

CSR
Report 2019



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1. About ROVI



1.1. Group profile

ROVI is a specialised, fully-integrated pharmaceutical company engaged in the research, development, toll manufacturing and marketing of small molecules and biological specialties, with three major pillars of growth:

- Low-molecular-weight heparin franchise. In 2019, this represented 47% of total group sales.
- Pharmaceutical specialties division, with a diversified portfolio of its own and licensed innovative products, protected by patents.
- Toll manufacturing of pre-filled syringes and oral forms.
- A sound, low-risk R&D policy.

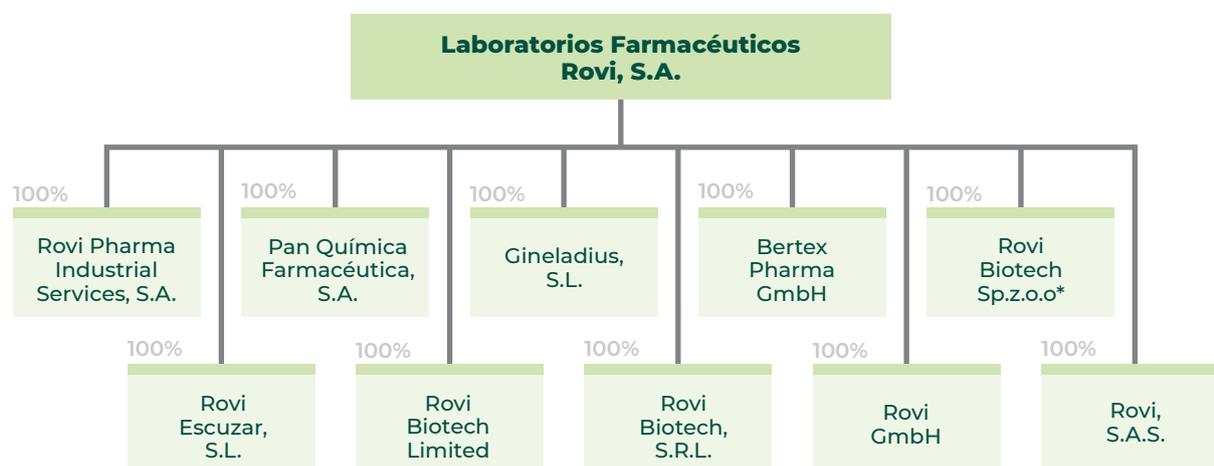
All the companies that form the ROVI Group are aware that their activity is conducive to the health improvements provided by their products and wish to provide a response to certain social demands in relation to the impacts of their activities on society and the environment. For this reason, ROVI's economic development must be compatible with its conduct in respect of ethics, society, employment, the environment and respect for human rights.

[102-1, 102-3, 102-5]

CORPORATE INFORMATION

Name:	Laboratorios Farmacéuticos ROVI, S.A.
Address:	Julián Camarillo, 35. 28037 Madrid. España
Telephone:	0034 91 375 62 30
Website:	www.ROVI.es
Share capital:	3,364,137.90 euros
Number of shares:	56,068,965
Par value:	€0.06 share
Activity:	Manufacturing and marketing of pharmaceutical products and toll manufacturing services.
Markets:	The ROVI Group has direct presence in Spain, Portugal, Germany, France, United Kingdom, Italy and Poland and is listed on the Barcelona, Bilbao, Valencia and Madrid Stock Exchanges.

CORPORATE STRUCTURE



[102-4, 102-45]

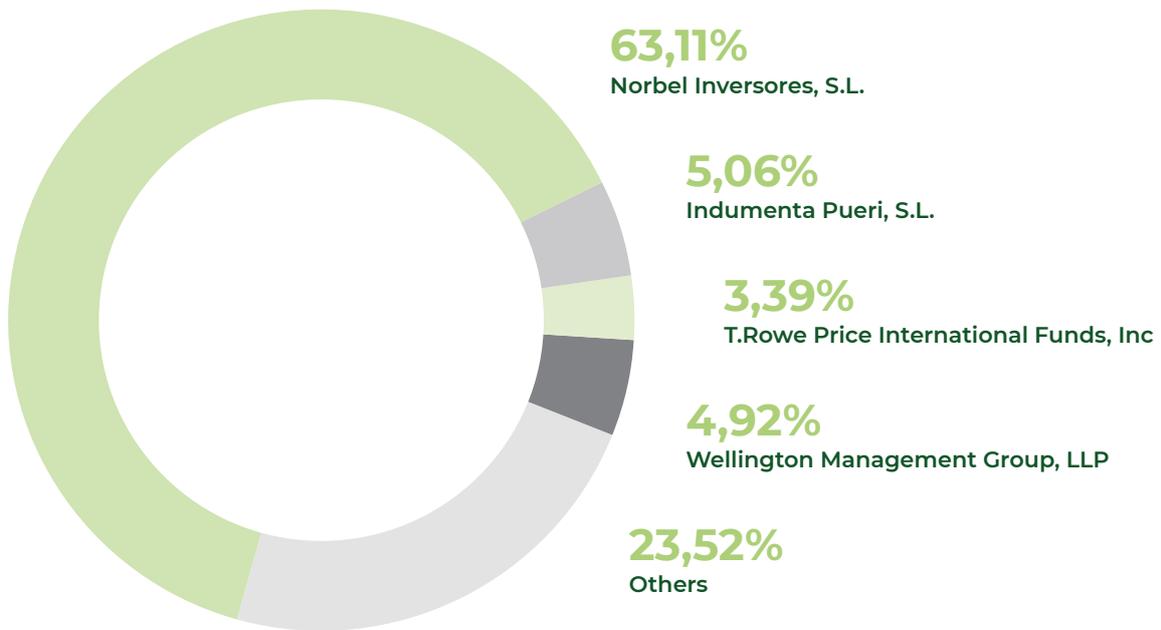
Corporate name	Address	Activity
Laboratorios Farmacéuticos Rovi, S.A.	Madrid, C/Julián Camarillo, 35	A
Pan Química Farmacéutica, S.A.	Madrid, C/Rufino González, 50	A
Gineladius, S.L.	Madrid, C/Rufino González, 50	B
Bertex Pharma GmbH	Inselstr.17. 14129 Berlín (Alemania)	C
Rovi Pharma Industrial Services, S.A.	Alcalá de Henares, Avenida Complutense, 140 Madrid (España)	A
Rovi Escúzar, S.L.	Madrid, C/Julián Camarillo, 35	A
Rovi Biotech Limited	Davis House, 4 th floor, Suite 425, Robert Street. CRO 1QQQ Croydon (Reino Unido)	A
Rovi Biotech, S.R.L.	Viale Achille Papa, 30. 20149 Milán (Italia)	A
Rovi GmbH	Rudolf-Diesel-Ring, 6. 83607 Holzkirchen (Alemania)	A
Rovi S.A.S.	Rue du Drac, 24. 38180 Seyssins (Francia)	A
Rovi Biotech sp. z o.o. o Rovi Biotech spółka z o.o.	Mokotów, ul. Rzymowskiego 53, 02-697 Varsovia, Polonia	A

A Manufacturing, marketing and sale of pharmaceutical, healthcare and medicinal products.

B Import, export, purchase, sale, distribution and marketing of articles related to comprehensive women's healthcare.

C Development, distribution and trading of pharmaceutical products related to microparticle technology.

SHAREHOLDER COMPOSITION



HISTORIA Y PRINCIPALES HITOS 2019

1946	Foundation of the company.
1981	Start of research into low-molecular-weight heparins.
1998	Launch of Bemiparin on the Spanish market and start-up of operations in Portugal.
2002	Internationalization of ROVI following approval of Bemiparin outside Spain.
2003	Increased international coverage to 59 countries.
2006	Construction of the Granada R&D&i centre and plant.
2009	Strategic agreement with Merck Sharp & Dohme (MSD)
2012	FDA certification of the injectables plant.
2013	Agreements to market products from Novartis and Medice
2014	Registration process for an enoxaparin biosimilar with the EMA and FDA.
2015	Acquisition of the new injectables plant in San Sebastián de Los Reyes, with which it reinforced its toll manufacturing capacity and secured the growth of Bemiparin and the potential enoxaparin biosimilar. Successful completion of PRISMA-2 study of the clinical development of the new long-acting injectable Risperidone ISM®
2016	Marketing agreement with Novartis for Neparvis®
2017	Commencement of the marketing of an enoxaparin biosimilar in Germany. Beginning of Phase III clinical trial of Doria® (Risperidone ISM®)
2018	Launch of an enoxaparin biosimilar in Spain, France, United Kingdom, Italy, Austria, Estonia and Latvia under the trade mark "Enoxaparina Rovi".
2019	Conclusion of the PRISMA-3 and BORIS studies and end of the Clinical Research Programme for Risperidone ISM - Doria® in patients with schizophrenia and marketing authorisation application.

TRADEMARKS, SERVICES AND PRODUCTS

[102-2]

ROVI focuses its activity on nine main therapeutic areas:

- Cardiovascular
- Osteoarticular/Women's health
- Anaesthesia/ Pain
- Radiodiagnostics contrasting agents
- Central nervous system
- Urology
- Endocrinology
- Respiratory system
- Primary healthcare

ROVI's main growth engines are its matchless knowledge of the low-molecular-weight heparin (LMWH) market based on in-house development of two proprietary products (Bemiparin and an enoxaparin biosimilar), its pharmaceutical specialty business -a leader in Spain-, and the toll manufacturing area.

PHARMACEUTICAL SPECIALTIES

ROVI has a diversified portfolio comprising more than 20 of its own products and 28 licensed products. This portfolio has a defensive profile, since it has not been affected by reference pricing in Spain.

ROVI aspires to become a world leader in low-molecular-weight heparins (LMWHs). To achieve this, it has two products from its own research: bemiparin Hibor® and the enoxaparin biosimilar. The low-molecular-weight heparin division accounts for 47% of total group sales.

» Hibor®

Hibor (Bemiparin) is a low-molecular-weight heparin (fast-acting anticoagulant) used to prevent and treat venous thromboembolic disease (VTE) in both surgical and medical patients for the acute and long-term treatment of patients who have suffered VTE. VTE is a serious and potentially fatal process, the main characteristic of which is the formation of a fibrin clot, thrombosis, inside the veins of the deep vein system, with the consequences that may result from the evolution of the venous thrombus, which may grow, progress and fragment. In the event of fragmentation, some of the fragments may reach the lung and cause pulmonary embolism. In Spain alone, it is estimated that close to 65,000 cases of deep vein thrombosis occur every year, as well as a further 25,000 cases of pulmonary embolism (data extrapolated from Thromb Haemost 2000, 2001 and 2005).

Over recent years, Bemiparin has become one of the main treatments for this disease worldwide, having expanded its presence to 65 countries as the result of a strategic alliance network. Currently, Bemiparin is ROVI's principal product and accounts for 32% of the group's operating revenue.

» Enoxaparina ROVI

ROVI's enoxaparin sodium biosimilar is an anticoagulant medicine that belongs to the low-molecular-weight heparin group. It is used to treat and prevent deep vein thrombosis and pulmonary embolism. Enoxaparin sales totalled 80.9 million euros in 2019, already accounting for 21.1% of ROVI's operating revenue.

In 2018, ROVI began the marketing of its Enoxaparin biosimilar (low-molecular-weight heparin) in Spain under the trade mark "Enoxaparina ROVI". With this launch, ROVI expanded its presence in Europe, which had commenced in 2017 with the marketing of the product in Germany and been extended to the United Kingdom, Italy, Austria, Estonia, France and Latvia in 2018, in addition to Spain. Furthermore, also in 2018, ROVI signed an agreement with Biogaran SAS, the leading French pharmaceutical company in generics and biosimilars and a subsidiary of Laboratorios Servier, to market its enoxaparin biosimilar in France on a semi-exclusive basis.

In 2019, ROVI launched the biosimilar in Portugal, Poland, Costa Rica, Finland and Sweden. Likewise, in the fourth quarter of 2019, it launched the product in Germany and Italy through TEVA and Caber, respectively.

As of 31 December, 2019, all the EU countries in which ROVI had applied for approval of the national registration of its enoxaparin biosimilar (26 countries) had approved said registration and, in addition to the European countries, the company had signed marketing agreements for the product in a further 85 countries.

The Enoxaparin market totals more than 1,400 million euros worldwide (according to estimates based on the 2019 sales reported by Sanofi-Aventis), with a European market share of 75% concentrated in Germany, France, Spain, United Kingdom, Portugal and Poland ((QuintilesIMS-2015 figures), countries in which ROVI hopes to market its product directly through its subsidiaries. Outside Europe, in 2018, ROVI signed an agreement with Hikma Pharmaceuticals PLC, a listed multinational pharmaceutical group, for the exclusive distribution and marketing of its enoxaparin biosimilar in 17 countries in the Middle East and North Africa: Saudi Arabia, Jordan, Algeria, Egypt, Tunisia, Sudan, Syria, Yemen, Iraq, Oman, United Arab Emirates, Kuwait, Qatar, Bahrain, Libya, Palestine and Lebanon. Furthermore, ROVI signed an agreement with Sandoz, a division of Novartis AG and one of the world leaders in generic and biosimilar medicines, for the distribution and marketing of its enoxaparin biosimilar in 14 countries/regions (Australia, New Zealand, Philippines, Hong Kong, Singapore, Vietnam, Malaysia, Canada, South Africa, Brazil, Colombia, Argentina, Mexico and Central America). Under this agreement, ROVI grants Sandoz an exclusive licence to market the product in three of these countries, Hong Kong, Singapore and Vietnam.

ROVI manufactures and packages its enoxaparin biosimilar in Spain thanks to its four production plants. In 2019, it announced the future construction of a new plant in Granada, in which it will invest 24 million euros over the next three years. The plant will double ROVI's LMWH production capacity and will have a workforce of 38 employees.

With the enoxaparin biosimilar, ROVI aspires to become one of the main European -and, in the medium- and long-term, world players, thanks to the competitive edge provided by the vertical integration of processes in the group, in a 700-million-euro market where there are only two other biosimilars, likewise increasing its presence in emerging markets with a potential of 500 million euros.

The following are the products marketed under licensing agreements that make the greatest contribution to the group's EBITDA:

» **Neparvis®**

ROVI began to market Neparvis® (sacubitril/valsartan) of Novartis in December 2016. This product is indicated in adult patients for treatment of symptomatic chronic heart failure with reduced ejection (the proportion of blood leaving the heart) fraction.

» **Hirobriz® Breezhaler® and Ulunar® Breezhaler®**

In the last quarter of 2014, ROVI commenced the marketing of Breezhaler (indacaterol maleate), and Ulumar Breezhaler (indacaterol maleate and glycopyrronium bromide) in Spain. Both these active substances are long-acting bronchodilators indicated for the maintenance treatment of Chronic Obstructive Pulmonary Diseases (COPD) in adult patients and administered by inhalations through the Breezhaler device. ROVI markets the two products under licence from Novartis.

» **Volutsa®**

In the first quarter of 2015, ROVI began to market Volutsa (solifenacin succinate and tamsulosin hydrochloride), an Astellas Pharma product indicated for the treatment of moderate to severe storage systems symptoms (urgency, increased micturition frequency) and voiding symptoms associated with benign prostatic hyperplasia (BPH) in men who are not responding adequately to monotherapy treatment.

» **Vytorin®, Orvatez® and Absorcol®**

Vytorin® (ezetimibe and simvastatin), Orvatez® (ezetimibe y atorvastatin) and Absorcol® (ezetimibe) are products used as adjunctive therapy to diet in patients with hypercholesterolemia and are the first of the five MSD marketing licences granted to ROVI. In the second quarter of 2018, the patent for the active substance ezetimibe expired and, therefore, the price of Absorcol® dropped. Likewise, generic medicines formulated with ezetimibe and simvastatin have recently started to be marketed and, therefore, the price of Vytorin® has been lowered in order to maintain its competitiveness.

» **Medikinet® and Medicebran®**

Medikinet (methylphenidate hydrochloride with modified release) and Medicebran (methylphenidate hydrochloride with immediate release) are prescription products indicated for treatment of ADHD (Attention Deficit Hyperactivity Disorder) in children and adolescents. Both products are from the company Medice and ROVI has been distributing them on an exclusive basis in Spain since December 2013.

In the first quarter of 2019, ROVI announced the acquisition of two products, Falithrom® and Polaramine®. These purchases are within the framework of its operating leverage strategy for its international subsidiaries.

» Falithrom®

In January 2019, ROVI announced the purchase of Falithrom®, which had belonged to Hexal AG, a company belonging to the Sandoz Division of Novartis, in order to distribute it directly in Germany. Under this agreement, Falithrom® will be marketed directly in Germany by ROVI, once the administrative procedures to authorise the transfer of the marketing authorisation have been completed with the German Federal Institute of Medicines and Medical Devices (BfArM).

This product is used for the prevention and treatment of thromboembolic disease, including venous thrombosis and pulmonary embolism, as well as the prevention of ischemic strokes in patients with atrial fibrillation.

» Polaramine® and Polaracrem TM

ROVI has reached an agreement with a subsidiary of Merck Sharp and Dohme ("MSD") whereby it acquires certain rights for MSD's dexchlorpheniramine maleate product line, allowing it to distribute this product directly in Spain in its different pharmaceutical forms (tablets, syrup and ampoules, marketed under the trademark POLARAMINE®, and cream, marketed under the trademark POLARACREM™), and in France in its injectable form (ampoules).

This product line belongs a group of medicines known as antihistamines. They are indicated for the symptomatic treatment of seasonal and perennial allergic rhinitis, vasomotor rhinitis, allergic conjunctivitis, mild, uncomplicated allergic cutaneous manifestations of urticaria or angioedema; and reactions to blood or plasma. It is also indicated, together with adrenalin or other appropriate measures, for treatment of anaphylactic reactions after the acute manifestations have been controlled. These products often relieve cutaneous manifestations such as allergic eczema, atopic and contact dermatitis, insect bites, dermographisms and drug reactions.

» Diagnostic imaging contrast agents and other hospital products

ROVI is one of the market leaders in the marketing of contrast agents, hospital products for imaging diagnosis (computed tomography, magnetic resonance imaging, ultrasound scan, etc.). This area, which accounts for approximately 10% of the company's revenue, comprises a broad product portfolio, including those marketed under licence from Bracco: lomeron® and lopamiro® (for computed tomography and intervention), Multihance® y Prohance® (for magnetic resonance imaging), Sonovue® (for ultrasounds), and Bracco Injeenering: EmpowerCTA+®, EmpowerMR® and CT Exprès (contrast injection systems and compatible disposable material).

The hospital product portfolio is completed by healthcare products for care and maintenance of intravenous catheters (Fibrilin® and Fibrilin Salino®).



TOLL MANUFACTURING

ROVI has been successful in strategically positioning itself to take advantage of the trend among pharmaceutical companies to outsource their manufacturing processes. This allows the company to make use of the high manufacturing capacity available at its facilities by providing the whole range of development, transfer and manufacturing services for injectables and oral solid forms.

Over recent years, ROVI's toll manufacturing business has been generated and expanded through the Madrid and San Sebastián de los Reyes plants of ROVI Contract Manufacturing in the injectables area, with specialisation in oral solid forms at the Frosst Ibérica Plant in Alcalá de Henares. Overall, the two structures have allowed the entire range of pharmaceutical forms to be offered to the market, including prefilled syringes, vials, suppositories, tablets, hard capsules and sachets.

The approval of the enoxaparin biosimilar worked as a catalyst for the integration of ROVI's industrial processes at all its manufacturing plants. In this respect, in 2019, ROVI decided to unify the two companies ROVI Contract Manufacturing and Frosst Ibérica under a single name: **ROVI Pharma Industrial Services, S. A. U.**, thus seeking to develop operating synergies and extend the scope of the value-added services for present and future customers as one of the company's strategic goals.

The integration of the toll manufacturing structures allows us to optimise the resources available at our plants, which now work under a more efficient and connected model, offering a range of turnkey services that is unique in the market, running from the development of a project until the final release of the product in the market, including support for prior clinical trials, technology transfer and industrial scaling, stability studies, physiochemical and microbiological analyses, etc. ROVI Pharma Industrial Services allows us to offer our customers comprehensive solutions with the capacity to manufacture:

- 270 million syringes per year
- 40 million vials
- 3,000 tablets
- 300 million hard capsules
- 30 million sachets

In addition to being among the world leaders in pre-filled syringe production, ROVI is today one of the main companies in the high-value-added toll manufacturing business, with exports to more than 40 countries and international sales that account for 80% of the business, as well as a high degree of technological specialisation in the manufacture of vaccines, biological products and biosimilars, all of which enjoy a recognised therapeutic value.

At the Alcalá de Henares plant, in 2019, ROVI constructed a centre of excellence for the packaging of injectables, with a total of 13 packaging lines. These new injectables packaging activities in Alcalá are a result of the redirection of the toll manufacturing activities towards products with higher value-added, which has implied a greater degree of specialisation by the plants in differentiated niches.

» Profarma

Each year, in the Plan Profarma, the Ministry of Industry, Tourism and Trade and the Ministry of Health, Social Services and Equality classify the pharmaceutical Companies in accordance with their contribution to the Spanish industrial fabric, taking their investment in technology, new manufacturing plants, research efforts, etc. as a reference. In April 2019, the results of Plan Profarma 2018 were issued and ROVI obtained the classification of Excellent for the thirteenth consecutive year.

KEY FIGURES

[102-7]

(million euros)	2019	2018	2017	2016
Total revenue	383.1	304.8	277.4	266.7
EBITDA	60.9	29.5	29.9	38.4
Net financial debt	+15.9	-62.8	1.1	-9,0
Employees	1,310	1,224	1,191	1,150



1.2. Business model

ROVI is a leading pharmaceutical company engaged in the research, development, manufacturing and marketing of small molecules and biological specialties. It has four principal pillars of growth:

- Low-molecular-weight heparins division
- Pharmaceutical specialties division: diversified portfolio of its own products with long-term patents.
- Toll manufacturing: specialist in pre-filled syringe solutions and oral forms
- Sound, low-risk R&D policy

ROVI's nature, principles and commitment to the activity it is engaged in has allowed it obtain a series of competitive edges, positioning it as one of the main leaders in its market niche in a sector which, moreover, has high entry barriers.

Since it was founded in 1946, ROVI has been engaged mainly in the study and development of drugs based on heparin, a fast-acting anticoagulant, and, since 1981, of its fractionated derivatives, low-molecular-weight heparins (LMWHs). As a result of ROVI's 70 years' experience, its main product, Bemiparin, has positioned itself as one of the principal treatments for venous thromboembolic disease worldwide. The launch of the enoxaparin biosimilar in 2017 represented the logical evolution of ROVI's experience in the low-molecular-weight heparin field.

» Diversified portfolio protected by patents

The company has over 40 products on its portfolio (including both its own and licensed products) for which there is growing demand and which are virtually unaffected by the reference pricing system in Spain. They are grouped into nine therapeutic areas, with around thirty products either for treating different complaints or for various diagnostics systems:

- Cardiovascular
- Osteoarticular (women's healthcare)
- Respiratory
- Anaesthesia – pain relief
- Diagnostic imaging contrast agents
- Central nervous system
- Urology
- Endocrinology
- Primary healthcare

ROVI has launched 14 new products in the last twelve years.

» Infrastructure with operating advantages

ROVI has powerful facilities in which, in addition to manufacturing its own products and marketing them in over 60 countries, the infrastructure allows it to be one of the main companies in the toll manufacturing business sector and among the world leaders in pre-filled syringe production, with exports to more than 40 countries.

Its production plants in Madrid and Alcalá de Henares, together with the San Sebastián de los Reyes plant, have allowed a constant increase in injectables production lines and are approved by the European and United States regulators –the European Medicines Agency (EMA) and the Food and Drug Administration (FDA), respectively–.

» Low-risk innovation

ROVI operates with a low-risk strategy, concentrating on diseases with extensive medical requirements. Furthermore, the company allocates a large part of its revenue to research, in order to remain in the vanguard in terms of both products and manufacturing and development systems.

1.3. World presence

[102-6]

Laboratorios Farmacéuticos Rovi, S.A. currently has its registered office in Madrid (Calle Julián Camarillo, 35). In addition to these offices, in 2017, ROVI opened new offices in Pozuelo de Alarcón, Madrid (Calle José Isbert, 2), where the management team, the marketing and sales areas, and other central group services are located.

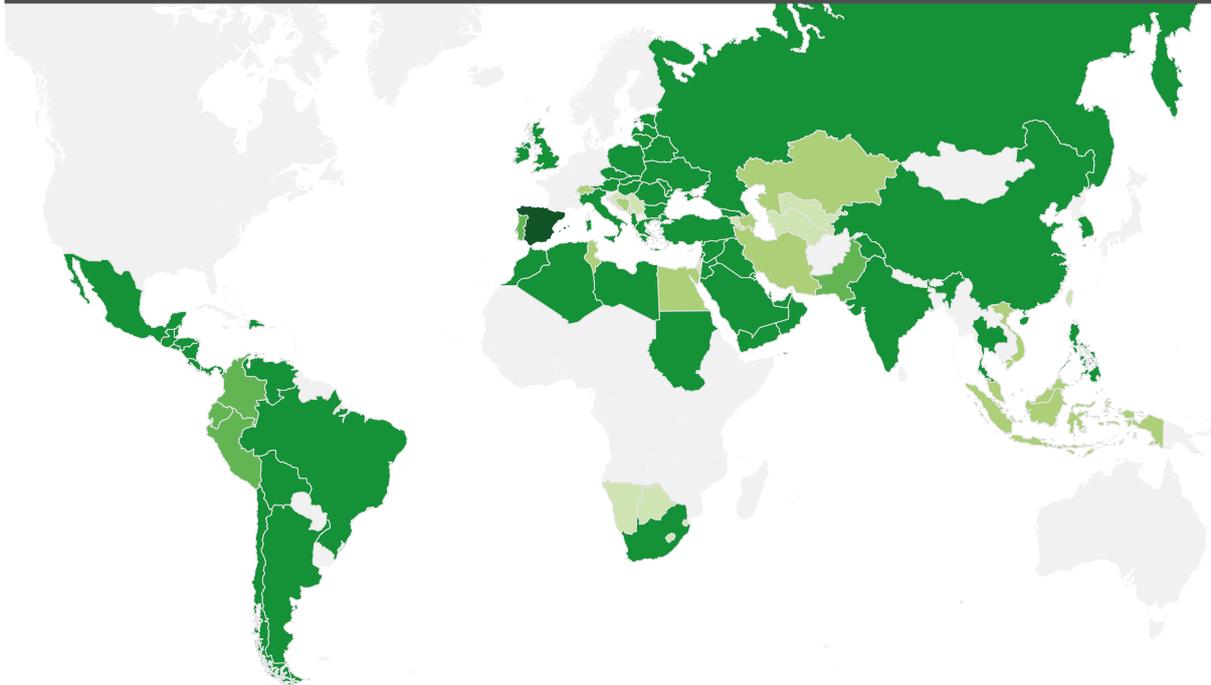
ROVI operates directly in the following countries:

- Spain, where a large part of its marketing operations take place, as well as all its manufacturing services and Research & Development activities.
- France
- Portugal
- Italy
- Germany
- United Kingdom
- Poland

In the last six of these countries, ROVI has corporate structures through which it carries on pharmaceutical product marketing activities directly.

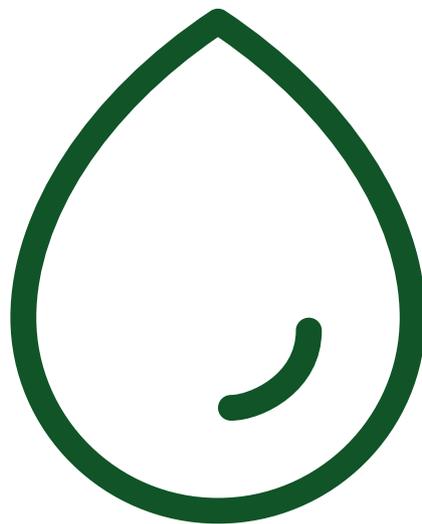
Additionally, through strategic alliances with international partners, at the end of 2019, ROVI was distributing its main product, Bemiparin, in more than 50 countries all over the world and the enoxaparin biosimilar in Germany, Austria, Costa Rica, Spain, Estonia, France, Finland, Italy, Latvia, Poland, Portugal, Sweden and the United Kingdom. Likewise, ROVI has three toll manufacturing plants and exports to over 40 countries.

GLOBAL PRESENCE OF BEMIPARIN



ROVI Group	58 countries through strategic alliances	+65 countries where approval has been obtained	10 countries where authorisation is pending	10 countries where authorisation is in progress
South and Central America	Europe	Middle East	Asia	
<p>Marketed</p> <ul style="list-style-type: none"> Argentina Belize Costa Rica Dominican Republic El Salvador Guatemala Honduras Nicaragua Panama Venezuela Chile Bolivia Mexico Brazil <p>Approved</p> <ul style="list-style-type: none"> Ecuador Peru Colombia 	<p>Marketed</p> <ul style="list-style-type: none"> Albania Austria Belarus Bulgaria Czech Republic Georgia Greece Estonia Hungary Ireland Italy Latvia Lithuania Moldavia Poland Romania Russia Slovakia Slovenia Turkey United Kingdom Ukraine 	<p>Approved</p> <ul style="list-style-type: none"> Portugal <p>Pending</p> <ul style="list-style-type: none"> Bosnia & Herzegovina Kazakhstan Switzerland Azerbaijan <p>In progress</p> <ul style="list-style-type: none"> Armenia Kyrgyzstan Croatia Serbia & Montenegro Tajikistan Turkmenistan Uzbekistan 	<p>Marketed</p> <ul style="list-style-type: none"> Jordan Kuwait Yemen Bahrain Syria Oman Iraq Saudi Arabia Lebanon Qatar United Arab Emirates <p>Pending</p> <ul style="list-style-type: none"> Iran <p>In progress</p> <ul style="list-style-type: none"> Israel 	<p>Marketed</p> <ul style="list-style-type: none"> Hong Kong South Korea India China Philippines Thailand <p>Approved</p> <ul style="list-style-type: none"> Pakistan <p>Pending</p> <ul style="list-style-type: none"> Indonesia Malaysia Vietnam <p>In progress</p> <ul style="list-style-type: none"> Taiwan Singapore
		Africa		
		<p>Marketed</p> <ul style="list-style-type: none"> Libya Algeria Morocco South Africa Sudan 	<p>Pending</p> <ul style="list-style-type: none"> Tunisia Egypt 	<p>In progress</p> <ul style="list-style-type: none"> Botswana Lesotho Namibia Swaziland

2. Responsible and sustainable management



2.1. Statement by Chief Executive Officer

[102-14]

There are few greater commitments than working to improve people's health. For a company like ROVI, knowing that the goal of its day-to-day work is to improve the quality of patients' lives is a source of pride. Likewise, I can think of few more exciting challenges than undertaking the development of a new medicine that represents the cure or alleviation of a disease. This is why responsibility is a commitment inherent to our day-to-day work, both at personal and company level, which must be able to offer top-quality products to the patients, provide decided support to research in order to position itself in the vanguard of knowledge, and deliver the best services with the highest standards of excellence and respect for the environment.

We are a catalyst for the socio-economic environment that surrounds us. This is why ROVI endeavours for its presence to be both an employment driver and a force that integrates and helps the groups of people around its production plants and offices. As an originally Spanish company, we bet on maintaining and reinforcing our activity in Spain, while also focusing on increasing our international presence, with subsidiaries in the main European markets and agreements with companies in all the continents. Examples are our project to construct a second low-molecular-weight heparin production plant in Granada and the marketing agreements we have reached, which will allow our medicines to be present in 120 countries in forthcoming years.

Corporate social responsibility (CSR) is an essential part of the identity of both ROVI as a company and the human group that forms it. Integrating it into the company's business is vital to ensuring the group's long-term sustainability, while strengthening the trust and relations between the company and its stakeholders.

At ROVI, we place special emphasis on two of the concepts upon which CSR is based: ethics and transparency. Acting ethically in each and every one of our areas of activity and sharing accurate information with our stakeholder contribute to generate trust and credibility in relation to our company.

For this reason, ROVI does not consider CSR an independent element. It is integrated into the company's governance, management and day-to-day activity. Although decisions on the subject are handled by the Management Committee and, in the final instance, by the Board of Directors, we try to involve each and every one of the members of our team in developing them, channelling the decisions adopted through different action policies that express the company's commitment to business ethics and constitute an action manual for all employees in their relations with stakeholders.

We still believe that only companies committed to sustainable development have a future. Therefore, ROVI wants to continue growing as a responsible company, aligned with the goals of the United Nations Global Compact and making our contribution to the Sustainable Development Goals. Our roadmap for the future will be marked by the best business ethics criteria, the continuous creation of stable, high-quality employment, continuous monitoring to prevent our activity from having an adverse impact on the environment, and placing priority on research to provide answers to people's healthcare problems. We want to continue to construct, together with our shareholders, a successful upward path for ROVI, aware that a responsible business culture benefits all of us.

Juan López-Belmonte Encina

Chief Executive Officer of Laboratorios Farmacéuticos ROVI

2.2. CSR strategy and objectives

[102-11, 102-16, 103-1, 103-2, 103-3]

ROVI's mission, vision and values are the guidelines that govern all the decisions made in relation to both business development and the professional performance of its workers, guiding the group's business strategy:

Mission

"We work for the well-being of society and to improve the quality of life of patients and the attention they receive, promoting human health through researching, manufacturing, marketing and distributing medicines and other healthcare products".

Vision

"We aspire to be recognized as a benchmark for our work in the research and development of new products and to be perceived as a trusted supplier due to our commitment to the manufacture, marketing and distribution of medicines and healthcare products".

Values

Honesty, integrity and ethics

Consistency
Self-criticism
Equity
Justice
Honesty
Legality

Team, co-operation, involvement

Commitment
Co-operation
Empathy
Co-responsibility
Solidarity

Efficiency

Justice
Objectivity
Balance
Determination
Profitability

Patient benefits (Customer satisfaction)

Commitment
Involvement
Empathy
Proximity
Proactiveness

Respect

Consideration
Truthfulness
Honesty

Innovation

Proactiveness
Involvement
Creativity

All these factors form the backbone of ROVI's day-to-day management through the following action principles:

[102-12]

Legality	Compliance with current legal regulations in the places where ROVI companies are located.
Human rights	Support the principles of the United Nations Global Compact by adopting and transmitting them, as well as those of other international instruments, especially in the areas of human rights, workplace practices, the environment and the fight against corruption and human trafficking.
Ethics	Follow the guidelines of the Code of Ethics , which includes the company's commitment to the principles of business ethics and transparency in all its spheres of action and regulates responsible conduct on the part of all group professionals in the course of their work.
Honesty	Promote free market practices, rejecting any kind of illegal or fraudulent practice and implementing effective mechanisms to prevent, monitor and penalise irregularities.
Communication	Foment communication and dialogue channels , as well as promoting the group's relations with shareholders, investors, employees, customers, suppliers and, in general, all its stakeholders. Thus, the group contributes to harmonising business values and social expectations by adapting, as far as possible, the group's policies and strategies to the interests, concerns and needs of stakeholders, using all the communication tools available, including direct contact and the group's corporate website.
Environment	Conservation and promotion of the environment. ROVI carries on its activity with the firm commitment of contributing to sustainability from an environmental standpoint. This commitment materializes by integrating the environment into the different business areas, conserving biodiversity, preventing pollution, managing resources efficiently and adapting to and mitigating climate change, in accordance with the group's Environmental Policy.
Contribution to society	The taxes ROVI pays in the places where it operates are the main contribution that group companies make to sustaining public funds and, therefore, are one of its contributions to society .
Transparency	Commitment to transparency as a way to transmit confidence and credibility among stakeholders. This will entail: a. Providing stakeholders with relevant and accurate information, complying with any legal public information requirements that may exist. b. Preparing and publishing financial and non-financial information, using, in the latter case, an internationally-accepted methodology, and submitting the information to the appropriate internal and external review processes that guarantee the reliability of the information and encourage continuing improvement.

On the basis of these principles, the fact that ROVI's economic development must be compatible with ethical conduct -socially, in the labour area, environmentally and in terms of respect for human rights- is accepted. The work carried out to transmit, know and implement these values, which are likewise used to guide the actions and decisions of the Board of Directors and other ROVI bodies in their relations with stakeholders, expresses the group's commitment to business ethics and sustainability.

In this respect, the following support tools have been developed:

1. Corporate Social Responsibility Policy
2. Integrated Management Policy (Environment and Occupational Health and Safety)
3. Code of Ethics
4. Annual Social Corporate Responsibility Report

Applying these tools and principles in ROVI's day-to-day allows a constant direction and strategy to be maintained in order to attain the following sustainability goals:

GOALS

Favour attainment of the group's strategic objectives.

Improve the group's competitiveness by implementing management practices based on innovation, equal opportunities, productivity, profitability and sustainability.

Manage risks and opportunities derived from the changing environment responsibly, maximizing the positive impacts of the group's activities in the different territories where it operates and minimizing any adverse impacts as far as possible.

Promote a culture of ethical conduct and increase business transparency, in order to generate credibility and confidence among stakeholders, including society as a whole.

Promote trust relationships and value creation for all stakeholders, providing all of them with a balanced and integrating response.

The incorporation of CSR into the management of the ROVI group takes place through the General CSR Policy, which explains that the Management Committee is responsible for designing, evaluating and making general reviews of the Corporate Social Responsibility Policy. Overseeing and ensuring that Management meet the goals that have been fixed and respect the company's social interest objective is the task of the Board of Directors.

In 2017, a permanent internal body, called the Social Responsibility Committee/Social Performance Team, was created, with the capacity to inform, provide advice and make proposals. Within its sphere of action, as one of the duties assigned to it, this Committee reports annually to the Management Committee and the Nomination and Remuneration Commission on the degree of progress in implementing the CSR Policy and strategy. In 2019, participation in this Social Performance Team was extended to employees at other work centres that had not previously been represented, such as Granada, Panquímica and San Sebastián de los Reyes.

At the same time, the duties of the Audit Committee include reviewing the corporate social responsibility policy, ensuring that it is orientated towards value creation, and monitoring CSR strategies and policies, assessing the degree of implementation thereof. This Committee also oversees and evaluates the processes concerning relations with the different stakeholder groups.

CONTRIBUTION TO THE SDGs

ROVI is aligned with the goals of the United Nations Global Compact and, on the basis of its activity and the matters identified in its materiality analysis, undertakes to act in favour of the following Sustainable Development Goals:



Goal: 3.8

Contribution:

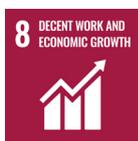
- Co-operation with Fundación Recover, an NGO that works to improve healthcare in Africa.



Goals: 4.3 y 4.4

Contribution:

- Co-operation with academic organisations and centres to promote access to education and employability.



Goals: 8.2, 8.5, 8.6 y 8.8

Contribution:

- Performing the gender breach study.
- Agreements with employment organisations for people with disabilities.
- Investment in R&D activities.
- Execution of policies for prevention of occupational hazards.



Goal: 9.5

Contribution:

- Development of a new low-molecular-weight manufacturing plant in Granada.



Goal: 12.4

Contribution:

- Exhaustive control of the consumption indicators at each plant.
- Contracting a provider of energy from renewable sources.

2.3. Our stakeholders

[102-40, 102-42, 102-43]

RSC is a key factor in ROVI's business strategy. The group considers it crucial in order to ensure the company's long-term sustainability and reinforce the confidence of the different groups of stakeholders to which ROVI is related. ROVI considers CSR to be a commitment acquired with society, given the importance of its work and the impact of its products in improving people's health and quality of life. Therefore, over recent years, it has carried on intensive activity to support research and foment the prevention and knowledge of certain diseases.

The company has identified six groups that contribute directly or indirectly to good business results. The goals it hopes to reach in its relationship with each one of them are:

- **Employees:** to generate enthusiasm and provide training and motivation.
- **Suppliers:** to allow them to find in ROVI a partner for mutual benefit.
- **Shareholders:** to create constant value in a way that can be sustained in the long term.
- **Customers/Patients/Professionals:** to offer products based on quality and experience.
- **Society and environment:** to make an active contribution to social progress and environmental protection.
- **Public authorities:** transparency in relations and facilitation of channels for co-operation.

» Means of communication with stakeholders and obtaining feedback from them

ROVI is committed to fluid and constant dialogue and strives to maintain it in order to detect and respond to stakeholder interests, aware that this will consolidate the business's long-term viability. During 2019, 15 press releases were published with specific information on the company regarding its financial results, new developments concerning ROVI's research programmes, new medicine distribution agreements and activities aimed at updating knowledge of pathologies such as venous thromboembolic disease (VTE) among others.

The company appeared in the press -both general and specialised- 1,227 times in 2019. Likewise in 2019, ROVI decided to create corporate profiles in social media (Twitter, LinkedIn and YouTube) from which to inform on new developments, as a supplementary channel for transmitting information of interest on the company.

In addition, ROVI strives to maintain fluid dialogue with its stakeholders and has a number of communication and consultation channels in place, in order to find out their needs and respond to their expectations:

» Workers

- Suggestion boxes: these may be found throughout the facilities and are intended enable employees to submit anonymous communications concerning improvements.
- Confidential communication mechanisms for irregularities considered illegal, criminal or a breach of the principles of ROVI's Code of Ethics or internal rules and policies.

» Suppliers

- A voluntary document called “CSR Commitment” is sent to all the group’s suppliers and sub-contractors. This document requests certifications or urges them to adopt good practices.
- On-site audits which check that:
 - Suppliers operate in accordance with national and local regulations.
 - There are no significant breaches of workplace safety rules.
 - No practices infringing workers’ rights exist.
- Confidential communication mechanisms for irregularities considered illegal or a breach of ROVI’s Code of Ethics for Suppliers.

» Shareholders

Since the company was first listed on the stock markets, it has reported regularly on all its activities and applies its [‘Policy for Communication with Shareholders, Institutional Investors and Proxy Advisors’](#).

Direct investor communication channels:

- ir@rovi.es
- Web form at www.rovi.es/contacto

Shareholders have the possibility of receiving ROVI’s financial information automatically through [an e-mail alert system](#). Furthermore, the group provides regular, prompt and relevant information on the company, such as presentations and legal documents on economic and financial aspects and corporate governance, which may be consulted in the Investors and Shareholders section of the corporate website www.rovi.es.

Coinciding with its General Shareholders’ Meeting, ROVI prepares an Integrated Report in which it summarises the strategic lines of its work and the activities carried out in the preceding year. This document forms part of the Informe Reporta, prepared by the consulting company Deva, which classifies the reports published by the companies listed on the General Index of the Madrid Stock Exchange in accordance with the quality of the information they provide. In the 2019 edition of Informe Reporta, ROVI was in 22nd place of this ranking, which is formed by 120 companies, nine places higher than the classification obtained in 2018.

» Customers

ROVI has a query channel for information requests from both international partners and direct customers, patients and professionals: www.bemimed.com.

In the event of a complaint, the company opens an enquiry immediately in order to identify the cause and prevent any repetition.

Additionally, ROVI participates in the *Monitor de Reputación Sanitaria* (Healthcare Reputation Monitor) prepared by IMS, in which, on the basis of information sent by the companies and evaluation questionnaires completed by healthcare professionals, laboratories are classified in accordance with their reputation. In the latest ranking ROVI was in 16th place in this classification, which is composed of 100 companies.

» Society and environment

As a catalyst in its socioeconomic surroundings and aware of the impact of its activity on the environment, ROVI is committed, as an integral part of its day-to-day activity, to the protection of the environment, as well as to improving the situation of society in general and the different geographical areas where it is present with its product or plants all over the world.

The company's policy is based on commitments to continuous improvement of products and processes, while, at the same time, complying with both legal requirements and additional voluntary requirements. In relation to environmental queries, ROVI has a corporate procedure through which it manages communications (queries, complaints, etc.) related to the environment and occupational health and safety. On the corporate website (www.rovi.es), the quality, environmental and occupational health and safety certifications held by group companies are available to the public.

Over recent years, the company has carried out intensive activity to support research and promote prevention and knowledge of certain diseases. ROVI allocates part of its resources to driving medical and healthcare knowledge forward through contributions to different projects and co-operation with higher-education entities, with which it also works to help young professionals enter the workplace through scholarships and training.

2.4. Materiality analysis

[102-44, 102-47]

In order to determine which issues are most important to ROVI and its different stakeholders in the course of its activity, a materiality analysis was drawn up in 2017 with the assistance of the consultancy firm PwC. The work consisted of an external diagnosis –in which analyses were made of four companies in the same sector, 15 reference studies and information appearing in the general, financial and industry-related media– and an internal diagnosis –with a self-evaluation of the group’s performance and six interviews with members of the management team–. Thus, 20 material issues were identified and are discussed in this report, grouped into eight categories:

Good governance and ethical conduct

1. Responsible governance
2. Ethics and compliance
3. Risks and crisis management

Transparency and dialogue

4. Information transparency
5. Dialogue and relations with stakeholders

Product quality and safety

6. Product quality
7. Pharmacovigilance and product safety

Environment

8. Circular economy → SDG 12
9. Atmospheric emissions → SDG 12
10. Climate change
11. Drug pollution

Relations with customers, patients and health professionals

12. Attention to and relations with customers, patients and health professionals

Work environment

13. Safety and well-being → SDG 4
14. Training and development → SDG 4 & 8
15. Attracting and retaining talent → SDG 4 & 8
16. Internal dialogue and communication

Supply chain

17. Responsibility in the supply chain

Health and well-being of society

18. Access to medicines → SDG 3
19. Research & development → SDG 4
20. Contribution to the social and economic progress of the communities in which ROVI operates → SDG 8 & 9

The following materiality graph shows the degree of influence of these matters on ROVI's long-term objectives. This influence has a dual focus: the influence on business success and the importance for stakeholders.

MATERIALITY GRAPH



2.5. Ethics and integrity

The ROVI Group's medicine marketing activity is subject to the Code of Good Practices of the Pharmaceutical Industry, which means that all inter-actions with health professionals are in line with the contents of said Code. The company has a Deontological Supervision Department that aims to oversee compliance with the Code. Likewise, the group is audited quarterly in this respect by an independent auditor.

In order to reaffirm the values and principles crucial to ROVI's activities, the group also has its own Code of Ethics, approved by the Board of Directors, the objective of which is for all the group's activities to be governed by ethics and good practices. This Code of Ethics is binding on all employees and provides guidance in the course of their duties and in the event of conflicts of interest.

According to the Code, the company undertakes to apply the highest standards of ethics and transparency in its communications, information records and reports, in relation to both financial matters and its products and activities. This expresses the ROVI group's commitment to compliance with all legal requirements and the proper application of current accounting principles and, when preparing the group or individual accounting, the financial statements, books, records and accounts, legal requirements must be met, all of which is intended to give an accurate picture of the company's business activities and financial situation.

Likewise, ROVI has a "Code of Ethics for Suppliers", the main objective of which is to ensure that its suppliers and other components of the chain respect current legislation and the values and principles of ROVI while providing services to the group.

The body responsible for ensuring compliance with the Code of Ethics is the Compliance Function (formed by the Compliance Department and the Compliance Committee), to which this duty is assigned in the "Compliance Charter", approved by the Audit Committee on 25 July, 2017. The Compliance Committee is a permanent internal collegial body that reports directly to the Audit Committee and is considered an advisory body to said Committee in compliance matters. The Compliance Department is the area responsible for performing the day-to-day compliance coordination activities, providing support to the Compliance Committee and reporting on relevant matters.

Likewise, ROVI has an Ethics Channel, through which it handled six consultations in 2019. This channel can and should be used by any company employee to inform the Ethics Channel Committee –the body responsible for managing the Channel– of any breach of current legislation, the Code of Ethics, internal policies and/or the voluntary codes and standards to which ROVI has adhered, such as the Code of Good Practices of the Pharmaceutical Industry, as well as any financial or accounting irregularities. ROVI employees may communicate with the Ethics Channel at the e-mail address canaletico@rovi.es or by physical mail, as well as through the mobile application ROVI Rocks, which has a specific space for consultations related to the Ethic Channel.

Likewise, ROVI has a specific Ethics Channel for suppliers partners, external collaborators, etc. that allows them to report any irregularity or breach of the ROVI group's Code of Ethics for Suppliers they may detect to the organisation. Various mechanisms have been put in place to enable suppliers to communicate with ROVI's Ethics Channel for Suppliers, among which the e-mail address canaleticoprovedores@rovi.es is included, as well as a physical mailbox at ROVI's offices.

The two channels are regulated by the "Regulations of the Ethics Channel for Employees and Suppliers", the latest update of which was approved by the Audit Committee on 7 November, 2017, and are managed by the Ethics Committee, which is responsible for ensuring that all reports received are handled and managed appropriately, in full and confidentially, analysing

cases of non-compliance and proposing corrective measures. Likewise, the Compliance Department reports regularly to the Audit Committee and the Board of Directors on the communications received through the Ethics Channel. Any possible penalties derived from non-compliance are the responsibility of the Human Resources Department.

The group has an Anti-Corruption Policy (an update of which was approved by the Board of Directors on 19 February, 2018), which prohibits: (i) any form of bribery, (ii) corruption between individuals, and (iii) influence peddling; and sets out the action guidelines and precautions that all ROVI Group employees must follow in order to prevent or mitigate the risks related to corruption and bribery. Said policy also includes to rules on courtesies, gifts and hospitality. **[205-2]**

ROVI is not subject to the provisions of article 2 of Law 10/2010 on the Prevention of Money-Laundering and Terrorist Financing. Notwithstanding, ROVI has several procedures in place to combat money-laundering.

ROVI undertakes to actively support the Universal Declaration of Human Rights and requires its employees to comply with said principles in their day-to-day activity in the group. The company combats practices contrary to human dignity and workplace discrimination.

During 2019, ROVI personnel received training in the Code of Ethics. This training had the goal of making the principles contained therein known to the employees, as well as the possible applications and interpretations of these principles, likewise reinforcing the idea that all ROVI's employees and the members of its governing bodies are subject to the Code, which is mandatory. ROVI also strives to monitor and verify the recommendations of the Unified Code of Good Governance for Listed Companies and, therefore:

1. on 25 July, 2017, the Board of Directors approved a new update of the Internal Code of Conduct in the Securities Markets, which adapts the actions of the company, its governing bodies, employees and other persons subject to the rules on conduct to securities market-related legislation; and
2. on 7 November, 2017, the Audit Committee approved the Regulations of the Audit Committee in line with the CNMV's Technical Guide 3/2017 on Audit Committees. Thus, the company has mechanisms to prevent conduct that is damaging to its shareholders and stakeholders, such as a concentration of power, lack of transparency or lack of auditor independence.

2.6. Risk management

ROVI has a Risk Management and Control System that allows any possible contingency that could prevent attainment of corporate objectives to be identified, classified, assessed and provided with a response.

The objectives of this system, which is supervised by the Audit Commission, are to promote attainment of the proposed objectives, avoid adverse impacts derived from the materialisation of risks, preserve the company's image and reputation, ensure continuity in the analysis and detection of possible threats, obtain reliable accounting information and reinforce confidence in the company's compliance with the applicable rules.

ROVI follows a risk management and control model based on three lines of defence:

- The first line of defence is formed by the group's different operating areas, which, in the course of their day-to-day operations, must identify, classify, assess and monitor the risks, in accordance with the risk level accepted by ROVI.
- The second line of defence comprises the risk control and management service. This service is responsible for the implementation of the risk control and management system, cooperating in initially establishing it and, once it is in place, contributing to its enhancement, monitoring its performance and coordinating its development.
- The third line of defence is Internal Audit, which supervises the internal control and risk management systems by auditing both the first and second lines of defence.

» Responsibility for risk control, monitoring and management

According to the company's Regulations of the Board of Directors, the Board of Directors, at a full Board meeting, is responsible for approving the Risk Management and Control Policy, including tax risks, as well as the regular monitoring of the internal reporting and control systems. Exercising this responsibility, in May 2016, the Risk Management and Control Policy, which includes ROVI's general risk management principles, was approved, having subsequently been updated in November 2019. According to this Policy, the bodies involved in said management are:

- **Audit Committee:** body responsible for reviewing and supervising the company's internal control and risk management mechanisms, as well as their efficacy, so that the main risks can be appropriately identified, managed and made known.
- **Management Committee:** identifies, classifies, assesses and monitors the risks, taking the categories of risk and acceptable risk levels fixed by the Audit Committee into account, and applies the measures in place to mitigate the impact in the event that any risks materialise.
- **Head of Risk Management and Control System:** has the task of implementing the System, cooperating in initially establishing it and, once it is in place, contributing to its enhancement, monitoring its performance and coordinating its development. Likewise, he/she reports periodically to the Audit Committee on the correct operation of the System and/or, if applicable, any risks that may have materialised.



RISK CONTROL AND MANAGEMENT PROCESS

[102-15]

The steps that ROVI follows in risk management are as follows:

- **Fixing the risk level.** Annually, the Audit Committee establishes a risk classification scale in accordance with the possible impact (financial, strategic, reputational, etc.) and the probability of occurrence.
- **Identification.** The different areas of ROVI proceed to identify the risks that could affect attainment of the company's objectives. Once they have been identified, risks are classified as follows:
 - **Strategic risks:** those that affect high-level objectives, directly related to ROVI's strategic plan.
 - **Operational risks:** those that affect objectives related to the efficiency and efficacy of the operations, including objectives concerning performance and profitability.
 - **Reporting risks:** they affect objectives concerning the reliability of the information provided both internally and externally.
 - **Compliance risks:** those that affect compliance with the applicable rules and legislation.
- **Assessment.** Each one of the risks identified is assessed in accordance with the probability of occurrence and impact. The assessment obtained will determine the position of each risk on the corporate risk map.
- **Determination of the response to a risk.** Measures are adopted to tackle any possible contingencies as efficiently and economically as possible, minimizing exposure. At the same time, mechanisms and procedures must be put in place to allow management to supervise the implementation of actions to neutralize any risk detected and control their effectiveness.
- **Risk management monitoring.** All the departments have both periodic and continuous information systems capable of duly capturing any changes that have either already taken place or will be taking place in the future that might prevent attainment of objectives under the forecast conditions, as well as the viability, efficiency, efficacy and sufficiency of the responses established for the different risks.
- **Reporting to the Audit Committee.** The Audit Committee is informed on at least the following aspects of risk management at least every six months:
 - Whether the Risk Control and Management System is operating efficiently or not, taking possible changing conditions, both internal and external, into account.
 - Whether Risk Management incidents are detected and solved swiftly.
 - Whether the Map has been duly updated with the applicable changes (changes in the risks considered, any applicable new risks, etc.).
 - Whether any of the risks included in the Catalogue or any other risk materialized in the preceding period.

» Control and risk management systems in relation to the process of issuing financial reporting (ICFR)

The system for Internal Control over Financial Reporting (ICFR) aims to obtain reasonable certainty as to the reliability of the financial reporting. The bodies responsible are:

- The **Board of Directors**, responsible for the existence and continuity of an appropriate and effective ICFR in accordance with the version of the Regulations of the Board of Directors approved on 26 April, 2016.
- **Senior Management** performs the functions of implementing and designing the ICFR, as is likewise set out in the aforementioned Regulations.
- The **Audit Committee** is the body responsible for overseeing ICFR, as stated in the company's Bylaws, the Regulations of the Board of Directors and the Regulations of Audit Committee, which assign the following responsibilities, among others, to it:
 - To oversee the process of preparing and presenting the financial reporting on the company and, where applicable, the group, ensuring it is complete; reviewing compliance with legal requirements, delimiting the consolidated group and the proper application of accounting policies; and putting forward recommendations or proposals aimed to safeguard the integrity of the financial reporting to the Board of Directors.
 - To regularly review and oversee the internal control and risk management systems and the efficacy thereof, in order for the main risks to be identified, managed and made known appropriately.
 - To review the clarity and integrity of all the financial reporting and related non-financial reporting that ROVI makes public, such as the financial statements, management reports, risk management and control reports and corporate governance reports, evaluating in which cases the statutory auditors should be involved in reviewing any of the additional reports to the financial statements.

» Incident Management and Crisis Resolution

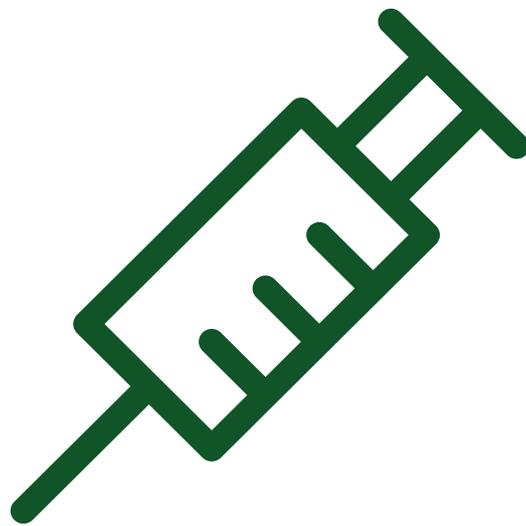
Additionally, in 2019, the ROVI group created an IMCR (Incident Management and Crisis Resolution) work team, which furnishes the company with a work procedure that favours an appropriate sizing and handling of incidents. The team is permanently composed of members of the group's Industrial, Compliance and Communication Departments and, in addition, the heads of other areas whose presence is required to handle and solve any incidents detected may also take part in IMCR.

The procedure initiates when any of the following incidents are detected:

- Reputational risk, in any of its categories, for the company.
- Natural disasters: floods and earthquakes.
- Extortion.
- Threats.
- Workplace or trade union-related incidents or strikes affecting the business.
- Significant environmental or workplace health and safety incidents.
- Serious pharmacovigilance or quality incidents when a product is being marketed.

If any of these situations is detected, an internal communication chain is activated, in order to gather information on the incident, its potential origin and its potential scope. The matter will be passed to the IMCR team so that, after analysing and assessing the incident, it will adopt the appropriate measures in accordance with the specific needs for each incident.

3. Customers, patients and professionals



3.1. Management principles

The centre of ROVI's day-to-day activity is the customers, patients and professionals and it has a triple commitment with these groups, which it seeks to provide with a high degree of satisfaction through sound and long-lasting relations of trust.

The permanent satisfaction of their needs and expectations is the main goal of all the group's actions and its backbone is an offer of "a la carte" services in toll manufacturing and the best treatment options to enable health professionals to enhance their work, which consists of improving their patients' lives. The patients can also benefit from the latest advances and the best medicines to treat their complaints.

A service based on quality and experience is the action principle of ROVI's General CSR Policy in relation to these stakeholders. They are the basis of the company's business and the company assumes the following commitments with them:

- To bet on innovative pharmaceuticals as a growth engine for ROVI.
- To pay special attention to protecting the health and safety of our customers and patients throughout the life cycle of our products through strict compliance with the applicable legislation.
- To observe due confidentiality in data processing.
- To manage and solve their queries and complaints in the shortest time possible.
- To monitor customer experience via surveys that measure their satisfaction and other means and systems that allow permanent active listening to the customer in all those processes and operations in which the latter relates to the company.
- To operate appropriate and efficient communication channels, using the best-adapted means to do so.
- To observe and comply with the rules that regulate communication and marketing activities and assume the voluntary codes that endow such actions with transparency and veracity.

Part of ROVI's activity consists of toll manufacturing and the distribution of products that are either manufactured at its plants or marketed under a license. Thus, the group has the possibility of offering other laboratories the chance to take advantage of its facilities to outsource their manufacturing processes for pharmaceutical forms ranging from prefilled syringes to vials, suppositories, tables, hard capsules or sachets.

As a derivative of this activity, the group has a differentiated group of customers that encompasses international subsidiaries and partners, pharmaceutical wholesalers, pharmacies and hospitals all over Spain, to which it distributes both its own products and those of other companies through its profile as a marketing partner for medicines and medical devices.

Proximity, a permanent focus on providing service, and trust are the pillars on which the long-lasting business relations that ROVI considers essential in relation to these groups are built. To do this, a number of consultation channels are available to direct customers, patients and professionals for requests for information, such as the exclusive portal for international partners (www.bemimed.com), which has been active since 2008.

» Data privacy

ROVI has, for many years, been committed to protecting and guaranteeing the privacy of personal information belonging to customers, patients and professionals, which has, throughout the company's history, materialised in the adoption of different measures and the establishment of procedures that guarantee the integrity, confidentiality and availability of the data processed, as well as safeguarding people's rights and freedoms.

This was reinforced in 2019, taking the opportunity provided by the process of adaptation to the new European and national regulations, in order to comply with data processing principles and the new mandatory obligations. The group now has a Data Protection Officer, whose functions include advising the group on compliance with the new regulatory framework.

DATA PRIVACY AT ROVI – PROCEDURES

Patients: the ROVI group has specific procedures regulating personal data processing both in the pharmacovigilance area and in the area of clinical procedures, which are the only two areas in which personal data of patients are processed.

Health professionals: the ROVI group has conducted an in-depth review and update of its privacy policies to ensure fair, transparent and lawful processing of the personal data of the health professionals with whom it interacts; providing clear and concise information on the bases for the lawful processing of the personal data and adapting the mechanisms for obtaining the consent for the use of personal data to the new legal requirements.

Employees: the ROVI group also complies with data protection legislation in respect of its employees. Specifically, it has updated the information given to its employees on personal data processing, in order to respond to the new legal requirements, and has reinforced internal procedures on this subject.

Customers and suppliers: the ROVI group applies current legislation to ensure the security of the third-party data it is necessary to process in order to perform the contractual relationship and avoid the alteration, loss or unauthorised processing thereof or access thereto.

3.2. Balance of the year and future challenges

Laboratorios Farmacéuticos ROVI carries on its activity at a number of work centres located in Alcalá de Henares, Madrid, Pozuelo de Alarcón and San Sebastián de los Reyes (Autonomous Region of Madrid) and Granada (Andalusia). Furthermore, it has an extensive sales network throughout Spanish territory composed of more than 250 people and has also opened subsidiaries in Germany, France, Italy, Poland, Portugal and the United Kingdom.

Both in these territories in particular and throughout the company in general, since the products are used by health professionals for patients all over the world, the group is aware of the need to contribute, as a company, to the economic and social development of its environment. Thus, it carries out a large variety of activities at local scale, pursuing the general goals of actively contributing to social progress, promoting health, encouraging research and commitment to training and environmental protection.

In the economic sphere, ROVI's operating revenue was 381.9 million euros, 26% up on 2018, mainly due to the strength of the pharmaceutical specialty business and toll manufacturing.

The group's activity and good results likewise translate into a significant local development effort, through creating and maintaining stable, high-quality employment. Perhaps as important as the increase in profits is the fact that ROVI has maintained an upward path in employment, which, we should mention, was 7%, although details may be seen in the Human Resources section of this Report-

In this respect, also in 2019, ROVI continued with its solidarity work and commitment to social protection and integration, support for people with disabilities and the sharing of knowledge. Likewise, the company became further involved in corporate volunteering activities, upon which we will expand later in this document (section 6. Society), where not only did it commit itself at corporate level, but also enjoyed the support of its employees, 121 of whom took part in one or more of the activities proposed by the CSR area.

For 2020, ROVI expects the growth rate in operating revenue to be in mid-single-digit figures (i.e. between 0 and 10%). The company hopes to keep growing above the pharmaceutical sector growth rate in Spain in the first nine months of 2019, which was 3%, according to the figures published by the Ministry of Health, Consumption and Social Welfare.

ROVI expects its growth engines to be the low-molecular-weight heparin division (bemiparin and the enoxaparin biosimilar), the latest distribution licence agreements, such as Neparvis® and Volutsa®, the existing pharmaceutical specialty portfolio, the new products acquired recently (Falithrom® and Polaramine®) and the new contracts in the toll manufacturing area. Likewise, it has announced the future construction of a new production centre in the province of Granada, which will mean not only an increase in the company's production capacity, but also the creation of new jobs for qualified workers.

3.3. Innovation

As a result of its constant involvement in medical research, ROVI allocates a significant part of its resources to R&D, 29.3 million euros in 2019. The group's intensive research activity over recent years has focused on fomenting the prevention and knowledge of certain diseases in order to improve the patients' health and quality of life. At the same time, the company has devoted a great deal of effort to supporting co-operative research and holds important co-operation agreements with different public bodies and universities. Among them, we may highlight the agreement with the University of Granada, with which it aims to combine efforts to increase scientific, technological and educational activities and the sharing of knowledge.

As of 31 December, 2019, ROVI had a portfolio of inventions composed of more than 570 dossiers, 429 of which were granted patents, while 136 were in the examination and evaluation phase.

ROVI's developments in research are directed primarily at three areas:

- Drug release technologies
- Glycomics
- Multilayer technologies applicable to urethral catheters.

The Company's portfolio of products under development focuses mainly on heparin derivatives and other glycosaminoglycans and the development of new controlled-release systems based on the technology patented by ROVI, ISM®. This technology is intended to obtain new pharmaceutical products that replace the daily administration of drugs in chronic or prolonged treatments, for example, pathologies such as schizophrenia or certain types of cancer, by controlled-administration systems.

All the group's pharmaceutical product research, development and manufacturing activity is coordinated from Spain and distributed among the Madrid and Granada centres. In 2019, it continued to be focused on the development of the Phase III clinical trial of Risperidone ISM® (Doria) and the Phase I de Letrozol ISM®.

In this respect, ROVI has made significant progress in the development of its long-acting injectable (LAI) antipsychotic Risperidone ISM®, the first candidate of its leading-edge drug-release technology, ISM®. In March 2019, the Company published preliminary news on the final results of the pivotal study of Risperidone ISM® "PRISMA-3", which showed that the primary and key secondary efficacy endpoints were achieved with both doses tested for the treatment of patients with acute exacerbation of schizophrenia.

On 5 July, 2019, ROVI informed of the conclusion of the PRISMA-3 and BORIS studies, thus completing the Clinical Research Programme that allowed the dossier to be filed for evaluation in Europe and will also support the application for marketing authorisation for Doria® for the treatment of schizophrenia in the second half of 2020. The final results of the pivotal clinical study PRISMA-3 confirmed the superiority of Risperidone ISM® over the placebo. At the date of this report, ROVI has announced that the European authorities have commenced the evaluation process for the marketing authorisation of this medicine in Europe.

Furthermore, in November 2017, ROVI commenced research with Letrozol ISM® in humans. This is the second candidate under clinical development to use ROVI's ISM® technological platform. This new research medicine is, according to the information available, the first long-acting injectable aromatase inhibitor for treatment of hormone-dependent breast cancer.

The first Phase I clinical trial (the LISA-1 study) of Letrozol ISM® is currently in progress and, due to the design of the study (“dose escalation”) and its exploratory nature, the completion date cannot be forecast. Notwithstanding, preliminary data confirm that the ISM® formulation provides a prolonged release of letrozole that produces sustained suppression of oestrogenic hormone. The company will collect further clinical data from this trial over forthcoming months in order to obtain more information on the characteristics of the pharmacological profile of Letrozol ISM®. Subsequently, in 2020, ROVI intends to share these results with the regulatory authorities and to discuss the next steps in order to continue with the clinical development of this innovative long-acting injectable aromatase inhibitor.

In addition to the significant financial effort made by the company, these projects are backed by the granting of public funds from the Technological Industrial Development Centre (CDTI). [102-13]

3.4. Quality

For a further year in 2019, ROVI sought to guarantee the quality, safety and efficacy of the products it places in the market and to transmit this message to all the groups that come into contact with them, in one situation or another, from their development until they reach the patients. To do this, all the group companies have put in place procedures that describe in detail the controls performed at all stages of the processes, including product research and development, the receipt of raw materials, packaging materials, production, storage, distribution and consumption by the customers.

Most of ROVI's medicines and healthcare products fall within those that require a medical prescription, although its catalogue also includes some OTC products that do not need one. Irrespective of their nature, all the processes are subject to the highest and most exacting standards, including both the company's internal standards and those imposed by the bodies that regulate the different products of ROVI's portfolio.

To assess compliance with each and every one of them, regular internal audits are performed at all the group's facilities and Management performs annual reviews in which the main points that require improvement in the organisations are analysed. Furthermore, quality audits are performed by external entities, showing, once again, the commitment to continuing improvement and upholding the highest standards of quality. In addition, depending on the frequency established in the legislation applicable to the products, inspections are carried out by either the Spanish health authorities or those of the countries to which the products are exported.

3.5. Pharmacovigilance and product safety

ROVI has a Pharmacovigilance System in place, which allows any possible adverse reactions (any harmful and unintended response to a medicine) that arise to its medicines and health-care products to be detected.

This system means that, if an adverse reaction is notified, the Pharmacovigilance Department analyses whether it could be due to a quality and/or safety problem, thus initiating the process of sign detection that ROVI has implemented, which allows any change in the benefit/risk balance of ROVI's medicines to be identified. Furthermore, it allows constant monitoring of the safety of the medicines, evaluating the safety information received through different channels, such as, for example, spontaneous notifications from patients and health professionals, health authorities, or scientific studies or publications. In the event that, while a complaint is being studied, a possible risk for the patient and/or health professional is identified, the Quality Department informs Pharmacovigilance, so that the case can be handled correctly.

ROVI's Pharmacovigilance Department has a communication channel in place by e-mail (farmacovigilancia@rovi.es) or telephone [(+34) 91 021 30 00], both of which may be accessed through the Company's website (www.rovi.es).

In compliance with the guidelines established, a total of 1,230 adverse reactions were recorded in 2019 in relation to all the medicines marketed by ROVI.

All employees joining ROVI receive, in the Welcome Manual, a minimum of information on Pharmacovigilance, as well as the contact details of the Pharmacovigilance personnel, so that any adverse reaction of which they become aware can be reported. Certain departments with more chance of receiving information on adverse reactions receive specific Pharmacovigilance training and, finally, there is an annual reminder to the whole company.

In addition, when any customer or health professional contacts ROVI to notify a claim or complaint, the company opens an enquiry in order to identify the cause and prevent any repetition. These enquiries may involve several departments (Quality, Pharmacovigilance or Medical Science Liaison), in both Spain and the subsidiaries, and may also include suppliers and/or subcontractors. The efficacy of these actions is analysed annually in the review that ROVI management conducts of the system.



QUALITY DATA 2019

		Lab. Fcos. ROVI	Panquímica	Portugal	Germany	UK	Italy	France	TOTAL
General	Units manufactured/ Units distributed	17,343,883	27,513	57,932	603,395	144,641	1,998,454	0	20,175,818
Reclamaciones Clientes	No. customer complaints	100.00	0	11	118	11	12	0	252.00
	Complaints/ million units	5.77	0.00	189.88	0	76.05	2.00	0	12.09
Consultas de clientes / CALIDAD / Terapéuticas	No. customer queries	340.00	0	37	247	19	2	0	645.00
	Queries/ million units	19.60	0.00	638.68	409.35	131.36	1.00	0	31.97

4. Human resources



4.1. Management principles

The professional team that forms ROVI's workforce is the company's growth engine and the key to its success. The group, as an organisation, strives for the company to be a place where a suitable, safe and comfortable environment in which to work is ensured, promoting good relations, good treatment and tolerance among all its employees and the people with which it works. To do this, various activities and training programmes are carried out, while opportunities are provided for dialogue for co-operation and mediation in the event of conflict.

During the year, ROVI continued with its policy of favouring permanent employment as a way to create a stable workforce and generate high-quality jobs. The Company's strategy fosters a balanced use of permanent and temporary contracts, using the former to cover the structural workforce needs and the latter for specific or seasonal requirements of the activity. This is shown in the distribution of the workforce, where permanent contracts prevail.

Another feature of the employment policy to highlight is the company's effort to promote the inclusion and access of differently-abled candidates under equitable conditions, as well as balance and equality in the conditions for men and women. Thus, the strategy to consolidate equal opportunities and diversity as an defining aspect of ROVI's culture continues.

ROVI still believes that, in order to undertake the business strategy, a workforce balanced between young and experienced professionals is necessary. This can be seen from the tables showing the distribution of employees by age, where a balance in the distribution of the workforce among the different brackets may be noted.

Additionally, the Human Talent Development Policies are the ROVI group's cornerstone for managing its workforce and enabling it to grow. Aligned with its goals, the personnel needs, plans and talent management programmes are established through these Policies. Thus, full integration is achieved among the organisation's priorities, management, and human resource practices.

» Preparation and continuing development of professionals

Preparation, continuing training and personal development. ROVI encourages the professional evolution and growth of its employees, aware of the fact that this benefits the organisation in every respect. For this reason, it involves both professionals and their direct superiors, as well as mentoring by more experienced colleagues in order to guide and develop the technical skills of younger employees. This generates a current that transfers the important knowledge and experience of the company's senior employees towards the new generation of professionals, one of ROVI's most important values and a key factor in both its development to date and continuing growth in the future.

4.2. Balance of the year and future challenges

In 2019, ROVI continued to follow a trend of sustained growth in the workforce, as had occurred in previous years. In fact, it announced the creation of a new production plant in Granada, which, over years to come, will maintain this progression, with the creation of 38 new jobs when it is opened, together with the attraction of the best talents to reinforce both the management and R&D areas. Furthermore, this is in line with the company's continuing growth strategy, always focused on adapting the workforce to business needs. **[102-08]**

ROVI's workforce consisted of a total of 1,310 employees at the end of 2019, 86 more than in 2018. Likewise, the company's efforts to maintain and consolidate a balance between women and men, with a workforce formed by a higher percentage of female professionals than males, fostering inclusion and, furthermore, the access of candidates with disabilities on a level playing field, again shows the group's consistency in its strategy of consolidating a business culture in which a bet on diversity and equal opportunities prevails.

DISTRIBUTION OF EMPLOYEES BY GENDER

	2019	2018	Total variation
Men	614	558	10%
Women	696	666	5%
TOTAL	1,310	1,224	7%

DISTRIBUTION OF EMPLOYEES BY AGE / GENDER

	2019			2018			Total variation
	Men	Women	TOTAL	Men	Women	TOTAL	
18-30 years	88	222	310	78	106	184	68%
31-40 years	179	187	366	156	216	372	-2%
41-50 years	210	176	386	195	213	408	-5%
51-60 years	116	93	209	109	114	223	-6%
>60 years	21	18	39	20	17	37	5%
TOTAL	614	696	1,310	558	666	1,224	7%

DISTRIBUTION OF EMPLOYEES BY PROFESSIONAL GROUP* / GENDER

	2019			2018			Total variation
	Men	Women	TOTAL	Men	Women	TOTAL	
1	1	6	7	1	5	6	17%
2	26	20	46	27	35	62	-26%
3	79	92	171	68	88	156	10%
4	130	105	235	108	93	201	17%
5	225	218	443	210	201	411	8%
6	68	103	171	60	84	144	19%
7	62	135	197	59	142	201	-2%
8	3	1	4	5	3	8	-50%
0	12	5	17	12	3	15	13%
Subsidiaries	8	11	19	8	12	20	-5%
TOTAL	614	696	1,310	558	666	1,224	7%

* Professional group according to the XIX Collective Agreement of the Chemical Industry.

DISTRIBUTION OF EMPLOYEES BY COUNTRY / GENDER

	2019			2018			Total variation
	Men	Women	TOTAL	Men	Women	TOTAL	
Spain	609	685	1,291	550	654	1,204	7%
UK	-	1	1	-	1	1	0%
Germany	3	2	5	3	3	6	-17%
Italy	1	3	4	3	3	6	-33%
France	3	-	3	1	1	2	50%
Poland	-	1	1	-	-	-	-
Portugal	1	4	5	1	4	5	0%
TOTAL	614	696	1,310	558	666	1,224	7%



RECRUITMENT

As in preceding years, the recruitment policy in 2019 continued to bet on job creation by giving your professionals the chance to commence or consolidate their careers while, at the same time, not forgetting to capture talent from among veteran workers with more experience in the sector. This balances a workforce that allows ROVI to tackle all the challenges that it seeks as a company and an industry leader.

DISTRIBUTION OF EMPLOYEES BY CONTRACT TYPE / GENDER

	2019			2018			Total variation
	Men	Women	TOTAL	Men	Women	TOTAL	
Permanent full-time	496	526	1,022	462	532	994	3%
Permanent part-time	-	8	8	-	4	4	100%
Permanent reduced working hours	4	35	39	-	-	-	-
Total permanent	500	569	1,069	462	536	998	7%
Temporary specific project or service	2	1	3	2	3	5	-40%
Temporary due to work backlog	61	48	109	47	55	102	7%
Temporary substitution contract	6	8	14	4	6	10	40%
Training/ Apprenticeship	31	51	82	27	49	76	8%
Temporary part-time	14	19	33	15	17	32	3%
Temporary full-time – people with disabilities	-	-	-	1	-	1	-
Total temporary	114	127	241	96	130	226	7%
TOTAL	614	696	1,310	558	666	1,224	7%

DISTRIBUTION OF EMPLOYEES BY CONTRACT TYPE / AGE

	18-30	31-40	41-50	51-60	>60	TOTAL
Permanent	181	311	360	203	14	1,069
Temporary specific project or service	1	2	-	-	-	3
Temporary due to work backlog	45	41	19	3	1	109
Temporary substitution contract	3	3	6	2	-	14
Training/ Apprenticeship	71	9	1	1	-	82
Temporary part-time	9	-	-	-	24	33
TOTAL	310	366	386	209	39	1,310

DISTRIBUTION OF EMPLOYEES BY CONTRACT TYPE / PROFESSIONAL GROUP*

	1	2	3	4	5	6	7	8	0	Subsids.	TOTAL
Permanent		10	129	195	359	136	196	4	17	18	1,069
Temporary specific project or service	-	1	-	-	1	1	-	-	-	-	3
Temporary due to work backlog	-	31	23	18	24	12	-	-	-	1	109
Temporary substitution contract	-	4	6	1	3	-	-	-	-	-	14
Training/ Apprenticeship	-	-	4	10	46	22	-	-	-	-	82
Temporary part-time	2	-	9	11	10	-	1	-	-	-	33
TOTAL	7	46	171	235	443	171	197	4	17	19	1,310



TURNOVER

Like any other company, ROVI has a percentage turnover of employees, both voluntarily and due to business needs. In this respect, the company ensures the greatest diligence in safeguarding the employees' rights and achieving a transition with all legal guarantees while, at the same time, always maintaining the intention of re-employing the professionals in question if business circumstances so permit.

DISTRIBUTION DISMISSALS BY GENDER

	2019	2018	Total variation
Men	22	17	29%
Women	17	16	6%
TOTAL	39	33	18%

DISTRIBUTION DISMISSALS BY AGE / GENDER

	2019			2018			Total variation
	Men	Women	TOTAL	Men	Women	TOTAL	
18-30 years	1	2	3	2	-	2	50%
31-40 years	5	10	15	3	4	7	114%
41-50 years	8	5	13	5	8	13	0%
51-60 years	8	0	8	3	2	5	60%
>60 years	0	0	0	4	2	6	-100%
TOTAL	22	17	39	17	16	33	18%

DISTRIBUTION DISMISSALS BY PROFESSIONAL GROUP* / GENDER

	2019			2018			Total variation
	Men	Women	TOTAL	Men	Women	TOTAL	
1	-	-	-	-	-	-	-
2	4	3	7	3	-	3	133%
3	4	3	7	2	2	4	75%
4	-	1	1	1	2	3	-67%
5	10	7	17	7	5	12	42%
6	3	2	5	-	3	3	67%
7	1	1	2	3	2	5	-60%
8	-	-	-	-	1	1	-
0	-	-	-	1	1	2	-
TOTAL	22	17	39	17	16	33	18%

* Professional group according to the XIX Collective Agreement of the Chemical Industry.

4.3. Equal opportunities and work-life balance

ROVI is convinced that real equality in treatment and opportunities for women and men is indispensable in order for the company to make good use of all the talent available and to prevent this talent from remaining hidden and unused as a result of practices that prevent or restrict it from being fully expressed.

As a consequence of the foregoing, ROVI is committed to establishing and developing policies that include equal treatment and opportunities for women and men, with no direct or indirect gender discrimination, and to promote and encourage measures to achieve real equality within the organisation, establishing equal opportunities as a strategic principle in its human resources policy.

Likewise, ROVI is committed to no discrimination based on gender or any other personal characteristic in selection, promotion and personal development processes and the remuneration policy according to which workers are paid.

Applying this commitment, the organisation carries out an integrated activity covering the following spheres: Equality, Code of Ethics, Protocol for the Prevention and Handling of Cases of Moral and Sexual Harassment, and Ethics Channel.

ROVI had an Equal Opportunities Plan for men and women until 2019, in accordance with the legislation in force until said year. As a derivative of this Plan, the Equality Opportunities Commission was created, with the main mission of making a diagnosis and monitoring the measures implemented to ensure equal opportunities and non-discrimination, as well as fostering the inclusion of new actions in this respect.

After publication in 2019 of Royal Decree-Law 6/2019 of 1 March on Urgent Measures for Equal Treatment and Opportunities for Men and Women in Employment and Occupation, ROVI commenced the process of drawing up a new Equality Plan that met all the requirements of the Royal Decree and enhanced the then current Plan. To do this, it created the Plan Negotiating Committee, which will prepare a prior diagnosis negotiated, if applicable, with the workers' legal representatives. The diagnosis will contain at least items referring to the selection and recruitment process, professional classification, training, professional promotion, working conditions (including the pay audit regarding men and women), co-responsibility in exercising the rights to personal, family and professional life, the under-representation of women, remuneration and the prevention of sexual and gender harassment. The result of the Plan will be an orderly set of evaluable measures aimed to remove the obstacles that prevent or hinder equality between men and women.

ROVI's commitment to equality and non-discrimination is also set out in the Company's Code of Ethics and the principles that govern training programmes and actions.

ROVI does not tolerate harassment and rejects any kind of violence, physical, sexual, psychological or moral harassment, the abuse of authority at work or any other form of conduct that generates an atmosphere that is intimidatory or offensive in respect of the employees' rights. Therefore, ROVI has a Protocol for the Prevention and Handling of Cases of Moral and Sexual Harassment in the workplace, which all employees are obliged to know and respect.

Finally, to ensure correct handling of any situations that may constitute harassment or similar, the Protocol for the Prevention and Handling of Cases of Moral and Sexual Harassment has a defined response procedure, which is adapted to the requirements of the Collective Agreement of the Chemical Industry. Likewise, if the harassment or similar is reported through ROVI's Ethics Channel, the Regulations of the Ethics Channel state that the safeguards and

rights set out in the Protocol for the Prevention and Handling of Cases of Moral and Sexual Harassment will be applied.

Likewise, the company approved a Director Selection Policy intended to:

1. ensure that the proposals for the appointment and re-election of directors of the company are based on a prior analysis of the needs of the Board of Directors; and
2. favour diversity of knowledge, experience and gender, in such a way that decision-making is enriched and plural viewpoints are contributed to the debates on the matters that fall within its competencies.

When selecting candidates for the position of director, the starting point will be an analysis of the needs of the company and its group, which must be made by the Board of Directors with advise and reports from the Nomination and Remuneration Commission (N&RC). The N&RC will assess the skills, knowledge and experience required of the Board candidates. In this respect, the N&RC will define the functions and abilities required of the candidates to fill each vacancy and will also assess the time and dedication needed to perform their tasks properly. In the selection process, any kind of implicit bias that might suggest discrimination and, in particular, that hinders the selection of persons of either gender will be avoided. In particular, the Selection Policy states that the company will strive for the number of female directors to represent 30% of the total Board members in 2020.

When selecting Board candidates, the N&RC will ensure that the people proposed are honest and apt for the position, with recognised professional prestige, competence, experience, qualifications, training, availability and commitment to their duties, and that the composition of the Board is suitably balanced.

Regarding professional qualifications, the Policy requires candidates to have a university degree or at least five years' experience in administration, management, control or advisory functions in public or private entities with a similar size and requirements to the company. Furthermore, as guidance, the Board considers that, in general, director should not be aged over 80.

Within the framework of the process of implementing measures derived from Technical Guide 1/2019 of the National Securities Market Commission (CNMV) on Nomination and Remuneration Commissions and in the light of the planned change to certain recommendations of the Good Governance Code announced by the CNMV, the company will assess the need to revise the aforementioned policies, if necessary.

The Director Selection Policy was applied in 2019 to appoint two directors to fill vacancies left by the resignation of two independent director. In this respect, at the proposal of the N&RC, the Board of Directors co-opted Mr Marco Peña Pinto (who was subsequently re-elected by the General Meeting) and Ms Fátima Bañez García.

» Work-life balance and support of the co-responsible exercise thereof

[401-2]

As a result of the diversity that ROVI fosters in its workforce, the personal and family situations that exist are numerous, varied and enriching. In addition to the work-life balance measures required by the public authorities and those included in the Collective Agreement of the Chemical Industry, the company provide a set a measures that expand on and enhance the foregoing.

We must remember that ROVI carries on its activity in three different environments:

- The industrial production area
- The marketing area
- The industrial structure/offices

Each of them has different dynamics in its activity, requiring different working hours and ways of organising working time. In all of them, the Company foments criteria for organising working time and time off to facilitate the best work-life balance possible, as well as enabling ROVI employees to exercise parenthood responsibly.

The group has a set of work-life balance measures with different options, intended to create a work environment that provides a higher quality of life and harmony between the development of personal and family facets and the employees' professional career and promotion. In this respect, the following practices are applied to the different aspects:

- **Working hours and time off:** ROVI has flexible working hours at the beginning and end of the working day for office personnel and structural employees in the industrial area. It allows changes of shift or day between workers in the industrial area and reductions in working hours adapted to the needs of each specific person. Likewise, it offers flexibility in the holiday calendars provided that the activity of the employee's area is compatible.
- **Remuneration:** ROVI ensures that forming a family is not influenced by factors like loss of the normal income for the most vulnerable groups, such as pregnant women. Therefore, the company pays a wage supplement that completes the benefit received from the Social Security to 100% of the employee's salary. It also offers salary options, with the availability of nursery school vouchers, restaurant vouchers and health insurance within its "a la carte" salary proposal. Furthermore, ROVI offers all its permanent employees cover by the life insurance policy paid by the company.
- **Travel:** in order to prevent avoidable travel and trips, the group provides all the personnel who so require with a laptop computer, with connectivity to the company's intranet, and encourages the use of videoconferences and on-line meetings. Likewise, if the work performed so permits, teleworking is organised during the last weeks of pregnancy. Additionally, at work centres where street parking is difficult, the company makes parking spaces available to pregnant women to make it easier for them to get to the work centre.
- **Disconnection from work:** in order for employees to be able to enjoy their time off effectively and conserve their personal and family privacy, the company encourages practices such as avoiding communication with employees through any channel (telephone, e-mail or any other) outside working hours unless there is an urgent, unforeseen need that cannot be met otherwise. Likewise, meetings in the later part of the working day are avoided, in order to prevent overstepping working hours at the end of the day and thus affecting the workers' ability to attend to their family obligations.



REMUNERATION POLICIES AND PAY GAP

The average employee remuneration in 2019 was 36,013 euros. ROVI remains convinced of the need to apply the principle of equal pay for equal work effectively and takes said principle as the basis of its wage policy, applying it from the moment of recruitment of the employee and in the salary reviews throughout their working life.

AVERAGE REMUNERATION BY GENDER

	2019	2018	Total variation
Men	36,782 €	40,733 €	-10%
Women	35,244 €	36,738 €	-4%
AVERAGE	36,013 €	38,735 €	-7%

To ensure application of the principle of equality at work, the company regularly monitors the gender pay gap by assessing the indicators that show wage differences by job and gender. The goal is to identify any possible deviations, guard against any possible differences and reduce them as much as possible.

AVERAGE REMUNERATION BY AGE / GENDER

	2019		2018		Total variation
	Men	Women	Men	Women	
18-30 years	22,813 €	28,091 €	21,966 €	21,983 €	16%
31-40 years	29,893 €	34,909 €	30,535 €	34,460 €	0%
41-50 years	44,772 €	41,400 €	47,312 €	45,095 €	-7%
51-60 years	48,836 €	40,914 €	58,097 €	41,546 €	-10%
>60 years	51,672 €	36,987 €	33,459 €	11,908 €	95%

AVERAGE REMUNERATION* BY PROFESSIONAL GROUP / GENDER**

	2019		2018		Total variation
	Men	Women	Men	Women	
1	16,000 €	17,262 €	15,311 €	14,892 €	10%
2	17,117 €	18,095 €	16,677 €	17,012 €	5%
3	19,137 €	21,510 €	19,000 €	19,266 €	6%
4	26,350 €	25,951 €	25,082 €	23,432 €	8%
5	36,492 €	33,925 €	42,078 €	40,546 €	-15%
6	43,960 €	34,910 €	50,426 €	36,687 €	-9%
7	53,905 €	50,705 €	51,208 €	47,265 €	6%
8	104,044 €	102,851 €	105,465 €	105,050 €	-2%
0	226,024 €	132,203 €	202,978 €	130,182 €	8%
Subsidiaries	71,545 €	66,091 €	87,949 €	72,367 €	-14%

* The remuneration of the scholarships is not included, as they do not have a Professional Group.

** Professional group according to the XIX Collective Agreement of the Chemical Industry.

Furthermore, ROVI has a Policy for the Reimbursement of Expenses and Payment of Per Diem Allowances which stipulates a series of items, in order to prevent items related to the employees' work from representing an extra expense for them. The reimbursement of expenses is preceded by the pertinent expense note, which must be accompanied by the documentary support of the expenses (invoices, etc.). To prevent fraud, employees must settle the expenses incurred in providing their services preferably with the corporate credit card and must minimise cash payments.

» Average remuneration of management

The average remuneration accrued by the members of the company's Management Committee at 31 December, 2019, including fixed and variable remuneration and remuneration in kind, was 251,787 euros for men and 148,644 euros for women. The difference is because, in the case of the men, three of them are also Executive Directors and their salaries reflect the additional responsibilities they hold.

Details of the above figures are shown below:

AVERAGE REMUNERATION OF MANAGEMENT COMMITTEE / GENDER

	2019			2018			Total variation
	Men	Women	AVERAGE	Men	Women	AVERAGE	
Fixed remuneration	179,399 €	113,333 €	146,366 €	163,430 €	93,149 €	128,425 €	14%
Variable remuneration	61,144 €	28,333 €	44,889 €	61,960 €	36,763 €	49,362 €	-9%
Remuneration in kind	10,944 €	6,977 €	8,960 €	8,752 €	5,280 €	7,016 €	28%
TOTAL	251,787 €	148,644 €	200,215 €	234,142 €	135,462 €	184,802 €	8%

Additionally, in 2019, a total of 929 thousand euros was paid to the three executive directors on the Management Committee for the long-term incentive plan adopted at the Ordinary General Shareholders' Meeting held on 31 May, 2016, which accrued between 2016 and 2018.

» Wage gap

As a result of the foregoing, in 2018, ROVI engaged the audit firm PricewaterhouseCoopers Auditores S.L. to carry out a limited assurance review of pay gap indicators by professional group in Group companies. The indicators were drawn up on the basis of the methodology published in January 2015 by the Ministry of the Presidency, Parliamentary Relations and Equality in relation to calculating the gender pay gap.

The aforementioned indicators make a diagnostic analysis of the Group's workforce to find out the differences in the remuneration of men and women with the same jobs. The analysis of the indicators shows, according to the opinion of the aforementioned auditor, that there is no gender-based pay discrimination or differences in remuneration that are not based on personal factors (qualifications, work experience, length of service, etc.) or position (duties, degree of responsibility, working hours, etc.).

In 2019, ROVI updated the data as of 31 December and the indicators obtained led to the same conclusion. There is no gender-based wage discrimination or remuneration differences that are not based on personal or job-related factors.

4.4. Attracting talent and training

Selecting and retaining talent is one of the management priorities of ROVI, aware that this is the basis necessary to consolidate the growth the business. Design and management of policies for training, attracting and retaining the best professionals is the responsibility of the Human Resources Department, which applies the Recruitment Selection Policy based on sound principles such as:

- Equal opportunities.
- Objectivity and impartiality. Selection processes are based on merits and capabilities.
- Confidentiality of the process.
- Favouring the recruitment of young people, people from disadvantaged groups and differently-abled people.
- Fostering and reinforcing internal candidatures.

» Training, the cornerstone of people's development at ROVI

Training and preparing employees is one of the necessary basic pillars, in addition to being an investment necessary for the company's long-term success. ROVI devotes a significant investment of time and resources in order for its employees to be well prepared and develop their maximum potential, involving both the employees themselves and their direct superiors in the preparation and training.

Development plans are structured taking account of two factors: meeting the immediate needs of the job and also remembering future needs derived from the use of new technologies, equipment, instruments, etc. or the need to take on greater responsibilities and more important projects.

TRAINING INVESTMENT PER EMPLOYEE		AVERAGE HOURS OF TRAINING	
2019	252.1 €	2019	16.6

Based on the annual plan, which is aligned with the strategic and business goals, the training plans are drawn up by identifying the needs in each area, a process in which the Human Resources Department, Management and Middle Management are involved. The final goal is always to provide efficient aid for people to co-operate and contribute value in achieving ROVI's strategic objectives, while, at the same time, they grow as professionals in their area.

Thus, all the employees have an Individual Development Plan, as a result of which, depending on the specific needs identified, different alternatives or training plans that may help them to progress in their careers are designed. At the same time, employees are required to show commitment and responsibility in their awareness of the need that they themselves should improve as professionals. The methodology is structured into 10% of development and learning through training actions in the classroom or in virtual or e-learning format; 20% through feed-back, observation or with the support of mentors, coaches, professional associations, spaces for reflection, conversation with other people, leaders, etc.; and the remaining 70% through practical job experience, applying new knowledge to real situations to solve problems, taking part in new projects and challenges, rotating through different departments, etc.

BASIC PRINCIPLES OF ROVI GROUP'S TRAINING PROGRAMMES / ACTIONS

Training programmes will contain aspects related to respect for human rights and will foster an ethical culture.

No discrimination on the grounds of gender, age or origin. Professionals with equal positions and professional development have the same training opportunities. **[404-1]**

Training actions will respect the current regulatory framework and the demands of the work and business environment. ROVI will provide training in new legislation, so that workers know and comply with current laws.

The use of different training tools is favoured (classroom, on-line, platforms, etc.).

Sharing the knowledge that exists in the Company, continuing learning and cultural exchange will be encouraged.

AVERAGE HOURS OF TRAINING BY PROFESSIONAL GROUP*

	1	2	3	4	5	6	7	8	0	AVERAGE
2019	0.0	16.1	21.3	22.9	23.2	21.8	21.4	15.3	7.2	16.6

* Professional group according to the XIX Collective Agreement of the Chemical Industry.

TOTAL HOURS OF TRAINING BY PROFESSIONAL GROUP*

1	2	3	4	5	6	7	8	0	TOTAL 2019	TOTAL 2018	Var. Total
0.0	740.6	3,684.9	5,358.6	10,231.2	3,727.8	4,237.2	61.2	122.4	28,163.9	24,057.9	17%

* Professional group according to the XIX Collective Agreement of the Chemical Industry.

» Scholarships and training programmes and co-operation with educational institutions

To allow qualified students to access the workplace and enhance their abilities, knowledge and experience, the company has a work training programme. There are co-operation agreements with 73 educational centres (universities, institutes, official training centres and business schools) all over Spain, in order to provide on-the-job training that serves as a bridge to enable students to begin their working lives in a professional work environment.

In 2019, ROVI awarded 45 scholarships and 11 of the beneficiaries obtained an employment contract with the company before completing their scholarship. The possibility for young talents to train and the investment made by the group in this training are indispensable in order to have a reserve ready for the future.

90% of the ROVI group's scholarship are remunerated

90% of the scholarships are full time

90% of the scholarships last for 6+6 months

4.5. Trade union information

ROVI bases the labour relations between the company and its workers on respect for their legal representatives, strict compliance with the different regulations in force and promoting an environment of permanent dialogue, the basis for a constructive relationship of trust between the two parties.

All ROVI employees in Spain work under the employment conditions regulated in the XIX Collective Agreement of the Chemical Industry, last updated and signed in 2018. 100% of the employees are covered by this Agreement or by the agreements applicable in each specific work area (offices, sales, etc.). Not only does the company abide by the law, but it also implements certain enhancements, such as paying a supplement to Social Security benefits in the event of sick leave. Employees of the subsidiaries in the rest of Europe are also governed by the pertinent collective labour agreement, except in cases where local legislation states they are subject to general labour legislation, given the low number of employees at the subsidiary. **[102-41]**

Through an appropriate understanding with the workers' representatives, the company constructs dialogue and smooth communication using all the means available. In particular, it tries to arrange a meeting calendar for both regular and specific meetings, which either the company or the workers' representatives are free to establish. This constant and flexible relationship allows the status of the agreements between the two parties to be monitored and any incident identified in the day-to-day activity to be solved swiftly.

An important aspect of our works councils is that they are highly representative and participate in the Safety and Occupational Health Committees. On these committees, the Company's actions in these areas are regularly consulted, debated and proposed, as well as any incidents that have arisen and proposals for corrective measures in areas such as the evaluation and assessment of occupational hazards, the provision of individual protection material, the protection facilities, information and training on occupational hazards, among other subjects. **[403-1]**

Como viene siendo habitual, en 2019, las relaciones laborales entre ROVI y su plantilla han transcurrido con normalidad y sin incidentes de conflictividad.

» Internal communication channels

A healthy and productive relationship is not possible without transparent, easily-reached and accessible communication channels. ROVI keeps all its workers promptly updated through different mechanisms, such as newsletters, the internal television channel, notice boards or e-mails, always seeking to use all the technical means available to reach its entire workforce, irrespective of whether or not they have access to computer media in the course of their work. The communications refer to matters of general interest, company milestones, agreements or organisational changes.

In July 2019, *ROVI Rocks* was launched. This is an application for mobile devices for the exclusive use of the ROVI workforce. The application allows the employee to keep updated on new developments in the company, as well as including some very useful information, such as an employee directory with telephone numbers, the confidential consultation channel Ethics Channel, or the Ideas ROVI section, from which employees may submit proposals to improve the company.

In addition, *ROVI Rocks* give access to an area of exclusive discounts and groups for ROVI employees and also includes a virtual library section (called *ROVIteca*), where they can access a catalogue of more than 2,000 titles of all kinds: novels, educational publications, magazines, children's books, classics, etc.

4.6. Health and safety

The workers' health -both mental and physical- is the health of the company as an organisation and is a factor with a direct influence on ROVI's value creation. The company, therefore, has a dual commitment to minimise occupational hazards at the same time as it promotes healthy conduct in the workplace.

The management of personnel-related risks is the duty of the Health and Environment Department, which holds exclusive responsibility for aspects related to environmental management. ROVI has an Integrated Environmental and Occupational Hazard Prevention Management Policy, applicable to the whole group, the objective of which to protect the life, physical integrity and health of all the workers, including both the group's own workers and those of the companies who work with it. This Policy is based on a series of corporate procedures, as well as local procedures or work instructions specific to each centre.

Likewise, all ROVI's industrial plants hold OSHAS 18001:2007 Occupational Health and Safety Management Certifications, published on ROVI's website. Furthermore, the group has a number of Health and Safety Committees on which all ROVI employees are represented.

» Principal occupational hazards identified

The principal occupational hazards identified by ROVI, following the corporate procedure for identifying hazards, assessing risks and determining controls, are mainly those inherent to a production plant: contact with and exposure to chemical products, noise exposure, overexertion, etc.

These risks are managed through planning the preventive activity (existence of specific procedures compliance with which minimizes the probability that these risks will materialize) and training (there are occupational hazard training plans and refresher courses). Furthermore, the risks identified are managed in accordance with the specific procedures created to control and regularly monitor the actions taken, such as those concerning work permits, safety inspections and the identification and evaluation of legal requirements.

» Results in 2019

The ROVI Group set a goal of an accident rate (No. of accidents / No. of workers * 100) of 1.3% with sick leave and 3% without sick leave. In addition, each plant, individually, defines specific prevention objectives. Examples of these are:

- Reduction in the trend of accidents with sick leave due to overexertion by 20% in comparison with the period January 2018 – June 2019 (18 months).
- Implementation of an Industrial Hygiene Programme to reduce the workers' exposure to active substances.
- Increase in the number of technical staff in the Maintenance Area with broader prevention training by 20% (in respect of the total) in comparison with 2018.

» Promotion of healthy conduct

The promotion of healthy attitudes is another of the most decisive factors in reducing job-related occupational hazards and, furthermore, provides the workers with a higher quality of life. Since 2015, ROVI has had an active commitment in this area, with healthy breakfasts, healthy vending at the plants, the possibility of practising sports through agreements with sports centres close to the ROVI facilities with discounts for employees, and taking part in charity races, organised by ROVI's Corporate Social Responsibility Area.

At the same time, ROVI strives to minimise indirect risks by avoiding unnecessary travel and trips, thus allowing a reduction of accidents on the way to work, with initiatives such as providing all the personnel who so require with laptops with the tools necessary to work remotely connected to the ROVI systems. The use of videoconferencing and on-line meetings is actively encouraged and teleworking is fomented whenever possible, especially for pregnant women, who also have access to parking spaces inside the company to facilitate their mobility.

Furthermore, in 2019, the campaign "Cada Superhéroe tiene su equipo de protección" ("Every Superhero has their protection equipment") was conducted, aimed to raise awareness of the need to make responsible use of Individual Protection Equipment (IPE).



ACCIDENT RATE

Proper management in this respect has a direct effect on the workforce's health and well-being and, consequently, helps to improve the accident and absence rates, in addition to being a key factor in productivity, the company's financial performance and the attainment of its strategic goals.

FREQUENCY RATE FOR WORK-RELATED ACCIDENTS* BY GENDER		WORK-RELATED ACCIDENTS SEVERITY RATE* BY GENDER		WORK-RELATED ACCIDENT INCIDENCE RATE* BY GENDER	
	2019		2019		2019
Men	7.678	Men	0.604	Men	2.280
Women	11.540	Women	0.405	Women	3.161
TOTAL	9.652	TOTAL	0.503	TOTAL	2.778

(*) Rate calculated as No. accidents / No. of hours worked * 1000000

(*) Rate calculated as No. of working days lost / No. of hours worked * 1000

(*) Rate calculated as No. accidents / No. workers * 100

Note: accidents on the way to work and data of ROVI group employees are included. Information on personnel hired through temporary employment companies is excluded. In addition, a working day of 8 hours has been used to calculate the number of working days lost.

» Absence rate

The health of the employees is a fundamental factor in order for ROVI's activity to operate properly, not only because a healthy workforce allows the activities planned and programmed to be carried out, but also because the well-being of the workforce benefits the organisation overall, their families and society in general.

Because of this, ROVI prepares and monitors, on a monthly basis, a series of indicators to periodically monitor, monthly and annually, absences, distinguishing between different types depending on the reasons for them. The indicators are analysed to determine possible areas in which the Company might act in order to reduce absences. Additionally, they are compared with the preceding annual period to observe how they evolve over time.

The indicators show that the level of absences in ROVI in 2019 was below those of the sector in which it operates.

The following tables show a summary of the absolute absence rates in 2019 and 2018 for accidents at work, occupational diseases, ordinary illnesses, risk during pregnancy and risk during breastfeeding:

SUMMARY OF ABSOLUTE ABSENCE RATES IN THE PERIOD

	2019		2018	
	Economic group	Comp. sector	Economic group	Comp. sector
Total absolute absence rate	2.52%	3.43%	2.26%	3.44%
Absolute absence rate WA + OD	0.26%	0.20%	0.23%	0.21%
Absolute absence rate OSL	2.26%	3.23%	2.03%	3.23%

WA: Work-related accident

OD: Occupational disease

OSL: Ordinary sick leave

	2019				2018			
	Days sick leave	Days worked	Absence rate	Sector abs. rate	Days sick leave	Days worked	Absence rate	Sector abs. rate
TOTAL	12,000	476,347	2.52%	3.43%	10,036	443,803	2.26%	3.44%

From the figures shown for work-related accidents, occupational diseases and ordinary illnesses, it may be seen that the number of days of absence was 12,000, which is equivalent to lost working hours of 96,000, meaning an absence rate of 2.52%.

SUMMARY OF ABSOLUTE ABSENCE RATE RP + RB

	2019		2018	
	Economic group	Comp. sector	Economic group	Comp. sector
Total absolute absence rate RP + RB	0.38%	0.28%	0.19%	0.29%

RP: Risk during pregnancy RB: Risk during breastfeeding

	2019				2018			
	Days sick leave	Days worked	Absence rate	Sector abs. rate	Days sick leave	Days worked	Absence rate	Sector abs. rate
TOTAL	742	197,559	0.38%	0.28%	362	191,282	0.19%	0.29%

Source: Mutua de Accidentes de Trabajo FREMAP. Global Annual Absence Report ROVI GROUP.

From the figures shown for absences due to risk during pregnancy and risk during breastfeeding, it may be seen that the number of days of absence was 742, equivalent to 5,936 working hours lost, meaning an absence rate of 0.38%.

5. Suppliers



5.1. Management principles

[102-9, 102-10]

Suppliers are a group of strategic interest in relation to ROVI's activities and, aware of this, ROVI has put in place a series of specific action principles aligned with the company's principles and values. This framework for action is intended to reinforce the sustainability and competitive edge of the value chain through a series of commitments where selection criteria and transparent information prevail.

ROVI's supplier selection policy includes the specific criteria applied when beginning to work with another company, as well as those applicable to monitoring the latter's activity and its relationship with the group. This procedure provides for an initial evaluation and another periodic evaluation, which are tools that allow a list of approved suppliers, kept by the Quality Department, to be drawn up. These evaluations are performed through on-site audits to check that suppliers operate in accordance with national and local regulations, there are no important breaches in respect of workplace safety and there are no practices that violate the workers' rights, in addition to ensuring that a safe work environment exists, environmental legislation is respected and employees are not subject to abuse or discrimination.

ROVI also has a Supplier Engagement and Payment Policy in order to establish a framework for relations with suppliers and creditors that is shared by the whole organisation. It states that suppliers with an annual volume of over 100,000 euros must always have a duly signed contract and regulates how invoices should be sent and recorded and the means of payment accepted. This element ensures full efficiency when recording the invoices, an appropriate payment policy and greater consistency in negotiations.

To complement the foregoing, due to the continuous revision and improvement of ROVI's tax policies regarding tax evasion and the prevention of money-laundering, the internal procedure concerning double taxation continues to be updated and distributed. In 2019, internal training was given to company employees who deal with local and foreign suppliers, in order to inform them on the importance of the residency certificate in relation to the Double Taxation Treaty and avoid running any tax risks.

Lastly, in 2019, due to a merger by absorption process in our company group Laboratorios Farmacéuticos ROVI and subsidiaries, a Communication and Transparency Policy was implemented vis-à-vis our suppliers. Thus, communications with full tax information on the merger were sent, both electronically and, for the less digitalised companies, on paper. At the same time, guidance was given so that they could update the master data of our companies in their systems and several telephone lines were provided to resolve any queries on invoicing or orders.

» Fight against corruption and bribery

As stated in the ROVI's Code of Ethics, any practice involving bribery or corruption as a way to obtain a decision favourable to the company's interests is strictly prohibited and, therefore, practices intended to do business using undue means will in no case be tolerated.

No ROVI employee may offer a third party any type of benefit that is able or intended to unlawfully influence the third party's capacity to adopt objective and lawful business decisions. Likewise, ROVI employees are expressly prohibited from accepting any kind of corruption or bribery offered by a third party. All interaction with health professionals, health organisations, health systems, pharmacies, stores, purchasers, distributors, suppliers, commercial partners, public employees or any other third parties must be governed by legality and ethics and in line with ROVI's values, company policies, the applicable laws and industry standards.

ROVI has an anti-corruption policy that regulates both giving and accepting gifts. This policy must be known and observed by all the professionals. In no case may the acceptance or giving of gifts be used as a subterfuge for bribery or the concealment of an unlawful action.

5.2. Balance of the year

In 2019, ROVI worked with approximately 3,700 suppliers from 35 countries. The weight of Spanish suppliers for the company should be highlighted, since they account for 86% of the total, while more than 90% operate in countries belonging to the European Union.

In this respect, attention should be drawn to the effect of opening new subsidiaries in the main European markets, which also stimulates the engagement of local service providers. In addition to Spanish providers, ROVI has a high number of service providers in Germany, Portugal, France, United Kingdom, Italy and Poland.

The average payment period to suppliers in 2019 was 52.52 days, in accordance with the maximum legal periods established in Law 17/2010, amended by Law 11/2013.

5.3. CSR in the supply chain

In relation to its suppliers, one of the action principles of the company's General CSR Policy is that they should find a partner for mutual benefit in ROVI. It is indispensable to ensure a supply chain that respects the corporate social responsibility principles assumed by the ROVI group. In this respect, ROVI undertakes to promote CSR-related values among its suppliers and subcontractors of goods and services.

The ROVI group has a Code of Ethics for Suppliers, which establishes that all suppliers must respect the protection of fundamental human and labour rights recognised internationally. Specifically, the Code of Ethics for Suppliers requires all suppliers to comply with the following principles:

- Elimination of forced labour.
- Elimination of child labour.
- Respect for the right of association and collective bargaining.
- Equal opportunities and non-discrimination.
- The supplier must provide a fair work environment, free of any kind of violence.
- Respect for current legislation on working hours and remuneration.

More than 90% of the ROVI Group's suppliers operate in countries belonging to the European Union, while those that carry on their activity outside the European Union operate in countries that enjoy recognised prestige in the International Community, meaning that supplier non-compliance in respect of Human Rights is considered limited and under control.

In the same way as ROVI maintains a constant focus on equal opportunities, occupational safety or care of the environment, it invites all its suppliers to guarantee these factors and to declare their commitment to basic principles of ethics and professional conduct. To do this, in the same way as ROVI develops them internally, it tries to involve suppliers and subcon-

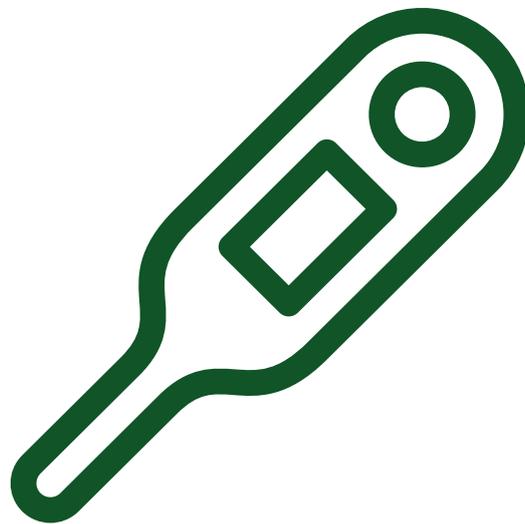
tractors in the adoption of the best corporate social responsibility practices in order to regulate their activities in accordance with the standards included in the certifications SA-8000, SGE-21 or similar.

Particularly in environmental matters, ROVI is committed to making a joint effort with its suppliers and contractors to minimise the impact of their activities on the environment and the risks derived for both their safety and health and that of their workers.

In order to guarantee and foster all these principles, the company has two mechanisms to promote the adoption of good corporate responsibility principles in its supply chain:

- A **voluntary document, “CSR Commitment”** is periodically sent to all the group’s suppliers and subcontractors, requesting certifications such as the SA-8000 or urging them to adopt good practices. At present, more than 55% of these companies have signed the commitment to social responsibility and ROVI’s goal is that all the suppliers should adhere to the initiative.
- **On-site audits**, which check that suppliers operate in accordance with national and local regulations, there are no important breaches in respect of workplace safety and there are no practices that violate the workers’ rights. Among other aspects, the auditors ensure that a safe working environment is provided, environmental legislation is respected and employees are not subject to abuse or discrimination.

6. Society



6.1. Management principles

Since its beginnings, ROVI has been fully aware that its business has a direct impact on society, both in industrial and employment aspects and due to the intrinsic nature of its products, intended to improve the quality of the patients' lives and treatment. This is why it has held a constant commitment to research and universities in Spain, in addition to acting diligently in respect of its tax obligations to society, both as an employer and in the role of local economic agent.

In this respect, the group's CSR Policy establishes, as an action principle in relation to society, an active contribution of social progress and the social and economic development of the geographical areas where it is present.

By assessing and managing the non-financial, ethical, reputational, social and environmental risks and commitment to those social initiatives or activities that benefit society, ROVI considers its priority areas of social action to be improvements for those with disabilities and the incorporation of these people into the workplace, the promotion of health, fostering research, commitment to training and corporate volunteering.

6.2. Balance of the year

ROVI holds agreements with public and private entities in order to combine efforts that reinforce scientific, technological and educational activities, as well as spreading knowledge. At the same time, it participates and is involved in various solidarity projects with associations and NGOs.

» Commitment to training

ROVI's commitment to training and creating employment opportunities for qualified students materialises through co-operation with a number of higher-education entities (universities, institutes, official training centre and business schools) throughout Spain. There are agreements with a total of 73 educational centres, in which 45 people participated in 2019, obtaining their first experience in a professional workplace environment. After completing the training, 11 of these people remained with the company with their first contract.

» Commitment to research and knowledge sharing

ROVI is deeply involved in supporting medical research and uses a significant part of its resources to promote it. Over recent years, it has been carrying on intensive research activity to foment the prevention and knowledge of certain diseases in order to improve the health and quality of life of the patients. ROVI is very much involved in supporting co-operative research, holding important co-operation agreements with different public bodies and universities, such as the co-operation agreement with the University of Granada, with which it aims to combine efforts to increase scientific, technological and educational activities and the sharing of knowledge.

For the group, in addition to scientific progress and discovery in different fields, it is also of vital importance to promote sharing and communicating them. In this respect, the company

supports initiatives such as the TedxTalks Realejo, a local conference event the topics of which focus on innovation and entrepreneurship, based on different types of personal experiences. On 25 May, 2019, the first edition of these talks was held in Granada and was sponsored by ROVI.

At the same time, in 2019 it also took part in the IV OCARE Prizes (Observatory of Corporate Responsibility Communication and Action), which recognized the best communication campaigns by companies in the CSR area and that, for a further year, was sponsored by ROVI, as well as the SEFH/ROVI Hospital Pharmacy Development awards, which have been awarded jointly with the Spanish Hospital Pharmacy Society (SEFH) for the last three years and which recognise projects that represent the contribution of innovative and beneficial solutions for patient well-being and quality of life.

In a similar spirit, ROVI co-operated with the 2019 Prize for the Best Oral Communication on Treatment of Venous Thromboembolic Diseases, presented at the Congress of the Spanish Thrombosis and Haemostasis Society (SETH).

ECONOMIC VALUE GENERATED AND DISTRIBUTED

[201-1]

(million euros)

	2019	2018	2017	2016
ECONOMIC VALUE GENERATED	382.5	304.8	277.4	270.8
ECONOMIC VALUE DISTRIBUTED				
Shareholders	9.8	4.5	6.0	9.1
Suppliers	219.2	172.7	154.7	153.5
Society	2.6	-1.2	0.3	1.8
R&D	29.3	32.4	28.3	17.5
Employees	72.5	70.2	64.0	60.5
Providers of capital	0.8	0.8	0.9	0.5
Amortisation & depreciation	18.6	12.0	11.5	11
Reserves	29.6	13.4	11.8	17

» Commitment to solidarity and responsibility

For a further year, ROVI carried out intensive and enriching co-operation activities with several entities that are involved in the social protection of particularly vulnerable groups and the integration of groups who are at risk of exclusion.

Some of the initiatives and associations in which the company continued its involvement in 2019 were:

- Fundación Manantial, with which ROVI has started an employment program at the Alcalá de Henares plant for people with mental illnesses.
- Down Granada, which works helping young people in Granada with Down's Syndrome to enter the labour market in local companies and has co-operated with ROVI in training one of its young people to perform administrative tasks at the plant in the Health Technology Park (Granada).
- Fundación Prodis, with which ROVI has expanded its employment program for young people with intellectual disabilities through a new recruit at the Pozuelo offices (Madrid).
- Granada Red Cross, with which ROVI co-operates in its assistance and protection projects for children and elderly people in the province of Granada.
- Proyecto Hombre Granada, through the Capacitics program, aimed to train mothers, fathers and education professionals as instructors in the use of ICT by young people and adolescents.
- Fundación Prodis, whose employment centre has carried out various printing jobs for ROVI, such as T-shirts, caps, etc. In 2019, Prodis designed 1,300 reusable bottles that were distributed to ROVI employees to encourage a reduction in single-use plastics during the #PlásticosCero Campaign.
- ISS Facility Services (Gelim), which provides cleaning services at ROVI's offices.
- Ilunion, which provides the laundry service for clothing from the plants.
- Fundación También, with which ROVI co-operates to organise corporate volunteering (see below) and to purchase material for adaptive skiing in Sierra Nevada (Granada).
- Fundación Deport & Desafío, which ROVI supports in training ski monitors for adaptive skiing, as well as the training course for people with disabilities that takes place every year in Sierra Nevada (Granada).

Working with these foundations, in 2019, the corporate volunteering activities on offer expanded in 2019, thus involving the employees of ROVI and raising their first-hand awareness of the world of disability, though, for example, inclusive sports events, such as the Adaptive Skiing Campus in Sierra Nevada (Granada), the Adaptive Descent of the River Sella (Asturias), the VIII "Madrid También Solidario" Sponsored Race, the adaptive cycling route through the Anillo Verde (Green Ring) in Madrid or the Multisports Day (Madrid)

ROVI has been working with most of the above mentioned organisations for a number of years, but we should highlight the addition of Apadis, an association of relatives of people with intellectual disabilities in San Sebastián de los Reyes, by organizing a corporate volunteering activity in which a group of employees and their families, together with volunteers from the foundation, painted the entrance hall of its occupational centre in San Sebastián de los Reyes.

Additionally, in line with the promotion of a healthy lifestyle and the practice of sports, ROVI continued to co-operate with charity races and emblematic events, such as the VIII Charity Race for Mental Health and the XX Carrera de las Empresas ("Companies Race") of Actualidad Económica in Madrid, or the II Medicusmundi Sur Charity Race and the Granada Red Cross "Crossing the Line" Race, both in Granada.

In 2019, 121 ROVI employees took part in one of the activities programmed by the CSR area. 16.5% of them participated in two or more volunteering activities during the period.

» Donations to solidarity projects

In addition to its direct involvement in different solidarity initiatives, ROVI also regularly makes donations to health, social and humanitarian organisations. The group has a Donation Management Procedure, which describes the process to be followed to approve a donation and establishes that the Donations Committee is the body that evaluates and approves or rejects the applications, as appropriate. Any donation made by the ROVI group not only respects current legislation, but also observes the provisions of the Code of Good Practices of the Pharmaceutical Industry, ROVI's Code of Ethics and the Corporate Social Responsibility Policy. Said procedure came into force in July 2018 and was amended on 6 November, 2019.

Among the proposals for social and humanitarian donations approved in 2019, those allocated to international co-operation may be highlighted, such as the donation to **Fundación Recover**, which is given help for its health assistance programmes in Africa, as well as **Fundación para el Desarrollo Integral de los Pueblos**, with which ROVI co-operates in the acquisition of teaching and learning material for schools in Callao, Peru.

In addition, some examples of donations for the social protection of the underprivileged can be mentioned, such as the donation to **Fundación La Sal de la Tierra** of Alcalá de Henares, to which industrial cooking material was donated, which they reused for the soup kitchens they have in in the same city, as well as in Alicante and Vigo. In 2019, ROVI also co-operated with **Fundación Pilares**, which is engaged in guidance and assistance for people who are highly dependent on others, as well as **Club Deportivo Elemental Entrevías-El Pozo**, a non-profit club involved in sports and the participation in sports competitions for children and adolescents at risk of social exclusion.

» Commitment to transparency, the public authorities and responsibility as a taxpayer

As a manufacturer and marketer of medicines and health products, ROVI works to maintain a constant, effective and transparent relationship with the health agencies. The company strictly observes and monitors all the requirements issued by said bodies in all its activities, including industrial development, manufacturing and the supply of products or units for clinical trials. In this respect, it is ensured that these activities are always carried out in an environment that strictly complies with all the legal requirements and authorisations from the health authorities that are applicable to them.

In addition, the company has a Corporate Tax Policy in which it sets out its commitment to comply strictly with tax requirements by applying the best tax policies, ensuring a transparent course of action and prompt, responsible and efficient payment of taxes. At the same time, full co-operation and smooth relationships with governments are fostered, thus trying to avoid material risks and unnecessary conflicts. To support this activity, ROVI uses an external tax advisor, who keeps the group and its management team updated on new tax developments and provides advice if any doubts arise. The advisor also reviews the preparation and presentation of the different taxes, as well as tax-related decision-making.

TAXES

(thousand euros)

	Profit before tax	Income tax paid	Government grants received
Laboratorios Farmacéuticos Rovi, S.A.	25,456	(8,085)	1,151
Laboratorios Farmacéuticos Rovi, S.A. permanent establishment Portugal	44	(15)	-
Laboratorios Farmacéuticos Rovi, S.A. permanent establishment Poland	(58)	-	-
Laboratorios Farmacéuticos Rovi, S.A. permanent establishment Germany	270	-	-
Rovi Pharma Industrial Services, S.A. (*)	33,131	-	-
Pan Química Farmacéutica, S.A. (*)	602	-	-
Gineladius, S.L. (*)	(42)	-	-
Rovi Escúzar, S.L.	(19)	-	-
Bertex Pharma GmbH	(2)	-	-
Rovi Biotech, Limited	24	-	-
Rovi Biotech, S.R.L.	390	(29)	-
Rovi Biotech, GmbH	412	-	-
Rovi S.A.S.	(581)	-	-
Rovi Biotech spółka z o.o	(24)	-	-
Rovi Biotech, Ltda.	-	-	-
TOTAL		(8,129)	1,151

7. Shareholders



ROVI has a double commitment to its shareholders: value creation and transparency. Since its IPO, the company has carried on intensive investor relations activity and regularly reports on all its activities and updates and applies its “Policy for Communication with Shareholders, Institutional Investors and Proxy Advisors”.

Likewise, it has different channels for direct communication with investors. Shareholders may, if they so wish automatically receive financial information on ROVI through an e-mail alert system, where regular, one-off and/or significant information on the company is provided in the form of presentations and legal, economic/financial and corporate governance documents, which may be consulted on the corporate website.

» Investor relations activity

True to its principles of accessibility and transparency, ROVI carries on continuous activity throughout the year through meetings, forums and events with investors. During 2019, ROVI held 11 road shows, participated in 15 events with investors and made 34 visits to investors and teleconferencing calls. In total, this represented attention to more than 180 investors.

Furthermore, throughout the year, in order to provide communications channels that supplemented those that already existed, ROVI created three social networking profiles (Twitter, LinkedIn and YouTube), through which it shares new developments in the group, including its significant events, such as press releases and other corporate social responsibility-related activities.

» Analyst cover

As of 31 December, 2019, ROVI was covered by 14 analysts. In 2019, the consensus of the analysts was a buy recommendation for ROVI, with an average target price of 24.98 euros, 2% higher than the closing price of the share at 31 December, 2018, which was 24.40 euros.

» Capital structure

At 31 December, 2019, significant shareholders with an interest of more than 3% were those shown below:

SIGNIFICANT SHAREHOLDERS			
<i>Percentage of voting rights</i>	Direct	Indirect	TOTAL
Norbel Inversiones, S.L.	63.107%	-	63.107%
Indumenta Pueri, S.L.	-	5.057%	5.057%
T. Rowe Price Associates, Inc	-	3.390%	3.390%
Wellington Management Group, LLP	-	4.924%	4.924%
TOTAL	63.107%	13.371%	76.478%

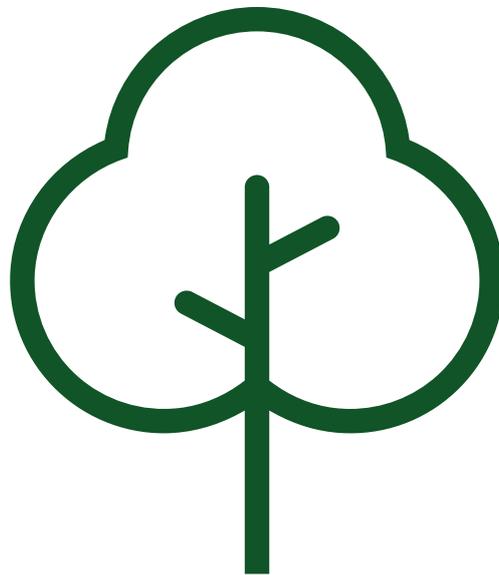
Significant shareholders hold 76.478% of ROVI's capital.

» Behaviour of the share

In 2019, the ROVI share was revalued by 39.8%, up from 17.45 euros to 24.4 euros. In the same period, the Ibex 35 rose by 11.8% to 9,540.20 points. ROVI's stock market capitalisation at 31 December, 2019 was 1,368.1 million euros.

The average daily volume traded from January to December 2019 was 20,878 shares, including the volume traded on the block market. If we consider only the volume traded on the stock market, it was 9,565 shares (in comparison with 6,691 in 2018). The average daily volume (without blocks) increased by 43% in 2019 in comparison with 2018.

8. Environment



8.1. Environmental management principles

ROVI's day-to-day work and the materials and processes it handles inevitably have an impact on the environment and, therefore, they are a factor that must be taken very much into account in relation to workplace health and safety, depending both on whether the facilities are engaged in manufacturing or marketing products and where they are located geographically. This means the group is committed to reducing the effects of its activity to a minimum when and where this is possible, likewise allocating all the resources necessary to guarantee people's health and safety inside and outside the facilities.

This is reflected in the General CSR Policy, which pays special attention to care of the environment as a necessary factor in both decision-making and actions. At the same time as it applies principles of product quality and worker safety, ROVI also observes a series of sustainable management principles from an environmental standpoint in all its activity. These lines of action materialise in actions aimed to manage resources efficiently and promote environmental responsibility, as set out in the Integrated Environmental Management and Occupational Hazard Prevention Policy, last updated in July 2019.

To manage this policy, the company has a department that is exclusively responsible for environmental management-related aspects and, likewise, those concerning workplace health and safety. It is composed of 9 people. In 2019, it managed a total budget of 2.9 million euros, which were allocated to different actions to maintain, among other things, the commitment to continuing improvement and undertake compliance with legal requirements. Furthermore, this department was also responsible for managing different voluntary requirements by implementing energy efficiency solutions at the plants, responsible natural resource management and waste recycling, the pillars on which the company's environmental strategy is based.

» Environmental certifications

The key tool to ensure proper management of environmental aspects is the introduction of an environmental management system based on the criteria established by international standards ISO 14001:2015. These certifications recognise the quality of ROVI's environmental management systems and assure its commitment to the environment in terms that go beyond current national legislation. At present, the group companies Laboratorios Farmacéuticos Rovi, S.A., Rovi Contract Manufacturing S.L. and Frosst Ibérica S.A. hold environmental management systems certified under ISO 14001:2007 and, since 2018, the standard ISO 14001:2015.

All the environmental certifications held by the ROVI companies are available to all interested parties on the corporate website (www.rovi.es)

» Environmental consultation system

ROVI has a corporate communication, participation and query procedure, through which queries, complaints, suggestions, etc. related to the environment and workplace health and safety are managed.

» Environmental risk management

In addition to the main environmental risks inherent to its activity, ROVI has identified those concerning access to and verification of the environmental regulations in the different areas in which ROVI operates, as well as possible restrictions imposed by the authorities in particular locations. The possible materialisation of environmental risks is managed, likewise, through the Corporate Procedure for Identification and Assessment of Environmental Aspects, which sets out how to identify, notify and quantify environmental risks.

In this respect, the principal risks in the area are as follows:

- Non-compliance with legal requirements due to deficient identification of either legal requirements concerning the environment or environmental aspects or of emergencies, when this may lead to possible sanctions or stakeholder dissatisfaction.
- Failure to adapt to a change in the trend in legislation or any applicable new legislation on a timely basis.
- Possible administrative restrictions in force in particular locations.
- Impact on material and human assets due to an environmental incident of neighbours or employees.
- Bad environmental practices on the part of external companies providing services on a permanent basis or the Group personnel supervising them.
- Non-compliance with noise regulations that leads to contingencies or disciplinary sanctions.
- Pollution due to exceeding the pollutant emission limits on boilers or discharges to groundwater that may lead to an administrative sanction.
- Incidents in transporting hazardous waste that may lead to a sanction.
- Deficiencies in personnel training on environmental matters.
- Releasing emissions into the atmosphere due to the absence of mechanisms to prevent the product leaking from the equipment.
- Failure to check invoices that show consumption of an inappropriate amount of water or energy.
- Mixture of different kinds of waste and generation of hazardous waste.
- Absence of energy efficiency certification.
- Failure to file the annual waste report and minimisation plan on a timely basis.

At the same time, the company has identified a series of indirect risks arising from trading relations, products or services that may have adverse effects on the environment. To mitigate them, following the guidelines of the Corporate Procedure for Identification and Assessment of Environmental Aspects, an analysis of the life cycle of the process or product is carried out at each production plant, where all direct and indirect aspects involved (coming from suppliers) are identified bidirectionally, in order to subsequently exercise control over those indirect aspects where there is the capacity to act directly. Likewise, ROVI holds environmental liability insurance, which is renewed annually.

8.2. Consumption and waste

Due to its intrinsic nature, ROVI's activity involves generation of potentially hazardous waste. This is why the company includes waste treatment and, as far as possible, reduction among its main priorities. The goal pursued each year is to reduce the impact to a minimum and prevent its pollutive effects and, thus, the related processes are aimed mainly to control waste in the production processes and manage it properly when it has been produced, so that it can be used or recycled, as may be appropriate.

Together with waste, ROVI's industrial activity involves energy consumption. The company not only tries to reduce this but also to consume in the most responsible manner possible, through actions such as contracting a provider of 100% renewable energy for the Distribution business. Additionally, at the plants, water, electricity and gas indicators are verified and reported on a monthly basis, identifying any possible deviations, in order to ensure that consumption of these utilities is always optimal.

The key environmental indicators are shown below. The data have been divided among the different companies or businesses to allow them to be compared with each other, since the units produced are measured in different units for each one of the companies/businesses. Specifically:

- Manufacturing plant belonging to ROVI, S.A. in Granada: this is the plant where Bemiparin and Enoxaparin, the active substances of ROVI's principal own research products are produced. In this case, the units produced are measured in MUI, the activity of the active substance produced.
- Distribution business of Laboratorios Farmacéuticos ROVI, S.A. and subsidiaries: in this case, units distributed are used.
- Injectables production plants of Rovi Contract Manufacturing, S.L. (San Sebastián de los Reyes and Madrid plants): in this case, the units produced are expressed in individual units packed. Solid forms production plant of Frosst Ibérica, S.A. in Alcalá de Henares: here, the pack of solid forms is used as the unit produced (tablets, coated tablets, hard capsules and sachets).

[301-1, 302-1, 303-1]

WASTE

	Tonnes of hazardous waste generated	Tonnes of non-hazardous waste generated	TOTAL WASTE	Tonnes hazardous waste/ million units	Tonnes non-hazardous waste/ million units.	Tonnes waste/ million units
2019	Granada	1,910	4,192	0.004	0.004	0.008
	Madrid & SSRR	236	894	1.78	4.97	6.76
	Alcalá de Henares	120	560	3.53	12.94	16.47
	Distribution	15	16	0.74	0.02	0.77
2018	Granada	1,037	2,373	0.003	0.004	0.008
	Madrid & SSRR	186	651	1.7	4.24	5.95
	Alcalá de Henares	176	459	5.17	8.31	13.49
	Distribution	25	26	1.15	0.03	1.18
Total variation	Granada	84%	77%	5%	-3%	0%
	Madrid & SSRR	27%	37%	5%	17%	14%
	Alcalá de Henares	-32%	22%	-32%	56%	22%
	Distribution	-39%	-39%	-35%	-25%	-35%

ENERGY CONSUMPTION

	kWh electricity consumed	kWh electricity / million units produced	kWh natural gas consumed	kWh natural gas / million units produced	Litres vehicle fuel	
2019	Granada	3,822,809	7	2,285,101	4	300
	Madrid & SSRR	7,795,638	58,924	6,836,948	51,678	0
	Alcalá de Henares	8,906,808	225,489	14,048,975	355,670	2,175
	Distribution	97,458	4,830	0	0	485,185
2018	Granada	3,002,572	10	1,941,716	6	500
	Madrid & SSRR	7,206,775	65,863	6,371,676	58,231	409
	Alcalá de Henares	8,100,711	238,256	14,426,850	424,319	1,279
	Distribution	630,352	29,306	0	0	518,653
Total variation	Granada	27%	-28%	18%	-33%	-40%
	Madrid & SSRR	8%	-11%	7%	-11%	-100%
	Alcalá de Henares	10%	-5%	-3%	-16%	70%
	Distribution	-85%	-84%	-	-	-6%

NATURAL RESOURCE CONSUMPTION

	2019				2018				Total variation			
	Granada	Madrid & SSRR	Alcalá de Henares	Distribution	Granada	Madrid & SSRR	Alcalá de Henares	Distribution	Granada	Madrid & SSRR	Alcalá de Henares	Distribution
m ³ water consumed	24,026	58,931	63,114	2,561	27,399	51,842	62,516	985	-12%	14%	1%	160%
m ³ water / million units produced	0.0	445.4	1.597.8	126.9	0.1	473.8	1.838.7	45.8	-50%	-6%	-13%	177%

ATMOSPHERIC EMISSIONS

[305-1]

	2019				2018				Total variation			
	Granada	Madrid & SSRR	Alcalá de Henares	Distribution	Granada	Madrid & SSRR	Alcalá de Henares	Distribution	Granada	Madrid & SSRR	Alcalá de Henares	Distribution
Tonnes of CO ₂ emitted	1,569	3,644	5,446	1,290	1,263	3,379	5,291	1,456	24%	8%	3%	-11%
Tonnes CO ₂ / million units	0.003	27.54	137.86	63.92	0.004	30.88	155.61	67.70	-29%	-11%	-11%	-6%

Note: due to a change in the method for calculating CO₂ emissions into the atmosphere, the above figures have undergone a minor change in relation to those reported in the 2018 Statement of Non-Financial Information and the 2018 Corporate Social Responsibility Report, in order to allow said indicators to be compared.

In addition, in line with the goal of rationalising the company's consumption of fossil fuels, in July 2019, ROVI completed the renewal of its vehicle fleet for the sales network and corporate use. The change in vehicles has had a favourable impact on the rationalisation of the company's average fuel consumption, which dropped by 7% in the period July to December 2019 in comparison with the same period of the preceding year.

» Emissions and reduction of carbon footprint

ROVI does not only take the consumption of electricity and other resources into account, but is also committed to the fight against climate change and the reduction of its carbon footprint. In this respect, the CO₂ emissions from natural gas and diesel oil consumptions, derived from electricity and vehicles, are measured at all the facilities, as well as those of other substances that may contribute to the deterioration of the ozone layer.

In this respect, the situation was repeated in 2019. ROVI recorded insignificant emissions, a long way below the legally-established levels for greenhouse gas emissions. It is hoped to continue to reduce them with initiatives in other areas, such as the Mobility Plan for the Distribution business in Spain, with which it is sought to reduce fuel and electricity consumption even further.

9. Supplementary information



9.1. About this report

[102-46, 102-48, 102-49, 102-50, 102-51, 102-52, 102-53]

This report describes the main activities carried out by ROVI in Corporate Social Responsibility (CSR). On the annual basis decided by the company, ROVI wishes to report on the progress made and the challenges associated to its CSR, as well as the actions that allowed it to contribute to our society's sustainability in this respect for 2019.

This report has been prepared following the recommendations of the 2016 Global Reporting Initiative (GRI) standards for preparing sustainability reports. Point 9.2 of this document includes a table that links the indicator number with the section of this document where the relevant information is included. ROVI's commitment to ethical management and transparency is shown in the development of its internal codes. Furthermore, ROVI has applied standard SA-8000 "Social Responsibility" to the nature, scale and impact of its activities, products and services, which helps to reinforce its action principles.

The information included in this report covers the 2019 calendar year. The last annual report was drawn up in 2019 with the information for 2018. Thus, we present the report following the annual cycle.

The information provided in this document refers to the entire ROVI group, except in those cases where otherwise indicated (see Corporate Structure table, page 4).

If further information is required on any of the data included herein, the company has made a direct communication channel available at e-mail addresses rovi@rovi.es or comunicacion@rovi.es.

9.2. GRI Content Index

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CSR Report 2019

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