Research and development of new drugs that address unmet medical needs, as well as diagnostic approaches, to promote wellness.
- Improve knowledge of marine biodiversity and contribute to disseminating it among local communities.
- Agreements with universities in developing countries for the training of pre- and post-doctoral researchers.
- Establish and renew strategic alliances and collaboration agreements with research centers and universities.
- Establish agreements with universities for student internships.



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1.4 Key indicators

- Year-on-year increase in R&D expenditure.
- Number of publications and knowledge dissemination.
- 4 researchers in training.
- 50 students in internships.
- Number of agreements with universities and research centers.

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QUALITY EMPLOYMENT

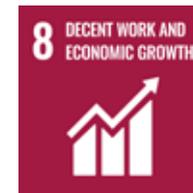
“EXCELLENCE IS THE CHALLENGE”

The Group’s employees are a key part of Pharma Mar’s operations, and we work to promote and retain talent.

We have created safe working environments in which our employees can fulfill their potential and the commitment to develop novel drugs.



Quality, skill-building and job stability are our top priorities.



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2.1 Our data



62 % women
38 % men.

98 % on
indefinite.

49 % of
management
positions
are held by
women.

4,9 % adjusted
wage gap.

18
nationalities.

Health and safety. Certificates:

- OSHAS 18001, occupational health and safety.
- ISO 45001, occupational health and safety.

2.2 Our commitment is to promote the professional development of Pharma Mar people in a safe, progressive, motivating and inclusive environment.

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2.3 Our strategic objectives

- Attract and retain talent in the company.
- Promote lifelong learning by our people.
- Update the equality plan on the basis of the latest legislation.
- Offer a safe, healthy work environment.



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2.4 Key indicators

- Succession plan, with training, for senior and middle management.
- Share-based incentives for employees.
- Equality Plan update.
- 50 % improvement in workplace safety index.
- Implementation of 90 % of the recommendations from the workplace safety audit.

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ENVIRONMENT

“WE CARE FOR THE SEAS, THE SOURCE OF LIFE AND HOPE”

The oceans are the origin of life and the inspiration for our business; for that reason, we are particularly committed to the protection of marine biodiversity. Respect for the planet is a priority for Pharma Mar.



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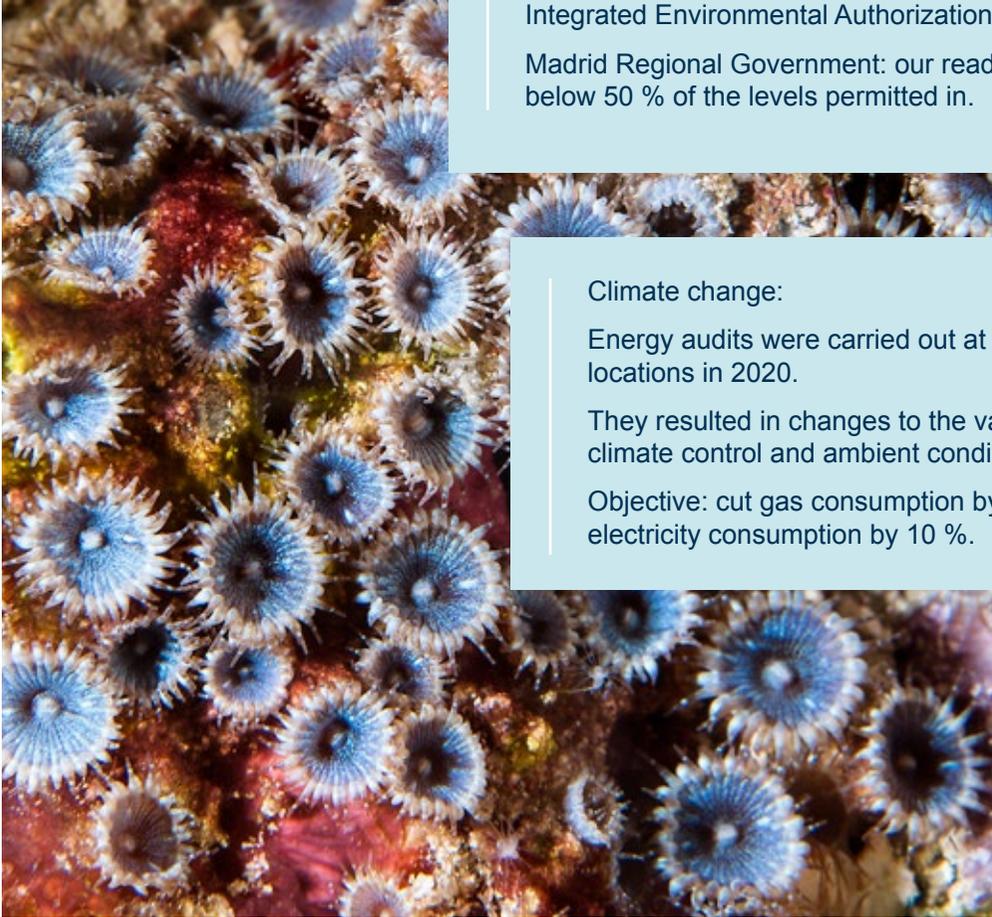
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3.1 Our data



Pollution:
Integrated Environmental Authorization.
Madrid Regional Government: our readings are below 50 % of the levels permitted in.

Climate change:
Energy audits were carried out at all company locations in 2020.
They resulted in changes to the vacuum network, climate control and ambient conditions.
Objective: cut gas consumption by 20 % and electricity consumption by 10 %.

Sustainable resource use:

- ISO 140001 environmental management certification.
- Reduce water consumption (reuse).
- Reduce electricity consumption (LED).
- Eliminate disposable plastic cups.

Circular economy, waste management:

External waste managers: we choose those that guarantee a higher rate of waste recovery.

Biodiversity protection:

- Biodiversity Pact.
- Rio Declaration on Environment .
- International Convention on Endangered Species.

3.2 Our commitment to conserve and make rational use of resources, minimizing environmental impact and paying special attention to marine resources and climate change risks.

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3.3 Our strategic objectives

- Reduce greenhouse gas emissions.
- Improve the energy efficiency of facilities and production processes.
- Promote the use of clean energy.
- Use resources rationally and encourage recycling.
- Take action to support marine biodiversity.
- Promote the use of clean energy: install solar panels.



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3.4 Key indicators

- Implement a system of car sharing or mass transit.
- 10 % reduction in Scope 1 & 2 energy consumption by 2023.
- Measure Scope 3 energy consumption.
- Produce 5 % of energy use in-house by 2025.
- 25 % reduction in paper and cardboard use by 2023.
- Separate 25 % more plastic for recycling out of non-hazardous waste by 2025.
- Work actively with associations and organizations for the protection of the seabed and coasts.

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SUPPLY CHAIN VALUE

“FROM THE LABORATORY TO THE PATIENT: SAFE, COMMITTED SCIENCE”

We are prepared to develop our products consistently, with a rigorous scientific process, under the required specifications.

We are motivated to offer hope to patients with unmet medical needs, including rare diseases, and we are accountable to patients and to ourselves to fulfill this goal.



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4.1 Our data



We guarantee product safety by complying with highly complex regulations specific to our industry:

- Good Laboratory Practices.
- Good Clinical Practices.
- Good Manufacturing Practices.
- Good Distribution Practices.
- Good Pharmacovigilance Practices.

86 % of the Group's suppliers are in the European Union.

97 % of suppliers are in OECD countries and account for 99 % of procurements by volume.

- Pharma Mar has a Quality Policy and introduced a quality assurance system as described in the Quality Manual, which promotes the implementation of a continuous improvement process.
- It also has a Quality Unit and a Quality Council that supervises the implementation of the Quality Assurance System.
- Pharma Mar also has a privacy and data protection policy for the data of patients participating in clinical trials.

4.2 Our commitment is to incorporate environmental, social and governance factors into our relationships with third parties and to promote the creation of long-term value.

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4.3 Our strategic objectives

- To protect patients by ensuring that the medicines marketed by Pharma Mar offer optimum quality and the required safety. Assure the supply.
- Suppliers aligned with the Group's Sustainability Policies.
- Give priority to local suppliers.
- Encourage our stakeholders to behave sustainably throughout the supply chain.
- Reduce the environmental impact of purchased products.



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4.4 Key indicators

- 5 % increase in the number of hours of training in best practices and pharmacovigilance.
- 5 % reduction in the number of quality system audit observations.
- Approval in 2022 of a Procurement Policy that addresses sustainability issues.
- Audit of 35 % of the most critical suppliers in 2023.
- In 2022, 30 % of PPE producers to be Spanish.
- Sustainability training for 50 % of employees in procurement department by 2023.
- Produce cardboard items to reorganize the epidemiological waste containers, and hire an association of people with disabilities for this task.
- At least 15 selected products to be purchased in larger packs by 2023 to reduce waste.

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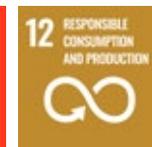
GOVERNANCE, BUSINESS ETHICS AND TRANSPARENCY

“ETHICS AND TRANSPARENCY AS DRIVERS OF CORPORATE GOVERNANCE AND OUR RELATIONSHIPS”

We treat our stakeholders with respect and integrity, and maintain a transparent relationship with all of them through timely, complete and accurate information and by disclosing any potential conflicts of interest.



We adopt the necessary proactive and corrective measures to guarantee proper governance, ensuring that our principles and mission as a company are aligned with the expectations and ethical standards of society.



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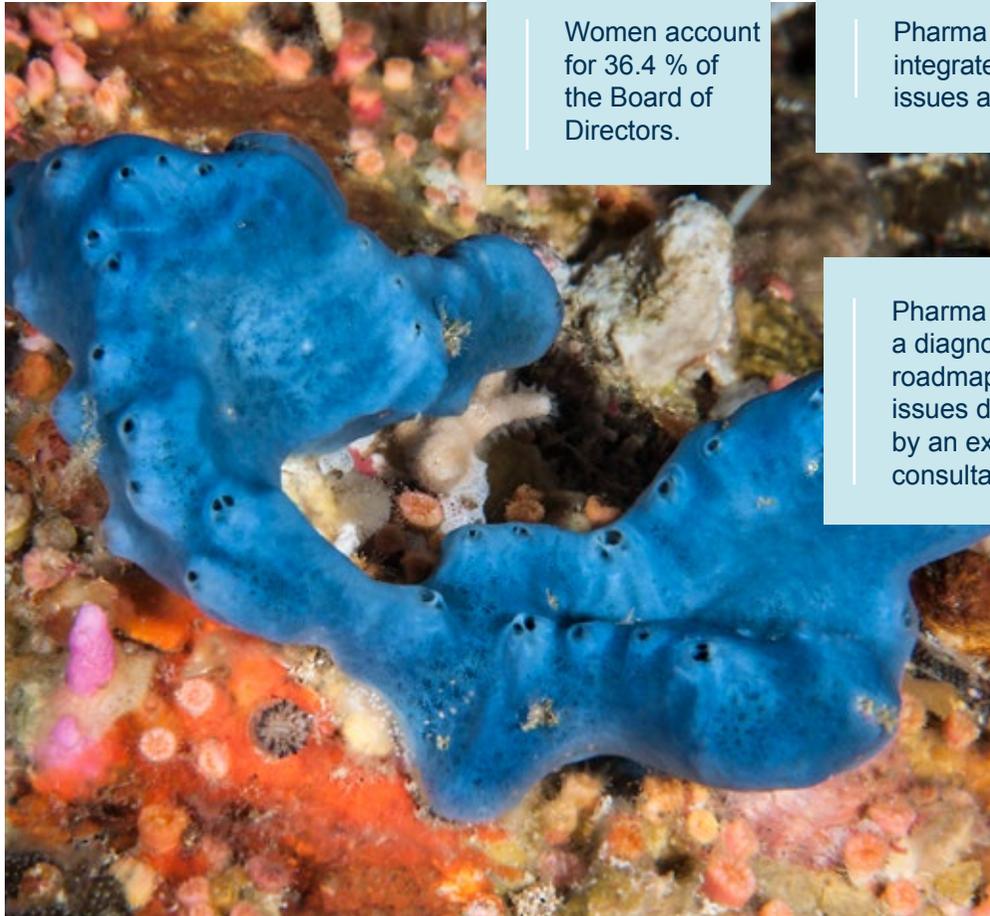
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5.1 Our data



Women account for 36.4 % of the Board of Directors.

Pharma Mar has integrated sustainability issues at Board level.

Pharma Mar has a diagnosis and roadmap of ESG issues drawn up by an external consultant.

We have:

- A Sustainability Policy.
- A Code of Conduct and a Compliance Committee that oversees compliance with the company's ethical values.
- A confidential Whistleblower Channel that enables employees to report breaches of the Code of Conduct.
- A Crime Prevention Plan.
- A series of policies in the area of corporate governance and transparency.

5.2 Our commitment is to guide and direct the Group's activities in line with best practices in the areas of governance, ethics and integrity.

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5.3 Our strategic objectives

- Apply best practices in the area of corporate governance.
- Integrate sustainability into Group strategy .
- Give precedence to transparency in relations with stakeholders.
- Favor ethical practices.

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5.4 Key indicators

- Adoption of the Sustainability Policy and General Communication Policy.
- Implementation of a system of Internal Control over Non-Financial Reporting in 2021.
- Implementation of an ESG Risk Management System.
- Application for an ESG rating from a reputable agency in 2022.
- Report to the Board of Directors on ESG issues at least three times per year.
- Report on external assessment of the Board of Directors in 2022.



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- Achieve 40 % female membership of the Board.
- Improve internal communication flows via WhatsApp and Telegram, and develop a new intranet platform in 2022.
- Improve external communication channels: Create a new website in 2021. Add a section on compliance and ethics to the website.
- Conduct a survey of perceptions of the company in 2021.

- Internal training plan in ethics for Group employees: 100 % of employees to be trained by 2023, creation of materials for delivery to new employees in 2021.
- Compliance audit of the Oncology Unit: audit in Spain and at subsidiaries in Italy, France, Germany, Belgium and Austria to be completed in 2022.





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