



INTEGRATED REPORT **2021**

LABORATORIOS
FARMACÉUTICOS ROVI



INTEGRATED REPORT **2021**

LABORATORIOS
FARMACEÚTICOS ROVI

INDEX

1 LETTER FROM THE CHAIRMAN / 6

2 OUR ESG PERFORMANCE AND CONTRIBUTION / 8

2.1 Summary of ESG Performance and Contribution / 9

2.2 Key milestones in 2021 / 12

2.3 Our response to the principal challenges of 2021 / 13

3 OUR BUSINESS MODEL / 14

3.1 Group profile / 15

3.2 National and International Presence / 17

3.3 Ownership and Structure / 21

3.4 Business Units / 22

4 OUR STRATEGY AND SUSTAINABLE GROWTH MODEL / 30

4.1 Market Environment / 31

4.2 Identity and Commitment: mission, vision and values / 41

4.3 Materiality / 43

4.4 ESG Management at Laboratorios ROVI / 47

4.5 Corporative strategy / 51

5 OUR FINANCIAL PERFORMANCE IN 2021 / 58

5.1 Results for the Year / 60

5.2 Value for the Shareholder / 65

5.3 Tax Transparency / 70



6 OUR RESPONSIBLE AND SUSTAINABLE MANAGEMENT / 72

INTRODUCTION / 73

6.1 Our commitment to ESG and the underlying principles / 74

6.2 Our Commitment to Good Governance / 76

6.2.1 Our corporate governance model and structure / 77

6.2.2 Ethics and integrity in our business model / 87

6.2.3 Regulatory compliance / 90

6.2.4 Remuneration Policy / 93

6.2.5 Global management and risk control / 94

6.2.6 Commitment and contribution to the SDGs regarding good governance / 101

6.3 Our Commitment to People / 102

6.3.1 Commitment to our customers, patients and healthcare professionals / 103

6.3.2 Commitment to our employees / 108

6.3.3 Commitment to our value chain / 122

6.3.4 Commitment and contribution to the environment in which ROVI operates / 127

6.3.5 Commitment and contribution to the SDGs regarding people / 135

6.4 Our commitment to the Environment / 138

6.4.1 Environmental policy, goals and commitments / 139

6.4.2 Environmental management system / 141

6.4.3 Sustainable use of resources / 144

6.4.4 Waste management and circular economy / 149

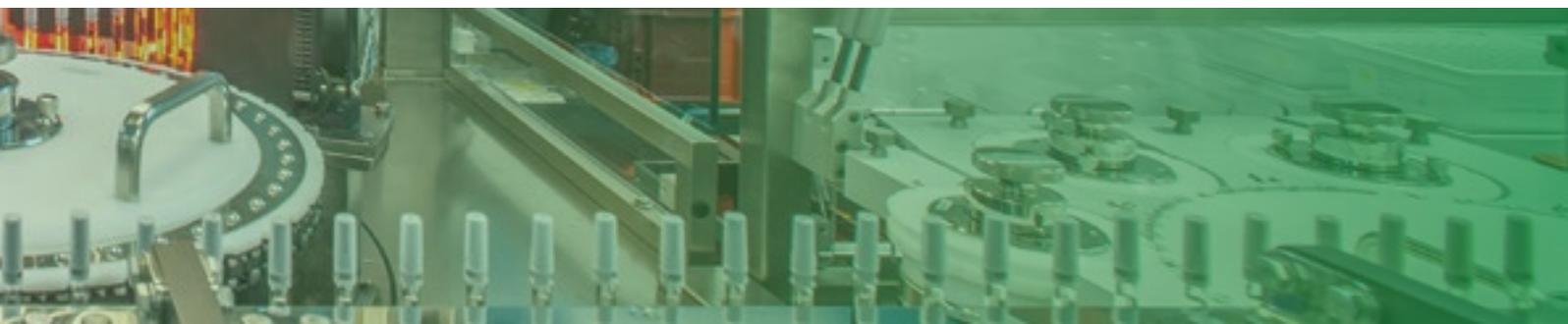
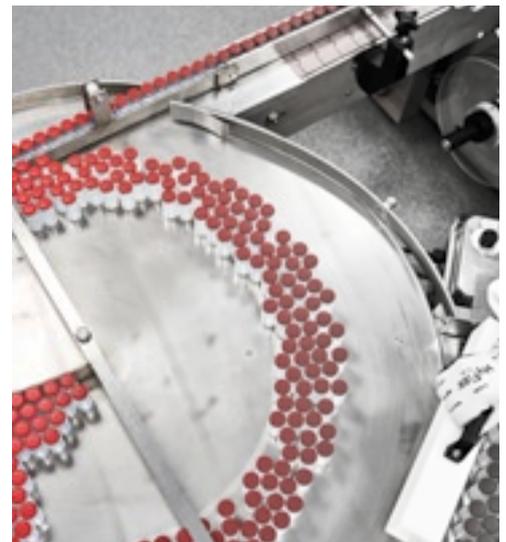
6.4.5 Mitigation of climate change / 151

6.4.6 Commitment and contribution to the SDGs regarding the Environment / 157

7 EUROPEAN UNION TAXONOMY / 160

8 ABOUT THIS REPORT / 164

9 APPENDICES / 167



LETTER FROM THE CHAIRMAN



Dear Shareholders,

It is a pleasure for me to write to you, assuming the legacy that our Chairman has left to us. We aspire to be true to it and will strive to reflect everything he taught us in our daily work. Thanks to him, ROVI undertook a journey of transformation and growth that has made us one of the strongest companies in Spain at present, with a promising and exciting future in front of us.

My desire is to lead a strong group that sets a global benchmark in a truly complex context, given the present implications and future forecasts arising from the worldwide events that will mark the future of our business operations.

Throughout the year, we were engaged in the global COVID-19 vaccination campaign, where ROVI played a leading role. Since the first COVID-19 vaccines were launched in December 2020, ROVI, as a manufacturer of Moderna, has been a key player in providing a swift, flexible and efficient response to supply international markets.

There is no doubt that the expansion of the collaboration between ROVI and Moderna for manufacture of the COVID-19 vaccines outside the United States was one of the most important highlights of 2021. As a result, the Company has been able to consolidate its image and influence internationally, making an active contribution to mitigating the socioeconomic effects of the pandemic. This agreement has also helped enhance the global positioning of the Spanish pharmaceutical industry overall, placing the ROVI group as a strategic partner for other national and international companies.

To this end, from its facilities, ROVI has provided support to the production of hundreds of millions of doses of the Moderna vaccine, making a significant industrial investment in the Group's facilities in Granada and San Sebastián de Los Reyes, thus increasing their production capacities.

Since the beginning of the pandemic, ROVI has wanted to be an essential agent, expressing its business and social commitment and promoting access to medicines worldwide. Never in the history of humanity has it been possible to vaccinate so many people in so short a time. It is undeniable that this milestone could not have been reached without the effort of each and every one of the components of the Group's value chain.

In this respect, I should mention that one of ROVI's own products, Low Molecular Weight Heparins (LMWHs), became one of the medicines recommended by the WHO to treat COVID-19. In this respect, in 2021, ROVI activated its mechanism for one-off dispatches for humanitarian reasons, through which the company provided access to said medicines in emerging and developing countries in situations where the existing stock was insufficient to meet the needs of the market, thus enabling numerous patients to gain access to these medicines.

I cannot forget to give special thanks to all the professionals who form the ROVI group for the huge effort they have been making over all these years, particularly in the last two, when they have had to overcome the difficulties derived from both the pandemic itself and the problems of the supply chain in record time. Thanks to them, it has been possible to provide society with a swift response when this was most needed, combining the efforts of the pharmaceutical industry overall in this critical environment. Special mention should be made of the fact that the group helped create employment by hiring 549 people in 2021.

Likewise, we are very satisfied with the historic evolution of the 2021 results. We were able to generate 54% growth in operating revenue in such a complex environment due to the strength of our contract manufacturing and specialty pharmaceutical businesses. In addition, EBITDA rose by 115% in comparison with the preceding year and net profit by 151%, consolidating the good financial results of the group.

At present, we are very excited at the potential of our Low Molecular Weight Heparins division and are in a phase of international expansion. We hope our biosimilar will enable us to be present in over 120 countries in the long term and make us a benchmark player worldwide. Moreover, we would like our specialty pharmaceutical business in Spain to provide us with an opportunity for sustainable and profitable future growth.

Furthermore, as a pharmaceutical company committed to innovation and the development of new drugs, we are delighted to report a recent major milestone, which is the European Commission's authorisation for Risperidone ISM® to treat schizophrenia in adults for whom the tolerability and effectiveness have been established with oral risperidone. This product is expected to be one of the company's key growth drivers in Europe. Likewise, we are undergoing a regulatory process in the United States to obtain marketing authorisation for this product and expect to launch it in the market in 2022.

All these achievements led to recognition by the Technical Advisory Committee (CAT) and Laboratorios Farmacéuticos Rovi was included on the IBEX-35 on 20 December, 2021. As a company, forming part of the principal Spanish stock market index provides a stimulus and incentive for all the professionals at ROVI to continue with our work, showing the dedication that has already led us to be considered a point of reference in the global pharmaceutical sector.

I would also like to mention the fact that, for 2022, ROVI expects its operating revenue to increase by between 15% and 20% and trusts that the strength of its balance sheet will allow the company to tackle new business opportunities and position it above the growth rate of pharmaceutical spending in Spain.

As a leading pharmaceutical company, we continue to focus on innovation and the constant development of new drugs and treatments that help improve people's quality of life. Likewise, we assume a strong commitment to generating a positive impact on the environment in which we operate, integrating ESG criteria throughout our activity, which allows us to ensure the long-term sustainability of our business.

I would like to end this letter by expressing my gratitude for the support and trust of all our shareholders and investors, who, for a further year, have seen ROVI as a strong, constantly growing and profitable project with a bright future, thanks to its bet on innovation, the development of high-value-added agreements, and products with high potential.



Juan López-Belmonte Encina

CHAIRMAN

OUR ESG PERFORMANCE AND CONTRIBUTION

2

- 2.1. Summary of ESG Performance and Contribution / 9
- 2.2. Key milestones in 2021 / 12
- 2.3. Our response to the principal challenges of 2021 / 13



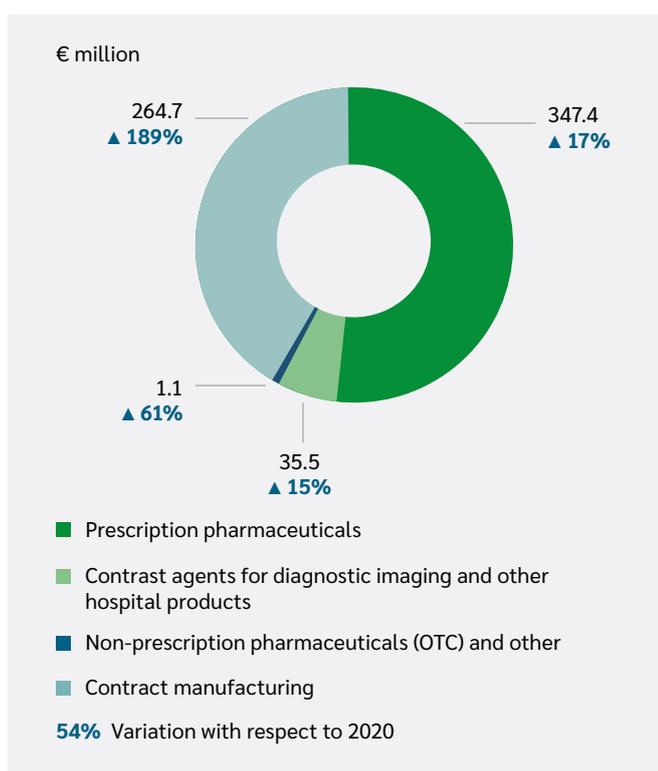
2.1. Summary of ESG Performance and Contribution

Financial figures for 2021

Results for the year

| (million euros) | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--------------------|-------|-------|-------|-------|-------|-------|-------|
| Revenue | 650.0 | 421.1 | 382.5 | 304.8 | 277.4 | 266.7 | 247.0 |
| EBITDA | 202.9 | 94.2 | 60.9 | 29.5 | 29.9 | 39.3 | 31.8 |
| EBIT | 181.6 | 74.7 | 42.6 | 17.5 | 18.4 | 28.3 | 21.8 |
| Net profit | 153.1 | 61.1 | 39.3 | 17.9 | 17.2 | 26.1 | 19.8 |
| Capex | 40.9 | 39.7 | 40.5 | 26.4 | 19.9 | 18.1 | 19.9 |
| Financial debt | 73.2 | 74.4 | 84.8 | 34.2 | 43.2 | 33.8 | 42.8 |
| Net financial debt | -27.4 | 19.8 | 15.9 | -62.8 | 1.1 | -9.0 | 12.1 |

Operating revenue



Stock market information

| | 2021 | 2020 |
|---|------------------|-----------------|
| Number of shares | 56,068,965 | 56,068,965 |
| Closing price | €73.8 | €37.9 |
| Capitalisation at 31/12/2022 | €4,138 million | €2,125 million |
| Total dividend | €21,373 thousand | €9,818 thousand |
| Dividend per share paid in the year and charged to the previous year's profit | 0.3812 euros | 0.1751 euros |
| Pay out (as % of consolidated net profit) | 35% | 25% |
| Profit per share | 2.73 euros | 1.09 euros |
| PER | 27.0 | 34.8 |

Non-financial figures for 2021



Governance



Percentage of independent directors

50%

▲ 7.1 pp vs. 2020



Percentage of female directors on the Board

16.7%

▲ 2.4 pp vs. 2020



Percentage of local top management

100%

= vs. 2020



Social

Our consumers



We guarantee the Quality and Safety of our products

Pharmacovigilance System implemented

Ratio claims / million units

5.58

▲ 5.74 vs. 2020

Our employees



Number of employees at year end

1,751

▲ 23% vs. 2020

Percentage of employees with permanent contracts

77%

Diversity of workforce:

Women

52.4%

Men

47.6%

Hours of training

49,393

▲ 60% vs. 2020

Percentage employees covered by collective agreement

100%

Our value chain



Percentage purchases from national suppliers

75%

European Medicines Verification Organisation (EMVO)

Code of Ethics for Suppliers – mandatory compliance

Our environment



Donations to foundations, collaboration agreements and sponsorships

€149,419

Donations of healthcare equipment to combat COVID-19

Economic value distributed

€550 M



Environment

| | 2021 | 2020 | % Variation |
|---|-------------------|------------|-------------|
| Electricity consumption [kWh] | 22,992,472 | 21,250,330 | 8% |
| Natural gas consumption [kWh] | 28,449,480 | 26,525,520 | 7% |
| Fuel consumption [l] | 366,778 | 338,249 | 8% |
| Water consumption [m³] | 182,230 | 150,171 | 21% |
| Hazardous waste generated [t] | 3,017 | 2,420 | 25% |
| Non-hazardous waste generated [t] | 3,425 | 5,335 | -36% |
| Scopes 1 & 2 CO ₂ emissions [t CO ₂ eq] | 6,231 | 5,899 | 6% |



2.2. Key milestones in 2021

Product

In March 2021, ROVI requested the European Medicine Agency (EMA) for a clock stop on Day 181 of the authorisation process of Risperidone ISM® to provide responses within the framework of the centralised registration procedure. This clock stop was to allow the time necessary to repeat the comparative bioavailability study of multiple doses of Risperidone ISM® versus oral risperidone, in response to a major observation by the Committee for Medicinal Products for Human Use (CHMP), which stated that the study should be made using the European reference product.

In December 2021, the Committee for Medicinal Products for Human Use (CHMP) recommended the approval of Okedi® (Risperidone ISM®) for the treatment of schizophrenia. The positive opinion of the CHMP was based on the positive results of the pivotal PRISMA-3 study on the efficacy and safety of Risperidone ISM® in schizophrenia patients.

Collaboration with Moderna

In April 2021, ROVI announced the expansion of the already existing collaboration between ROVI and Moderna for the manufacture of the Moderna COVID-19 vaccine outside the United States. With this collaboration, ROVI has expanded the activities it performs in the manufacturing process of the Moderna COVID-19 vaccine: it participates in the manufacture of the active substance, as well as the compounding, filling and final packaging before it is distributed to be administered to patients. To this end, it made a new industrial investment in the facilities that the ROVI Group has in Granada (Spain).

Likewise, the collaboration in the fill-finish of the Moderna COVID-19 vaccine was reinforced, increasing the fill-finish capacity. In this respect, a new industrial investment was made in the facilities that the ROVI Group has in San Sebastián de Los Reyes (Madrid, Spain).

Workforce & skills

As a result of the extension of the collaboration agreement between ROVI and Moderna for the manufacture of the COVID-19 vaccine outside the United States, the Company had to expand and reinforce its workforce. In this respect, mention should be made of the fact that market needs were met in record time, since ROVI hired new skilled professionals who were able to satisfy market expectations in terms of production.

In this respect, the Company has offered a much more exhaustive training catalogue, with technical content focusing on expanding the skills of the professionals who form part of the production process. Training in product safety and quality and in ethics in clinical trials may also be highlighted.

Appointments

In July 2021, ROVI's Board of Directors (after the death of the chairman, Mr Juan López-Belmonte López) unanimously resolved, subsequent to a report and proposal from the Nomination and Remuneration Commission, to appoint the Chief Executive Officer, Mr Juan López-Belmonte Encina as the new Chairman of ROVI's Board of Directors. Since then, Mr López-Belmonte Encina has held the two positions simultaneously.

Mr Juan López-Belmonte Encina's track record shows that he unquestionably has the knowledge required to perform the duties of Board chairman, as well as in-depth and extensive experience in the Company, the ROVI Group and the sector in which the group carries out its activity, making him the ideal candidate to hold said position.

Mr Juan López-Belmonte López, ROVI's Chairman and Chief Executive Officer, highlighted that: *"We are very satisfied to have received the favourable recommendation announced by the CHMP for Risperidone ISM®, since we believe that our product can contribute to the clinical management of schizophrenic patients"*.

2.3. Our response to the principal challenges of 2021

- In August 2021, Takeda, the Company that distributes the Moderna COVID-19 vaccine in Japan, in whose manufacturing process ROVI participates, announced **that three lots of vaccine had been placed on hold in Japan** after particulate matter had been observed in unused vials of one of these lots. Takeda commenced the recall of said lots from the market on 2 September, 2021

The investigation conducted by Moderna, Takeda, the Japanese health authorities and ROVI found that the presence this particulate matter did not represent any undue risk for patient safety or have an adverse effect on the benefit/risk profile of the product.

Consequently, ROVI has implemented a series of **measures aimed to correct and prevent future incidents**, such as: (i) **improving the standard operating procedures to replace the production line**, (ii) performing a **complete visual inspection of the production line**, and (iii) establishing **alert limits** for the results of the automatic visual inspection, among others.

- In 2021, the global **supply chain** suffered blockages and delays caused by the saturation of the suppliers' capacities to meet global demand and hold-ups at the large commercial ports. This resulted in an increase in the cost of supplies that affected all companies to a greater or lesser extent.

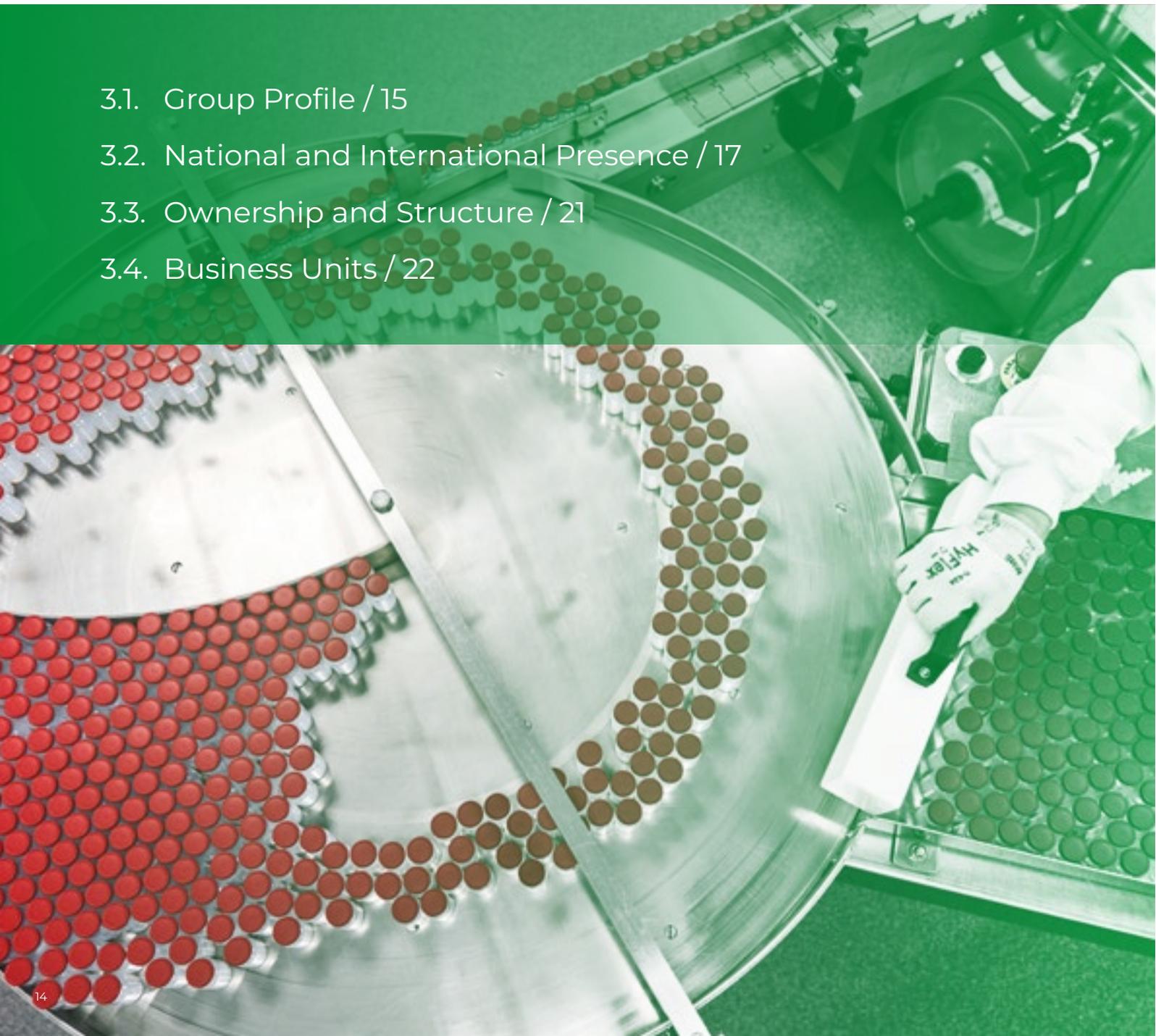
In the light of the foregoing, ROVI carried out **constant monitoring** of supplies with its **key suppliers**, holding regular meetings to allow it to forecast and, if possible, prevent, delivery delays. Likewise, ROVI kept a **safety stock of the raw materials that could be stored** to enable it to handle any shortages.



OUR BUSINESS MODEL

3

- 3.1. Group Profile / 15
- 3.2. National and International Presence / 17
- 3.3. Ownership and Structure / 21
- 3.4. Business Units / 22



3.1. Group Profile

 GRI 102-1, 102-3, 102-5 and 102-6

Laboratorios Farmacéuticos Rovi is a pharmaceutical industry group **originating in Spain**, specialised, fully integrated and engaged in the **research, development, licensed manufacturing** and marketing of **small molecules and biological specialties**.

In all its business lines, ROVI as a group is **aware** that its activity does not only consist of the health improvements provided by its products but that, additionally, it wishes to **respond** to certain **social demands** in relation to the impacts of its activities on both society and the environment. To achieve this, ROVI's economic development must be compatible with its conduct in respect of ethics, social, labour and environmental issues, and respect for human rights.

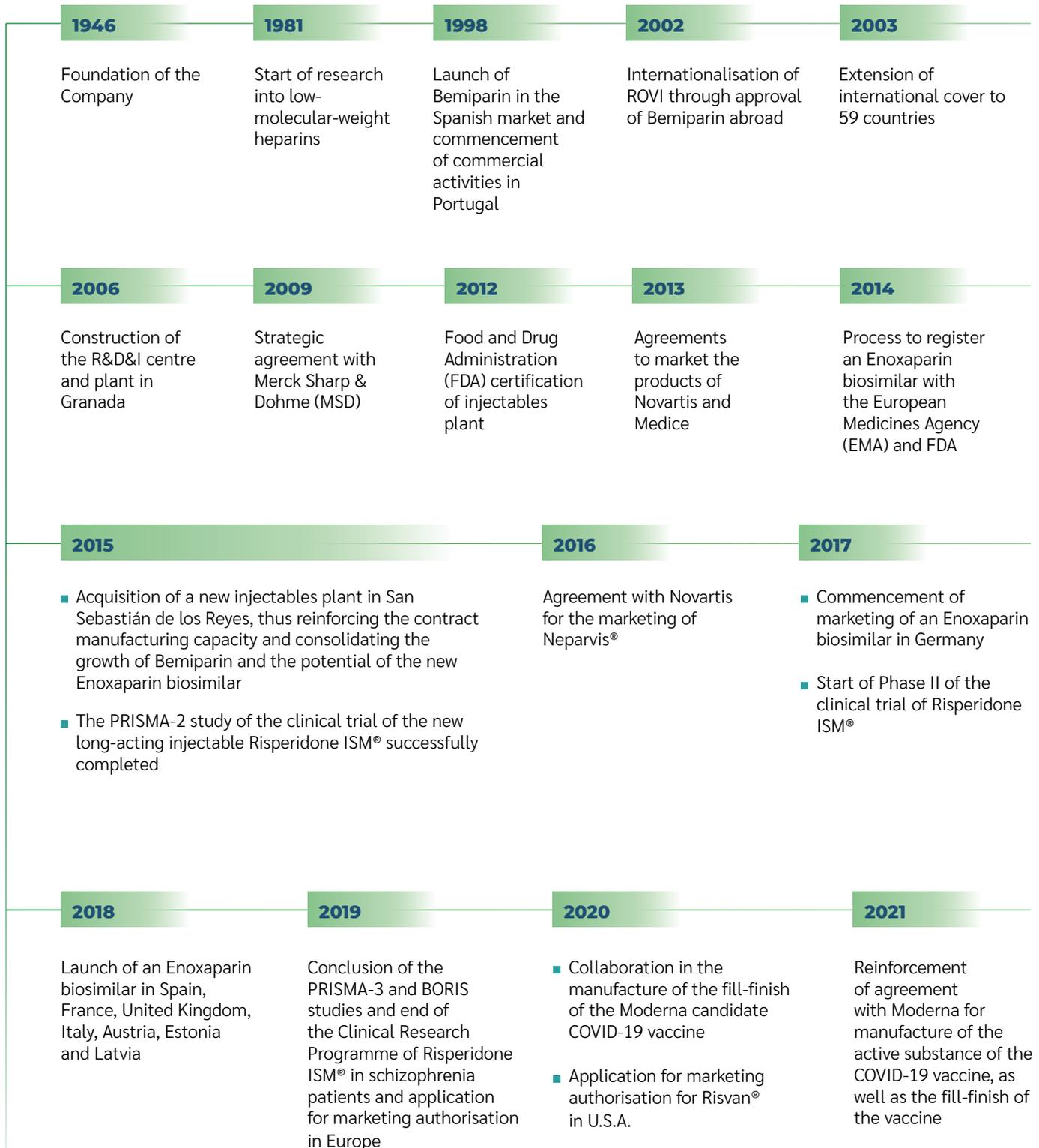


| | |
|-------------------------|---|
| Name | Laboratorios Farmacéuticos Rovi, S.A. |
| Address | Julián Camarillo, 35. 28037 Madrid. España |
| Telephone | 0034 91 375 62 30 |
| Website | www.rovi.es |
| Share capital | 3.364.137,90 euros |
| Number of shares | 56,068,965 |
| Par value | €0.06 share |
| Activity | Manufacture and marketing of pharmaceutical products and contract 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. |



History

Since it was founded in 1946, now over 70 years ago, ROVI has contributed to **creating value in society** through the following significant milestones:



3.2. National and International Presence

 GRI 102-2, 102-3, 102-4, 102-6 and 102-10

Since the Company's foundation, ROVI has been **headquartered in Madrid** (Spain), but has always had a clearly **international outlook**. In 1998, its global reach began to expand and, since then, growth has been continuous, **now extending to approximately 100 countries**.

This is why ROVI's international expansion is still one of its strategic goals (in both organisational and commercial terms).

As a result, the group operates directly in the following locations: Spain (where a large part of its marketing activities take place, as well as all its manufacturing and development services) and, at the same time, through its subsidiaries in France, Germany, Italy, United Kingdom, Portugal and Poland (where it has corporate structures that enable it to market its pharmaceutical products).

Given the characteristics of the business model, ROVI markets different drugs and **Bemiparin** was one of its main international products in 2021 (in terms of revenue generated), with presence in **over 80 countries**.

- 66 countries in which it is marketed.
- 3 countries where the registration process is in progress.
- 19 countries with agreements, pending authorisation.

Likewise, since 2017, ROVI has been facing the challenge of strengthening its international presence through the **launch of the Enoxaparin biosimilar**. This product is currently present in numerous locations, Germany, Austria, Spain, Estonia, France, Italy, Latvia, United Kingdom, Portugal, Poland, Costa Rica, Sweden, Finland, South Africa, Israel, Peru, Holland, Panama, the Dominican Republic, Canada, Malaysia, Albania, North Macedonia, Guatemala, El Salvador, Honduras, Georgia, Bahamas, Jamaica, Gabon, Democratic Republic of Congo and Trinidad and Tobago.

Likewise, ROVI seeks the **international expansion** of this product over the next few years on the basis of two aspects: 1) the competitive edge provided by joining a market where there are only four biosimilars and 2) the expected increase in emerging markets, whose economic potential is estimated at up to 700 million euros.

In 2021, the product had been approved in **26 countries in Europe** as well as **27 countries in the rest of the world**, with presence in 32 countries through different distribution agreements.

Specifically, ROVI has signed **licence agreement for more than 100 countries**, two of which may be highlighted. First, the agreement reached with **Hikma Pharmaceuticals PLC**, for the distribution of the 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); and, second, with **Sandoz** (a division of Novartis AC) to distribute the product 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 granted Sandoz an exclusive licence to market the product in Hong Kong, Singapore and Vietnam.

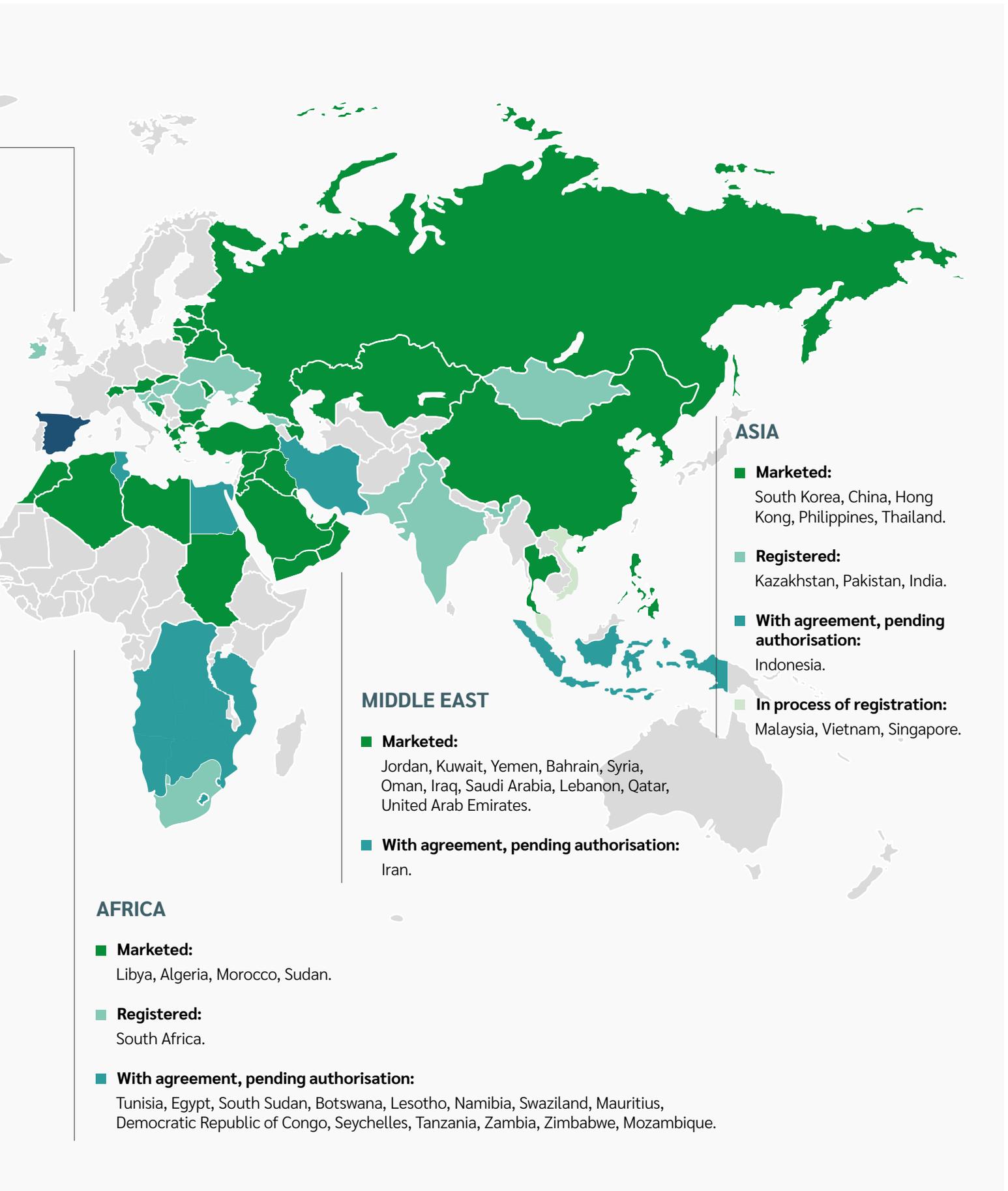
As a result of the agreement with Sandoz, ROVI launched the Enoxaparin biosimilar in several countries, such as Canada, Malaysia, Albania, North Macedonia, Guatemala, El Salvador and Honduras in 2021.

In the short and medium term, ROVI expects to launch the Enoxaparin biosimilar in the following countries:

- **2022:** Brazil, Colombia, Serbia, Bosnia, New Zealand, Kosovo, Lebanon, Jordan and Iraq.
- **2023:** Mexico, Montenegro, Sri Lanka, Ecuador, Argentina and Vietnam.

GLOBAL PRESENCE OF Bemiparin





Centres and Plants

 GRI 102-4, GRI 102-45

Type of activity

(1) Manufacture, marketing and sale of pharmaceutical, healthcare and medicinal products.

(2) Import, export, purchase, sale, distribution and marketing of articles related to integral healthcare for women.

(3) Development, distribution and sale of pharmaceutical products related to microparticle technology.

SPAIN

Plant 1

- Corporate name: Laboratorios Farmacéuticos Rovi, S.A.
- Registered address: Madrid, C/Julián Camarillo, 35 (Spain).
- Activity: (1).

Plant 2

- Corporate name: Pan Química Farmacéutica, S.A.
- Registered address: Madrid, C/Rufino González, 50 (Spain).
- Activity: (1).

Plant 3

- Corporate name: Gineladius, S.L.
- Registered address: Madrid, C/Rufino González, 50 (Spain).
- Activity: (2).

Plant 4

- Corporate name: ROVI Pharma Industrial Services, S.A.U.
- Registered address: Alcalá de Henares, Avenida Complutense, 140, Madrid (Spain).
- Activity: (1).

Plant 5

- Corporate name: ROVI Escúzar, S.L.
- Registered address: Madrid, C/Julián Camarillo, 35 (Spain).
- Activity: (1).

GERMANY

Plant 1.

- Corporate name: Bertex Pharma GmbH.
- Registered address: Inselstr.17. 14129 Berlin (Germany).
- Activity: (3).

Plant 2.

- Corporate name: ROVI GmbH.
- Registered address: Ruhlandstr. 5, Bad Tölz (Germany).
- Activity: (1).

UNITED KINGDOM

Plant 1

- Corporate name: ROVI Biotech Limited.
- Registered address: 10-18 Union Street, London (United Kingdom).
- Activity: (1).

ITALY

Plant 1.

- Corporate name: ROVI Biotech, S.R.L.
- Registered address: Via Monte Rosa 91, Milan.
- Activity: (1).

POLAND

Plant 1.

- Corporate name: ROVI Biotech sp. z o.o. o ROVI Biotech spółka z o.o.
- Registered address: Mokotów, ul. Rzymowskiego 53, 02-697 Warsaw (Poland).
- Activity: (1).

FRANCE

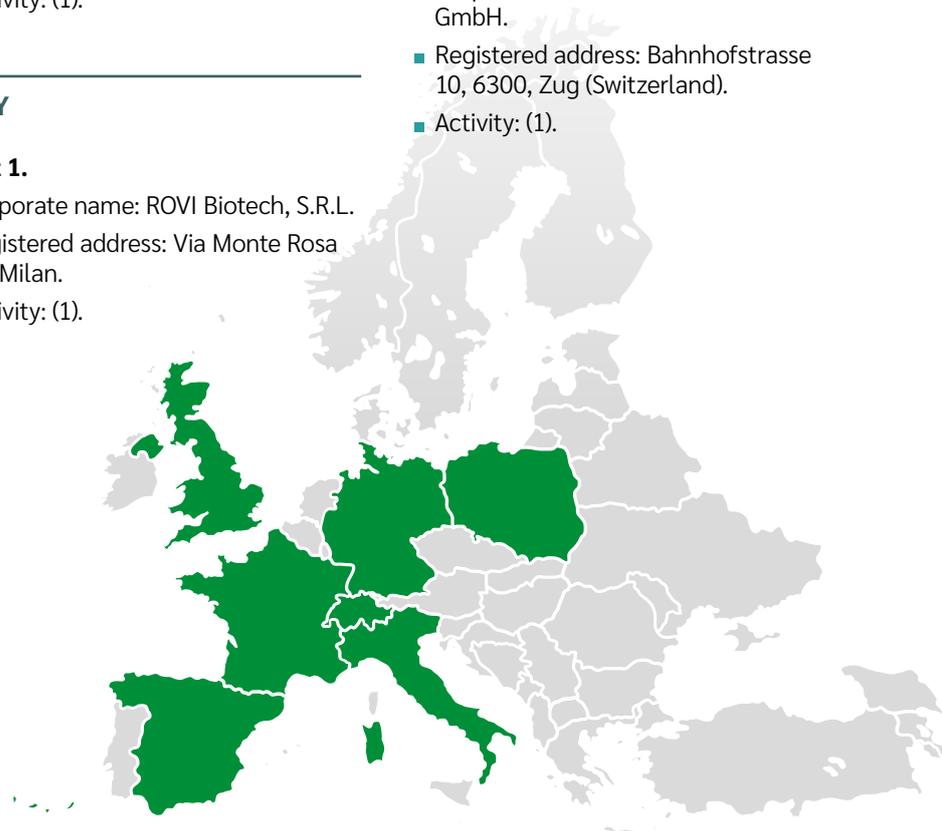
Plant 1.

- Corporate name: ROVI S.A.S.
- Registered address: Rue du Drac, 24. 38180 Seyssins (France).
- Activity: (1).

SWITZERLAND

Plant 1

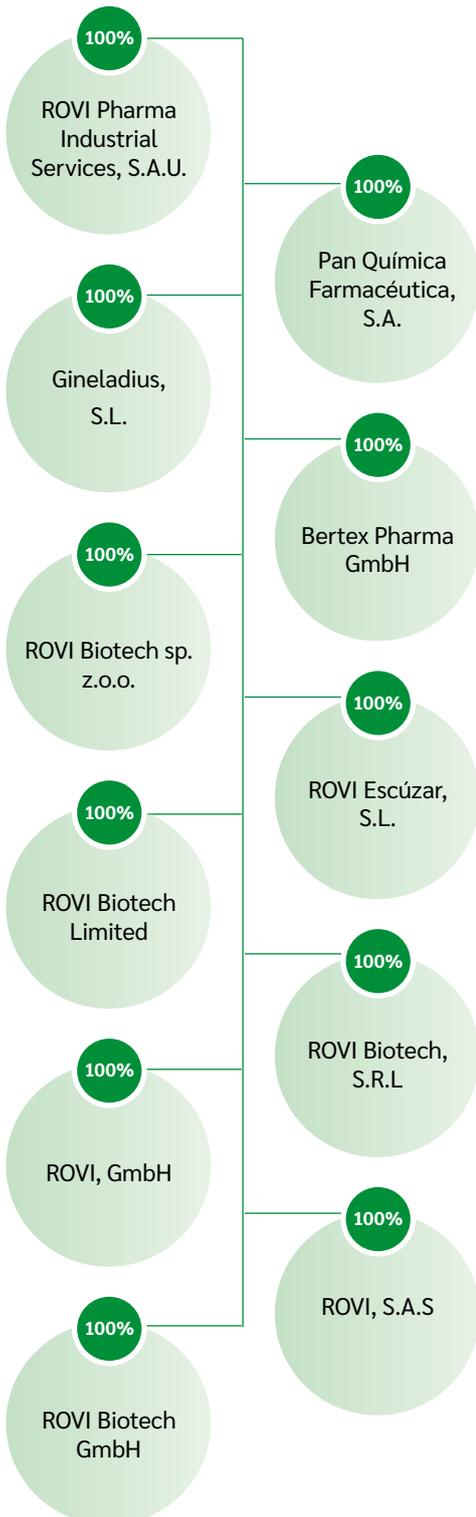
- Corporate name: ROVI Biotech GmbH.
- Registered address: Bahnhofstrasse 10, 6300, Zug (Switzerland).
- Activity: (1).



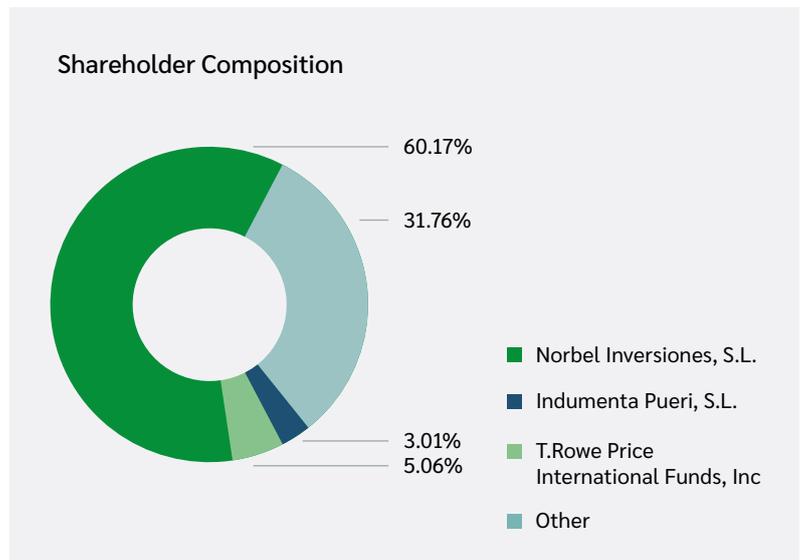
3.3. Ownership and Structure

GRI 102-5 and 102-45

Corporate structure



As of December 31, 2021:



| Percentage of voting rights | Direct | Indirect | Total |
|--------------------------------------|----------------|---------------|----------------|
| Norbel Inversiones, S.L. | 60.170% | - | 60.170% |
| Indumenta Pueri, S.L. | - | 5.057% | 5.057% |
| T. Rowe Price Associates, Inc | 3.005% | - | 3.005% |
| Total | 63.175% | 5.057% | 68.232% |

Significant shareholders hold 68.232% of ROVI’s capital. They include the Company Norbel Inversiones, S.L., which holds 60.170% of the shares of Laboratorios Farmacéuticos Rovi, S.A. Norbel Inversiones, S.L. is owned by Messrs Javier López-Belmonte Encina, Juan López-Belmonte Encina and Iván López. Belmonte Encina (each of whom hold an interest of 33.333%).

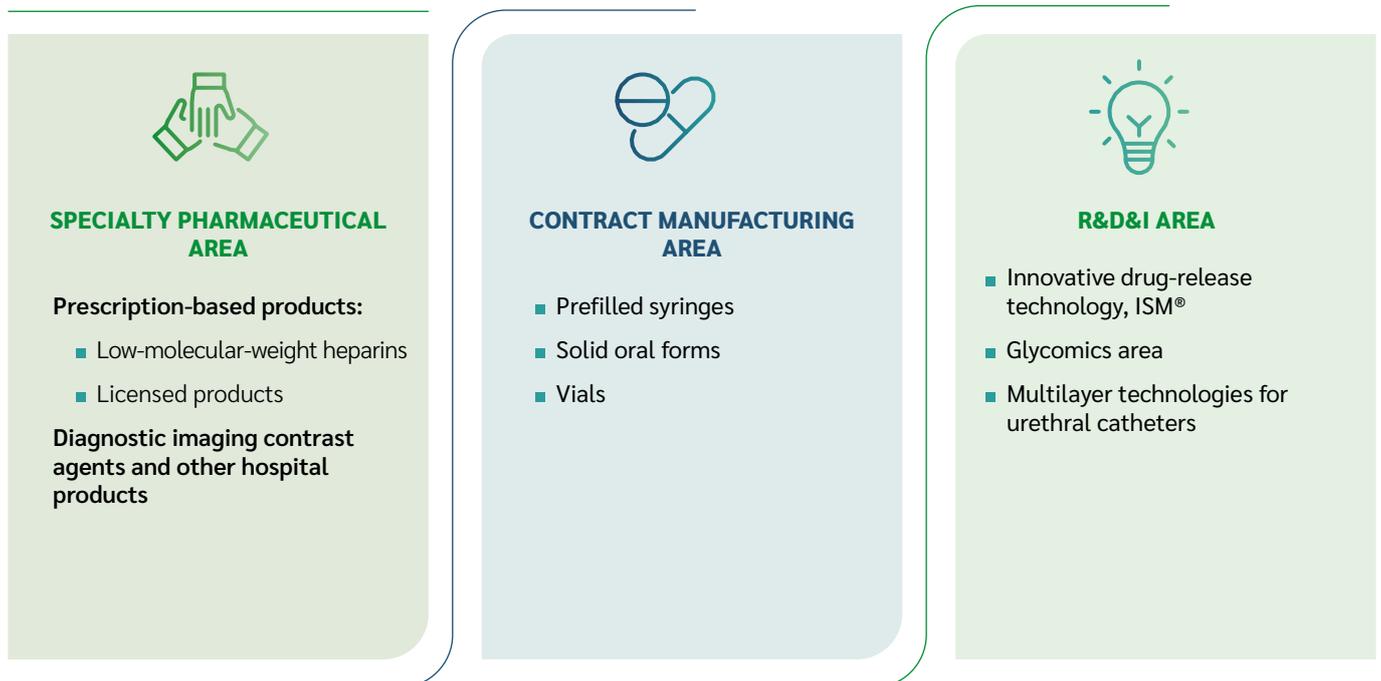
The composition and characteristics of the rest of the shareholders with significant interests are as follows:

- Indumenta Pueri, S.L. is the asset management company of the Domínguez family, owners of the children’s fashion company Mayoral in Malaga.
- TRowe Price Associates, Inc Limited is a collective investment institution management company headquartered in the United States.

3.4. Business Units

 GRI 102-2

ROVI, as a pan-European Company focusing on innovative products that enjoys great stability, has **three major pillars of growth**: specialty pharmaceuticals, contract manufacturing and the R&D&I activity.



1. In turn, the specialty pharmaceutical area has two major divisions

■ **Prescription products**

A) The **low-molecular-weight heparin division (LMWH)**. ROVI aspires to be among the world leaders in low-molecular-weight heparins (LMWH) due to two products from its own research, Bemiparin and an Enoxaparin biosimilar.

B) **Own and licensed product division.**

■ **Contrast agents for diagnostic imaging and other hospital products.**

2. The **contract manufacturing** area for high-valued-added products. Specialist in prefilled syringe, vials and solid oral form solutions.

3. The **R&D&I area**, whose core activity focuses on the prolonged drug-release platform ISM®. Notwithstanding, the area also focuses on the development of multilayer technologies for urethral catheters and glycomics.

As a result of a combination of factors, among which the Group's great stability may be highlighted, its sound strategy and clear pillars of growth have reinforced the Company's reactive profile. This has allowed operating revenue to rise year after year, materialising in growth of 54% in 2021.

Competitive edges

ROVI's characteristics and principles, as well as its commitment to its activity, have allowed it to obtain a series of competitive edges, positioning it as one of the **main leaders in its market niche**, in spite of the high entry barriers that exist.



LMWH benchmark company

Since its foundation in 1946, ROVI has been mainly engaged in studying and developing drugs based on heparin, a fast-acting anticoagulant.

- From 1981 onwards, its studies pivoted towards the fractional derivatives of heparin and Bemiparin is currently one of the most important products at global level in the treatment of venous thromboembolic diseases.
- In 2017, ROVI launched an Enoxaparin biosimilar, which has become one of the leading molecules in the market.
- Currently, ROVI aspires to consolidate its leadership in the LMWH field.



Low-risk innovation

ROVI operates following a low-risk strategy, focusing on chronic diseases with broad medical needs.

In order to remain in the vanguard, the ROVI Group allocates a large part of its revenue to research, in both the product area and the area of manufacturing and development systems.



Infraestructure with operating advantages

- With exports to over 60 countries through its three plants located in the Madrid Community, ROVI has become one of the principal companies in the sector in the contract manufacturing area and prefilled syringe production.
- The plants have been approved by the European regulatory authority (European Medicines Agency – EMA) and the United States regulatory authority (Food and Drug Administration - FDA), among others.



Diversified and protected patent portfolio

Since 2005, the Company has launched over 14 products and currently has more than 40, including both its own and licensed products, grouped into nine therapeutic areas.

Attention should be drawn to the growing demand for most of them and the fact that they are virtually unaffected by the reference pricing system in Spain.



SPECIALTY PHARMACEUTICAL AREA (2 divisions)

The specialty pharmaceutical area is one of ROVI’s major pillars of growth. The Company has a **diverse portfolio of its own and licensed products**, protected by patents, comprising a portfolio of over 40 products.

ROVI has a diverse portfolio of its own and licensed products, protected by patents.

In relation to their use, these pharmaceutical specialties are indicated for the treatment and diagnosis of different complaints grouped into **nine therapeutic areas**:



■ Cardiology.



■ Ostearticular/ Women's health.



■ Anaesthesia / Pain.



■ Diagnostic imaging contrast agents.



■ Central nervous system.



■ Urology.



■ Endocrinology.



■ Respiratory.



■ Primary healthcare.

The specialty pharmaceutical area can be classified into **two large blocs**:

1.1 PRESCRIPTION PRODUCTS

These, in turn, may be subdivided into two broad areas:

> Low-molecular weight heparins

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. In 2021, they accounted for 36% of Group sales.

HIBOR®

Hibor (Bemiparin) is a LMWH that acts as a fast-acting anticoagulant indicated for the prevention and treatment of venous thromboembolic disease (VTE) in both surgical and medical patients.

Additionally, it is used for both the acute and long-term treatment of patients who have suffered VTE. This process is serious and potentially fatal, characterised by the formation of a fibrin clot, thrombosis, inside the veins of the deep vein system. This may experience an adverse evolution and grow, progress or fragment. In the event of fragmentation, some of the fragments may reach the lung and cause pulmonary embolism.

Internally, in 2021, Hibor® (Bemiparin) accounted for 17% of ROVI's operating revenue, since it was positioned globally as one of the main therapeutic alternatives for venous thrombosis. It has been approved in 66 countries as a result of a strategic alliance network.

Enoxaparin ROVI

ROVI's Enoxaparin biosimilar was launched in the market in 2007 as an anticoagulant, used to prevent and treat deep vein disease and pulmonary embolism.

At the end of the reporting period, Enoxaparin biosimilar represented 19% of operating revenue.

ROVI's prescription products



The global Enoxaparin market totals over 2,566 million euros, according to the estimates of IQVIA MIDAS 1T 2020. The European market represents 52% of that total (i.e. 1,323 million euros). Moreover, 75% of said 52% is concentrated in seven countries (based on QuintilesIMS-2015 data) where ROVI is already or will be marketing its Enoxaparin biosimilar (Germany, Spain, France, Italy, United Kingdom, Portugal and Poland). Likewise, it should be noted that registration has been granted in all the EU Member States where applications were filed.

Regarding **LMWH production**, it is thought that it will increase significantly over forthcoming years as a result of the **opening of the second plant, located in Escúzar (Granada)** and currently under construction. Investment in this plant has meant a disbursement of around 24 million euros.

> Licensed products

The main products marketed under licensing agreements are listed below, taking their contribution to group EBITDA as a basis (for further details, see Chapter 5 of this report).

Neparvis®

ROVI began to market Neparvis® (sacubitril/valsartan) of Novartis in December 2016.

It is a product indicated for the treatment of adult patients with symptomatic chronic heart failure with reduced ejection fraction (the proportion of blood leaving the heart).

Hirobriz® Breezhaler® & Ulumar® Breezhaler®

In the last quarter of 2014, ROVI began to market Hirobriz Breezhaler (indacaterol maleate), and Ulumar Breezhaler (indacaterol maleate and glycopyrronium bromide).

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.

This product is indicated for the treatment of moderate to severe storage 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® & Absorcol®

Vytorin® (ezetimibe and simvastatin), Orvatez® (ezetimibe y atorvastatin) and Absorcol® (ezetimibe). Vytorin® and Absorcol® were first marketed in 2011, while Orvatez joined them some years later, in 2015. In this respect, mention is made of the fact that, due to the entry of hybrid products formulated with ezetimibe and atorvastatin into the market, the price of Orvatez® was reduced by 30% in 2020.

These products are indicated to treat patients with hypercholesterolemia and are always used as an adjunctive therapy to diet.

Medikinet® & Medicebran®

Medikinet (methylphenidate hydrochloride with modified release) and Medicebran (methylphenidate hydrochloride with immediate release) are products from the Company Medice that ROVI has been distributing on an exclusive basis in Spain since December 2013.

They are prescription products indicated for the treatment of ADHD in children and adolescents.

2. DIAGNOSTIC IMAGING CONTRAST AGENTS AND OTHER HOSPITAL PRODUCTS

This area comprises a broad product portfolio that represents 9.2% of the Company's operating revenue. This places ROVI as one of the **market leaders in the marketing of contrast agents and hospital products** for diagnostic imaging (computed tomography, magnetic resonance imaging, ultrasound scan, etc.).

Some of the products that belong to this area are those marketed under a licence from Bracco: lomeron® and Iopamiro® (for computed tomography and other interventions), Multihance® and Prohance® (for magnetic resonance imaging), Sonovue® (for ultrasounds) and Bracco Injeenering: EmpowerCTA+®, EmpowerMR® and CT Expres (contrast injection systems and compatible disposable material).

The hospital product portfolio is completed by **healthcare products** for the care and maintenance of intravenous catheters, such as Fibrilin®.



CONTRACT MANUFACTURING

Contract manufacturing is the ROVI Group's second major pillar of growth.

ROVI holds a **strategic position** as a result of the high manufacturing capacity available at its facilities, to which the current trend in the pharmaceutical industry towards outsourcing manufacturing processes may be added. Thus, the Company operates this business line by **providing a wide range of services** (compounding, filling, inspection, labelling, blister packaging, installing safety devices and serialisation) and a **wide range of pharmaceutical forms** (prefilled syringes, vials, tablets, coated tables, hard capsules and sachets).

ROVI holds a strategic position in contract manufacturing, allowing it to offer a wide range of services and pharmaceutical forms.



Regarding the contracts that ROVI holds, it is important to note that their average term is between 3 and 5 years, which allows a considerable figure of stable revenue to be generated.

Additionally, as a result of the long regulatory process that a pharmaceutical company has to undergo to change manufacturer, **ROVI builds up long-term relationships based on mutual trust in its contract manufacturing business**, provided that it furnishes a service that is optimal in meeting the customer's needs and expectations.

Likewise, it should be noted that all the foregoing is possible due to **ROVI PHIS (ROVI Pharma Industrial Services S.A.U.)**, a ROVI subsidiary whose main characteristic is its high degree of technological specialisation in the area of vaccine, biological product and biosimilar manufacturing.

ROVI PHIS allows the customers to be offered a wide range of possibilities depending on their needs, based on the flexibility furnished by the Company's wide range of filling, manufacturing and packaging lines.

This company is now one of the main sector companies in high-value-added contract manufacturing, with exports to over 60 countries accounting for 97% of the contract manufacturing business.

Three of the ROVI Group's manufacturing plants (Madrid, San Sebastián de los Reyes and Alcalá de Henares) cover the production of products and services for other companies. Two of them are engaged in the production of injectables (vials and syringes), while the third specialises in solid oral forms and secondary packaging.

These plants combine decades of experience under the strictest quality standards and demands, allowing integral solutions to be provided to customers, with **annual manufacturing capacities** of:

- 300 million syringes.
- ~900 million doses of vials.
- 3,000 million tablets.
- 300 million hard capsules.
- 30 million sachets.



Their production may be broken down into:

INJECTABLES

In a market with significant entry barriers derived from the biological nature of the medicines manufactured and the aseptic conditions required for the filling of prefilled syringes, ROVI, due to its Madrid and San Sebastián de los Reyes plants, is positioned as **one of the main European producers** of injectables.

Its Madrid plant has been approved by the regulatory authorities of Europe, United States, Korea, Brazil and some of the Persian Gulf states and holds the ISO9001:2015, ISO14001:2015 and ISO45001:2015 certifications. This plant fills and packages parenteral solutions¹ in prefilled SCF syringes of between 0.5ml to 20 ml (filled from 0.1ml to 20ml) and vials of between 2ml and 10ml. Additionally, there may be a further terminal sterilisation of the product if so required and, likewise, the possibility of placing safety devices in the syringes.

In this respect, it should be noted that, **since 2020**, this business line has acquired special importance due to **the agreement with Moderna for the fill-finish of the COVID-19 vaccines**, intended to meet the demand outside the United States.

To cover this service, ROVI has hired additional personnel (especially at its San Sebastián de los Reyes plant), acquiring a total annual production capacity, including the existing ROVI line and the first Moderna line, of 60 million doses of vials. Likewise, as explained below, it has had to adapt its facilities to cover the **service, which is essential to both the Company and society**.

It should be remembered that, since signature of the first agreement two years ago, ROVI has **reinforced its collaboration with the Company Moderna on two occasions**.

- The first time was in **2021**, for both the **manufacture of the active substance of the COVID-19 vaccine** and the **fill-finish** of the vaccines. In the light of this increase in activity, new industrial installations are underway.

In fill-finish, where the intention is to more than double the capacity, i.e. reach more than 1,200 million doses of vials, the investment consists of the installation of two new production lines and compounding, filling, automatic visual inspection, labelling and packaging equipment at the San Sebastián de los Reyes plant.

At the same time, regarding manufacture of the active substance, the investment consists of installing a new mRNA production support line in Granada, which will have an annual production capacity of over 100 million doses.

- **The second occasion was at the beginning of 2022 through a long-term collaboration agreement (10 years) to increase the compounding, aseptic filling, inspection, labelling and packaging capacities** at the ROVI facilities in Madrid, San Sebastián de los Reyes and Alcalá de Henares. As a result, a series of investments were made that allowed the manufacturing capacity to increase at the ROVI facilities in Madrid.

Likewise, this agreement makes it possible to provide service for future Moderna mRNA candidate vaccines.

ROVI has reinforced its collaboration with the Company Moderna on two occasions.

SOLID ORAL FORMS

Thanks to the most advanced technology in the manufacture of oral forms, ROVI produces tablets, coated tablets, hard capsules and sachets at its Alcalá de Henares plant.

Approved by the European and United States authorities, as well as those of Japan, Mexico, Brazil, Kenya, Belarus and the Persian Gulf states, the Alcalá plant, with its 83,000 square metres, not only produces in solid format, but also has the facilities necessary for packaging both solids and injectables, partly due to its storage capacity of 9,000 pallets. This is why it has been designated as a centre of packaging excellence.

(1) Sterile preparations that contain one of more active substances intended to be administered by injection, infusion or implantation in the body. They are kept in single or multiple dose containers.



RESEARCH, DEVELOPMENT AND INNOVATION (R&D&I)

The third pillar of growth of Laboratorios Farmacéuticos Rovi is its research, development and innovation work. With various aspects, ROVI's portfolio of products in the research and development phase focuses mostly on three areas: drug-release technology, glycomics and medical devices.

A. Innovative ISM® drug-release technology

This technology is intended to obtain new pharmaceutical products with controlled administration systems through long-acting injectables. The objective is to **replace daily drug administration in patients who are undergoing long-term treatments** for certain chronic pathologies, such as schizophrenia or some types of cancer.

The ISM® technology reached ROVI's facilities in 2007, when the Company purchased a prototype. Currently, it is exclusive to ROVI and is protected by patents until 2033. It was conceived to overcome most of the disadvantages of oral or parenteral prolonged-release formulations and, consequently, has advantages such as **simpler administration, high encapsulation efficiency, greater stability of the active substance, greater control in the initial release of the drug, reduction in treatment frequency**, etc.

Its modus operandi consists of the formation in situ of biodegradable matrices after administration of a carrier liquid, once it has been injected into the patient's organism in a single injection. Although it is true that the treatment itself is presented in two syringes, they are combined into a single syringe before inoculation. Thus, the first syringe contains the polymer and active substance in solid form, while the second contains the liquid required for reconstitution (process of unification of the two syringes before inoculation). After the injection, the product precipitates in the muscle, giving rise to the formation of a solid or semi-solid implant by spreading the carrier through the patient's own corporal fluids.

Furthermore, due to the stability of the composition, a series of **competitive edges** are obtained: 1) cool storage is not necessary; and 2) clinically-significant release profiles are obtained as of the first day after the injection, maintained over time and reproduced after its intramuscular administration. This means that no oral supplements or initial treatment guidelines are required.

At present, the Company has two major lines of development of the above mentioned technology:

> Risperidone ISM®

Risperidone ISM®, administered monthly and indicated for the treatment of persons with acute schizophrenia. Since the prototype arrived, the ROVI Group has been working on this line of research diligently and continuously, reaching a milestone at the beginning of 2022 with the **approval of its first product, Okedi® (Risperidone ISM®), by the European Commission**. Since April 2022, ROVI has commenced the commercial activities in Germany.

At the same time, the product is undergoing the process for approval by the United States health authorities, the **FDA**, where marketing **authorisation is expected to be granted during 2022**.

Risperidone ISM®, with three-monthly administration for patients with clinically-stable schizophrenia, is currently in the preclinical development phase.

Okedi® has been approved by the European Commission since the beginning of 2022.

> Letrozole ISM®

Indicated for the **treatment of hormone dependent breast cancer**. It is a novel inhibitor of the enzyme aromatase, responsible for a fundamental step in the biosynthesis of oestrogens and must be taken by breast cancer patients after the disease has been cured. The competitive advantage of this technology is that the inhibitor would no longer be taken orally and would start to be administered through a long-acting injection. i.e. the injections would be given less frequently than is the case at present.

The development of this product is progressing as planned and Phase 1 of the clinical development has concluded. In this respect, ROVI has commenced talks with the FDA to analyse the Phase 1 results and prepare for the next steps to continue with the clinical development.

Letrozole ISM® would allow the enzyme aromatase to be inhibited through a long-acting injection.

B. Glycomics area

This area deals with the **study and profiling of the sugars that compose a cell, including the glycosaminoglycans (GAG)**, which, through an interaction with proteins, not only perform the function of regulating blood coagulation, but are also involved in processes such as cellular growth, the immune response and inflammation.

These studies obtain information that is very valuable, since it allows the receptors that participate in the interaction with each type of glycosaminoglycan to be determined, giving rise to new research and medical solutions.

ROVI has attained a **high degree of specialisation and knowledge** in this area, derived from its own development of low-molecular-weight heparins (Bemiparin and the Enoxaparin biosimilar).

At present, the Group is continuing with its research and developing alternative applications, indications and action mechanisms for heparin-derived products and other glycosaminoglycans, based on both anticoagulant and non-anticoagulant activity.

C. Multilayer technologies for urethral catheters

For a number of years, the Company has been working on various lines of development of new devices focused on **preventing urethral tract infections, as well as the treatment of ulcers**.

ROVI is working on this business line because, when stents and urethral catheters are used, the prevalence (in some cases) of bacteria may cause certain clinical symptoms and complications, such as severe sepsis, and may even lead to death. In fact, the incidence of urine infections is still very high at present, since the formation of biofilms hinders the eradication of the microorganisms with antibiotics.

As a result, the Group **is continuing with the preclinical development of its multilayer technology**, which uses polymeric materials to form a bioerodible system that depends on the bacterial metabolism. This provides significant advantages over the current state of the art, decreasing bacterial adhesion, facilitating biofilm elimination, reducing the appearance of encrustations and, to a large extent, preventing catheter blockage.



OUR STRATEGY AND SUSTAINABLE GROWTH MODEL

4

- 4.1. Market Environment / 31
- 4.2. Identity and Commitment: mission, vision and values / 41
- 4.3. Materiality / 43
- 4.4. ESG Management at Laboratorios ROVI / 47
- 4.5. Corporate Strategy / 51

4.1. Market Environment

The emergence of COVID-19 led to a crisis without precedent in the modern era. In a context where global health was hard hit, both directly and indirectly, the pharmaceutical sector will be noting the consequences over future decades.

In the short and medium term, a country's success will, to a large extent, be marked by its ability to implement a wide-scope vaccination programme. This vaccination programme will guide the direction in which many sectors will move, including the pharmaceutical sector (primary healthcare, usage of medicines unrelated to COVID-19, etc.).

Global market environment: main trends affecting the pharmaceutical industry

Medicine spending and usage to 2025

Taking the report “*Global Medicine Spending and Usage Trends*” published by IQVIA as a basis, possible trends in the outlook for the pharmaceutical market to 2025 may be discerned, subject to the uncertainty associated to the evolution of the pandemic, which ROVI will continue to monitor to enable it to assess the situation and be ready to provide a diligent response to any possible events that may occur.

Although it is true that not all the effects that the pandemic will have can be assessed accurately, it is estimated that, by 2025, the world medicine market, excluding spending on COVID-19 vaccines, will grow between 3% and 6% (CAGR), representing a total of 11.6 trillion dollars. Globally, it is projected that around 50% of medicines will be specialised (this figure is 60% for developed countries), while the remaining 50% will relate primarily to spending on more traditional therapies.

At the same time, the growth rate in developed markets is expected to be slower than that of emerging countries, due to a higher rate of loss of patent exclusivity (corresponding to 166 billion dollars) in proportion to the arrival of new products.

Greater availability of biosimilars is expected, which will give rise to estimated cumulative saving of 285 billion dollars. The amount of new active substances (NASs) launched through 2025 is likewise forecast to continue at a higher-than-average rate, with an average number of 54-63 per year and a total of 290-315 over the five years through 2025.

Likewise, cumulative total spending on COVID-19 vaccines through 2025 is estimated at 157 billion dollars, largely concentrated in the first wave of vaccines between the last quarter of 2020 and the last quarter of 2022. In the following years, it is expected that boosters will be required every two years, since the duration of immunisation and the continual appearance of variants of the virus mean that an endemic virus is the most likely outcome of this pandemic.

In sector terms, the global leadership of two therapy areas is expected, with growth of between 9% and 12% CAGR through 2025, derived from new medicines and treatments:

- **Oncology:** oncology is projected to add 100 new treatments in five years, which would contribute to an increase of more than \$100 billion, with a total of \$260 billion in 2025.
- **Neurology:** neurology includes a variety of complaints that are expected to see new therapies (migraines, Alzheimer's, Parkinson's, etc.).

Regarding development by geographic region:

The **United States** market is forecast to grow between 0% and 3% CAGR through 2025, below the 3% CAGR recorded for the period 2015-2020.

In **Europe**, an increase in pharmaceutical spending is forecast through 2025 for a total of 35 million dollars, mainly concentrated in generic and biosimilar products.

China is expected to act as the growth driver of the pharmaceutical market, marked by greater acceptance and usage of new original medicines.

In **Japan**, the third largest market in the world, spending is expected to remain flat or decrease as a result of its price reduction policy. Notwithstanding, an increase in spending on original brands protected by patents is expected, which coincides with policies to encourage a change to generics for older medicines.



Outlook for biosimilars after the impact of COVID-19

Over recent years, the introduction of biosimilars into the market has brought significant benefits in monetary terms and saving, even in countries where the usage of biologics is relatively low.

Biologics are an increasingly important component of pharmaceutical spending, due to their efficacy as treatments for complex conditions. In fact, the market associated to small molecules, biologic products and biosimilar competitors is growing at a higher rate than the non-biologic market (the dominant market over the last ten years).

According to the IQVIA report “*The Impact of Biosimilar Competition in Europe 2021*”, biologics represent 34% of medicine spending in Europe (at list prices), reaching 78.6 billion euros in 2021, with a compound annual growth rate of 10.5% over the past five years. This compares to a CAGR of 5.1% for the total market comprising small molecules, biologics and biosimilar competitors. From a regulatory standpoint, the EMA (*European Medicines Agency*) approve new biosimilars: a further 9 biosimilars were approved in 2020, and there are a further 8 products under review to add to the 7 already approved in 2021. It should be noted that COVID-19 has not delayed the regulatory approval of new biosimilars.

Notwithstanding, the impact on the prescription of biologics was clearly visible throughout Europe at the peak of the COVID-19 pandemic. Comparing the growth rate with that of the preceding year, a decline in the volume of growth of many therapies could be seen.

In the initial phase of confinement in Europe, prescription dynamics changed drastically, due to the prioritisation of COVID-19 patients, intensive care and chronic conditions. This resulted in a reduction in practically all therapy areas. Particularly important were the delays in oncology (surgeries, chemotherapy, new diagnoses, etc.), where the effect of said delays will not only be noted in the short and medium terms, but also in the long term.

The foregoing is of vital importance to the development of the Company ROVI, since it has two products affected by this new scenario. First, the Enoxaparin biosimilar, a product that is essential to ROVI's future development. Second, Letrozole ISM®, associated to its ISM® platform, which is indicated for the treatment of hormone-dependent breast cancer.



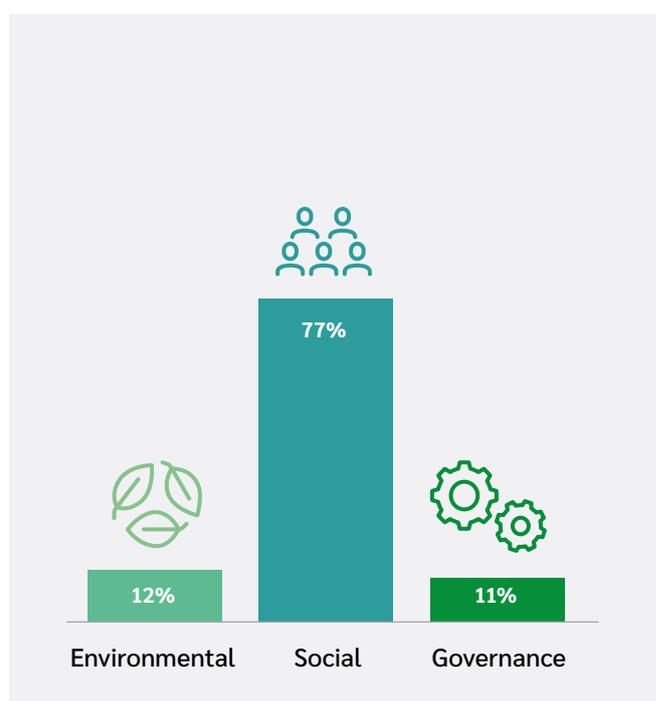
ESG in the pharmaceutical industry

The pharmaceutical industry has acquired special importance over recent years. The pandemic caused by COVID-19 has shown the need for coordinated and flexible development, able to adapt to the needs of a global and changing world.

This is why, due to the essential activity carried on by ROVI, its business must be under continuous development and in harmony with the environment in which it operates. In this context, the pharmaceutical sector has been given a great opportunity to create value, not only in economic terms, but also in the Environment, Social and Governance (ESG) area. This means combining efforts and giving deep consideration to aspects such as assessing supply chains, monitoring the environmental footprint, diversity in clinical trials or the composition of the Company's Corporate Governance.

As a result, each year, with increasing frequency, pharmaceutical companies focus their efforts on developing ESG strategies, whose measures and actions must be aligned with the organisation's mission, vision and values. The integration of ESG is a critical factor in capturing opportunities and maintaining the Company's resilience, providing differentiation and competitive advantages over the rest of the players and competitors in the sector.

According to a study carried out by PriceWaterhouseCoopers, S.L, in which the ESG measures taken by 32 sector companies were monitored, the following two major aspects were observed. First, the importance of the social aspect as one of the sector's fundamental pillars: 77% of the measures adopted referred to social issues, in comparison with 12% referring to environmental issues and 11% that concerned governance.



In addition, the main sector trends in ESG goals materialise in the following list:

| Environmental  | Social  | Governance  |
|--|--|--|
| <ul style="list-style-type: none"> Sustainable vehicle fleet (hybrid and electric) <hr/> Carbon neutrality (5-10 years) <hr/> Waste management and reduction of manufacturing costs through investment in new technologies <hr/> Raw material management | <ul style="list-style-type: none"> Financial contributions for access to medicines and therapies, addressed to local communities <hr/> Early adoption and inclusion of diversity in clinical trials for research and development <hr/> Resilience of the supply chain through a diversity of suppliers and risk assessment <hr/> Enhancement of product safety | <ul style="list-style-type: none"> Full report on Corporate Social Responsibility to assess, measure and share progress in ESG <hr/> Establishment of an ESG department and/or ESG officer <hr/> Gender and racial diversity on the Management Board <hr/> Equal pay <hr/> Good Governance policies (ethics, compliance, corruption, fraud, etc.) |

In environmental issues, the sector’s main measures are focused on achieving a reduction in CO₂ emissions and thus reaching the target of carbon neutrality. Likewise, since pharmaceutical production is water-intensive, the companies are working to develop innovative actions to reduce the use and wastage of water. At the same time, circularity measures are being developed for waste (such as recycling packaging or expired medicines).

In addition, regarding the production chain, there is a complementary dual trend: first, not to scatter processes over multiple locations, but to channel production within a single facility, to avoid fragmenting the production process. This achieves an increase in efficiency, a reduction in waste production, greater flexibility and a reduction in the likelihood of medicines being out of stock. At the same time, it makes it possible to work with local companies belonging to minorities, which allows greater access to the medicine and a lower environmental impact derived from a reduction in Greenhouse gases (GHG) emissions in transport.

In the social aspect, the main efforts are focused on three aspects: providing high-climático, safe products, performing clinical trials with patients who represent society overall, and fulfilling the mission of providing access to the medicine. Considering the product safety aspect in greater depth, the pharmaceutical industry plays an important role in obtaining a social benefit by taking proactive measures that help ensure that medicines and devices are used in the right way at the right time.

Regarding the last ESG aspect, governance, the pharmaceutical industry’s efforts are focused on devoting resources to managing ESG practices and preparing reports that show how companies have identified, measured, quantified and assessed their ESG risks and, moreover, permit a comparison of the progress made by different companies in the sector.



National market context: main trends affecting the pharmaceutical industry

Status and evolution of the pharmaceutical market in Spain

The pharmaceutical industry is one of the main scientific, technological and industrial drivers of the developed economies, generating significant economic value, made possible through its contribution to development, knowledge, value-added and employment. Furthermore, the sector not only produces value directly, but also helps generate employment and value-added indirectly (through suppliers, distribution, logistics, etc.), since it boosts the other economic sectors from which it receives and to which it gives (taxes, rentals, etc.).

According to the report “[El valor del medicamento desde una perspectiva social](#)”, it is estimated that the pharmaceutical industry in Spain has 366 manufacturing companies and provides employment to 45,216 people. According to the results of the Farmaindustria² employment survey, 62% of sector employees have university studies, which is higher than the average for the national economy, which is 43%. Likewise, more than half the jobs (51%) are held by women, in comparison with 26% in the manufacturing industry. It is the high-technology sector that generates most employment, with 47% of the total.

In terms of production and value-added, the pharmaceutical industry is estimated to have generated value-added of 4,909 million euros in 2018 (most recent available data: 3.3% of the total generated by the manufacturing industry), with a production value of 13,721 million euros (2.3% of the total). It was third in the list of the industrial sectors that generated most employment in the Spanish economy and, at the same time, was the second of the industrial sectors with the highest R&D investment in Spain and the third most innovation intensive.

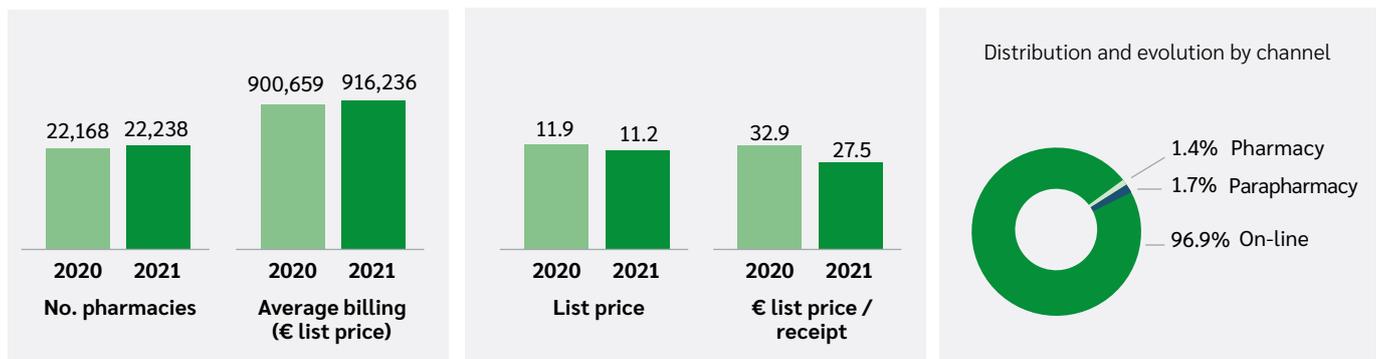
Likewise, it should be remembered how the use of innovative medicines releases resources for other uses. The high investments represented by pharmaceutical innovations may lead to net saving on total costs, since they reduce the direct and/or indirect costs.

According to the latest report on the Spanish pharmaceutical market published by IQVIA in January 2022, the trend over the last twelve months indicates a slight increase in the number of pharmacies (+0.32%) and their average billing (+0.9%), caused by the increase in the average billing for medicines and consumer health products in both volume and value.

However, the average price per product and the average price per transaction dropped over the last twelve month, with values of 11.2 and 27.5 euros, respectively.

Likewise, the market dynamics shows how on-line pharmacy continued to rise in 2021, after the heavy growth experienced during the pandemic. Notwithstanding, the growth curve has gradually flattened in comparison with the preceding year. As a result, this channel accounted for a total of 1.4% of sales, significantly lower than the percentage represented by traditional pharmacies (96.9%). The remaining percentage (1.7%) related to sales by parapharmacies.

[El valor del medicamento desde una perspectiva social](#)



Prepared in-house. Source: IQVIA “Tendencias del Mercado farmacéutico ENERO 2022” (“Trends in the Pharmaceutical Market JANUARY 2022”).

² National business association of the pharmaceutical industry, which represents virtually all the companies engaged in the production and sale of prescription medicines in Spain.

Pact for Science and Innovation

Approved by the Ministry of Science and Innovation, this Pact originated from a specific social and economic crisis situation, which the European Union is combatting through a Reconstruction Programme, with Spain betting firmly on science and innovation as a strategic value and a pillar for well-being and growth.

Farmaindustria has submitted to the Spanish government a powerhouse project to drive the manufacture of essential medicines in Spain, within the group of strategic projects for economic recovery and transformation (PERTE).

As of 15 June 2021, 86 entities had signed the Pact for Science and Innovation, including Farmaindustria.

This project responds to the concern seen during the pandemic about Europe's excessive dependence on Asian countries in the production of active substances and essential medicines. In most cases, the dependence exists for mature medicines, products that, although they have been in the market for years and are not patent protected, continue to be indicated to combat certain symptoms or diseases.

The objectives of the project are:

- First, **to increase strategic manufacturing capacities in order for Spain to enjoy greater guarantees in the supply of strategic medicines.**
- Second, to **improve the productive competitiveness of the pharmaceutical industry** in Spain by boosting its levels of knowledge, technology and digitalisation.

In this scenario, **ROVI has sought a place among the country's strategic companies** due to its manufacturing agreement for the Moderna COVID-19 vaccine. Thanks to its vertical integration from the raw materials to the finished product, ROVI is acquiring a leading role in this context.

At the 2021 Annual General Shareholders' Meeting, Its Chairman and Chief Executive Officer, Juan López-Belmonte, said that ROVI is currently among the large vaccine manufacturers, not only at national level, but also globally, with a capacity of over 1,200 million doses. Because of this, the Company will become strategic and will make a prominent contribution to Spain's position in the pharmaceutical market.

Thus, with ROVI's contribution, Spain will be one of the few countries in the world, together with the United States and some other European countries, to have a swift and effective response to future global health crises.



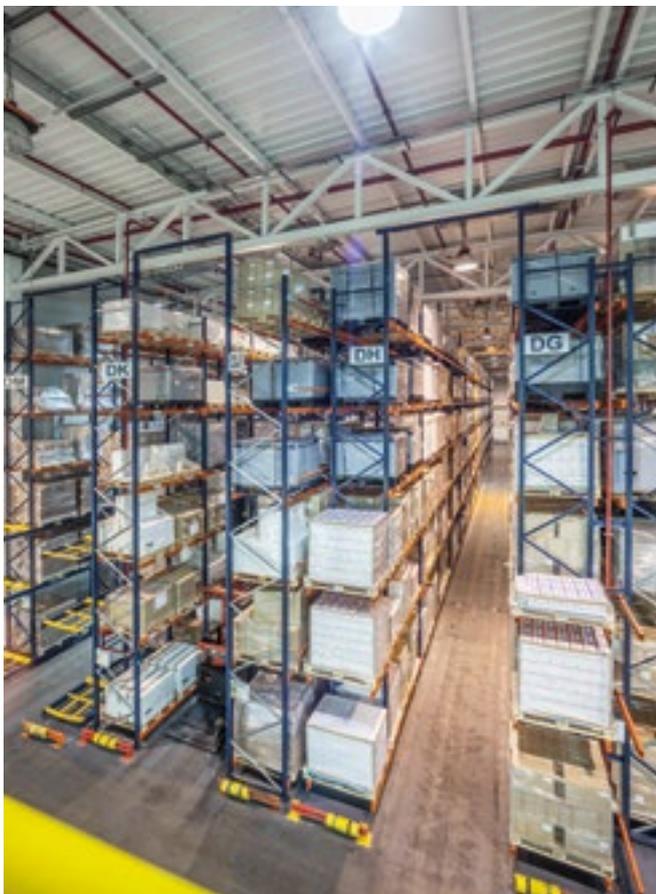
Environment of the markets where ROVI's principal products are present

Low-molecular-weight heparins

In terms of market share, given the importance of LMWHs in the last three years, the market has increased by 3%, reaching over **4 billion euros**, where **Europe and the emerging countries represent 83% of the market**.

| Region | Enoxaparin Sodium | Nadroparin Calcium | Dalteparin Sodium | Tinzaparin | Bimparin Sodium | Others | Total |
|-------------------|-------------------|--------------------|-------------------|--------------|-----------------|--------------|----------------|
| Europe | 1,323.3 | 173.3 | 145.8 | 297.5 | 107.9 | 62.6 | 2,110.4 |
| Rest of the world | 687.3 | 176.3 | 73.7 | 16.3 | 23.7 | 297 | 1,274.2 |
| USA-CAN | 547.5 | 0.0 | 68.5 | 22.0 | 0.0 | 0.0 | 637.9 |
| Japan | 8.5 | 0.0 | 13.2 | 0.0 | 0.0 | 11.1 | 32.8 |
| Total | 2,566.5 | 349.7 | 301.2 | 335.8 | 131.6 | 370.6 | 4,055.3 |

Source: IQVIA MIDAS Q1 2020



At ROVI, two main products fall within this division: Bemiparin (Hibor®) and the Enoxaparin biosimilar (Becat®).

1. Bemiparin Hibor®

At national level, it represents an approximate market share of 32%, meaning that it is in second place in the Spanish market.

At international level, the Company enjoys a consolidated and stable network derived from long-term contracts.

Notwithstanding, in the medium-long term, it is forecast that international Bemiparin sales will decline as a result of the expansion of ROVI's Enoxaparin.

2. Enoxaparin biosimilar

It is the main LMWH in the world and, therefore, the **most widely-used molecule**, with a **global market share of 63%**, representing **2.6 billion euros**. With regard to its **European scope**, this market holds a total share of over **50% of the global Enoxaparin market**, i.e. around 1.3 billion euros and, therefore, it is positioned as the principal market.



In terms of numbers, Enoxaparin represents an **excellent opportunity for commercial exploitation by the Company due to Becat®** (ROVI's Enoxaparin biosimilar). In this respect, ROVI has set the goal of becoming one of the main players at European level, due to the various competitive advantages it holds in the market. Likewise, its international expansion in emerging markets is continuing and has strong growth potential.

In this respect, it is important to note that biosimilars tend to obtain between 50% and 70% of the reference product's market share.

⁽²⁾ IQVIA MIDAS Q1 2020

Potential market for ISM® technology

This innovative drug-release technology patented and developed by ROVI (ISM® Platform) currently has two main lines of development: Risperidone ISM® and Letrozole ISM®. The former is for the treatment of schizophrenia, while the latter is intended to treat hormone-dependent breast cancer.

1. Evolution and outlook for the schizophrenia market

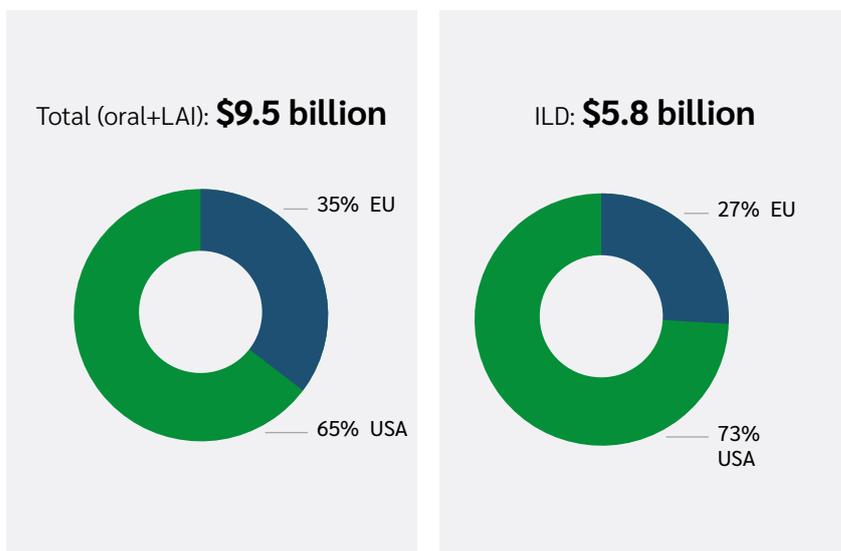
Schizophrenia is a chronic and progressive disorder that affects 21 million people worldwide and has an increasingly high lifetime prevalence.

In its treatment, long-acting injectable (LAI) technologies are becoming increasingly critical in the market and are becoming the option preferred by psychiatrists when tackling some of the essential unmet needs of the schizophrenia market.

The most important aspects of LAI technologies are:

- They help **improve treatment adherence**, which, in turn, lowers the rate at which patients **stop taking their medication, reducing relapses** and hospitalisations in cases of schizophrenia. Treatment adherence is extremely important because each relapse leads to progressive and irreversible brain damage.
- They reach **therapeutic concentrations in plasma in a much faster and more sustained manner**.

With regard to market share, Risperidone ISM® represents an opportunity for growth in a **market that is attractive for new entrants and has high growth forecasts**. The figures for the scale of opportunities (in the schizophrenia market and LAIs) in the United States and Europe support this idea:



Source: IQVIA MIDAS MAT Q3 2019

- **United States** is the main market for the treatment of schizophrenia with LAIs, with LAI sales of 4.2 billion dollars. Although the penetration of LAIs in monthly treatments continues to be low, with 5.8% in terms of units, the injectables market for schizophrenia grew by 20%, between the third quarter of 2015 and the third quarter of 2019.
- **Europe** is the second largest market of LAIs for schizophrenia. In this case, the penetration in LAI units for monthly treatments is greater than in the United States market, totalling 8.4%, in a market of 1.6 billion euros, where growth between the third quarter of 2015 and the third quarter of 2019 was 8.5%.

Mention should be made of the fact that, in comparison with the United States market, competition in the European market is relatively low, due to the lower number of medicine options.

Given the current low penetration rate, sales of LAIs to treat schizophrenia are expected to drive the Company's future growth.

Spain is the market with the highest sales in Europe (23%)

2. Evolution and outlook of the hormone-dependent breast cancer market

The diverse nature of breast cancers means that different treatments exist. After it has been cured, hormone receptor-positive (HR+) breast cancer requires the patient to continue with restrictive treatment for at least three years, in order to prevent relapses. This treatment consists of the inhibition of the enzyme aromatase, which is responsible for a fundamental step in oestrogen biosynthesis in post-menopausal women. Due to its ISM® technology, ROVI meets this need through Letrozole ISM® in a market which, unfortunately, is expected to grow over the next ten years.

In fact, revenue in the United States, Japan and the five most important EU markets is forecast to rise 16.5%⁽¹⁾ between 2015 and 2024.

However, LAIs are not currently present in this market although, given the improvement in treatment adherence and the efficacy of the drug, they are expected to become the treatment of choice. At present, the treatment is administered orally on a daily basis using either letrozole or anastrozole (both of which inhibit the aforementioned enzyme).

Taking the graph below as a reference (current oral inhibitor market), the wide margin that exists for the launch of Letrozole ISM®, once it has received the necessary authorisations from the health authorities, may be seen.

Absence of LAIs to treat this disease. As a result, there is a potential market derived from the high switch rate from oral treatment to LAIs.

⁽¹⁾ Data Monitor 2017



At global level, it is a market of 1,074 million units (IQVIA, 3Q 2019 MAT). These units refer to daily tablets, which, converted into annual treatments, would give a figure of 2.9 million treatments per year.

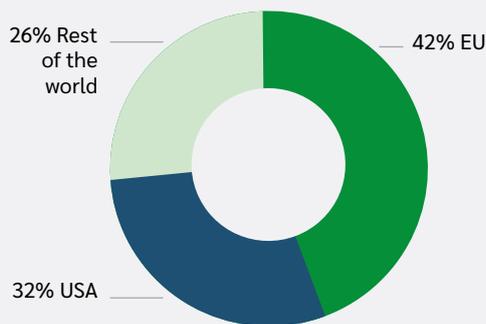
Europe represents the highest market share (42%), followed by the United States, with 32%.



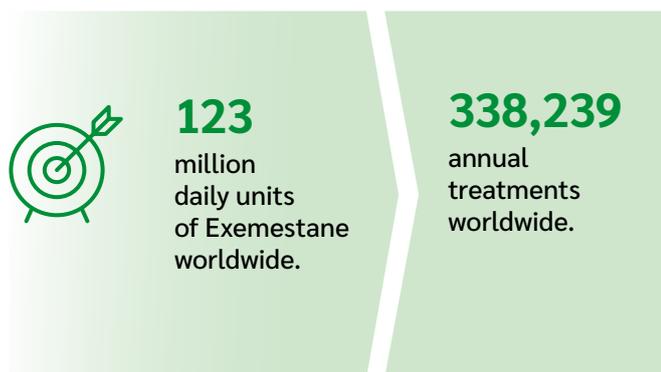
Source: IQVIA MIDAS MAT Q3 2019

Total daily units

World Letrozole and Anastrozole market (daily oral unit) MAT 3Q-19



There is also a third oral molecule, exemestane, also an aromatase inhibitor, which could be a further candidate for replacement by the LAI. This molecule sells 123 million units worldwide (3Q 2019 MAT), representing 338,239 additional annual treatments, which could be added to the potential letrozole and anastrozole market.



Attention should be drawn to the fact that **no new molecules to replace the aromatase inhibitors are expected**. New treatments expected to appear in the market will be additional to hormone suppression treatments, since the risk-benefit profile of the hormone inhibitors is very high. This is why no company is researching in this field at present and **ROVI is the only company carrying out research in the hormone-dependent breast cancer market**.

Since there are no competitors in the breast cancer market, a comparison with prostate cancer is shown below. Breast cancer can be compared to prostate cancer because its behaviour is similar in terms of prevalence. Gosrelin, histrelin, degarelix, leuprorelin and triptorelin are the molecules used to treat prostate cancer. These five molecules had a total market, in values, of 2.5 billion dollars in the United States and Europe at 3Q 2019 MAT (source: IQVIA). Unlike breast cancer, LAIs have a very significant presence in prostate cancer, accounting for 89% of the total market of LAIs and oral treatments in the United States and Europe.

Potentially the only LAI in the hormone-dependent breast cancer market.

4.2. Identity and Commitment: mission, vision and values

GRI 102-12 and 102-16

Mission, vision and values

ROVI's mission, vision and values are aligned with the Group's business strategy and are the foundation that guides and sustains all the Company's business decisions, both at corporate level and in the course of its operating functions.

Mission

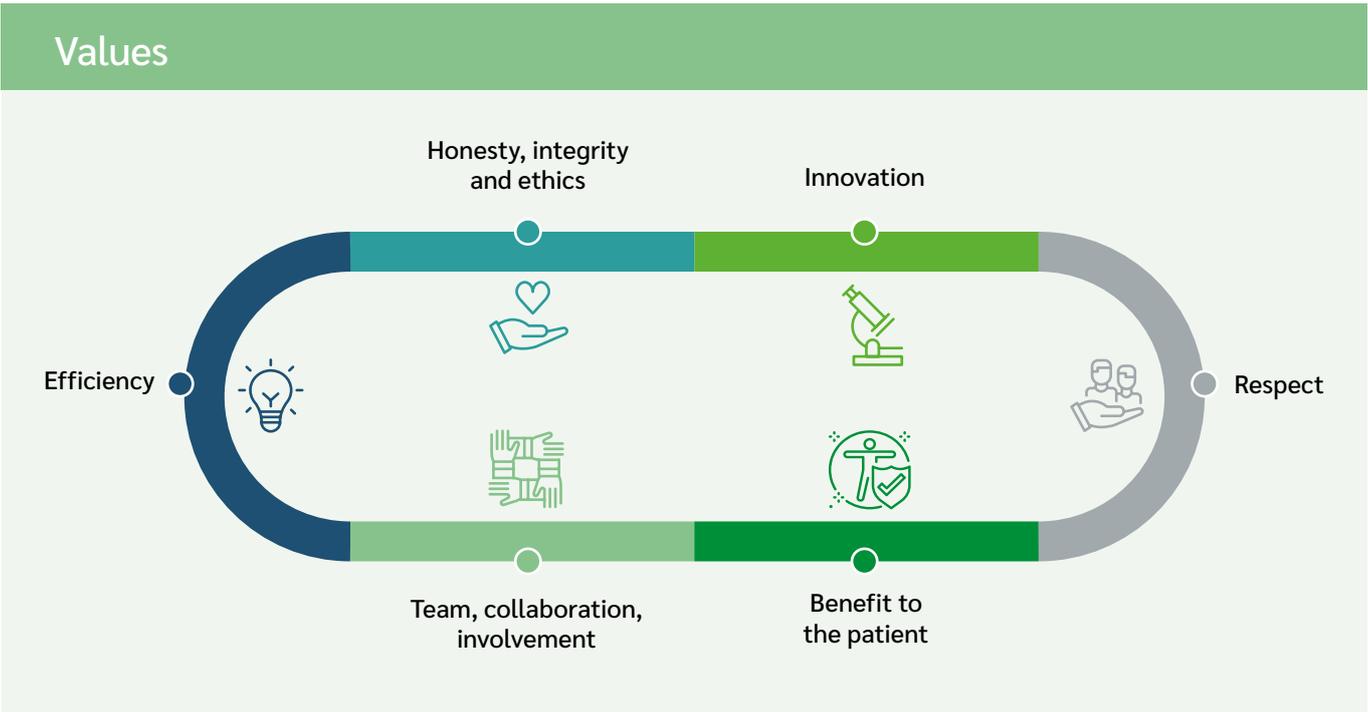
"We work for the well-being of society and to improve the quality of life of patients and the attention they receive, promoting human health through researching, manufacturing, marketing and distributing medicines and other healthcare products."



All the professionals at ROVI are aligned with the Group's mission, which allows them to integrate it into their activity, since they are aware that the ultimate goal is to create value and generate a positive impact on society.

Vision

"We aspire to be recognised 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".

Principles of action

The Company has a series of common principles for action that provide consistency and method to ROVI's mission in its day-to-day corporate functions.

ETHICS



To act in accordance with the guidelines set out in the Code of Ethics, which reflects the Company's commitment to the principles of business ethics and transparency in all its spheres of action.

TRANSPARENCY



To transmit confidence and credibility among the stakeholder groups through a commitment to transparency. This will entail:

- a. Providing stakeholders with relevant and accurate information, complying with any legal requirements for public disclosure 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 to ensure its reliability.

HONESTY



To favour free-market practices, rejecting any kind of illegal or fraudulent practice and taking effective measures to prevent, monitor and penalise any irregularities.

HUMAN RIGHTS



Respect for human rights is the maxim of any action taken by ROVI. As a member of the United Nations Global Compact, ROVI supports, adopts and transmits the integration of its principles among all its professionals.

ENVIRONMENT



To contribute to sustainability from an environmental standpoint, making this commitment materialise through the integration of the Environment into the different business areas, the preservation of biodiversity and prevention of pollution, efficient resource management and the adaptation to and mitigation of Climate Change, as set out in the Group's Environmental Policy.

COMMUNICATION



To ensure that the commitment acquired by ROVI in its mission, vision and values extends to and is accepted by its stakeholders, seeking active dialogue and a strengthening of the relationships with them. Thus, it contributes to harmonising its business identity and social expectations by adapting, as far as possible, the Group's policies and strategies to their interests, concerns and needs.

CONTRIBUTION TO SOCIETY



To meet customer needs by contributing to the production of high-quality, safe and reliable products in the places where it carries on its activity.

LEGALITY



Compliance with the legal regulations in force in the places where the ROVI companies are located is a reference point for the Group's activity.

4.3. Materiality

 GRI 102-40, 102-42, 102-43, 102-44, 102-46, 102-47 and 103

Identification of and relations with stakeholders

ROVI, aware of the repercussions of its activity in the social area, wishes to improve people's health and quality of life through technical excellence in its day-to-day, always taking the needs and expectations of its stakeholders into account. To do this, one of the key factors is the existence of proactive dialogue with the stakeholders that seeks to generate significant impacts on and make a positive contribution to the environment in which it operates.

Therefore, due to ROVI's commitment to society derived from its important research work and the manufacture of pharmaceutical products, the Company has identified six groups to which it has acquired a responsibility to create value by establishing a series of goals.

Employees



Goal. To strengthen the feeling of belonging and corporate identity among its employees, seeking the best development and performance for its workforce.

Relationship mechanisms

- Suggestion boxes placed at the Company's facilities in order to make it easier for employees to submit anonymous communications concerning improvements.
- Confidential communication channels (canaletico@rovi.es, APP ROVI Rocks, mail service at the Pozuelo offices), through which any irregularities considered unlawful or criminal or that constitute a breach of the principles set out in ROVI's Code of Ethics may be reported.
- Training, tutorials and meetings.
- On-boarding process for new employees.
- Annual and quarterly publications.
- Skills and knowledge assessment.
- Human Resources Department.
- [Corporate website](#).

Suppliers



Goal. To seek products that provide the highest value-added to the Company under contracts that observe the Code of Ethics that ROVI has created for its suppliers.

Relationship mechanisms

- Meetings, phone calls and e-mails with suppliers and contractors.
- Visits to the ROVI facilities by suppliers and vice versa.
- Sending newsletters.
- Sector conferences.
- Quality assurance systems, such as the EcoVadis Platform.
- [Corporate website](#).

Corporate website



Shareholders



Goal. To create sustainable value in the short, medium and long terms.

Relationship mechanisms

- Policy for Communication with Shareholders, Institutional Investors and Proxy Advisors.
- Direct investor communication channels (ir@rovi.es and the web form at www.rovi.es/contacto).
- Automatic sending of relevant information on the Company by e-mail.
- Annual and quarterly reports.
- Investor Relations Department.
- **Corporate website: section for investors and shareholders, updated in 2021.**

Society and Environment



Goal. To make an active contribution to social progress and Environmental protection.

Relationship mechanisms

- Environmental Policy.
- Corporate procedure (SOPc813 “Communication, participation and consultation”) for queries, complaints, etc.
- Participation in environmental and medical research forums to encourage or prevent certain activities.
- Quarterly and annual publications.
- Meetings with local representatives.
- **Corporate website (where the different quality, Environmental and Health and Safety certifications appear).**

Clients/ Patients/ Professionals



Goal. To provide products and services based on Quality, Safety and the Group’s experience.

Relationship mechanisms

- Query channel for information requests (www.bemimed.com).
- Yearly and half-yearly publications.
- **Corporate website.**

Public authorities



Goal. To create channels for cooperation with the authorities in favour of people’s health.

Relationship mechanisms

- Transparency and continuous communication policy.
- Annual and quarterly publications.
- Cooperation through alliances with governmental bodies, especially the health authorities, at local, regional, autonomous community and national level.
- Membership of sector associations at national and international level.
- **Corporate website.**

To encourage active communication with stakeholder groups

The ROVI Group bets on permanent, constructive dialogue with its stakeholder groups as a key factor in developing its business strategy.

In this respect, it has the different communication channels described above, which not only allow the Company to maintain and strengthen the relationship with its stakeholder groups, but are also used as a way to identify the issues that are most important to them in relation to the Company's activity.

In the light of the foregoing, ROVI published 22 press releases in 2021 with relevant information regarding:

- Financial statements.
- Implementation of a share buy-back programme.
- New developments related to the Group's research programmes.
- Collaboration agreements with Moderna for manufacture of the COVID-19 vaccine.
- ROVI's results in the Sustainability ranking of *Sustainalytics*.
- Inclusion of the Company on the IBEX-35.
- Achieving Carbon Neutrality as a milestone in the Group's Environmental and Social Sustainability Policy.

Continuing with the trend initiated a few years ago, ROVI remains active in its official social media profiles (Facebook, Twitter and YouTube), through which it informs on new developments, as a supplementary channel for transmitting information of interest on the Company.

In 2021, ROVI appeared in the press -both general and specialised- 4,480 times, 36.6% more than in 2020.

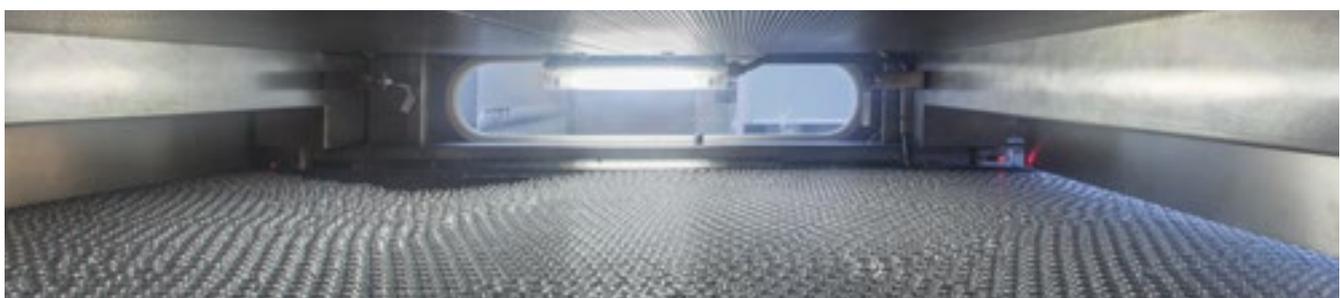
Material aspects of the activity

Taking the Integrated International Reporting Council (IIRC) framework (IR) and the Global Reporting Initiative (GRI) Standards as a basis, ROVI has designed the content of its Integrated Report taking account of **“the issues that have a substantial effect on the organisation's ability to create value in the short, medium and long terms”**.

These issues, considered material, reflect **“the most significant economic, environmental and social effects of the Company”** and, therefore, refer to matters that could have a significant impact on the Company when implementing its strategy and/or on meeting stakeholder needs and expectations.

To establish the issues that fulfil this criterion, the Company has a materiality analysis, prepared in 2017 in collaboration with the consultancy firm PriceWaterhouseCoopers Auditores S.L. The work consisted of combining an internal diagnosis and an external diagnosis, which allowed the issues that were most significant for the Company to be identified.

The external diagnosis was carried out through the analysis of four companies in the pharmaceutical sector, 15 reference studies and information published in the general, financial and industry-related media. Likewise, the internal diagnosis was performed through a self-evaluation of the Group's performance and six interviews with members of the management team.



This exhaustive analysis identified 20 material issues, 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
- 9 Atmospheric emissions
- 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
- 14 Training and development
- 15 Attracting and retaining talent
- 16 Dialogue and internal communication

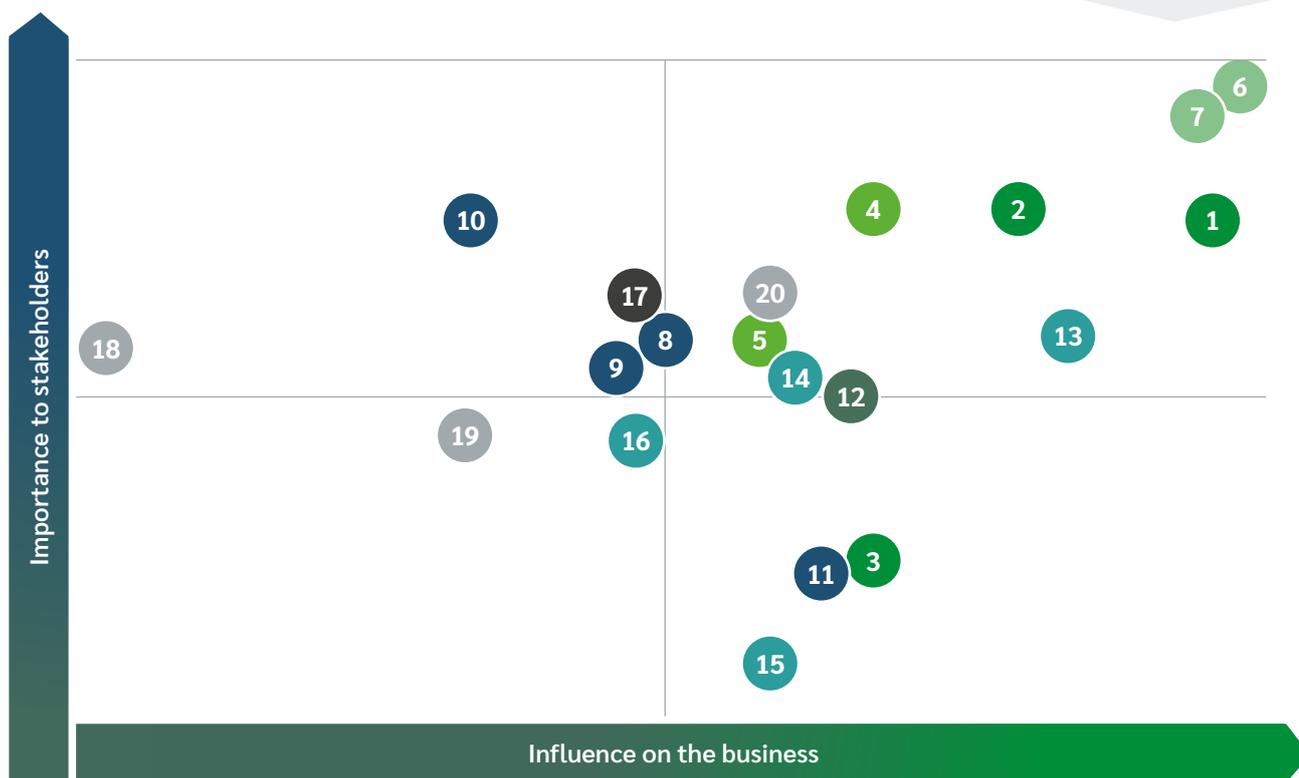
Supply chain

- 17 Responsibility in the supply chain

Health and well-being of society

- 18 Access to medicines
- 19 Research and development
- 20 Contribution to the social and economic progress of the communities in which ROVI operates

The following is a materiality graph that shows the degree of influence of the matters identified as material on attaining the ROVI Group's long-term objectives. This influence is considered from a dual standpoint: the influence on business success and the importance for stakeholders.



4.4. ESG Management at Laboratorios ROVI

ROVI, aware of the need to achieve economic development through ethical and sustainable conduct —socially, in the workplace, environmentally and in terms of respect for human rights—, integrates responsible Corporate Management, the Environment and Good Governance into its business strategy.

Thus, the integration of the ESG aspects is an **essential factor of ROVI's identity and the Company considers it indispensable** in order to strengthen the trust of the different stakeholder groups. In this respect, it is a fundamental element in ensuring the **Group's sustainable growth**.

As a result, the integration of these aspects is ever present in the Company's business activity. Therefore, ROVI **works on a daily basis to optimise the management** of the three facets: social, environmental and governance.

| SOCIAL  | ENVIRONMENTAL  | GOVERNANCE  |
|--|---|---|
| <p>INCLUSION AND TALENT</p> <ul style="list-style-type: none"> ● Young talent ● People with disabilities ● Digitisation ● Equality and diversity ● Employee training <p>RESPONSIBILITY FOR THE PRODUCT AND TRANSPARENCY</p> <ul style="list-style-type: none"> ● Responsible supply chain (monitoring and assessment of suppliers in relation to ESG – EcoVadis platform) ● Patient safety controls and quality controls <p>SOCIAL FOOTPRINT</p> <ul style="list-style-type: none"> ● Volunteering ● Disabilities <p>R&D&I INVESTMENT</p> | <p>EMISSIONS AND CLIMATE CHANGE</p> <ul style="list-style-type: none"> ● Carbon neutrality ● Compensation of emissions ● Energy efficiency ● Reduction of carbon footprint ● Environmental waste management <p>CIRCULAR ECONOMY</p> <ul style="list-style-type: none"> ● Recovery of hazardous waste ● Integrated Packaging Management and Collection System | <p>UNITED NATIONS AGENDA 2030 FOR SUSTAINABLE DEVELOPMENT</p> <ul style="list-style-type: none"> ● Internal and external information ● Review of priority impact goals <p>CODE OF ETHICS AND CODE OF ETHICS FOR SUPPLIERS</p> <p>COMPLIANCE WITH SECTOR REGULATIONS</p> <ul style="list-style-type: none"> ● Marketing ethics ● Product safety |

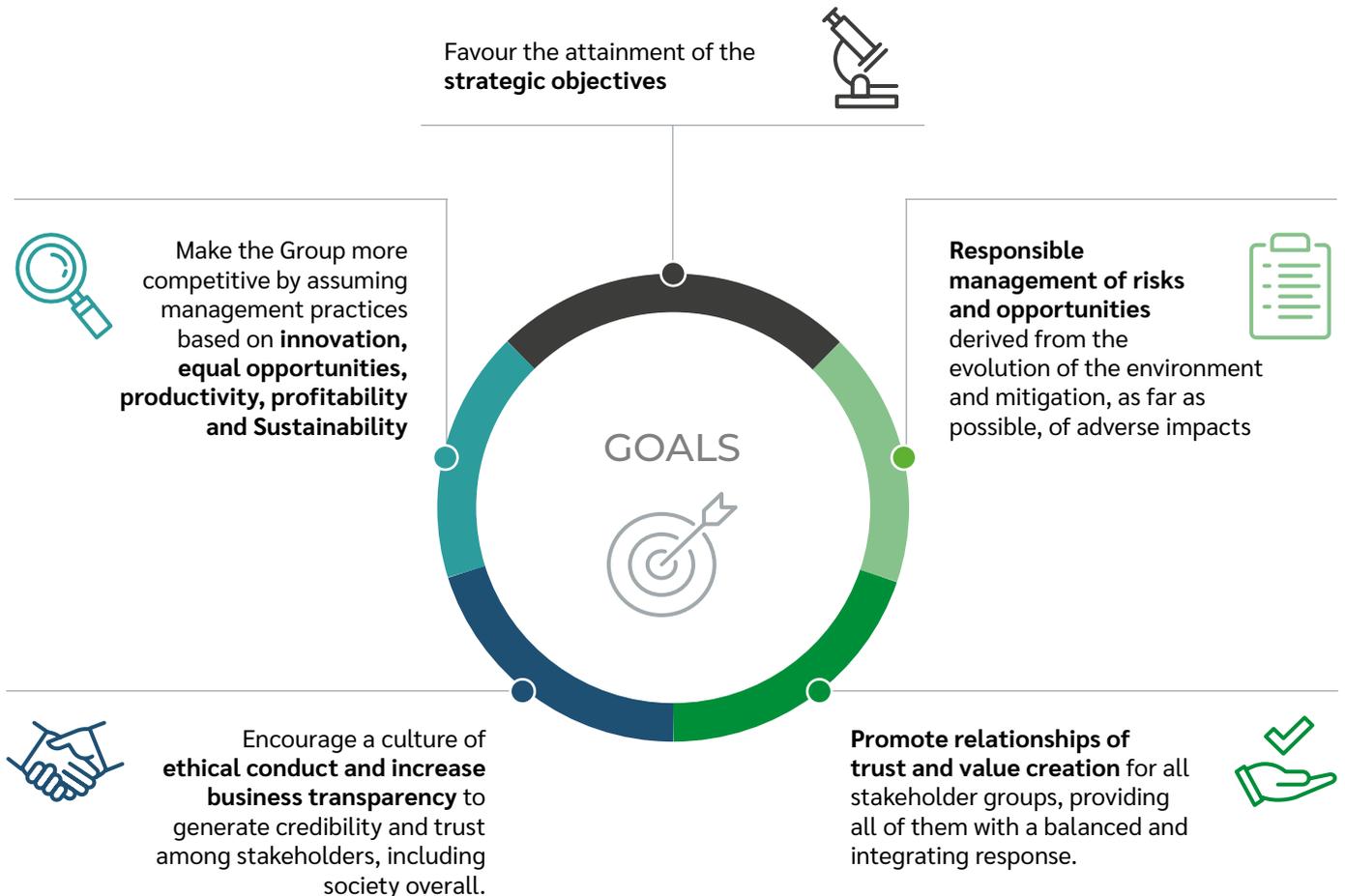
Internally, the integration of ESG into the ROVI Group management is implemented through its **Environmental and Social Sustainability Policy**.

In this respect, for the last five years, ROVI has had a permanent internal body called the **Social Responsibility Council** (Social Performance Team), which has the tasks of proposing, reporting and advising on specific ESG measures. Likewise, the Committee's duties include reporting annually to the governance bodies on the progress in implementing the Policy and the strategy related to this area.



General objectives

Parallel to the Sustainability Policy, the group has put in place several policies related to this area, as a result of which its commitment to ethical business materialises. The Company implements the content of said policies through the following goals:



At the same time, through its activity, the Company generates a number of positive impacts on its environment that help to achieve the Sustainable Development Goals (SDGs) fixed in the United Nations Agenda 2030. The SDGs are a call to action for all countries, including both the public and private sectors, to seek prosperity and protect the planet. The integration of SDG practices into ROVI's commercial operations may also contribute to the progress of the SDGs, making it a priority for profitability and productivity to be linked to both environmental and social sustainability principles.

| |  Our Good Governance commitment |  Our Social commitment |  Our Environmental commitment |
|--|---|--|---|
| 3 GOOD HEALTH AND WELL-BEING  | | ● | |
| 4 QUALITY EDUCATION  | | ● | |
| 5 GENDER EQUALITY  | ● | ● | |
| 6 CLEAN WATER AND SANITATION  | | | ● |
| 7 AFFORDABLE AND CLEAN ENERGY  | | | ● |
| 8 DECENT WORK AND ECONOMIC GROWTH  | ● | ● | ● |
| 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE  | | ● | ● |
| 10 REDUCED INEQUALITIES  | | ● | |
| 12 RESPONSIBLE CONSUMPTION AND PRODUCTION  | | ● | ● |
| 13 CLIMATE ACTION  | | ● | ● |
| 15 LIFE ON LAND  | | | ● |
| 16 PEACE, JUSTICE AND STRONG INSTITUTIONS  | ● | ● | |
| 17 PARTNERSHIPS FOR THE GOALS  | | ● | |

Commitment to ROVI's main stakeholder groups



EMPLOYEES

- Establishing the conduct and actions among employees and with third parties in the Code of Ethics.
- Workplace environment based on mutual trust and commitment.
- Respect for human rights.
- Right to effective equal opportunities.
- Living wage.
- Job security.
- Prohibition of child labour, discrimination based on gender, religion, disability or sexual orientation, physical or psychological violence, verbal abuse, retaining the worker after working hours, withholding wages, etc.



SUPPLIERS

- Establishing the conduct and actions that ROVI suppliers should follow in the Code of Ethics for Suppliers.
- Ensuring a supply chain that respects CSR principles.
- Implementation of a system to assess suppliers' ESG commitment.



SHAREHOLDERS

- Trust-based relationship.
- Creation of sustainable value.
- Business that is profitable and sustainable in the long term.
- Encouraging the informed participation of shareholders in the General Meetings.



PUBLIC AUTHORITIES

- Strict compliance environments for carrying on the activity.
- Compliance with legal and regulatory requirements put in place by health authorities.



SOCIETY AND ENVIRONMENT

- Assessment and management of non-financial risks (ethical, reputational, social and environmental).
- Initiatives and activities that benefit society.
- Priority of social action.
- Principles of quality and workplace safety.
- Contribution to Sustainability: pollution prevention, efficient resource management, promotion of environmental responsibility, etc.



CUSTOMERS/ PATIENTS/ PROFESSIONALS

- Production of innovative drugs.
- Protection of Health and Safety.
- Respect and regulatory compliance (digital marketing, transparency, veracity of trials, etc.).
- Data confidentiality.
- Solution of consultations and claims.
- Smooth dialogue through communication channels.

ROVI in relation to COVID-19 from an ESG standpoint

With the firm objective of improving the quality of people's lives and promoting good health, ROVI, in view of the new international context in which a global pandemic has appeared, reaffirmed its commitment to society by multiplying its efforts to ensure that medicines were available to patients and offering its experience and manufacturing capacity for the COVID-19 vaccine.

Since the health crisis broke out in 2020, ROVI has continuously applied measures adapted to the needs of any given moment to ensure, firstly, the continuity of its

essential activity and, secondly, the protection of the health of its employees.

As a result of the strategy defined by the Company before the context was marked by the pandemic, the Company has been able to provide a diligent response to global social and health requirements. ROVI has adopted the decisions necessary to adapt to a highly-complex, changing environment.

4.5. Corporative strategy

Major pillars of short-term growth

 GRI 102-14

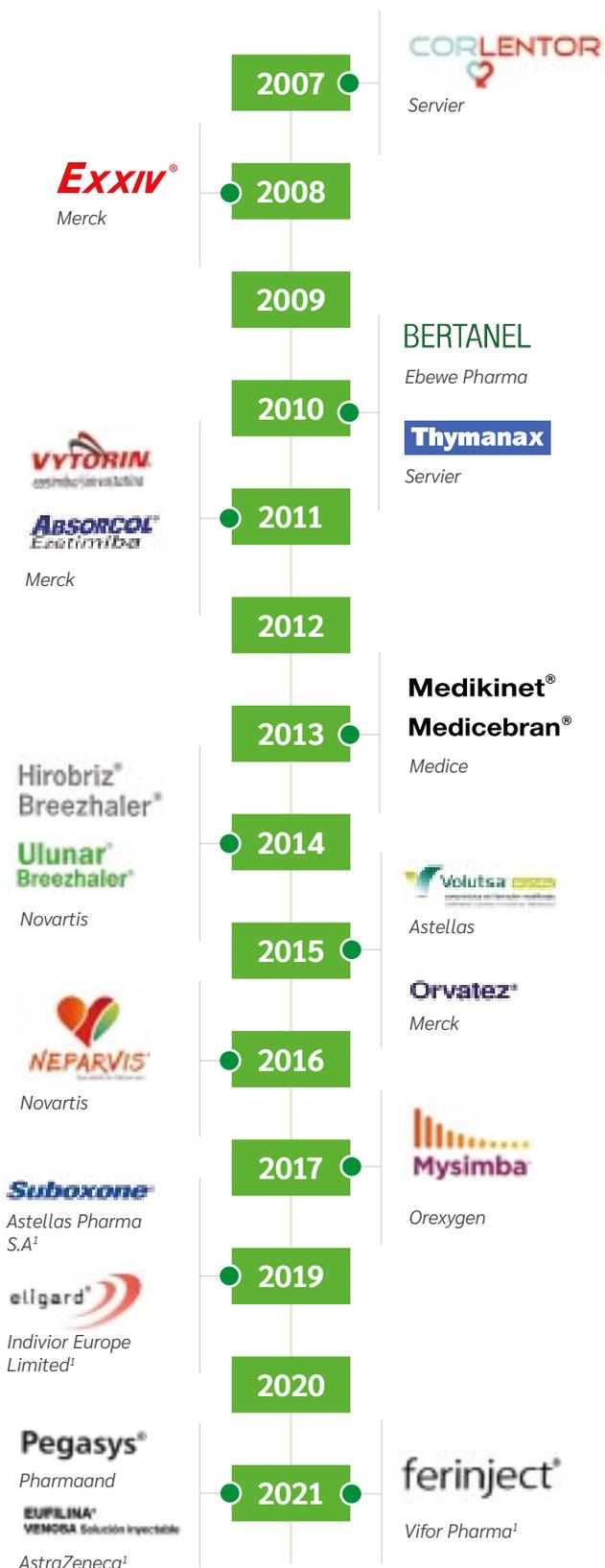
In ROVI's business units, the Company has identified three main pillars of growth that will generate sustained value in the short, medium and long term:



Likewise, considering each one of these three major pillars of growth individually, a series of advantages that make ROVI an excellent commercial partner have been identified.

| PILLARS OF GROWTH | COMPETITIVE ADVANTAGE |
|---|--|
| <p>Low Molecular Weight Heparins (LMWHs)</p>  | <ul style="list-style-type: none"> • Bemiparin HIBOR® is the LMWH with the highest anti-Xa/IIa ratio, which may lead to higher antithrombotic activity without increasing the bleeding risk. • Bemiparin HIBOR® provides a more convenient treatment. Only one daily injection is required, in comparison with other products from different pharmaceutical laboratories. • Aspires to be present in over 120 countries through an extensive and consolidated international network. • Competitive price and high quality. • Vertical integration. • ROVI's knowledge of the LMWH market (over 70 years' experience). • Markets with high growth potential. |
| <p>Contract manufacturing (currently, the main driver is through the agreement with Moderna)</p>  | <ul style="list-style-type: none"> • One of the global leaders in pre-filled injectables manufacturing • Fully-invested production facilities • Help absorb fixed costs and overheads, providing for highly cost-competitive manufacturing position • Particularly strengthens the LMWH franchise which relies on ROVI's production capabilities • Agreement with Moderna |
| <p>ISM® technology</p>  | <ul style="list-style-type: none"> • Lower frequency of doses. Long-acting injection. • Greater product stability. Swift and sustained effect on the patient. • Choice of dose adapted to the patient. |

Lastly, as a result of ROVI's capacity to create value, the Company is a preferred partner to distribute third-party products in Spain and has a **sound portfolio of reference products from the main international pharmaceutical companies.**



Strategic priorities and objectives

In the changing, uncertain context associated to the evolution of the COVID-19 pandemic (which ROVI is monitoring and assessing with special care), ROVI's greatest challenge is to adjust the Company's impact and development for future years accurately. However, it is true that, over the last two years in which the situation has presented great challenges, **ROVI's development has been highly satisfactory.**

In this respect, ROVI established a series of long-term targets (2018-2023) and has achieved them two years earlier than forecast (in 2021).

| | Operating revenue | EBITDA "without R&D" |
|--------------------------------------|---|---|
| Target fixed by ROVI for 2023 | To double 2018 operating revenue (303.2 x2= 606.4) 606.4 million euros | To multiply the EBITDA "without R&D" by 2.5 (63.0 x 2.5=157.5) 157.5 million euros |
| Starting point (2018) | 303.2 million euros | 63.0 million euros |
| Attainment of target (2021) | 648.7 million euros (2021) | 202.9 million euros (2021) |

ROVI has reached the targets set for operating income and EBITDA "without R&D" two years earlier than forecast.

Growth drivers in 2022

In the light of its good results, ROVI is optimistic and trusts in its development and performance capabilities. Therefore, for **2022, it has revised the forecast percentage growth in its operating revenue upwards, raising it** from mid-single-digit figures to high-teen figures (between 15% and 20%).

In this respect, the Company expects to continue **growing at a higher rate than pharmaceutical spending in Spain in 2021**, which was 6.1%, according to the figures published by the Ministry of Health, Consumer Affairs and Social Welfare.

To achieve this growth, ROVI will continue to work on and develop its main growth drivers.

- Extension of **long-term agreement (10 years) with Moderna**, which reinforces ROVI's manufacturing division.
- **ISM® technology**, due to Okedi® and Letrozole ISM®, both of which are candidates that validate ROVI's leading edge drug-administration technology.
- **Enoxaparin biosimilar**: in the phase of full international expansion and expected to reach 120 countries in the long term.
- **Bemiparin** (Hibor®).
- **Licensing agreements with third parties**, e.g. Neparvis® and Volutsa®.
- New **contracts in the contract manufacturing area**.

These growth levers are strongly **supported by ROVI's track record, its experience, and the soundness of its business**, based on its leadership in the specialty pharmaceutical division, as well as its high-value-added contract manufacturing services.

Considering the different business units of the ROVI Group and the existing business opportunities, in a context of potentially growing demand, ROVI expects 2022 to see two important milestones.

1. Expansion of the agreement with Moderna

Thanks to its company *Pharma Industrial Services S.A.U.*, the result of combining the Company's contract manufacturing management units (*ROVI Contract Manufacturing and Frosst Ibérica*), ROVI's contract manufacturing unit has high potential.

To a large extent, this potential stems from the **important production and distribution agreement established with Moderna for the COVID-19 vaccine, which was expanded in 2021 and, subsequently, extended on 16 February 2022.**

Through this new long-term agreement (10 years) signed in 2022, the capacities for compounding, aseptic filling, inspection, labelling and packaging will increase at ROVI's facilities in Madrid, San Sebastián de los Reyes and Alcalá de Henares.

In addition to producing the Moderna COVID-19 vaccine, it will also be possible for the ROVI platform to be used to provide service for future Moderna mRNA candidate vaccines.

Sales of this unit rose by 189% in 2021, totalling 264.7 million euros, mainly due to the agreement with Moderna and the reorientation of the strategy for contract manufacturing activities towards products with a higher value-added.

Pharmaceutical spending in Spain in 2021



"ROVI has been a pivotal partner in supporting the manufacturing of our Covid-19 mRNA vaccine for countries outside of the US, and this long-term agreement expands our partnership and allows for further scale-up for future mRNA medicines", said Mr Juan Andres, Moderna's chief technical operations and quality officer.



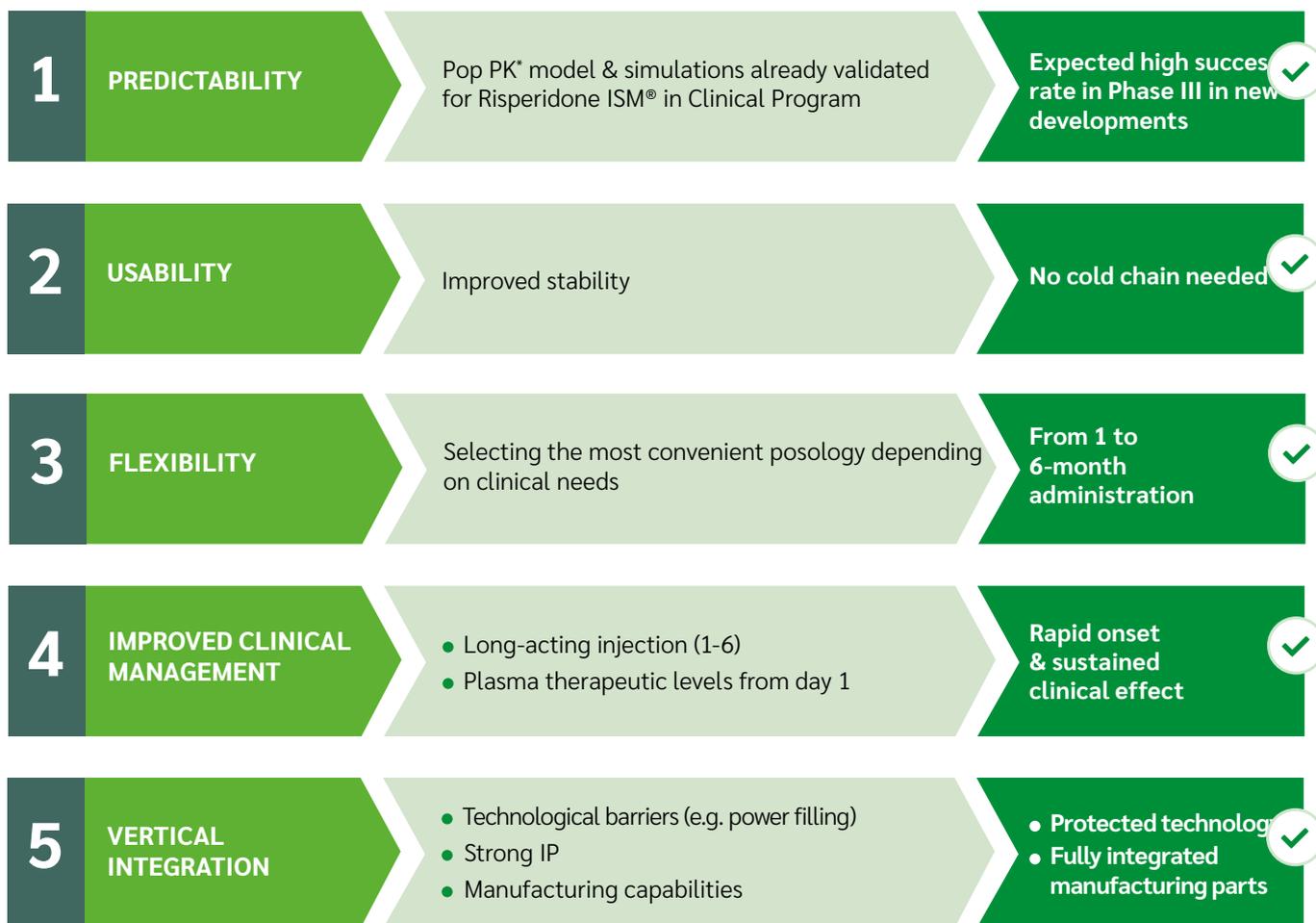
2. ISM® technology

The solid R&D&I project portfolio is the basis upon which ROVI is building its future growth, essentially through development of its ISM® technology.

Likewise, the potential of the ISM® technology stems not only from the frequency of medication, but also from the

fact that it can be applied to new chronic therapeutic areas, including psychiatry and oncology.

Due to these characteristics, the **ISM® platform** has strong competitive advantages.



* PK stands for pharmacokinetic

ROVI has spent approximately 27.4 million euros on R&D&I projects.

2.1. Risperidone ISM®

At present, the track record of the market shows that long-acting injectables (LAIs) are on the way to becoming a benchmark in the care of schizophrenia, replacing the oral treatment.

ROVI, with **Risperidone ISM®**, is endeavouring to occupy a prominent position in the United States and European markets for the treatment of schizophrenia. These markets represent a great opportunity for development for ROVI. The Company is betting on development of this medicine in a very encouraging market environment —5,800 million dollars divided into 4,200 million dollars for the North American market and 1,600 million dollars for the five main EU markets. (Source: IQVIA).

Likewise, given the characteristics of the **schizophrenia market** in qualitative terms, the following may be noted:

- **High treatment switch rates.** Specialists swiftly switch the treatment of patients who show a deficient response due to secondary effects or relapses until they find the best drug for the patient.
- There are **not many specialists** and, therefore, a new competitor can cover the psychiatrist community with a reduced sales force.
- The **effectiveness of LAIs is driving an increasingly early use** of them in the treatment protocol, potentially for the early phase or first episode of the disease, rather than only after relapses (for example, they are now used after the second relapse while, only a few years ago, it was after the fourth relapse).

However, the advantages of Risperidone ISM® not only materialise at an internal level in ROVI, but also contribute to society by creating more value than other alternatives.

Fully supervised monthly injection

- Ongoing monitoring of non-adherence through regular interactions between patient and medical staff
- Reduce the risk of accidental or deliberate overdose

Clinical convenience of Risperidone

- Proven efficacy and safety of Risperidone
- Well-known drug among psychiatrists for the treatment of schizophrenia

Therapeutic plasma levels from 2 hours post dose aimed at Positive and Negative Syndrome Scale (PANSS) reduction at day 8

- Fast onset of action to achieve therapeutic plasma levels from the beginning
- Achieving significant PANSS reduction in unstable schizophrenia patients at day 8
- No need to supplement with oral medication or loading dose



In this business line, ROVI reached an important **milestone at the beginning of 2022**. The European Commission authorised the marketing of Okedi® (Risperidone ISM®) for the treatment of schizophrenia in adults in whom the tolerability and effectiveness had been established with oral risperidone.

This approval was based on the **positive results of the pivotal PRISMA-3 study** on the efficacy and safety of Risperidone ISM® in schizophrenia patients.

The results obtained in this study show that the two different doses (75 mg and 100 mg once a month) had achieved the prespecified primary and secondary efficacy endpoints for treatment of patients with acute exacerbation of schizophrenia.

The primary efficacy endpoint, the PANSS total score (mean difference, CI: 95%), improved significantly with Risperidone ISM® 75 mg and 100 mg from the beginning until day 85, with adjusted differences of -13.0 (17.3 to -8.8; p <0.0001) and -13.3 (-17.6 to -8.9; p<0.0001), respectively.

Significantly improved mean changes for the secondary endpoint, the CGI-S score, were also obtained for Risperidone ISM® in comparison with the placebo, -0.7 (-1.0 to -0.5; p<0.0001), for both doses. The significant statistical improvement for both efficacy results was observed as early as 8 days after the first injection.

The most frequently reported treatment-emergent adverse events were increased blood prolactin (7.8%), headaches (7.3%), hyperprolactinemia (5%) and weight increase (4.8%). No important new or unexpected safety information was reported.

Likewise, patients who successfully completed the double-blind period were offered the opportunity to continue in a long-term, open-label extension phase (12 months) with once-monthly injections of Risperidone ISM® (75 mg or 100 mg). New, clinically stable patients ("de novo" patients) were also able to enter this open phase of the study. The long-term treatment was seen to be efficient, safe and well tolerated in adult schizophrenia patients, irrespective of the initial severity of the disease or whether they had been treated previously with Risperidone ISM® during an acute exacerbation or switched from a stable dose of oral Risperidone.

ROVI will distribute the product directly in the countries where has a direct presence through its subsidiaries (Germany, France, Italy, United Kingdom, Poland, Spain and Portugal), while, in the remaining European locations, it will be distributed through local or international distributors. The proposed launch is as follows:

| |
|---------------------------------|
| Q2 2022: Germany |
| Q3 2022: United Kingdom |
| Q4 2022: Spain |
| Q1 2023: Italy |
| 2023 onward: rest of EU7 |

Regarding its geographic scope, Risperidone ISM® is expected to cross the borders of the EU during 2023. Therefore, in November 2020, ROVI filed an application for marketing authorisation of the product with the United States health authorities, the US Food and Drug Administration (FDA) under the brand name Risvan®.



2.2. Letrozole ISM®

Furthermore, the Company is continuing the clinical development of Letrozole ISM®, which is the second candidate to use ROVI's ISM® technological platform. This new medicine (in the research phase) is the first long-acting injectable aromatase inhibitor to treat hormone-dependent breast cancer.

The preliminary data of the phase I clinical trial (the LISA-1 study) confirm that that ISM® formulation provides a prolonged release of letrozole that produces a sustained

suppression of the oestrogenic hormones. The phase I study has been completed and ROVI has started talks with the regulatory authorities to analyse the results and initiate the next steps to continue the clinical development of this novel long-acting injectable aromatase inhibitor.

In this respect, the preliminary results indicate that the long-term hormone suppression therapy may obtain better clinical results in breast cancer in comparison with daily oral treatment. Likewise, the improvement in adherence could enhance the results of the treatment. Likewise, an improvement in the safety profile is expected, due to the ability to reduce adverse secondary effects (loss of bone mass, bone/articular/muscular pain, etc.) as a result of lower exposure to the drug.

Phase I clinical trial (the LISA-1 study)



Summary of ISM® technology

| PRODUCT | POTENTIAL INDICATION | CURRENT SITUATION | KEY MILESTONES |
|--|----------------------|-------------------|---|
| Risperidone ISM® Risperidone, monthly | Schizophrenia | Phase III | Approved in Europe and in approval process in USA |
| Risperidone quarterly | Schizophrenia | Non-Clinical | |
| Letrozole ISM® Long acting Letrozole | Breast Cancer | Phase I | Phase I started in November 2017 |



OUR FINANCIAL PERFORMANCE IN 2021

5

- 5.1. Results for the Year / 60
- 5.2. Value for the Shareholder / 65
- 5.3. Tax Transparency / 70



ROVI

Key figures



Operating revenue

€648.7

million



EBIT

€181.6

million



Net profit

€153.1

million



Net cash position

€27.4

million

Major milestones 2021



Share price increase in 2021

94.72%



Contract manufacturing growth of

189%

in 2021



Operating revenue growth of

54%

in 2021



5.1. Results for the Year

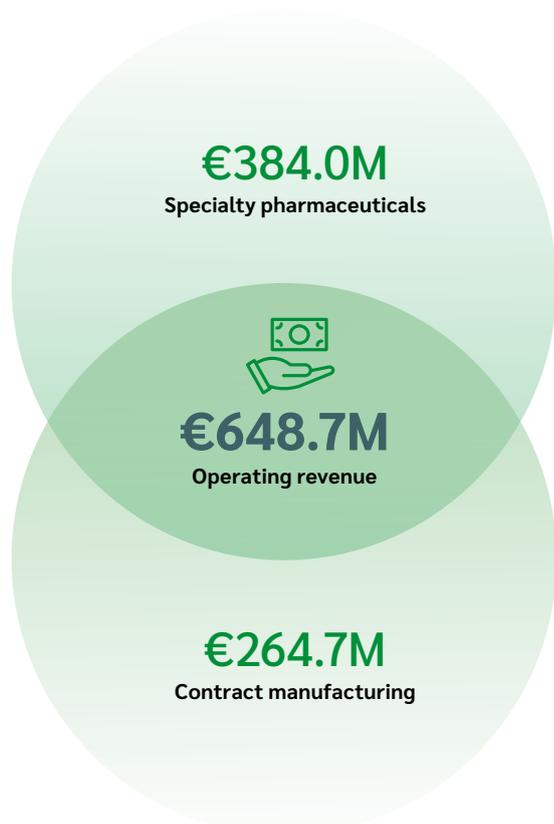
The 2021 reporting period was marked by the worldwide COVID-19 vaccination campaign, in which ROVI was an leading active agent due to its role as a manufacturer of the Moderna vaccine.

The 2021 results are a milestone in ROVI's financial performance, demonstrating its resilience to the events that took place during the year.

Operating revenue

Operating revenue grew 54% in comparison with the preceding year, rising to 648.7 million euros in 2021, mainly driven by the strength of the contract manufacturing business, which grew by 189%, and the specialty pharmaceutical business, whose sales rose 17%.

Including the other revenue (grants) item of 1.3 million euros, **total revenue** rose 54% to 650 million euros in 2021.



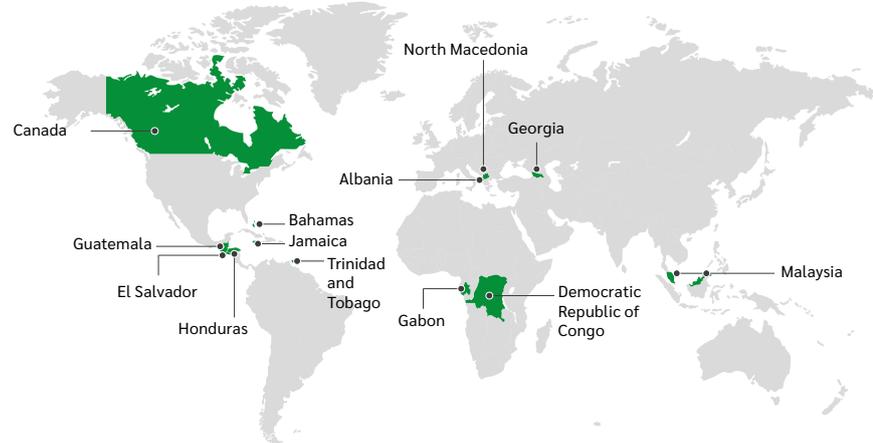
Specialty pharmaceutical business

The specialty pharmaceutical business grew 17% in comparison with the preceding year, totalling 384.0 million euros in 2021.

| € Million | 2021 | 2020 | % Variation |
|--|--------------|--------------|-------------|
| Prescription pharmaceuticals | 347.4 | 297.0 | 17% |
| Prescription pharmaceuticals | 234.8 | 202.8 | 16% |
| Enoxaparin biosimilar | 124.0 | 101.4 | 22% |
| Bemiparin (Hibor) | 110.7 | 101.4 | 9% |
| Sales in Spain | 69.4 | 68.5 | 1% |
| Sales abroad | 41.3 | 33.0 | 25% |
| Neparvis | 38.5 | 29.6 | 30% |
| Ulunar & Hirobriz | 9.4 | 11.3 | -17% |
| Volutsa | 16.3 | 14.2 | 14% |
| Vytorin & Absorcol & Orvatez | 28.3 | 28.4 | 0% |
| Medikinet & Medicebran | 3.6 | 3.5 | 4% |
| Other products | 28.4 | 26.6 | 7% |
| Discounts to National Health System | -11.9 | -19.4 | -39% |
| Contrast agents and other hospital products | 35.5 | 30.7 | 15% |
| Other | 1.1 | 0.7 | 61% |
| Total specialty pharmaceuticals | 384.0 | 328.4 | 17% |

Regarding prescription pharmaceuticals, **Low Molecular Weight Heparin (LMWH)** sales increased by 16% in 2021 in comparison with the preceding year, totalling 234.8 million euros.

- Sales of the **Enoxaparin biosimilar** increased 22% in 2021 in comparison with 2020, rising to 124 million euros, mainly as a result of launching the product in three new countries and an increase in the demand for the product in the countries where it was already present.



- Sales of **Bemiparin**, ROVI's low-molecular-weight heparin (LMWH), behaved favourably in 2021, with growth of over 9% on 2020, totalling 110.7 million euros.



International Bemiparin sales increased 25% to 41.3 million euros, mainly due to the increase in the selling price to some partners and wholesalers as a consequence of the increase in the price of the raw material of LMWH.



Bemiparin sales in Spain (Hibor®) increased 1% to 69.4 million euros in 2021 in comparison to the previous year's figure, mainly due to the product's higher penetration in the treatment segment.

Sales of **Neparvis®**, a prescription product of Novartis that ROVI has been marketing since December 2016, increased 30%, rising to 38.5 million euros in 2021, compared with the 29.6 million euros of 2020.

Sales of **Volutsa®**, a prescription product of the company Astellas Pharma that ROVI has been distributing in Spain since February 2015, rose by 14% in comparison with the preceding year, totalling 16.3 million euros in 2021.

Sales of **Vytorin®**, **Orvatez®** and **Absorcol®**, prescription products of the company Merck Sharp & Dohme ("MSD"), remained constant at 28.3 million euros in 2021 compared with the preceding year.

Sales of **Hirobriz® Breezhaler®** and **Ulnar® Breezhaler®** dropped by 17% to 9.4 million euros in 2021, compared with the 11.3 million euros of the preceding year, mainly due to the 18% reduction in the price of Ulnar® Breezhaler® in the second quarter of 2020.

Sales of **Medicebran®** and **Medikinet®**, prescription products of the company Medice that ROVI has been distributing on an exclusive basis in Spain since December 2013, increased 4% on the preceding year, totalling 3.6 million euros in 2021.

In addition, as a result of the strong recover of activity in Spanish and Portuguese hospitals in 2021 after the effects of the confinements during the pandemic, **sales of contrast agents for diagnostic imaging and other hospital products** increased 15% in 2021 in comparison with the preceding year, totalling 35.5 million euros.

According to the consultancy firm IQVIA, the innovative product market in Spain grew 4% in 2021 in comparison with 2020. Notwithstanding, ROVI's sales of prescription pharmaceuticals rose by 17% in 2021, outperforming the market by more than 13 percentage points.

Contract manufacturing business

Contract manufacturing sales grew 189% on the preceding year, totalling 264.7 million euros in 2021, principally due to:

- Recognition of the revenue related to the production of the COVID-19 vaccine;
- Recognition of the revenue related to the activities carried out to prepare the vaccine production plant under the agreement with Moderna;
- The reorientation of the contract manufacturing strategy towards products with a higher value-added.

ROVI expects the contract manufacturing business to increase by between 30% and 40% in 2022 in comparison with 2021, including production of the COVID-19 vaccine.

Profit

The **gross profit** increased 59% on the preceding year in 2021, to 386.2 million euros, reflecting an increase of 1.8 percentage points in the gross margin, which rose from 57.7% in 2020 to 59.5% in 2021, mainly due to the good performance of the contract manufacturing division, which contributed higher margins to group sales. This positive impact on the gross margin offset the increase in the selling costs of LMWH in 2021 in comparison with the previous year.

EBITDA increased 115% on the previous year and totalled 202.9 million euros in 2021, reflecting an increase of 8.8 percentage points in the EBITDA margin to 31.3% (in comparison with 22.4% in 2020).

EBIT rose 14.3% in comparison with 2020 to 181.6 million euros in 2021, reflecting an increase of 10.2 percentage points in the EBIT margin, which rose from 17.8% in 2020 to 28.0% in 2021.

The **net profit** rose to 153.1 million euros in 2021, an increase of 151% on the 2020 figure, which was 61.1 million euros.



R&D expenses

Research and development (R&D) expenses, related principally to the ISM® technology platform, increased 15% on the preceding year, totalling 27.4 million euros in 2021.

These R&D expenses are principally related to the following items:

- Repetition of the bioavailability study of multiple doses of Risperidone ISM® compared to oral risperidone in response to the major observation of the Committee for Medicinal Products for Human Use (CHMP);
- Development of Phase 1 of Letrozole ISM®;
- Development of the new formulation of Risperidone ISM® for a three-monthly injection.

Likewise, in 2021 and 2020, ROVI invested 5.5 million euros and 9.7 million euros, respectively, in the industrialisation of the R&D project related to its ISM® platform.

Sales, overhead and administrative expenses

Sales, overhead and administrative expenses increased 25% in comparison with the preceding year, totalling 156 million euros in 2021, mainly due to:

- The increase in the expenses related to production of the Moderna vaccine;
- The increase in the expenses related to the launch of Okedi® in Europe.

Expenses related to COVID-19 protection measures dropped to 1.6 million euros in 2021, in comparison with 4 million euros in 2020.

Excluding the COVID-19-related expenses, sales, overhead and administrative expenses would have risen 28% to 154.4 million euros in 2021, compared with the 120.4 million euros of 2020.

Income Statement

| € MILLION | 2021 | 2020 | % Variation |
|---|--------------|--------------|-------------|
| Operating revenue | 648.7 | 420.0 | 54% |
| Other revenue | 1.3 | 1.2 | 15% |
| Total revenue | 650.0 | 421.1 | 54% |
| Sales cost | -263.9 | -178.7 | 48% |
| Gross profit | 386.2 | 242.5 | 59% |
| % margin | 59.5% | 57.7% | 1,8pp |
| R&D expenses | -27.4 | -23.8 | 15% |
| Sales, overhead & administrative expenses | -156.0 | -124.4 | 25% |
| Share in profit/(loss) of joint ventures | 0.2 | 0.0 | n.a. |
| EBITDA | 202.9 | 94.2 | 115% |
| % margin | 31.3% | 22.4% | 8,8pp |
| EBIT | 181.6 | 74.7 | 143% |
| % margin | 28.0% | 17.8% | 10,2pp |
| Finance costs (net) | 1.1 | -2.1 | -151% |
| Profit before tax | 182.6 | 72.6 | 152% |
| Income tax | -29.6 | -11.5 | 156% |
| Effective tax rate | 16.2% | 15.9% | 0,3pp |
| Net profit | 153.1 | 61.1 | 151% |

Sound financial situation

One of ROVI's main goals is to have low leverage in capital management. At the end of 2021, the Company showed a **gross cash position** of 100.5 million euros, compared with 54.6 million euros at 31 December, 2020.

Net cash was 27.4 million euros, compared with 19.8 million euros of net debt at 31 December, 2020.



Likewise, in relation to **bank borrowings**, in December 2017, ROVI announced that the European Investment Bank (EIB) had granted it a credit line to support its investments in Research, Development and Innovation. The credit was for 45 million euros. The credit line remained practically stable during 2021 and, at 31 December, 2021, ROVI had drawn down 45 million euros against this credit line, 5 million euros at a variable interest rate of Euribor at 3 months +0.844% (the latest interest rate paid was 0.297% in January 2022), and 40 million at a fixed interest of 0.681%. In October 2021, the variable-interest loan began to be repaid (three-monthly repayments) and its current outstanding balance is 4.8 million euros. The loan matures in 2029 and includes a three-year grace period.

Acquisition of fixed assets

The group invested 40.9 million euros in the acquisition of fixed assets in 2021, compared with 39.7 million euros in 2020. The high figures of 2020 and 2021 are mostly related to **investments in ROVI's different manufacturing plants** and the following may be highlighted:

2.9 million euros were invested in the Madrid injectables plant

4.2 million euros were invested in the Alcalá de Henares plant

3.3 million euros relate to investment in maintenance and other assets

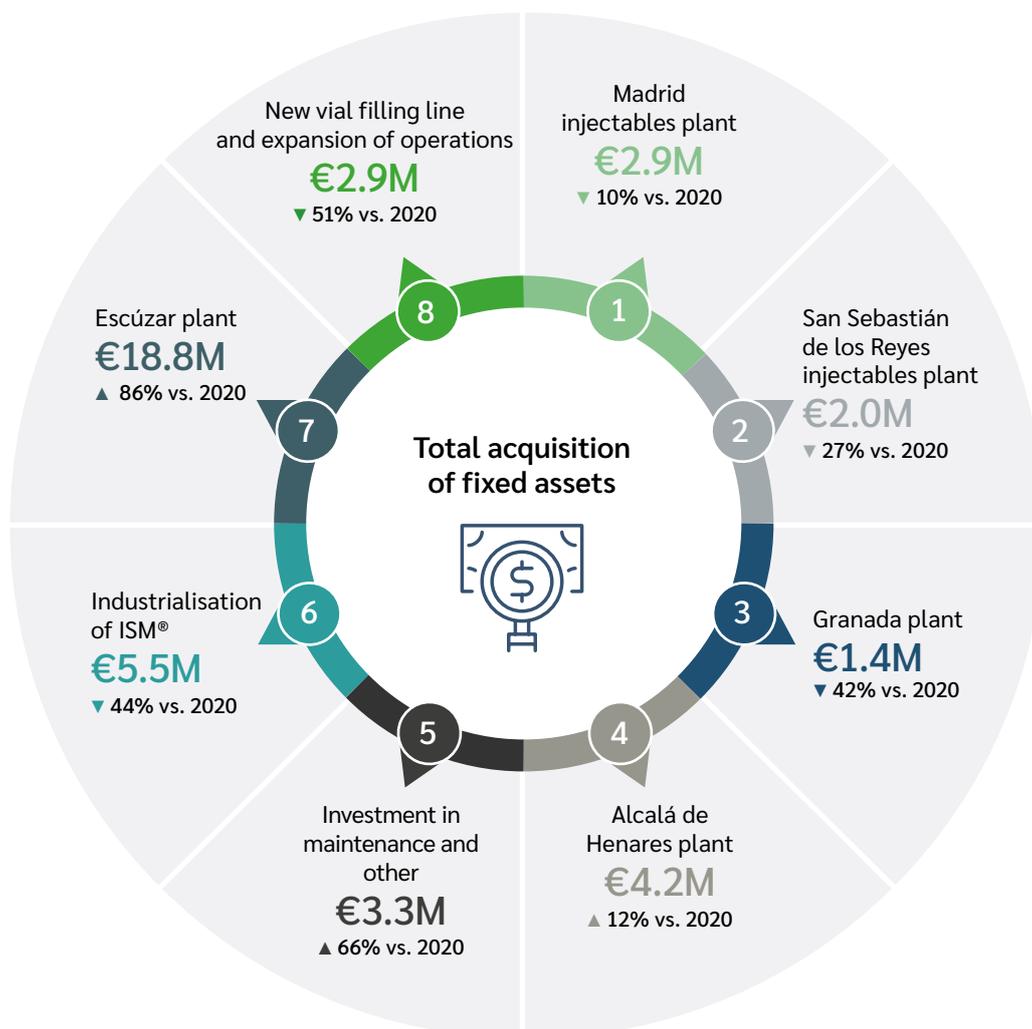
2.0 million euros were invested in the San Sebastián de los Reyes injectables plant

5.5 million euros were invested in the industrialisation of ISM®

2.9 million euros were invested in the new vial filling line and expanding operations

1.4 million euros were invested in the Granada plant

18.8 million euros were invested in construction of the new heparin plant in Escúzar (Granada)



5.2. Value for the Shareholder

ROVI's goal is to align the Company's interests with those of the shareholders in order to construct and consolidate a relationship of mutual trust that allows a good performance and the creation of value in the long term.

To this end, ROVI manages its relationship with shareholders and potential investors through the Investor Relations Department and its Shareholder, Institutional Investor and Proxy Advisor Communication Policy, which governs the actions taken by the Department and is applied actively, in order to maintain regular, smooth communication on all its activities.

Likewise, the Investor Relations Department has very smooth communications with the rest of the areas of the Company, which allows any information requests from ROVI's investors and analysts to be satisfied.



Shareholder, Institutional Investor and Proxy Advisor Communication Policy



ROVI guarantees transparency, accuracy, immediacy, equality and symmetry in the information it provides to shareholders, institutional investors and the markets in general.

The main goal is to foment sharing information with shareholders on an ongoing and regular basis, not only when Ordinary General Shareholders' Meetings are called, but also by making effective channels available for them to receive constant information on any proposals that may be made in relation to the management of the Company pursuant to the law or following Corporate Governance recommendations.

Communication Channels



ROVI offers all its shareholders the possibility of automatically receiving all the Company's financial information through a system of e-mail alerts and regular, one-off and important information, such as presentations and legal, economic, financial and corporate governance documents, may be consulted on the Group's portal.

Furthermore, it has three social media profiles (Twitter, LinkedIn and YouTube), through which it informs on new developments in the group and shares its relevant events, such as press releases and other activities related to corporate social responsibility.

Securities market information

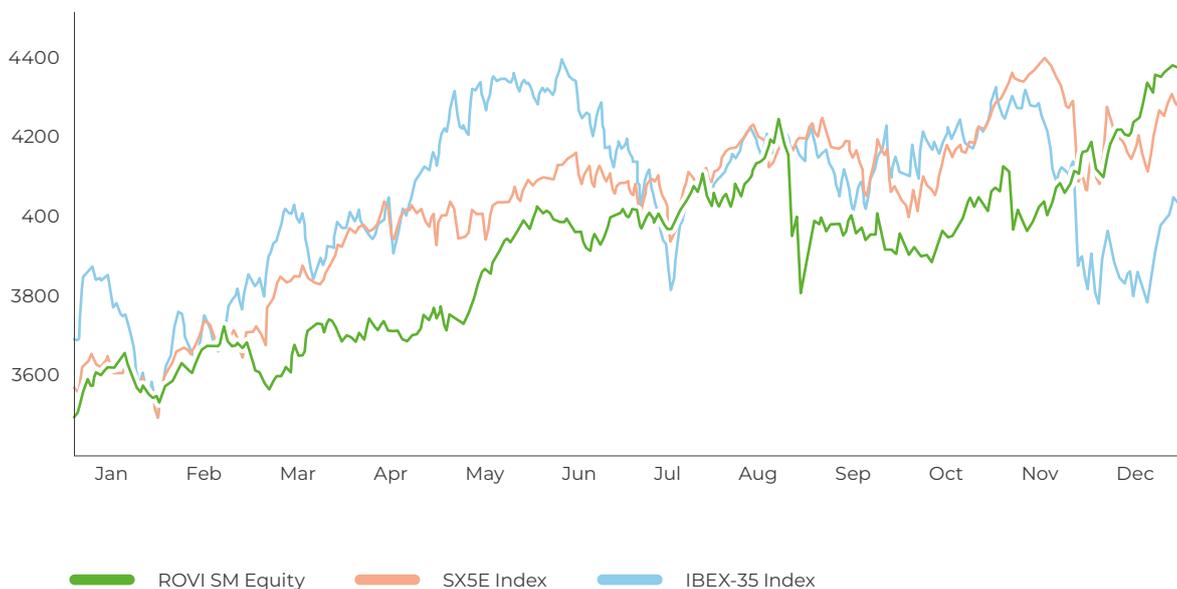
At the end of 2021, ROVI's shares had reached their **all-time high**, with a price of 73.8 euros per share.

During 2021, ROVI acquired a total of 1,411,964 treasury shares (1,233,324 during 2020), paying 78.8 million euros for them (37.3 million euros in 2020). Likewise, a total of 831,586 treasury shares were resold (1,246,626 in 2020) for a sum of 42.4 million euros (37.5 million euros in 2020). These shares had been acquired at a weighted average cost of 31.4 million euros (27.4 million euros in 2020), giving rise to a profit of 10.9 million euros on the sale (10.1 million euros in 2020) which was taken to reserves. As of 31 December, 2021, ROVI held 1,218,776 treasury shares (673,654 at 31 December, 2020).

| € MILLION | 2021 |
|---|---------------------------------|
| Ticker symbol | ROVI |
| Bloomberg ticker symbol | ROVI:SM |
| Reuters ticker symbol | ROVI.F |
| ISIN | ES0157261019 |
| Number of shares in issue (31 Dec. 2021) | 56,068,965 |
| Closing price (31 Dec. 2021) | 73.8€ |
| Type of shares | Common shares (Par value €0.06) |
| Capitalisation (31 Dec. 2021) | 4.138 Mn€ |
| Market | Continuous market |

Evolution of the share

The price of the ROVI share increased by 94.72% in 2021.



On 9 December, 2021, the Technical Advisory Committee of the IBEX indices (CAT) decided to include Laboratorios Farmacéuticos Rovi on the benchmark index of the Spanish stock exchange, the IBEX-35.

In this respect, in 2021, the ROVI share rose by 94.72%, from 37.9 to 73.8 euros while, in the same period, the IBEX-35 rose 7.93% to 8,713.8 points and the Eurostoxx 50 increased 21.21% to 4,306.1 points. ROVI's capitalisation at 31 December, 2021 was 4,138 million euros.

The daily trading volume from January to December 2021 was 83,414 shares, including the volume traded on the block market and special transactions.

The daily trading volume from January to December 2021 was 83,414 shares, including the volume traded on the block market.

If it is considered only the volume traded on the market, it was 70,764 shares (compared with 47,880 in 2020). In 2021, the average daily volume (without blocks or special transactions) showed an increase of 148% on 2020.

General Shareholders' Meeting

At its meeting of 17 June, 2021, ROVI's General Shareholders' Meeting adopted a resolution to pay shareholders a **gross dividend of 0.3812 euros per share** entitled to receive it, charged to the 2020 profit. This represented an increase of 118% in comparison with the dividend charged to the 2019 profit (0.1751 euros/share) and entailed the distribution of a sum of approximately 35% of the consolidated net profit for 2020 (in comparison with 25% of the 2019 consolidated net profit). This dividend was paid out on 7 July, 2021.



Investor relations activity

The Department's core strategy is to satisfy the demands and expectations of the Group's shareholders and investors. To this end, true to its principles of a close relationship and transparency, ROVI maintained constant activity throughout the year through meetings, forums and events with investors.

Furthermore, the Investor Relations Department, together with the Company's senior management, takes part in roadshows, multi-sectoral conferences, meetings at the Madrid offices and other actions, such as Investors' Day, webinars, visits to ROVI's production plants and presentations at different financial and health sector forums.

In 2021, ROVI conducted 14 roadshows, took part in 68 calls with investors, and attended 22 virtual conferences, which, overall, represented attention to over 500 investors.



14 roadshows during 2021

68 calls with investors

22 virtual conferences

The most relevant events attended by ROVI in 2021 were the following:

Communication Channels



- BME, Foro Virtual Mid Cap.
- BME Spring European Midcap Event.
- Bestinver Securities.
- Berenberg Pan-European Discovery Conference USA.
- BofA, Global Research Made in Iberia.
- Credit Suisse, London Global Healthcare Conference.
- Caixabank BPI Iberian Conference.
- Capital Markets Conference.
- Exane BNP, European Mid Cap CEO Conference.
- JP Morgan, Cazenove Pan-European Small/Mid Cap CEO.
- JB Capital, Spain & Portugal Equity Conference.
- Jefferies, Pan-European Mid-Cap. Virtual Conference.
- Jefferies, London Healthcare Conference.
- Kepler Chevreux Autumn Conference.
- ODDO BHF Iberian Forum.
- Santander Iberian Conference.
- Santander Pharma Day.

Likewise, at its meetings with investors, the main topics that aroused their interest were the following:

Collaboration with Moderna

Information on ROVI's progress in formalising the agreement with Moderna for manufacture of the COVID-19 vaccine.

R&D

Information on new developments in the ISM® technology developed by ROVI, as well as the candidate products to bring the aforementioned technology into use: Okedi® and Letrozole ISM®.

LMWH

Information on ROVI's performance in the low-molecular-weight heparin market and its future lines of growth with the Enoxaparin biosimilar, Becat®.

Sector trends

Information on the long- and medium-term trends in the pharmaceutical sector and how ROVI is adapting to them.

ESG

- Information on how ROVI is integrating ESG criteria into its management and its relations with its main stakeholder groups.
- Information on ROVI's positioning in ESG risk according to the annual evaluation conducted by Sustainalytics.

Likewise, the Investor Relations Department establishes a direct relationship with the **analysts who cover ROVI**.

As of 31 December, 2021, ROVI was being covered by 13 analysts. In 2021, the consensus of the analysts was a buy recommendation for ROVI, with an average target price of 67.61 euros, 8% lower than the closing price of the share on 31 December 2021, which was 73.8 euros.

| | |
|---|--------------------------|
|  | Alejandro Conde Fraisoli |
|  | Patricia Cifuentes |
|  | Álvaro Lenze |
|  | Guilherme Macedo |
|  | Luis Arredondo |
|  | Pedro Echeguren |
|  | Joaquín García-Quirós |
|  | Álvaro Aristegui |
|  | Juan Ros |
|  | James Van-Tempest |
|  | Pablo de Rentería |
|  | Francisco Ruiz |
|  | Isabel Carballo |

5.3. Tax Transparency

 GRI 103, 201-4 and 207-1

Tax Policy

The Corporate Tax Policy sets out ROVI's commitment to comply with all tax requirements and apply the best tax practices, always informing on its activity transparently and meeting its tax obligations responsibly and efficiently.

Anti-tax fraud mechanisms

The Group's Risk Control and Management Policy is the principal mechanism used by ROVI to identify, assess and hierarchise the risks that could affect the organisation, including tax-related risks.

In this respect, on its Corporate Risk Map, ROVI has identified non-compliance with tax regulations as one of its potential risks, monitoring and controlling said risk so that it is reduced to an acceptable level that does not affect attainment of the Group's targets. Notwithstanding, **in 2021, no event that could have placed ROVI at risk for tax fraud materialised.**

Additionally, ROVI receives independent tax advice from an external source that guarantees ROVI's transparency in relation to its tax obligations, ensures that **tax returns are filed meticulously**, keeps company Management updated on tax issues, and solves any conflicts or queries that may arise.

ROVI considers paying taxes to be a fundamental pillar to support the Welfare State and develop society overall. Therefore, the group makes a great effort to ensure strict compliance with tax requirements and apply the best tax practices:

- To act transparently.
- To pay taxes responsibly and efficiently.
- To promote co-operation with governments, avoiding significant risks and unnecessary conflicts.

Internally, in order to continue improving the Company's tax practices, ROVI conducts activities to raise awareness among its employees, providing continuing training to Company personnel who interact with local and foreign suppliers, in order to communicate the importance of having a current Residency Certificate so as to apply the Double Taxation Treaty in force and avoid running any tax risks.

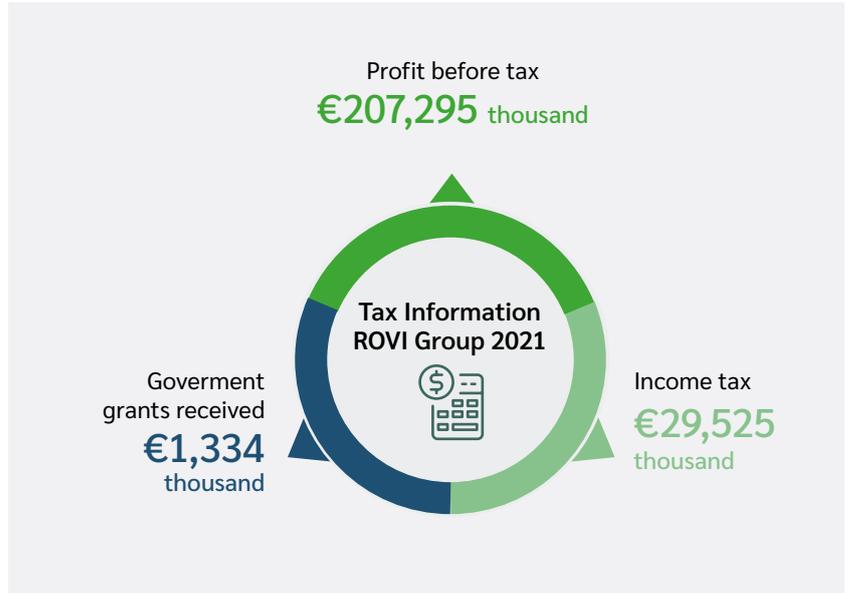
Additionally, any interaction with healthcare professionals, healthcare organisations, health systems, pharmacies, stores, purchasers, distributors, suppliers, commercial partners, public employees or any other third parties in general must be governed by lawfulness and ethics and in line with ROVI's values, company policies, the applicable laws and pharmaceutical industry standards.

Finally, given ROVI's close relationship with the public authorities and its strict compliance with its responsibilities as a manufacturer and vendor of medicines and healthcare products, the Company guarantees that all its activities are always conducted in an environment of strict compliance with legal and tax requirements.



Tax information

ROVI pays special attention to compliance with the tax obligations that are applicable depending on the country in which it is operating. In this respect, information on all the Group's taxes in 2021 is set out below and Appendix I hereto gives details of tax contributions by company.



OUR RESPONSIBLE AND SUSTAINABLE MANAGEMENT

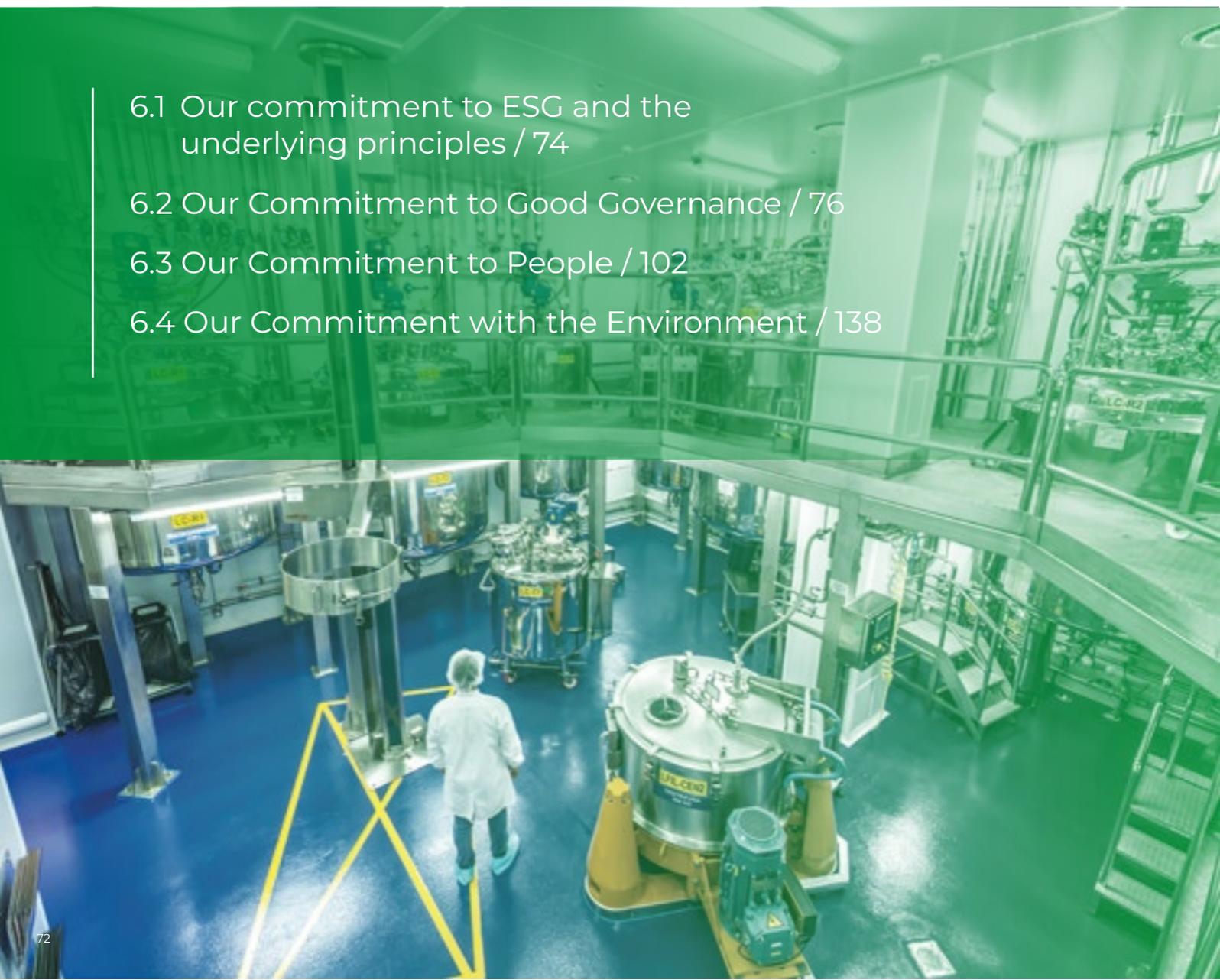
6

6.1 Our commitment to ESG and the underlying principles / 74

6.2 Our Commitment to Good Governance / 76

6.3 Our Commitment to People / 102

6.4 Our Commitment with the Environment / 138



INTRODUCTION

ROVI, as a Company that holds a strong position in the pharmaceutical sector both nationally and internationally, works under a firm commitment to being a socially responsible company that makes an active contribution to sustainable development.

To this end, ROVI keeps in the vanguard of sectoral trends, integrating all the aspects that can generate value for its principal stakeholders in the short, medium and long terms into its day-to-day activity. ROVI bets firmly on its contribution to the environment by establishing a business model based on differentiating factors, such as Sustainability, Quality, Research, Development and Innovation, and Environmental Protection.

The Group's emphasis on value materialises through its management of the three ESG aspects, establishing its commitment and underlying principles in this respect, set out in the different policies, procedures and standards, as well as goals and challenges in each one of these areas, which are described in the chapters of this Integrated Report.



6.1. Our commitment to ESG and the underlying principles

The ROVI Group is positioned as one of the national leaders in the pharmaceutical sector in an uncertain and constantly changing environment, thanks to the clear mission and vision that guide the day-to-day of the members of the Company. Likewise, ROVI has a **road map that materialises in principles and initiatives that govern the responsible and sustainable** conduct of the Company in the short, medium and long-terms.

This road map, which is in line with the Group’s values, allows ROVI **to create value actively and progressively over the years**, always remembering the maxim that it

should conduct its activity **complying with national and international standards**, as well as developing the **best ESG practices** (environmental, social and governance).

In this respect, ROVI has been working to improve the aspects that differentiate it for years, responding to global challenges, betting on **business growth in line with sustainable development**, and meeting existing needs without jeopardising future generations.

Corporate governance

- Corporate governance system adapted to the growing demands for control, oversight and transparency in business management
- Equality on the Board of Directors
- Integration of ESG into management.

Risk control

- Strong and active risk management
- Risk map of emerging risks and risks that have materialised

Ethics and integrity

- Code of Ethics
- Respect for and promotion of human rights
- Animal testing
- Communication through complaints channels
- Transparent information and dialogue with stakeholders
- Strategic function of Regulatory Compliance Department and Internal Audit Department to improve decision-making



Remuneration

- Remuneration Policy for the Board of Directors and Senior Management

Regulatory compliance

- Mechanisms to combat bribery and corruption
- System that guarantees and ensures compliance with corporate policies
- Due diligence model that includes ESG-related aspects as a prior review system for potential partners

Operating environment

- Reinforcement of the Company's position regarding access to medicines
- Boosting social action – establishing key areas for action and sponsorships
- Corporate volunteering in line with the Company's values
- Roll-out of a Social Action Management and Measurement System
- Analysis of ROVI's contribution to attaining the SGDs
- Dialogue with local communities

Value chain

- Sustainability, safety and quality in the supply chain
- Supplier approval and audits
- Analysis and assessment of risks derived from the supply chain
- Analysis of product life cycle (EMVO System and SIGRE)
- Adoption of good practices and ESG evaluation of the supply chain (EcoVadis)
- Evolution of supplier relationships towards a partnership model



Customers, patients and healthcare professionals

- Product quality and safety
- Patient safety in clinical trials
- Responsible consumption of medicines by patients
- Responsible practices by healthcare professionals
- Ethical marketing
- Pharmacovigilance system
- Channels to communicate and engage with customers, patients and healthcare professionals

Employees

- Attracting and retaining talent
- Health and Safety culture (employee awareness and training)
- Equal opportunities, diversity and inclusion
- Training, development and performance evaluation
- Employee well-being (programmes concerning flexibility and work-life balance)
- Active internal communication

Climate change mitigation

- Contribution to the global effort to combat Climate Change
- Measures to prevent and reduce carbon emissions affecting the environment
- Carbon neutrality
- Monitoring the carbon footprint

Waste management and circular economy

- Measures for the reduction, recycling, reutilisation, recovery and elimination of waste
- Minimisation of the pollution produced in pharmaceutical manufacturing
- Eco-design of packaging



Environmental management

- Investment in environmental risk prevention resources
- ROVI's environmental commitment to its stakeholders

Sustainable use of resources

- Lines of action to reduce energy consumption (energy efficiency, renewable energies)
- Compensating the impact on water and other resources
- Efficient raw material management
- Respect for biodiversity

6.2. Our Commitment to Good Governance

Key indicators



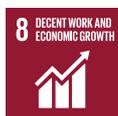
- Percentage of female directors →16.7%
- Percentage of independent directors →50%
- 100% of the workforce knows ROVI's Code of Ethics.
- Average remuneration of Board members → men: 82,667 euros; women: 80,000 euros.

2021 milestones



- Integration of ESG into the Board of Directors and the rest of the levels of the organisation.
- Certified as Good Laboratory Practice compliant.
- No complaints recorded through the Ethics Channel regarding possible human rights violations.

Contribution to the SDG



Associated internal policies



- Director Remuneration Policy.
- Risk Control and Management Policy.
- Policy on the Composition of the Board of Directors.
- Environmental and Social Sustainability Policy.
- Animal Testing Policy.
- Senior Management Remuneration Policy.
- Anti-Bribery and Anti-Corruption Policy.
- Supplier Selection Policy.
- Policy on Payment of Suppliers.

Goals



To increase the number of female directors on the Board to 40% (2022).



6.2.1. Our Corporate Governance model and structure

 GRI 102-13, 102-18, 102-19, 102-20, 102-22, 102-23, 102-24, 102-26, 102-28, 102-32 and 405-1

Our Corporate Governance model, taking account of the recommendations of the CNMV

The corporate governance of ROVI takes the updated recommendations applicable to the Company into account. In particular, its internal regulations are adapted to the **Good Governance Code of Listed Companies** approved by the National Securities Market Commission (CNMV) in February 2015 and revised in June 2020 (the “Good Governance Code”).

This model helps promote honest behaviour on the part of the ROVI in its relations with its stakeholders, building a relationship of mutual trust that contributes to meeting their interests, needs and expectations.

Governing bodies

General Shareholders’ Meeting

- **Role:** the Company’s highest decision-making and control body for the matters within its competence.
- **Regulation:** its powers and operation are regulated by the Bylaws and the Regulations of the General Shareholders’ Meeting.
- **Meetings:** it meets at least once a year at the Ordinary General Meeting within the first six months of each year.
- **Competences:** to approve the governance body’s corporate management and the annual financial statements for the preceding year and decide on application of the profit, although it may likewise deliberate and decide on any other item on the agenda that falls within its competence.
- **Right to attend:** all holders of at least one share recorded in their name in the relevant account entry register five days before the General Shareholders’ Meeting is held may attend the meeting.



General Shareholders' Meeting 2021

The most recent Ordinary General Shareholders' Meeting of Laboratorios Farmacéuticos Rovi, S.A. was held exclusively on-line in Madrid on 17 June, 2021 on the first call, with a total of 49,344,909 shares in attendance (36,439,888 present and 12,905,021 represented), representing 88.008% of the share capital (64.991% present and 23.016% represented). The following resolutions were passed:

- Approval of the individual annual accounts of the Company and the consolidated annual accounts of the Company and its subsidiaries for the year ended 31 December, 2020.
- Approval of the individual management report of the Company and the consolidated management report of the Company and its subsidiaries for the year ended 31 December, 2020.
- Approval of the statement of non-financial information included in the Consolidated Management Report for the year ended 31 December, 2020.
- Approval of the proposed application of the individual profit for the year ended 31 December, 2020, which was 71,136,874.98 euros. A resolution was passed to pay a dividend of 0.3812 euros gross per share to each one of the 56,068,965 ordinary shares in issue that was entitled to receive it on the pay-out date (21,373,489.46 euros) and allocate 49,763,385.52 euros to retained earnings.
- Approval of the management and performance of the Board of Directors in the year ended 31 December, 2020.
- Approval of amendments to certain articles of the Company's Bylaws and the Regulations of the General Shareholders' Meeting in order to adapt them to new legislation.
- Re-election of the Board members Mr Juan López-Belmonte López and Messrs Juan, Iván and Javier López-Belmonte Encina.
- Approval of the maximum annual remuneration of the members of the Board of Directors in their capacity as such for the year 2021, fixed at 1,000,000 euros.
- Approval of the Director Remuneration Policy for the period 2021-2024.
- Approval of the Long-Term Incentive Plan (2022-2024) consisting of the award of shares in the Company, if appropriate, to its executive directors.
- Approval of an extraordinary bonus for the executive directors in the light of their performance and the milestones recently achieved for the group.
- Re-election of the account auditors of the Company and its consolidated group, KPMG Auditores S.L., for the year 2021.



Board of Directors

- **Role:** the Company's highest decision-making, oversight and control body, except in matters reserved to the General Shareholders' Meeting.
- **Regulation:** its powers and operation are regulated by the Bylaws and the Regulations of the Board of Directors.
- **Meetings:** the Board of Directors met on 13 occasions in 2021. The percentage attendance (including proxies granted with precise voting instructions) was 100% of total votes.
- **Competences:** The competences that this body holds by law include:
 - Preparing the annual accounts and management report and proposing the application of the Company's profit.
 - Approving the Company's general policies and strategies and, in particular the strategic plan, as well as the management objectives and annual budget.
 - Supervising and verifying that management meets the goals fixed, respects the corporate purpose and promotes the Group's corporate interests.
 - Supervising the preparation of the financial and non-financial information.
 - Calling the General Meeting and drawing up an agenda and the motions to be put to it, as well as publishing the announcements of the meeting.

Efficiency and proper operation of ROVI's Board of Directors, according to the latest self-evaluation performed in 2021 in accordance with article 5.7 of the Regulations of the Board of Directors.

- **Composition:** in the first half of 2021, the Board of Directors was composed of seven members. Since the death of the then chairman of the Board of Directors, Mr Juan López-Belmonte López, in July 2021, the Board has been composed of six members: three executive directors and three independent directors, meeting the recommendations of the Code of Good Governance (which state that there should be no less than five and no more than fifteen members).
- **Board committees:** the Audit Committee and the Nomination and Remuneration Commission, which provide information and advice.

Composition of the Board of Directors at 31 December, 2021



Mr Juan López-Belmonte Encina

- Chairman and Chief Executive Officer
- Executive director

- Graduated in Economic and Business Sciences from CEU San Pablo, Madrid, in 1993.
- Joined ROVI in 1993.
- Appointed General Manager in 2001.
- Chief Executive Officer since 2007.
- Chairman of the Board of Directors since July 2021.
- Chairman of the R&D&I Committee of the of the CEOE (Spanish Confederation of Business Organisations) from March 2015 until the end of 2018.
- Appointed President of Farmaindustria in October 2020 and continues to hold the position.
- Shareholder of Norbel Inversiones, S.L. (ROVI's controlling shareholder).



Mr Javier López-Belmonte Encina

- First Deputy Chairman
- Executive director

- Graduated in Economic and Business Sciences from Colegio Universitario de Estudios Financieros (CUNEF), Madrid, specialising in Financing, in 1998.
- Joint Executive MBA from the University of Brown and the Instituto de Empresa in Madrid in 2017.
- Joined ROVI in 2000.
- Chief Financial Officer since 2001.
- Director of the Company since 2007.
- He has been Vice President of the CEIM (Madrid Business Confederation-CEOE), a member of its Management Board and Chairman of its Health Commission.
- He has been a member of the Social Council of the Universidad Autónoma de Madrid representing the CEIM and a member of the Board of Trustees of Fundación Universidad Autónoma de Madrid, representing the Social Council of the Universidad Autónoma de Madrid.
- Shareholder of Norbel Inversiones, S.L. (ROVI's controlling shareholder).



Mr Fernando de Almansa Moreno-Barreda

- Independent director
- Chairman of the Nomination and Remuneration Commission
- Member of the Audit Committee

- Law degree from Universidad de Deusto (Bilbao).
- Joined the Diplomatic Service on 2 December, 1974.
- Appointed as an independent director on 9 June, 2015.
- Between 1976 and 1992, he held different positions: Secretary of the Spanish Embassy in Brussels, Cultural Attaché at the Spanish Embassy in Mexico, Chief Director of the Coordination Section of the Subdirectorato-General for Eastern Europe, Director of Atlantic Affairs at the Directorate-General of Foreign Policy for Europe and Atlantic Affairs, Political Counsellor to the Permanent Representative of Spain on the North Atlantic Council in Brussels, Minister-Counsellor of the Spanish Embassy in the Soviet Union, Secretary General of the National Commission for the Fifth Centenary of the Discovery of America and Subdirector General for Eastern Europe, reporting to the Directorate-General of Foreign Policy for Europe.
- From 1993 to 2002, His Majesty King Juan Carlos I appointed him as Head of the Royal Household with the rank of minister and he was appointed as a privy councillor of His Majesty King Juan Carlos I.
- He was a member of the Board of Directors of Telefónica, S.A. from 2003 to 2016, holding the position of chairman of the International Affairs Commission of its Board and forming part of several subsidiaries of Telefónica, S.A. in Latin America as a Board member.
- He has been a member of the Boards of Directors of the Mexican bank BBVA BANCOMER and of TELEFÓNICA MÓVILES S.A. in Mexico.



Mr Iván López-Belmonte Encina

- Second Deputy Chairman
- Executive director

- Graduated in Economic and Business Sciences, specialising in Auditing, from CEU San Pablo, Madrid in 1994.
- Diploma in Advanced Studies, obtained in 2008, which recognised his research proficiency in the Financial Economics and Accounting area.
- Joined ROVI in 1995.
- Corporate Development Manager since 2007.
- Director of the Company since 2007.
- Shareholder of Norbel Inversiones, S.L. (ROVI's controlling shareholder).



Mr Marcos Peña Pinto

- Independent director
- Chairman of the Audit Committee
- Member of the Nomination and Remuneration Commission

- Law degree from Universidad Complutense de Madrid and passed the official examination to become a Technical Labour and Social Security Inspector.
- Appointed as an independent director of the Company by co-option and accepted his appointment on 9 May, 2019.
- From 1984 to 1989, he held the position of Labour Attaché at the Spanish Embassy in Italy.
- From 1991 to 1996, he was the Secretary-General for Health at the Ministry of Health and Consumer Affairs and Secretary General for Employment and Labour Relations at the Ministry of Labour.
- Between 2005 and 2006, he was appointed an expert member of the Economic and Social Council, which he presided until April 2020.
- He has been a member of the Council of State due to his position as president of the Economic and Social Council.
- He has held the position of chairman of the Bargaining Committee for many collective labour agreements (e.g. Telefónica, RENFE, Repsol, Alcatel, Endesa, Astilleros, etc.).
- In April 2020, Mr Peña was appointed to the Board of Trustees of the Foundation of the CEOE (Spanish Confederation of Business Organisations).



Ms Fátima Báñez García

- Independent director
- Member of the Audit Committee
- Member of the Nomination and Remuneration Commission

- Degree in Law and Economic and Business Sciences from the Universidad Pontificia de Comillas -ICADE E-3-.
- Postgraduate degree in Company Administration from the University of Harvard, Boston, MA.
- Public Management Leadership Programme at the IESE Business School.
- Appointed as an independent director of the Company by co-option and accepted her appointment on 20 December, 2019.
- From November 1997 to June 2000, she was a member of the Board of Directors of Radio Televisión de Andalucía.
- Minister of Employment and Social Security in the Spanish government from December 2011 to June 2018, and provisional Minister of Health, Social Services and Equality from August to November 2016.
- Member of the Spanish Congress of Deputies for Huelva (2000-2019) and chair of the Foreign Affairs Commission of the Lower House (2018-2019).
- She has extensive international experience, having represented Spain on the EPSCO Council, at the G-20, at the Ibero-American Summits and at meetings of the OECD and ILO, as well as at international employment forums.
- Ms Báñez is currently on the Board of Directors of Iberdrola México, S.A. and chair of the Foundation of the CEOE (Spanish Confederation of Business Organisations).

Mr Gabriel Núñez Fernández

- Non-director secretary

Mr Ignacio Zorzalejos Toledano

- Deputy non-director secretary





Percentage of female directors on the Board as of 31 December, 2021

16.7%

▲ 2.4pp vs. 2020



Percentage of independent directors

50%

▲ 7.1pp vs. 2020

Nomination and Remuneration Commission (N&RC)

- **Role:** consultative commission of the Board of Directors.
- **Meetings:** this commission met on 10 occasions in 2021.
- **Competences:**
 - To report on and submit proposals on the appointment and dismissal of directors and senior management to the Board of Directors.
 - To assess the skills, knowledge and experience necessary on the Board, as well as the time and dedication required from Board members for the proper fulfilment of their duties.
 - To prepare and review the criteria that should be followed regarding the composition of the Company's management team and strive to ensure that the remuneration policy for directors and senior management established by the Company is observed and is transparent.
- **Composition:** formed by three independent directors, appointed on the basis of their knowledge, skills and experience in the tasks they will be undertaking.

Audit Committee

- **Role:** consultative committee of the Board of Directors.
- **Meetings:** it meets quarterly to review the financial information which, as a listed company, the Company must publish regularly, as well as the mandatory non-financial information. In 2021, this Committee met on eight occasions.
- **Competences:**
 - Oversight of the process of preparing the financial information, ensuring that it is complete.
 - Regular review of the information and internal control systems and the Risk Control and Management Policy.
 - Oversight of corporate risks.
 - Oversight of Crime Prevention Model.
 - To report on related-party transactions, ensure the independence of the statutory auditors and ensure the independence and efficacy of the internal audit service.
- **Composition:** formed by three independent directors, appointed on the basis of their knowledge and experience in accounting, auditing or risk management, as well as their knowledge, skills and experience in the other tasks undertaken by the Commission.

Management Committee

- **Role:** to represent the main areas of the ROVI organisation and conduct the Company's day-to-day management.
- **Composition:**



Mr Juan López-Belmonte Encina
Chief Executive Officer



Mr Javier López-Belmonte Encina
Chief Financial Officer



Mr Iván López-Belmonte Encina
Corporate Development Manager



Mr. Francisco Javier Angulo García
Human Resource Manager



Ms. Beatriz Ávila Alcalde
Sales Manager, Line B



Ms. Mercedes Benítez del Castillo Sánchez
Legal Department Manager



Mr. Pedro Carretero Trillo
Hospital Network Manager



Mr. Miguel Ángel Castillo San Román
International Business and Development Manager



Mr. Ibón Gutierrez Adúriz
Corporate R&D Manager



Mr. Fernando Martínez Garijo
Sales Effectiveness Manager



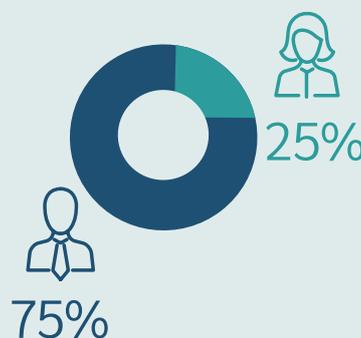
Mr. Miguel Ángel Ortega Sánchez
Industrial Manager



Ms. Mª Rosario Perucha Pérez
Marketing Manager

This Committee reflects ROVI's commitment to promoting a policy of equal opportunities, avoiding any discrimination based on gender or other factors in wages, training, promotion opportunities or any other area within its sphere of action.

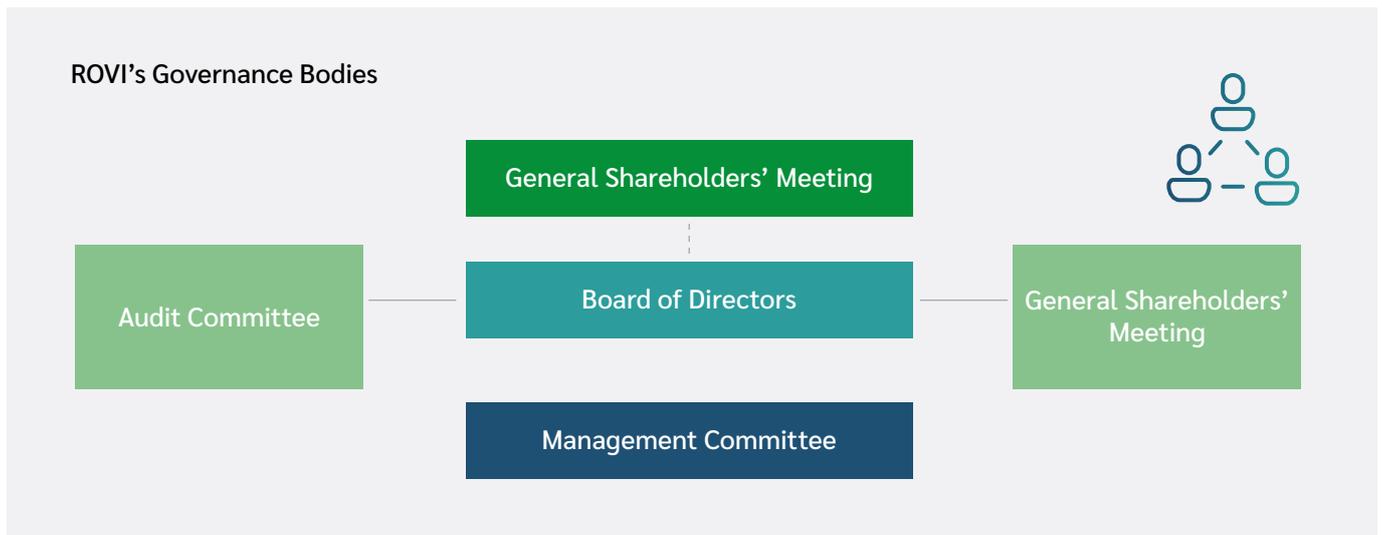
Presence of women on the Management Committee



Special mention should be made of the fact that the presence of women on ROVI's Management Committee is 32.28% higher than the IBEX-35 average, which is 18.9%, according to the [VI Study made by WomenCEO](#) as of 31 December 2021.

VI Study made by WomenCE





Integration of ESG criteria into our management

The global context of the COVID-19 pandemic and its impact on companies' financial and non-financial performance has shown the need to reinforce or, in some cases, include consideration of ESG criteria by the Company's most senior governance bodies.

ROVI integrates ESG criteria into its corporate governance, management and day-to-day activity. Specifically, **ESG strategy and policy are the responsibility of ROVI's highest decision-making body, the Board of Directors**, which oversees and ensures that these aspects are transversal throughout the organisation.

> To integrate ESG criteria into the different levels of the organisation, **ROVI begins its task with the composition of the Board of Directors itself**, which is committed to diversity, defined in the broadest sense: age, gender, culture, knowledge and experience.

In this respect, ROVI has a **Policy on the composition of the Board of Directors**, the objective of which is to help ensure that proposals for the appointment and re-election of ROVI's directors are based on a prior analysis of the Board's needs and that the candidate selection process favours diversity, in such a way that decision-making is enriched and plural viewpoints are contributed to the debate on the matters that fall within the Board's competence.

This policy states that the Company will seek for at least 40% of the members of the Board of Directors to be women before the end of 2022, taking account of the recommendations of the CNMV.

At the date of publication of this report, the Board of Directors has decided to co-opt Ms Marina del Corral Téllez as a **new external proprietary director** to cover the vacancy left in July 2021 as a result of the death of the former chairman and director, Mr Juan López-Belmonte López. The Board of Directors has likewise agreed to put a motion to the General Shareholders' Meeting scheduled to be held on 14 June, 2022 for the ratification and re-election of the new director appointed by co-option for the term stipulated in the Bylaws.

With this new director, ROVI continues to make progress in fostering gender diversity on the Board, which will have two female directors out of a total of seven members, meaning female directors will represent 28.6% of the members of the Board of Directors, at the date of publication of this report.

Likewise, mention should be made of the fact that the **remuneration of the Board of Directors takes ESG criteria into account**. Specifically, the remuneration is linked to the attainment of individual objectives, based on non-financial social, environmental and Climate Change indicators and compliance with corporate governance rules, codes of conduct and internal procedures (such as risk control and management policies).

For 2021, the short-term social, environmental and corporate governance qualitative targets materialised in:

- Redefinition of the new methodology of the Equality Plan;
- Compensation of the Group's CO₂ emissions by signing contracts for green electricity; and
- Internal audits of compliance with the Code of Practice for the Pharmaceutical Industry (favourable result).

For the period from 2019 to 2021, the qualitative social, environmental and corporate governance goals included in the long-term executive director remuneration plan materialised in:

- Maintaining the certification under the ISO45001:2015 standard on occupational Health and Safety management at the Company's industrial plants;
- Maintaining the certification under the ISO14001:2015 standard on environmental management.



> **At corporate level**, ROVI manages ESG aspects through its internal codes of conduct and corporate policies, which establish common principles and serve as a guide for the Company's performance in the social, environmental and governance areas.

Specifically, the **Environmental and Social Sustainability Policy**, approved by the Board of Directors, **governs the Group's actions** with the maxim that ROVI's economic development must be compatible with its conduct in respect of ethics, society, employment, the environment and respect for Human Rights.

Likewise, all the areas are aligned with ROVI's mission, vision and values and are responsible for rolling out the ESG actions that respond to the commitments reflected in the Company's Sustainability Policy. In this respect, all the areas are aware that the ultimate purpose of their actions is to work for the well-being of society and improve the patients' quality of life and the assistance provided to them.

Additionally, the different areas of the Company, aware that ESG factors influence some of the challenges which could potentially face them, such as, for example, those associated to attracting and retaining talent, innovation, the incorporation of new technologies, or supply problems, **have identified a series of risks related to ESG criteria that have been included on the corporate risk map**, in order to define an action plan to manage the risks identified (for further details, see section 6.2.5 Global management and risk control).

Lastly, at all levels of the organisation, there is a strong commitment to **information transparency and accountability** to stakeholder groups, guaranteeing that all important issues related to ESG criteria are communicated to the market in accordance with the applicable regulations, be it through corporate reporting, press releases, meetings with investors, etc., helping to create active dialogue with the stakeholders in this respect.

ROVI is a member of the United Nations Global Compact and includes the principles of said Compact in its management.



United Nations
Global Compact

Information transparency and accountability to stakeholders



Integration of ESG
in the Board of
Directors



Integration of ESG
into the rest of
the levels of the
organisation



Identification of
ESG risks via the
Risk Control &
Management Policy



6.2.2. Ethics and integrity in our business model

 GRI 102-16, 102-17 and 103

Ethical principles

Compliance with ROVI's Code of Ethics must be present in all professional decisions and, therefore, all ROVI professionals must adapt their professional conduct to the following principles, established in the Code of Ethics:

- 1. Professionalism:** defined as acting diligently, responsibly and efficiently, seeking quality, excellence and innovation.
- 2. Integrity:** conduct shows integrity when it can be described as loyal, honest, in good faith and in line with the Group's values and interests.
- 3. Self-checking:** all decisions must be based on four premises: (i) the action must be ethically acceptable; (ii) it must be legally valid; (iii) it must be desirable for the group, and (iv) the person making the decision must be willing to accept responsibility for it.



Ethical framework

Ethics is **integrated into ROVI from the highest control body, the Board of Directors**, which is responsible for approving the [Code of Ethics](#), and is transmitted to the other levels of the Company's organisation by providing information to all employees when they join the workforce.

In 2021, ROVI employees received **training in the Code of Ethics**, imparted by the compliance area, which is responsible for ensuring compliance with the Code of Ethics. This training has two main objectives:

- To reiterate that all the employees and members of the governance bodies of ROVI are subject to this Code and that compliance is mandatory.
- To reaffirm the key principles set out in the Code of Ethics and their possible applications or interpretations.

ROVI has a communication channel in place so that employees can report any irregularity they may note in respect of ethics: **Ethics Channel for Employees**.

ROVI employees may **communicate with the Ethics Channel** through the e-mail address canaletico@rovi.es, by physical mail, through the ROVI Rocks app or through their superiors.

In order to guarantee the **confidentiality of whistleblowers**, ROVI has Regulations of the Ethics Channel for Employees, approved by the Board of Directors. Channel users are protected by the rights of confidentiality and no retaliation.

 [More information see Code of Ethics](#)



100% of ROVI employees know the Code of Ethics because ROVI provides all employees with a welcome package, the Code is available to them in the corporate app, and training is imparted on the subject.

All reports received are handled by a **Managing Committee** formed by the head of Internal Audit and the head of Compliance.

The content of the Ethics Channel is submitted to the Audit Committee every four months and an annual summary is provided to the Board of Directors.

In 2021, **ROVI received 8 reports, which were duly processed by the Managing Committee.** Only one of them concluded in a situation where an irregularity had taken place in relation to bribery and corruption. Specifically, a

situation of internal fraud was found to exist and, therefore company management is currently evaluating the scope of the violations perpetrated, the responsibilities of ROVI and the different measures to adopt.

Likewise, ROVI has a **Code of Ethics for Suppliers**, regulates the principles our suppliers must respect when performing their contracts with the ROVI Group. For further details of this Code, see section 6.3.3. Commitment to our value chain.

Code of Ethics for Suppliers



ROVI, as a member of Farmaindustria in Spain and, therefore of the European Federation of Pharmaceutical Industries & Associations, EFPIA, must observe the standards of conduct that the industry has established in each territory.



Therefore, in Spain, all employees are obliged to comply with the Code of Practice for the Pharmaceutical Industry and, in the other territories where ROVI operates, ROVI employees must comply with one of the following codes:

- The Code of Conduct drawn up by the EFPIA.
- The Code of Conduct drawn up by the International Federation of Pharmaceutical Manufacturers & Associations, IFPMA.
- The Code of Conduct drawn up by the Pharmaceutical Research and Manufacturers of America, PhRMA.
- The Code of Conduct drawn up by the professional association to which ROVI belongs in each territory.



Respect for Human Rights

 GRI 102-12 y GRI 102-13

ROVI, as a socially-responsible group, 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 Company.

ROVI holds a firm commitment to the protection of Human Rights and, therefore, strives to ensure that the activities conducted within its sphere of influence, i.e. both those carried out directly and those performed by third parties, do not violate Human Rights.

Likewise, as a member of the **United Nations Global Compact**, ROVI supports, by adopting and transmitting them, the incorporation of the principles of said Compact, as well as other international instruments, such as the **Core Conventions of the International Labour Organisation (ILO)**, related to respect for freedom of association and the right to collective bargaining.

In addition, the commitment acquired by ROVI extends throughout its value chain, ensuring that Human Rights are respected in the relationships established with suppliers. Specifically, through the **Code of Ethics for Suppliers, with which compliance is mandatory, the following principles are established:**

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

Likewise, ROVI has a platform, called EcoVadis, to evaluate its suppliers. The aspects evaluated include respect for workers' rights and Human Rights.

In 2021, no reports regarding possible human rights violations were received through the Ethics Channel.

Animal Testing

Since studies using animals represent a small but vital part of research, ROVI firmly believes that it is essential to **ensure animal welfare** during the research phases of its products.

ROVI's **Animal Testing Policy** is approved by the CEO and states that, although animal testing cannot be fully eliminated, the Company undertakes to replace, reduce and refine studies conducted with animals ("replacement, reduction and refinement").

In addition, all the studies that ROVI conducts with animals must be **approved by an Ethics Committee on Animal Experimentation** (external) that guarantees animal welfare, reducing their stress and suffering to a minimum.

ROVI adheres voluntarily to the **Programme for Compliance with Good Laboratory Practices**, promoted by the Spanish Agency for Medicines and Medical Devices.

In this respect, to draw up the Animal Testing Policy and ensure that it is applied correctly, ROVI has a **Quality Manual** that defines the procedures to follow so that animal testing is conducted in compliance with Good Laboratory Practices (GLP).

In 2021, ROVI was **certified as GLP compliant**, having been inspected by the competent authorities and its compliance with the applicable requirements verified.

6.2.3. Regulatory compliance

 GRI 102-17 and 103

Role, functions and responsibilities of the Regulatory Compliance Department

The Regulatory Compliance Department is an essential player in defining and applying ROVI's corporate strategy, in order to ensure that its activity is conducted in compliance with the highest standards of ethics, quality, professionalism and know-how of good practices in the pharmaceutical industry.

One of the essential activities carried out by this area, together with the Deontological Supervision Department, is to **ensure compliance with the Code of Practice for the Pharmaceutical Industry**, reviewing, both internally and externally (with the assistance of an independent third party), 100% of the marketing and health activities carried on by ROVI.

Furthermore, the Regulatory Compliance Department works directly with the pharmacovigilance and medical areas on reviewing their processes for requesting reports and complying with data protection regulations.

ROVI's Regulatory Compliance System includes a **Crime Prevention Model** and a **data protection risk and control framework**. Furthermore, the ROVI Group's Compliance Policy ensures that compliance principles are applied to all the areas of the organisation.

The Regulatory Compliance Department strives to **ensure compliance with the Group's Code of Ethics and corporate policies**. To this end, in addition to the regular training given on internal Codes and Policies, they are available to all employees through the corporate intranet.

Lastly, the head of the Department is the secretary of the **Compliance Committee**, whose purpose is to advise the Company and the Audit Committee on all aspects related to regulatory compliance.

ROVI's manufacturing area has its own head of regulatory compliance and quality, always ensuring direct communication between the group and plant compliance functions, fostering an interconnection between them when required.

100%
of the marketing and health activities are verified as compliant with the Code of Practice for the Pharmaceutical Industry.




Anti-bribery and anti-corruption mechanisms

ROVI has a **“zero tolerance”** policy towards bribery and corruption and rejects any activity that includes these practices as a way to pursue its own interests.

No ROVI employee may offer a third party any 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 form of corruption or bribery offered by a third party.

Code of Ethics

Sets out ROVI’s commitment to combatting corruption and bribery, as well as how its employees should act if they observe any situation where this is a risk of corruption.

Ethics Channel

Through which all employees must notify any situation that could involve an infringement of current legislation, the standards and codes to which ROVI has adhered voluntarily, internal policies, the Crime Prevention Model or accounting and financial regulations.

Per Diem and Expense Policy

ROVI has a Per Diem and Expense Policy in order to ensure that any expenses incurred by employees due to their work in the Company are authorised and traceable.

Contract Approval Procedure

Before approving any contract signed by ROVI with a third party, it must be reviewed exhaustively by the Legal, Intellectual Property, Industrial and Regulatory Compliance Departments.

Crime Prevention Model

The Crime Prevention Model was drawn up taking account of the Group’s main business activities: the promotion and sale of medicines and the manufacture of both its own products and those of third parties.

ROVI entrusts the review of the Model to an independent third party to assess whether it is operating correctly.

Anti-Bribery & Anti-Corruption Policy

Sets out the guidelines for action and the precautions that all ROVI Group employees should adopt to prevent or mitigate risks related to corruption and bribery.

Code of Good Practice for the Pharmaceutical Industry

Guarantees consistency with good sector practices, ensuring that interactions with healthcare professionals are in line with the Code.

Audit Committee & Compliance Committee

Governance bodies to ensure crime risks are managed and supervised.

Deontological Supervision Department

Intended to monitor compliance with the Code of Practice for the Pharmaceutical Industry with quarterly audits by an independent external auditor.



Anti-bribery & anti-corruption mechanisms



Anti-money laundering mechanisms

ROVI is considered a **non-obligated** entity in the terms of article 2 of Spanish Law 10/2010 on the Prevention of Money Laundering and Terrorist Financing. However, in order to strengthen its commitment to transparency and Good Governance, ROVI has various **procedures in place to combat money laundering**, adapted to each one of its stakeholder groups to which they are applicable.

Completion of the new customer registration template, which requires the corporate name, corporate address, contact particulars and banking details.

For medicine sales customers, their authorisation as a pharmaceutical product distributor.

Registration of new customers



Copy of the tax ID code or equivalent document.

Employees – Per Diem & Expense Policy



Reimbursement of expenses is preceded by the corresponding expense note, which must be accompanied by documentary support of the expenses. Employees must preferably settle the expenses they incur due to their work with the corporate credit card and cash payments must be kept to a minimum.



Suppliers

- 1 Supplier Selection Policy**

Sets out the criteria to follow for the selection of each type of group supplier, establishing an initial evaluation and subsequent regular evaluations in order for the suppliers to be approved.
- 2 Registration process for new suppliers**

All new suppliers must complete a registration form and show their tax ID card or, in the case of foreign suppliers, their Spanish tax residency card, as well as their bank account holder certificate.
- 3 Supplier Payment Policy**

Stipulates that suppliers with an annual volumen of over 100,000 euros must always hold a duly-signed contract, how invoices should be sent and recorded, and the accepted means of payment.

6.2.4. Remuneration Policy

Board of Directors

ROVI has a **Director Remuneration Policy** for the Company's Board members, in accordance with article 529 novodecies of the Capital Companies Law. The latest Policy was **approved at the General Shareholders' Meeting** of ROVI held on 17 June, 2021 and will be **in force until 2024**, unless the General Meeting adopts a resolution to change or replace it while it is in force.

The Director Remuneration Policy is based on the following **principles**:

- **Moderation and adaptation to best market practices.** ROVI ensures that the remuneration of its directors is moderate and in line with the trends and practices regarding remuneration in its sector of activity or in companies that are comparable due to their size, activity or structure, in such a way that it is consistent with the best market practices.
- **Proportionality:** the remuneration of the external directors will be as necessary to remunerate the dedication, qualifications and responsibilities required by the position, without jeopardising the independence of the criteria of the non-executive directors.
- **Compatibility:** the remuneration received by the directors for performing their functions on the Board will be compatible with and independent of the remuneration or compensation established for those directors who carry out executive duties in the Company or its group.

ROVI's remuneration system is oriented to promote long-term profitability and Sustainability and includes the precautions necessary to avoid assuming excessive risks or rewarding unfavourable results. Thus, the Remuneration Policy contributes to compliance with the business strategy and favours the Company's long-term interests and Sustainability.

ROVI presented its **Annual Director Remuneration Report** for 2021 after the Board meeting of 22 February, 2022:

- The maximum total amount that the Company may pay its directors overall, in their capacity as such, may not exceed 1,000 thousand euros in each of the years to which the Policy is applicable.
- Consequently, the Board of Directors distributed 576 thousand euros of said maximum total of 1,000 thousand euros among its directors.
- Likewise, the Board decided to distribute a fixed global annual sum of 809 thousand euros among its executive directors.
- Regarding the short and long-term variable incentive for the executive directors, the Board approved distribution of 1,425 thousand euros at the proposal of the N&RC, taking account of the Company's 2021 results and the goals established for each director.

To allocate the **variable amounts** to the executive directors, the following **criteria were applied**:

- Evolution of the operating revenue of the ROVI Group in accordance with the targets budgeted and set out in the Business Plan.
- Compliance with the strategic goals established in said Plan.
- Objectives fixed for each director.
- Investment transactions performed.
- Attainment of strategic partnerships during the year that have helped the Company to reinforce its present and future bases for growth.
- ESG metrics defined in the section "Integration of ESG into our management".

Additionally, ROVI's Ordinary General Shareholders' Meeting approved an **extraordinary bonus** for the Company's executive directors, consisting of the award of shares in the Company, in the light of the **milestones achieved** in relation to production of one of the COVID-19 vaccines. A total of 54,240 treasury shares were awarded to the executive directors and the amount recognised in profit and loss for this item was 2,520 thousand euros.

The average remuneration of the members of the Board of Directors⁽⁴⁾ in 2021 was 82,667 euros for men and 80,000 euros for women.



⁽⁴⁾ The director remuneration is set out individually in detail in the Company's Annual Director Remuneration Report.

Senior management:

As stated in article 14 of the Company’s Regulations of the Board of Directors, ROVI has a **Senior Management Remuneration Policy**, approved in 2018 and in force since then. This Policy was prepared by the **Nomination and Remuneration Commission and approved by the Board of Directors**.

Total remuneration paid to members of senior management in 2021 (including the Internal Audit Manager and excluding the remuneration received by the executive directors) was 1,706 thousand euros (1,688 thousand euros in 2020).



6.2.5. Global management and risk control

 GRI 102-15, 102-30 and 103.

Global management and risk control models

Risk management process

ROVI considers that risk control and management contributes to achieving greater efficiency and efficacy in its operations and reaching its corporate goals. To this end, it has a **Risk Control and Management System**, which allows any possible risks that could affect attainment of the corporate goals to be identified, classified and assessed and the response to each one of them to be determined and monitored.

An essential part of the Risk Control and Management System is the **Risk Control and Management Policy**, approved by the Company’s highest governance body, the Board of Directors. It defines responsibilities and establishes

the process to follow in risk assessment and management. Applying this policy, ROVI fixes the risk level it deems acceptable, identifies the different types of financial and non-financial risk, assesses them, determines the measures to tackle them, and oversees said measures.

ROVI’s Risk Control and Management System operates comprehensively and continuously, consolidating the management by area, business unit or activity, subsidiary, geographical region or support area at corporate level. **ROVI’s risk management model is 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 function. This function is responsible for implementation of the risk control and management system, cooperating in initially establishing it and, once it is in place, helping to enhance it, monitoring its performance and coordinating its development

The **third line of defence** is Internal Audit, which supervises the internal control and risk management systems.

The steps followed by ROVI in the **risk management process** are as follows:



ROVI has a risk management tool, "GCRC Suite", that records the assessments of each one of ROVI's risks that the heads of the Group's different areas make regularly, as well as the strategies to respond to said risks.

This tool provides greater internal control over the risks, since it continuously monitors the Group's business processes, allowing safer decision-making.

Risk management governance

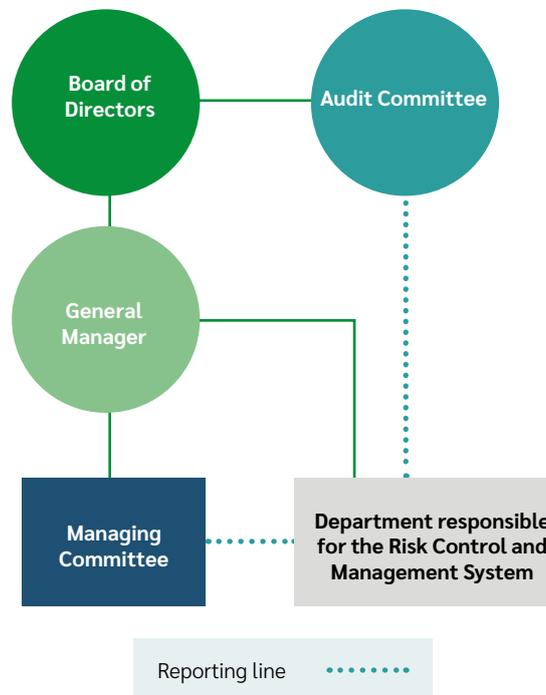
According to ROVI’s Risk Control and Management Policy, the bodies involved in said management are those listed below, shown in the following organisation chart:

Managing Committee: a body reporting to the General Manager, responsible for identifying, classifying, assessing and monitoring the risks, taking account of the categories and acceptable risk levels fixed by the Audit Committee, in order to apply the measures necessary to mitigate the impact of the risks in the event that they materialise.

Audit Committee: body responsible for overseeing the Risk Control and Management System. To this end, it regularly reviews and oversees the internal risk control and management systems and the efficacy thereof, so that key risks are identified and managed correctly. Likewise, it is the body responsible for fixing the acceptable levels of risk.

Board of Directors: governance body responsible for approving the Risk Control and Management Policy for both financial and non-financial risks, as well as regular monitoring of the internal information and control systems.

Department responsible for the Risk Control and Management System: responsible for implementing the Risk Control and Management System, helping to enhance it once it has been implemented, monitoring its operation and coordinating its development. Likewise, it must report to the Audit Committee at each of the latter’s meetings on the correct operation of the System and, if applicable, any risks that have materialised.

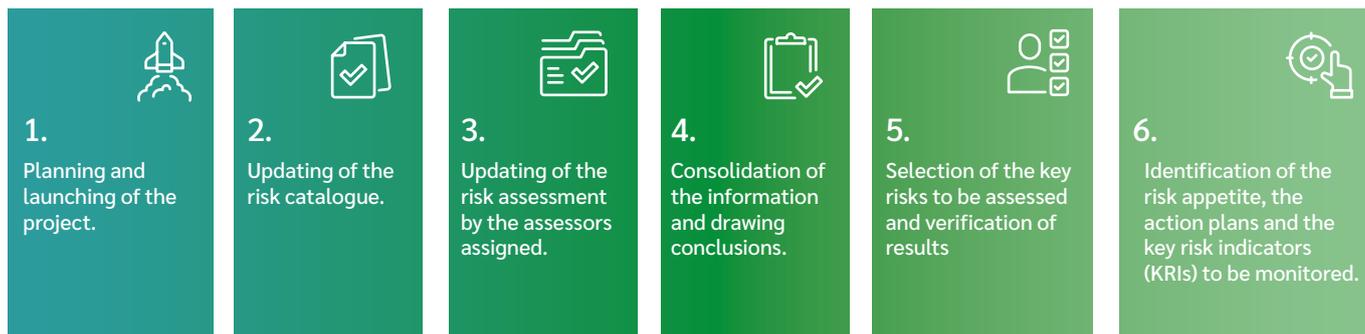


Risk management is a continuous global process that involves all levels of the Company and all the Company’s professionals.

Risk map

ROVI’s Risk Map is the tool that allows the Company’s most important risks to be identified, prioritised and graphically represented. The revision of the Risk Map conducted in 2021 enabled ROVI to adopt the best decisions to minimise any possible impacts and determine whether the risks fell within the risk appetite established by the Company.

In this respect, the COSO II methodology based on a triple analysis (objectives, components and levels of the organisation) was followed, allowing the business risks to be identified, managed and monitored in six main steps:



As a result of the exhaustive analysis process, in which the more than 80 risks included in the risk catalogue were considered, over 40 risk assessors participated, and as many as 567 risk assessments were conducted, the Company's key risks were identified. For each one of them, ROVI established strict action plans, based on the present situation and the possible future risk. Likewise, the appetite level, probability, degree of impact, and evolution versus 2020 were monitored, in order to provide the best response.

Key risks:

STRATEGIC RISKS



Research and Development

- ✓ Failure to conclude successfully – or as expected – the Research & Development projects that ROVI is conducting.

Prices and rebates

- ✓ Changes in the prescription criteria or market regulations intended to contain pharmaceutical spending (price control, reference prices, reinforcement of generic products, co-payment, purchasing platforms, etc.).

Supply chain

- ✓ Changes in supply conditions of the necessary manufacturing materials or the products that ROVI markets.

Climate change

- ✓ Risk derived from adapting to Climate Change-related requirements and regulations.

OPERATIONAL RISKS



Cybersecurity

- Attacks causing breaches of cybersecurity.

Patient Health and Safety

- ✓ Incidents in the clinical trial of medicines, side effects of the products sold by ROVI, or incorrect management of notifications in this respect.

COMPLIANCE RISKS



Compliance

- ✓ Failure to comply with the regulations applicable to the industry and/or ROVI's activities.
- ✓ Failure of either of the parties to comply with contractual obligations held by ROVI.
- ✓ Malfunction of ROVI's crime detection and prevention system.

Business ethics and integrity

- ✓ Failure to comply with the benchmark deontological codes applicable to the pharmaceutical industry.

EMERGING RISKS ⁽⁵⁾



Geopolitical and socioeconomic situation

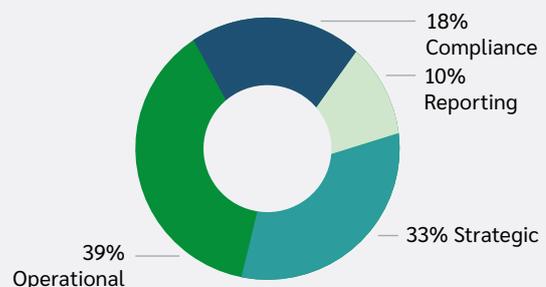
- Impact of the current geopolitical, socio-political and macroeconomic threats.

Human capital management

- ✓ Failure to adapt human resource policies to the current environment in respect of remuneration, contracts or attracting and retaining personnel.

- ✓ In view of the growing importance of the ESG aspects, ROVI monitors these issues very closely. For this reason, it has identified the risks that could be considered environmental, social and governance topics.

Considering the totality of the risks assessed and taking the different risk categories as a basis, 39% of ROVI's risks are operational, 33% are strategic, 18% are compliance risks and the remaining 10% are reporting risks.



⁽⁵⁾ Emerging risks are risks derived from a new hazard that could lead to significant exposure, or a new, increased and/or unexpected exposure or vulnerability to a known hazard.

The importance of cybersecurity and how ROVI responds

ROVI is aware of the special importance that **cybersecurity** has acquired after the emergence of COVID-19 and the resulting digitalisation of many operating processes, as well as the establishment of teleworking. However, ROVI has been considering this possible risk for years, monitoring and assessing it and putting prevention measures and action protocols in place in order to respond if any cyberattack were to materialise. However, these measures have been intensified over the last two years.

In this respect, the Company currently has internal rules and protocols in place that include the use of TIC resources or e-mail, as well as the use of confidential information.

Additionally, to complement this, in 2021, ROVI implemented new **adaptation and improvement measures** and established a number of **goals**, which will allow the Company to be ready in the event of any cybersecurity problem, insuring a swift response in line with the highest standards.

MEASURES

- Remodelling and improvement of the manufacturing networks;
- Implementation of new technology that warns of anomalous behaviour;
- Implementation of new virtual environments at some of the Company's facilities;
- Cybersecurity training; and
- Establishment of an IT Security Technical Office.

GOALS

- To develop the documentary framework necessary to comply with the standard ISO27000:2015 in 2022.
- Include improvements to the Process and Business networks in 2022, which will affect certain areas of ROVI.



Risks materialised

Derived from ROVI's uninterrupted activity throughout 2021, several events, duly notified to the CNMV and the Audit Committee, took place that meant that certain risks included on ROVI's corporate risk map materialised. Specifically:

ROVI requested the European Medicine Agency (EMA) for a clock stop on Day 181 of the authorisation process of Risperidone ISM®.

ROVI requested the European Medicine Agency (EMA) for a "clock stop" on Day 181 of the authorisation process of Risperidone ISM® in order to have the time necessary to repeat the comparative bioavailability study of multiple doses of Risperidone ISM® versus oral risperidone, in response to a major observation by the Committee for Medicinal Products for Human Use (CHMP) that stated that the study should be made using the European reference product. The dossier of Okedi® already contained a bioavailability study using the oral risperidone medicine marketed in the United States. ROVI expected the trial using the United States reference product to be valid for Europe, since the two products –the oral risperidone marketed in the European Union and the product marketed in the United States– may be considered bioequivalents, based on the in vitro and in vivo studies that ROVI had conducted and submitted to the EMA. In fact, the therapeutic indication of oral risperidone for schizophrenia was backed by the same clinical trials on its efficacy in both territories.

In spite of the clock stop to conduct the bioavailability study requested, which meant a delay of several months in the positive opinion of the CHMP for Risperidone ISM® as a treatment for schizophrenia, in February 2022, the European Commission finally authorised the marketing of Okedi® (Risperidone ISM®) for the treatment of schizophrenia in adults in whom the tolerability and effectiveness had been established with oral risperidone.

Detection of particulate matter in certain vials of the Moderna COVID-19 vaccine distributed in Japan, in whose manufacturing process ROVI had participated.

On 26 August, 2021, Takeda, the Company that distributes the Moderna COVID-19 vaccine in Japan, in whose manufacturing process ROVI participates, announced that three lots of vaccine had been placed on hold in Japan after particulate matter had been observed in unused vials of one of these lots. Takeda commenced the recall of said lots from the market on 2 September, 2021.

On 28 August 2021, the Japanese government reported the death of two people after vaccines from one of lots placed on hold had been administered to them.

An analysis of the particles detected found that they were grade 316 stainless steel, routinely used in food manufacturing and processing and in heart valves, joint prostheses and metal sutures and staples. According to the report on the investigation conducted by ROVI, the most likely origin of the particles identified in said lot was related to the friction between two metal parts installed in the capping module of the production line. This manufacturing incident only affected the lots placed on hold.

The investigation conducted by Moderna, Takeda, the Japanese Health Authorities and ROVI found that the presence this particulate matter did not represent any undue risk for patient safety or have an adverse effect on the benefit/risk profile of the product. Likewise, there is no evidence that the two tragic deaths in Japan after administration of the Moderna COVID-19 vaccine were in any way related to administration of the vaccine.

No interruption took place in either the manufacturing of the COVID-19 vaccine at ROVI or the vaccination process in Japan as a result of this event.

ROVI has implemented a series of measures aimed to correct and prevent future incidents, such as improving the standard operating procedures to replace the production line, performing a complete inspection of the production line, and establishing alert limits for the results of the automatic visual inspection, among others.

Internal control systems: ICFR

ROVI has a **system of Internal Control over Financial Information (ICFR)** whose ultimate purpose is to ensure a reasonable degree of certainty that the financial reporting is reliable.

The bodies responsible for ICFR are:



The five components on which the efficacy and efficiency of ROVI's ICFR system are based are:

Control environment

- ROVI has an appropriate organisational structure in which the different responsibilities for preparing and overseeing the financial reporting are assigned.
- ROVI's Code of Ethics, applicable to all the workers, is the basis of the Company's ethical principles and includes a specific sector on financial integrity and protection of assets, whereby ROVI and its employees undertake to apply the highest standards of ethics and transparency in their communications, information records and reports on products and activities.
- ROVI's Anti-Bribery and Anti-Corruption Policy establishes that books, records and accounts that show the Group's assets and transactions accurately and in detail must be kept and preserved and an appropriate system of internal control over financial reporting must be maintained.

Assessment of financial reporting risks

- ROVI has a risk control and management system that includes risk of error or fraud in the financial reporting and details of which appear in the "Risk Control and Management Policy".
- For each area with a significant financial impact due to its quantitative or qualitative importance, the relevant processes and sub-processes are identified, as well as the risks that could cause errors in the financial reporting or fraud in the transactions, together with the control activities that mitigate these risks.

Control activities

- For each one of the significant processes involved in preparing and issuing the financial reporting, there are controls to ensure compliance with the goals of comprehensiveness, assessment, management, breakdown, comparability, existence, occurrence, and rights and obligations in financial reporting.
- ROVI reviews its ICFR system regularly and updates the controls and risks related to the financial reporting in the event that any changes that so require have taken place in the processes involved or the applicable regulations.

Information and communication

- ROVI has a manual on accounting policies, which includes the key accounting principles to be taken into account when preparing the financial reporting.
- The Audit Committee is informed quarterly, before its meeting, on, among other aspects, compliance with regulatory requirements, the proper delimitation of the perimeter of consolidation and the correct application of accounting principles in the regular information.

Oversight

- The Audit Committee meets quarterly to review the regular financial information sent to the National Securities Market Commission. It oversees the process of preparing the quarterly, half-yearly and annual individual and consolidated financial information and ensures that it is complete.
- The Internal Audit Department provides support to the Audit Committee in overseeing the internal control of the financial reporting.

6.2.6. Commitment and contribution to the SDGs regarding good governance

The following is a brief description of ROVI's impacts on the Sustainable Development Goals (SDGs) that are most significant in its commitment to good governance.

| SDG and Goal | Key messages on ROVI's contribution in 2021 | Goals | Key contributions |
|--|---|---|---|
| <p>GENDER EQUALITY</p> <p>Achieve gender equality and empower all women and girls</p>  | <p>ROVI integrates its commitment to this SDG by establishing equality as a basic principle for good governance action, offering the same opportunities of access to work and professional promotion.</p> | <p>GOAL 5.5</p> | <p>Promoting the inclusion of women on the Board of Directors and the Management Committee, where women account for 16.7% and 25% of the members, respectively.</p> |
| <p>DECENT WORK AND ECONOMIC GROWTH</p> <p>Promote inclusive and sustainable economic growth, employment and decent work for all</p>  | <p>From Group management, ROVI promotes and strives to ensure inclusive and sustainable long-term growth.</p> | <p>GOAL 8.3</p> <p>GOAL 8.7</p> | <p>Approval of internal policies and procedures such as the Code of Ethics, the Code of Ethics for Suppliers or the complaints channel.</p> |
| <p>PEACE, JUSTICE AND STRONG INSTITUTIONS</p> <p>Promote just, peaceful and inclusive societies</p>  | <p>ROVI operates in compliance with national and international ethical practices when conducting its activities.</p> | <p>GOAL 16.2</p> <p>GOAL 16.10. b</p> | <p>Zero tolerance of any kind of bribery or corruption, rejecting any action that includes these practices, thanks to a number of control mechanisms (Crime Prevention Model, Code of Practice for the Pharmaceutical Industry, Audit Committee, Compliance Committee, etc.).</p> <p>Regular review and adaptation of the Group's corporate policies to keep them in line with regulatory requirements, best market practices and the values promoted by the group through democratic and inclusive processes.</p> <p>Support of the Universal Declaration of Human Rights.</p> |

6.3. Our Commitment to People

Key indicators



- Claims from customers/million units → 5.58
- Queries from customers/million units → 0.98
- Total workforce → 1,751 employees
- New hires maintained at 31/12/2021 → 549
- Women on payroll (%) → 52%
- Permanent contracts → 77%
- Employee turnover → 2.89%
- Hours' training per employee → 20.28
- Training investment/employee → 221.94 euros
- 2,400 suppliers from 40 countries
- Average payment period to suppliers → 57 days
- Export of 496,992 syringes of LMWH for humanitarian reasons

Milestones 2021



- Increase in workforce → 23%
- Implementation of the CAMPUS ROVI platform
- Proactive listening and smoother internal communication
- Greater number of suppliers evaluated by the EcoVadis platform
- ESG RISK SCORE rating Sustainalytics 18.4 (low risk in Sustainability)

Contribution to the SDGs



Associated internal policies



- Quality Policy.
- Quality Management Policy of the Marketing and Distribution Division.
- Quality Management Policy of the Development, Manufacturing and Control Division.
- Integrated Policy for Environmental and Occupational Risk Management.
- Code of Ethics.
- Anti-Corruption and Anti-Bribery Policy.
- Code of Ethics for Suppliers.
- Policy on Engaging and Paying Suppliers.
- Environmental and Social Sustainability Policy.
- Communication and Transparency Policy.

Goals

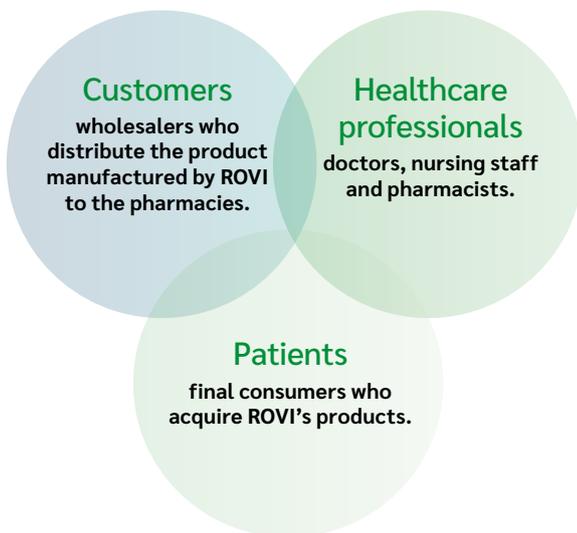


- Maintain the service level through the highest standards in responding to any claims from customers, patients and healthcare professionals for coming years.
- Implementation of a system that digitalises the process of selecting and managing human capital and makes it more flexible (2022-2023).
- Development and implementation of a performance evaluation system (2023-2024).
- Implementation of a CRM for managing any customer incidents regarding product quality and orders (2022).
- Continue developing active listening and engagement with local communities in the environment where ROVI operates (2022).

6.3.1. Commitment to our customers, patients and healthcare professionals

Ensuring the Health and Safety of customers, patients and healthcare professionals is the key element that guides the Group’s development. ROVI has internal and external control tools that guarantee the quality, lawfulness and proper performance of its procedures.

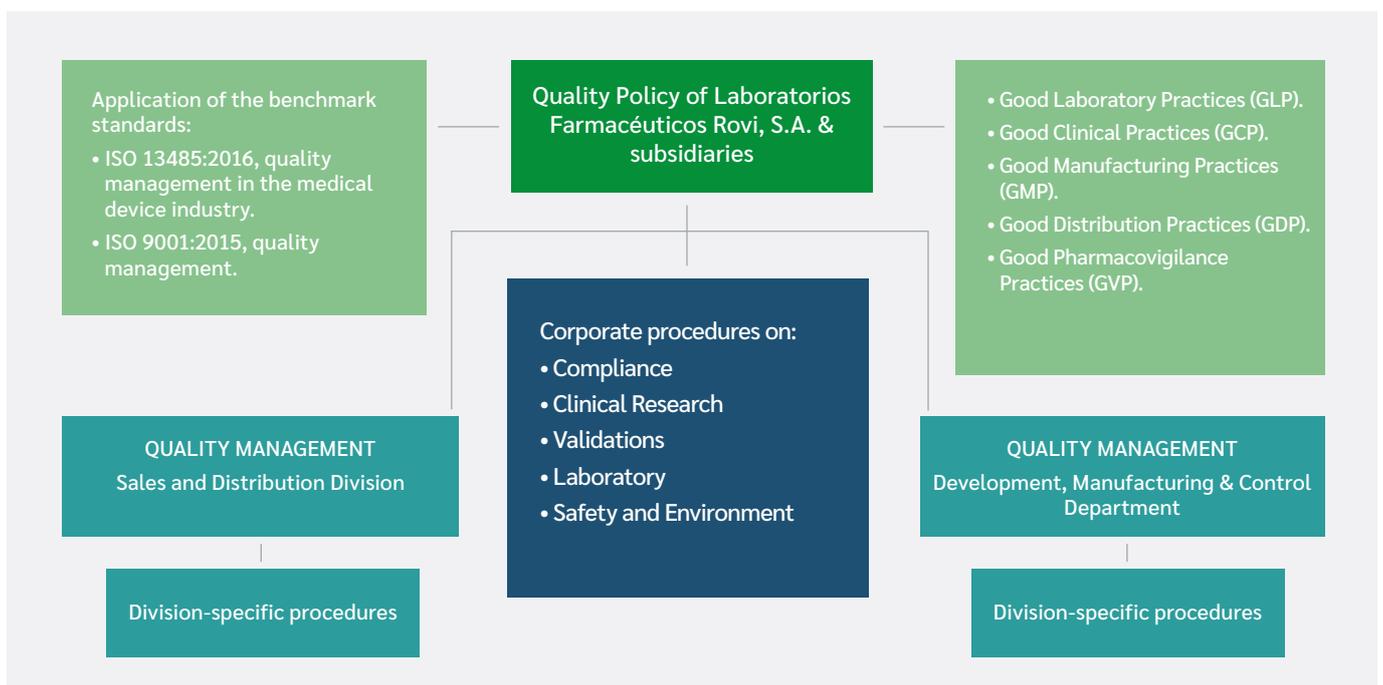
ROVI has acquired a **triple commitment to consumers**, since these include customers, patients and healthcare professionals. The core of ROVI’s day-to-day activity and its principal goal is to provide them with the highest degree of satisfaction, based on a long-term relationship of mutual trust.



ROVI’s products include both the provision of *à la carte* services in its contract manufacturing area and the contact with the healthcare professionals to whom the best treatment options are offered, not forgetting the patients who can benefit from the latest advances and the best medicines to treat their complaints.

ROVI’s commitment in this area is implemented through the Quality Policy, which sets the goal of continuing improvement in the service to customers, patients and healthcare professionals, always maintaining a high level of efficacy while, at the same time, striving to ensure Health and Safety in the workplace and promoting respect for and protection of the environment.

ROVI’s senior management is responsible for implementing the Quality System (QS) and furnishing the organisation with adequate resources to enable it to operate properly, always transmitting the importance of achieving, satisfying or surpassing the expectations placed on the development of new medicines, and complying with legal and regulatory requirements.



6.3.1.1. Ensuring product quality and safety

The core of quality management at ROVI is to pay special attention to **protection of the Health and Safety of its customers and patients throughout the entire life cycle of its products** through strict compliance with both the Company’s internal requirements and the applicable legislation established by the regulatory bodies.

To assess compliance with these product quality and safety procedures, **internal audits** are performed regularly at all the Group’s facilities and the **Management Committee also conducts annual reviews** in which the main points to be improved are analysed.



Internally



All Group companies have **procedures in place that describe the measures applied and the controls performed in all phases of the processes**, including product research and development, the reception of raw materials, packaging materials, production, storage and distribution, until the product is received by the final consumer.

- These internal procedures take account of **Good Manufacturing Practice (GMP) for medicines**, ensuring that the production and control of the products meet the quality level appropriate for their intended use and satisfy the requirements of the relevant authorities.
- Likewise, **Good Distribution Practice (GDP)** is considered, ensuring that the Company has a robust quality system that includes risk management principles and appropriate tracing, as well as the organisational structure, procedures, processes, resources and activities necessary to guarantee that the product supplied maintains the necessary level of quality and good condition and remains within the legal supply chain during storage and transport.

All ROVI’s professionals – and associated third parties – whose activities form part of the Quality System have the necessary technical training in product quality and safety.



Externally



ROVI **guarantees the safety of the product** that is acquired by the consumers after passing a strict quality control through the following **external audits**:

- Inspection by the **Spanish Agency of Medicines and Medical Devices (AEMPS)** every 3 years.
- Inspection by the **health authorities of the country to which ROVI exports** its products under the applicable legislation.
- **ISO 13485:2016** on medical devices.
- **ISO 9001:2015** on quality management.
- **ISO 14001:2015** on environmental management.
- **SA8000** on social accountability – socially-acceptable practices in the workplace.
- **Audits of partners**: with the frequency established in the audit programme, ROVI conducts regular audits to its partners to ensure compliance with the Quality Agreements signed with them.

This oversight system formed by internal and external product quality and safety tools guarantees a commitment to continuing improvement and maintaining the highest standards.

It is important to highlight the fact that, in spite of the exceptional situation caused by the pandemic, ROVI continued to apply its control system in the 2020 and 2021 reporting periods and adapted to the new circumstances, having been able to conduct both the internal and external audits and the inspections by the health authorities. In many cases, it chose remote audits, limiting physical presence at the work centre to the indispensable minimum, thus providing the maximum guarantees of safety and protection against infection by COVID-19.

Lastly, as soon as any **falsified medicine** is identified or there is any suspicion of falsification, ROVI is under the obligation to notify the competent authorities and the holder of the marketing authorisation for the medicine if the latter is not ROVI itself. To this end, ROVI has approved a **procedure to identify falsified medicines and, if any are detected, investigate their possible origin**, which it keeps updated. Any falsified medicines found in the supply chain will, furthermore, be physically separated immediately and stored in a specific area away from other medicines.

No ROVI products were recalled during the year 2021.

However, demonstrating its commitment to the safety of its products, ROVI conducts an annual simulacrum to ensure that, if any incident were to take place, the departments involved would know how to act in the least time possible.

6.3.1.2. Ensuring patient safety in clinical trials

Clinical trials are essential to ensure that new treatments have been properly tested and are sufficiently safe and effective for the general public. Therefore, ROVI is especially committed to ensuring the safety of the subjects who take part in its clinical trials.

This commitment is implemented through the **Quality Management Policy of the Development, Manufacturing and Control Division**, which focuses on controlling medicines from the time they are manufactured until they enter the market, including the preclinical trial and clinical trial phases. This Policy ensures the existence of an efficient quality management system in the trials and their compliance with the relevant regulatory and safety requirements in the interests of the patients and the population, seeking effective and safe medicines.

As part of the Quality System, ROVI has the following documents:

- **Clinical trial protocol:** describes the goals, design, methodology, statistical considerations and organisation of the trial itself.
- **Clinical report on trial:** contains a detailed description of the study of any therapeutic, prophylactic or diagnostic agent performed on human subjects.

Likewise, ROVI complies with **Good Clinical Practice (GCP)**, which encompasses a series of practices aimed to guarantee the rights of clinical trial subjects, ensure the quality of the data and avoid errors in clinical research.



Good Clinical Practice includes ethical principles and rights obtained throughout history (Nuremberg Code, Belmont Report, Declaration of Helsinki). In this respect, GCP is defined as an international ethical and scientific quality standard for designing, recording and reporting trials that involve the participation of human subjects.

ROVI shares information on its clinical trials in publicly available registers:

- EU Clinical Trials Register: <https://www.clinicaltrialsregister.eu/>
- U.S. Clinical Trials Register: <https://www.clinicaltrials.gov/>

EU Clinical Trials Register



U.S. Clinical Trials Register



6.3.1.3. Promoting responsible marketing

 GRI 103, 417-2

As a pharmaceutical company, **ROVI guarantees ethical and responsible marketing, strictly observing the laws and standards of conduct established for promoting, marketing and selling its products.** Specifically, the Company is subject to the Code of Practice for the Pharmaceutical Industry, which, among other aspects, regulates the promotion of prescription medicines.

The promotion of prescription medicines may only be addressed to healthcare professionals and, therefore, **ROVI has internal procedures in place to ensure that all promotional materials and any scientific activities that take place are reviewed and approved.** Likewise, 100% of the recruitments of healthcare professionals are reviewed and there are approval criteria for all kinds of hospitality to doctors.

To consolidate its commitment to responsible marketing, ROVI holds **annual training on the Code of Practice for the Pharmaceutical Industry and corporate policies**, addressed to all marketing professionals, the sales network, the International Department and the Medical Department.

Likewise, on a quarterly basis, ROVI submits **compliance with the Code of Practice for the Pharmaceutical Industry to an external audit.**

ROVI is constantly aware of the advertising prohibitions applicable to prescription medicines and ensures that the information provided when promoting them is appropriate, honest, accurate and objective, furnishing complete and true information.



Codes that ROVI takes as a reference in its activity related to promoting medicines:

- Farmaindustria – Code of Practice for the Pharmaceutical Industry
- World Health Organization (WHO) – Ethical Criteria for Medicinal Drug Promotion
- European Federation of Pharmaceutical Industries and Associations (EFPIA) – EFPIA Code of Practice



In relation to **product information and labelling**, in 2021, **no breaches** of the regulations or voluntary codes to which ROVI is adhered were identified.

6.3.1.4. Maintaining active communication with our customers, patients and healthcare professionals

 GRI 102-43

For ROVI, active communication is essential and **appropriate and efficient communication channels with customers, patients and healthcare professionals** are the final link in ROVI's commitment to them, in order to provide the highest levels of transparency and integrity in all its interactions.

To this end, ROVI has a **consultation channel for information requests about Bemiparin** from both international partners and direct customers, patients and healthcare professionals: www.bemimed.com.



Pharmacovigilance System

As part of its commitment to active communication, ROVI has a Pharmacovigilance System, whose aim is to **identify, quantify, assess and prevent risks associated with the use of the medicines once they have been commercialised**.

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).

When a notification, query, claim or complaint is received, this Department analyses whether it could be due to a quality and/or safety problem, in which case it will initiate the sign detection process that ROVI has implemented and will provide a response in the shortest time possible.

The efficacy of the Pharmacovigilance System is reviewed annually by ROVI's senior management.

In addition, as part of its active communication with its customers, patients and healthcare professionals, ROVI **receives and manages claims and queries they submit during the year**.

In this respect, it demonstrates its bet on a continuous enhancement of product safety and quality. Special attention should be drawn to the fact that the ratios of claims and queries per unit produced decreased in comparison with 2020.

▼ **5.74%** Total ratio of claims per million units produced vs. 2020

▼ **35.95%** Total ratio of queries per million units produced vs. 2020

The total claims and queries received in 2021 broken down by company may be consulted in Appendix II of this Integrated Report.

In all its interactions, ROVI ensures the **protection, completeness, confidentiality, availability and privacy of personal information** processed by the Company (on customers, patients and professionals). To this end, it is supported by its Data Protection Officer (DPO), responsible for advising on compliance with the applicable regulatory framework, the implementation of the specific procedures that regulate personal data processing, privacy policies and consent mechanisms for the use of personal data.

6.3.2. Commitment to our employees

In 2021, the Company's human resource management was marked by two key factors: first, ensuring the safety of employees and adapting the Company's activities to the situation caused by COVID-19; second, implementing the digital transformation of human capital management in order to boost efficiency and optimise the area.

ROVI, aware of the fundamental role played by the professionals in its workforce, strives constantly to consolidate its **commitment to human capital** and, therefore, looking after its employees and their development and performance forms an essential pillar of its business strategy.

Since its activity began, ROVI has striven to **create and maintain appropriate, safe and comfortable environments**, with **good treatment and tolerance**. To this end, it promotes the personal and professional growth of its employees with a dual purpose: first, to achieve their well-being and, second, to meet individual and group expectations by seeking the greatest potential and the best skills and abilities.

This has favoured the development of a top-class professional workforce, which increased substantially in 2021. As a result of said growth, ROVI has faced new challenges and, therefore, has combined efforts to improve the management of its workforce, which has materialised in the creation of **high-quality and mostly permanent jobs**, guaranteeing stability for its workers.

Likewise, ROVI **seeks a diverse, committed and ethical human team**, where not only the know-how of its workforce is important, but also the existence of a team of professionals who project values to others.

To promote these values, which are intrinsic to the Company and the way it acts with its employees, it seeks **inclusion and access to equitable conditions** for candidates, as well as effective equality between men and women.

Additionally, at its centres, it promotes the **best workplace practices** by adopting measures that foment the **work-life balance** and allow the workers' responsibilities to be adapted to meet their personal needs.

Moreover, the Company **benefits from its ongoing regular participation in different forums and meetings**, such as *Farmaindustria* and *PDFarma*, which allows it to monitor the best sector practices for managing the people who form part of its business activity.

At the same time, aware of the importance of developing internal talent, it has a **mentoring programme**, which generates a flow of knowledge and mutual enrichment between professionals with a long track record in the Company and new talent with drive, a renewed vision and training in the most modern technologies.

Thanks to their high level of training and skills, in 2021, the professionals that form the group were capable of **responding to the production needs of the COVID-19 vaccine in record time** and became essential players. In 2020 and 2021, marked by great economic and social uncertainty, ROVI's philosophy was to keep in close contact with the people who work in the Company because, otherwise, this milestone could never have materialised.

Lastly, in order to continue to develop the skills of the people who form the ROVI Group, **different programmes, measures and actions, which will be discussed in this chapter, have been implemented**, allowing talent management to become a cornerstone of ROVI's day-to-day business activity.



Fomenting quality and mostly permanent employment.

Selecting professionals aligned with group values.

Support and guidance in their time with the group to promote their personal and professional development.

Active management of occupational risks to ensure the Health and Safety of its employees.

Creating work spaces where diversity and inclusion prevail and where all employees receive the same opportunities through equal treatment.

Training and development plans adapted to the needs observed in the talent management process.

Proactive listening with the employees in order to adopt the best measures in terms of work-life balance and employee well-being.

6.3.2.1. Ensuring the stability of our workforce

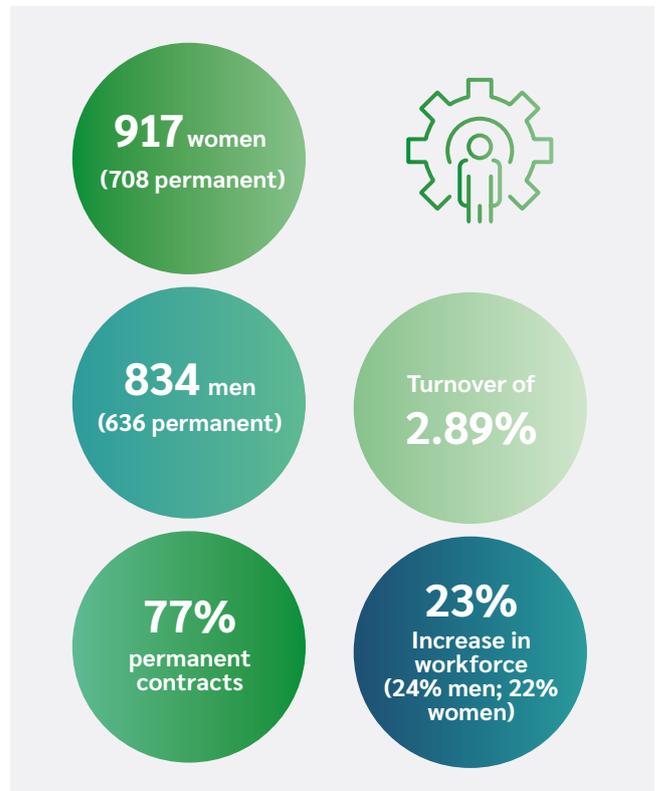
GRI 102-7, 102-8, 103, 401-1 and 405-1

Ensuring the Company’s stability is a key factor for ROVI. For this reason, at the end of 2021, **ROVI had over 1,750 employees with ten different nationalities**, representing an **increase of 23%** in comparison with the preceding year, driven by the continuous development and growth of the business, explained, to a large extent, by production of the COVID-19 vaccine.

Likewise, in 2021, the gender balance among professionals was maintained, **with women accounting for 52% of the workforce and men accounting for 48%** as of 31 December 2021. For further details on the distribution of employees, see Appendix II.

Along the same lines, ROVI is committed to good management of its human capital and promotes the stability of its employees, reflected, first, in the percentage of the **workforce that holds permanent contracts (77%)** and, second, by the **low turnover, including both people who leave the Company voluntarily and those leaving due to business needs (2.89%)**.

Likewise, given the role played by the employees as the Company’s main asset in 2020 and 2021, ROVI **has not been affected by any temporary layoff process** and the total number of dismissals in 2021 was 21.



ROVI stands out because it is not subject to job seasonality and has a low employee turnover.

6.3.2.2. Seeking to attract and retain talent

 GRI 103 and 401-1

Attracting the best professionals and helping them reach their greatest potential is the basis of talent management at ROVI. Therefore, the Human Resource department designs and manages **policies to attract and retain talent**, applying the following principles:

-  **Equal opportunities.**
-  **Objectivity and impartiality. Selection processes are conducted based on criteria concerning merits and ability.**
-  **Confidentiality of the process.**
-  **Recruitment includes young people, people from excluded groups and differently-abled people.**
-  **Prioritisation of internal candidates.**

Due to these policies and likewise driven by the growth that took place in 2021, ROVI hired **549 new employees**, especially in the industrial area. Additionally, when circumstances so permit, the Company favours internal promotion as a way to retain talent and reinforce professional development, leading to **26 internal promotions in 2021**.

As a result of the high recruitment volume in 2021, ROVI has adapted its employee management from two standpoints:



New opportunities for growth, diversification and interaction.

In 2021, a process to make **attracting talent** more flexible commenced, mainly based on a higher degree of **digitalisation**. This digitalisation consists of creating ROVI's own platform that allows the process to be recorded and monitored from the time the candidate is selected until he or she joins the Company. It is hoped to be able to implement this platform in full during 2022-2023.

Likewise, ROVI has developed a **renewed and extensive training programme** ("welcome pack") for new recruits, in order for them to become part of the Company in the best way possible.



The employees, one of the Company's essential assets.

Regarding **retaining talent**, in order to ensure the greatest well-being of the workforce, the position of manager has become especially important and, therefore, it has been the subject of special development plans and the managers have been given the tools necessary for improved team management. This is to encourage a closer relationship and a more individualised treatment when measuring performance.



549

New employees
as of 31/12/2021



As an example of its commitment to attracting and retaining talent, ROVI has given **talented young people the opportunity to train and develop in the Company**. To furnish them with this opportunity, it **collaborates with universities and professional training centres**, holding

over 85 agreements in 2021, so that undergraduates in their last year, students studying for a master's degree or doctorate and professional training students may carry out their practical training in different areas of the Group.



As a result, in 2021, ROVI formalised **104 training contracts** and awarded an **average of 52 scholarships**. 89% of the trainees and scholarship holders joined the group, mostly with a permanent contract.



90%

of the ROVI Group's scholarships are remunerated.

90%

of the scholarships are full time.

90%

of the scholarships last 6+6 months.



6.3.2.3. Protecting Health and Safety

 GRI 103, 403-1, 403-4, 403-5, 403-9 and 403-10

The main commitments acquired by ROVI to protect the Health and Safety of its workers are to minimise the occupational hazards at the facilities and encourage healthy conduct in the workplace.

To this end, through its **Risk Control and Management Policy**, ROVI has implemented a corporate procedure that has allowed it to identify a series of Health and Safety risks, mainly linked to the industrial activity, such as contact with and exposure to chemical products, noise exposure and overexertion, among others.

As a result, through active management of its occupational hazards, which falls within the duties of the Safety, Health and Environment Department, ROVI has striven to safeguard the Health and Safety of its employees through the following mechanisms:

- **Integrated Policy for Environmental and Occupational Risk Management**, applicable to the whole group, which sets out the principles for protection of the lives, physical integrity and health of the workers of both ROVI and its contractors.

This Policy materialises in different specific safety goals for the Group's different plants, including, among others:

- Acquisition of a chemical product neutralisation system for the laboratory and production workstations at the San Sebastián de Los Reyes and Madrid plants.
- Decrease (from moderate to tolerable) in the risk of handling loads manually, overexertion and unnatural postures in two tasks of Manufacturing Worker and Packaging Worker at the Alcalá de Henares plant.

- Reduction in exposure to chemical agents in Automatic Zone 2 and Plenum to a value acceptable to the Company in accordance with the corporate Guide on Chemical Agent Exposure, at the Alcalá de Henares plant.
- **ISO 45001:2015** certification of all ROVI's industrial plants in 2021, an international standard that guarantees the occupational hazard prevention systems.
- **Preventive activities and procedures** that minimise the likelihood of occupational hazards materialising.
- **Training plans**, which are reviewed and updated annually. In this respect, in 2021, a total of 929 hours of training were given and materialised principally in job-specific risk prevention courses and courses on how to act in an emergency.
- **Health and Safety Committees**, where a vast majority of ROVI's employees are represented.
- **Specific procedures to control and monitor actions**, such as regulation of work permits, safety inspections, identification and application of legal requirements, etc.
- **Encouraging a healthy lifestyle** by adapting the products in the vending machines to provide healthy and balanced nutrition, fostering sport through agreements with centres close to the facilities, etc.

As a result of these measures, the Company has **low accident and absence rates**.

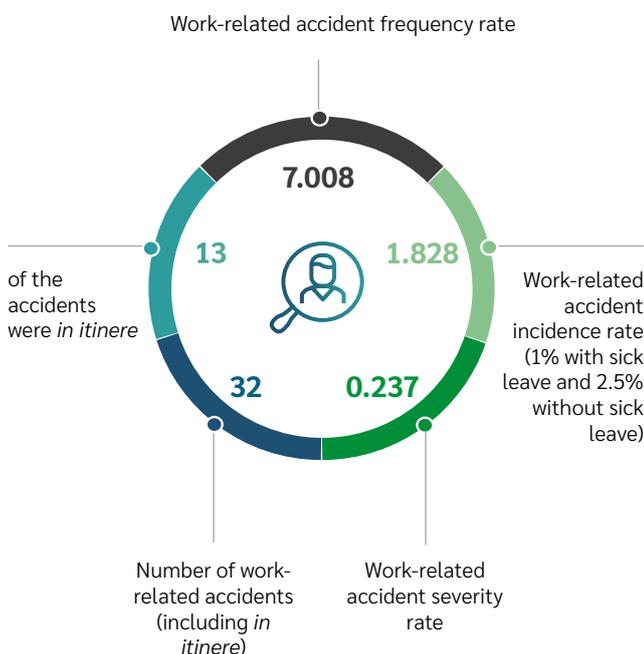


Accident rate

In 2021, the **accident rate** rose due to two variables: first, a higher in-person presence of employees after a 2020 marked by teleworking and, second, the increase in the workforce.

Likewise, mention should be made of the fact that, in 2021, **there was no sick leave due to occupational diseases** among ROVI workers.

Accident Rate 2021



Note: for further information, see Appendix II

Absence rate

The indicators recorded in 2021 show that **ROVI's absence rate (3.31%) is lower than the sector average (4.30%)**, largely due to the early prevention measures adopted by ROVI since the beginning of the pandemic.

However, in spite of these good results, ROVI is working to identify the main causes of absences among its workers, in order to drive specific measures to improve the ratio. In this respect, ROVI monitors a series of indicators that allow it to follow the absence rates, broken down by type.



Note: for further information, see Appendix II

Adaptation to the impacts of COVID-19



Given the exceptional situation experienced since the year 2020, employee Health and Safety has been a priority for ROVI. The Company responded swiftly, effectively and immediately with measures that allowed it to ensure the safety of its employees while maintaining continuity in the supply of medicines. Among the measures taken were:

- Monitoring the recommendations issued by the Health Authorities.
- Adaptation to teleworking (provision of electronic devices, encouragement of videoconferencing, etc.).
- Establishing safety measures to avoid infections in the workplace (taking temperatures, obligatory use of masks, safety distance, disinfection, etc.).
- Early detection of cases of COVID-19 in the Company.
- Evaluation of close contacts in the event of positive cases.

6.3.2.4. Promoting equal opportunities, diversity and inclusion

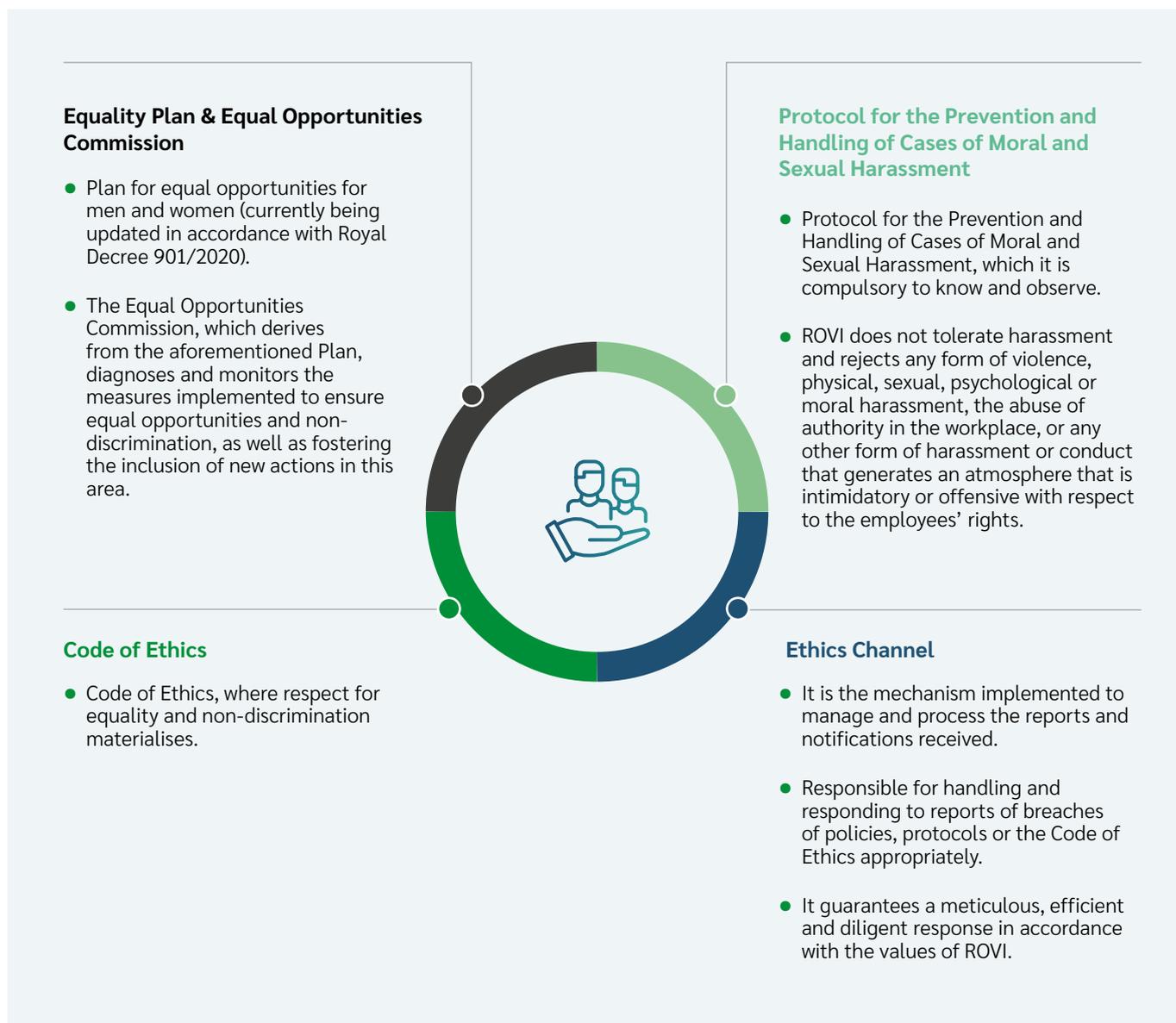
 GRI 103, 405-1 and 405-2

ROVI’s day-to-day activity is governed by a bet on a business culture based on equal opportunities, diversity and inclusion in all the countries where it is present.

Equal opportunities

Given its firm commitment to **genuine equal treatment and opportunities, ROVI fosters the absence of discrimination based on gender, race, social origin, age, civil status, sexual orientation, ideology, political ideas, religion or any other personal characteristic** in all the Company’s activities (selection process, compensation plans, etc.).

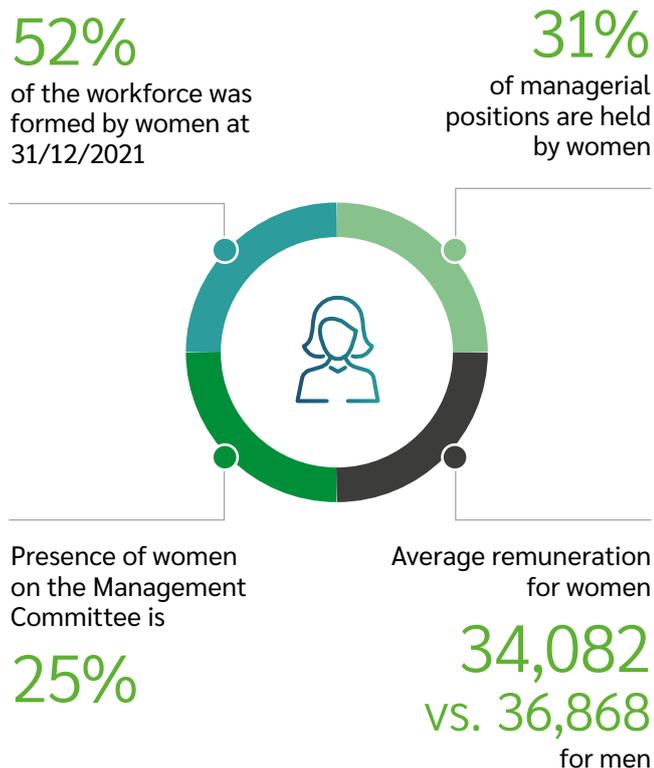
This commitment to equal opportunities is implemented through **four broad mechanisms**:



To measure the effectiveness of the aforementioned mechanisms, ROVI is currently conducting an **internal survey on equality in the Company**, which supports ROVI's commitment to equality and non-discrimination in its activities. In 2021, the anonymous questionnaire received 498 replies (57.43% were from women and 29.44% were from employees aged over 40).

Thus, fostering a culture based on equal opportunities, non-discrimination and the promotion of diversity and inclusion has become a strategic priority for **ROVI's sustainable growth**.

To this end, the Company strives for **effective equal treatment and opportunities for men and women**, guaranteeing that there will be no direct or indirect gender-based discrimination.



Likewise, ROVI contributes to **equal remuneration opportunities** by participating in the project promoted by WILLIS TOWERS WATSON SERVICES S.L that monitors the best sector practices in this respect, aligning with the best national and international practices.

Therefore, the commitment acquired to **equal remuneration for work of the same value** materialises in the indicators of **average employee remuneration and the wage gap** and is taken as a basis for defining ROVI's remuneration policy, which is applied to fix the salary both when the employee joins the Company and in subsequent salary reviews.

Average remuneration

In 2021, the average employee remuneration dropped 4% due to the increase in the workforce to produce the COVID-19 vaccine, since the jobs were concentrated in professional groups 2 and 3 as defined in the XX Collective Agreement of the Chemical Industry.

Note: for detailed information on the average distribution per employee by age, gender and professional category, see Appendix II.

Wage gap

In its commitment to ensuring equal wages, ROVI regularly monitors and analyses the gender wage gap in order to reduce it. For this reason, ROVI conducted a limited assurance review in 2018 and 2019 through PricewaterhouseCoopers Auditores, S.L., in which there was found to be no gender-based wage discrimination and no remuneration differences that were not based on personal factors (for further information on the study, see section 5.2.4 of ROVI's **2021 Statement of Non-Financial Information**). In 2021, **ROVI showed a gender wage gap of 7.6%**.

As a reinforcement measure, ROVI will include issues concerning the wage gap in the update of its new Equality Plan in accordance with Royal Decree 901/2020, which will reflect a valuation of jobs and a wage audit that will allow any wage gap to be detected, so that, if appropriate, corrective measures can be implemented, the evolution of wages can be monitored and any wage equality deviations can be avoided.



Average remuneration* by gender:

| Gender | 2021 | 2020 | % variation |
|-----------------|----------------|----------------|-------------|
| Men | €36,868 | €38,677 | -5% |
| Women | €34,082 | €35,410 | -4% |
| Total | €35,475 | €37,044 | -4% |
| Wage gap | -7,6% | | |

| Professional group** and gender | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 0 | Subsidiaries | |
|---------------------------------|------------|-----------|-----------|------------|------------|-------------|------------|-------------|-------------|--------------|--------|
| 2021 | Men (€) | 16,657 | 17,777 | 19,493 | 27,118 | 34,466 | 43,690 | 59,776 | 117,420 | 231,341 | 97,943 |
| | Women (€) | 18,277 | 17,995 | 21,004 | 26,098 | 32,267 | 38,127 | 55,067 | 106,262 | 137,942 | 68,293 |
| 2020 | Men (€) | 16,447 | 17,467 | 19,408 | 26,734 | 36,683 | 43,441 | 57,045 | 113,338 | 223,139 | 81,134 |
| | Women (€) | 18,304 | 18,235 | 20,901 | 26,299 | 34,342 | 36,584 | 53,880 | 105,013 | 135,803 | 58,366 |
| Wage gap*** | 10% | 1% | 8% | -4% | -6% | -13% | -8% | -10% | -40% | -30% | |
| % variation | 1% | 0% | 0% | 0% | -6% | 2% | 4% | 2% | 3% | 19% | |

* Scholarship remuneration is not included because scholarship-holders do not have a Professional Group.

**Professional Group according to the XX Collective Agreement of the Chemical Industry.

*** Wage gap calculated as the difference between the average salary of men versus that of women.

Diversity of nationalities and races

A majority of the employees of ROVI, whose principal activity is located in national territory, are Spanish nationals. However, the Company has employees with different origins, races and ethnicities and bets on cultural diversity as a source of enrichment of the relations between its employees.

Likewise, in order to foster the sense of belonging to the Company, one of ROVI's priorities is to ensure that all its employees, irrespective of their location, have the same conditions and level of well-being at work.



Number of employees according to nationality

-  1,692 employees are Spanish nationals
-  26 employees are German nationals
-  8 employees are French nationals
-  7 employees are Italian nationals
-  7 employees are Portuguese nationals
-  4 employees are Romanian nationals
-  2 employees are British nationals
-  2 employees are Polish nationals
-  2 employees are Venezuelan nationals
-  1 employee is a Chilean national

Inclusion, protection and integration of people with disabilities

As a socially responsible company, ROVI maintains its commitment to the workplace integration of people with disabilities and has various measures in place that provide synergies between the parties involved.

Recruitment

By enabling persons with disabilities to join the workforce, ROVI **reduces their risk of social and financial exclusion**.

For this reason, the Company holds agreements whereby it conducts **support programmes** intended to enable **people with intellectual disabilities to find work**.



ROVI firmly believes that, when people with intellectual disabilities receive the necessary training and support, they achieve an improvement in their personal, social and job skills.

31

employees with disabilities at 31/12/2021 (16% more than in 2020)



In addition to the 31 employees with disabilities on the payroll, six people from temporary employment companies have been working for ROVI, making the number of employees with disabilities 37.

Financial collaboration

Within its ESG-related activities, ROVI collaborates financially with a number of **non-profit organisations** that carry on their activity in the area of the social integration of **people with intellectual or physical disabilities** by conducting **leisure and sports activities**.

Likewise, it collaborates with different **special employment centres** for the personnel required for several services (see point 6.3.4.2. Boosting social action).

Accessibility

In order to achieve full workplace and social integration of people with disabilities, ROVI has undertaken measures to bring two kinds of barriers to an end: first, the physical obstacles to workplace access and, second, the use of the objects and products necessary in the job itself.

To overcome these barriers, ROVI aims for the **work centres where its activity takes place to be accessible** to everyone safely comfortably and autonomously. This is why all the new plans for renovation works include this idea. Likewise, ROVI adapts the workstation and work tools to the needs of the employees who are going to use them.

In 2021, ROVI continued with projects to adapt its centres by eliminating architectural barriers.

Overall, ROVI **endeavours to raise awareness among its employees** as a tool to combat both the discrimination and the barriers experienced by people with disabilities. In this respect, it carries out **corporate volunteering activities in collaboration with non-profit organisations**, allowing the employees to see, in situ, the barriers that these people have to tackle in their everyday life.

Finally, as a way to make it easier to use the products it markets, ROVI labels them in **Braille**.

6.3.2.5. Boosting training, development and performance evaluation

 GRI 103, 403-5, 404-1 and 404-2

ROVI’s day-to-day activity is governed by a bet on a business culture based on equal opportunities, diversity and inclusion in all the countries where it is present.

Training and development

Prioritising training is an investment in the long-term, since acquiring knowledge in different areas allows ROVI to have a pipeline of talent ready to develop its greatest potential and the possibility of obtaining the positive impacts that this produces.

Therefore, ROVI has an **Annual Training Plan** aligned with the Company’s strategic goals and values, so that employees have the necessary training to **perform their jobs correctly and are, likewise, prepared to meet new demands**, particularly in the new technology area.

To draw up this Plan, the Human Resource Department works with group and middle management, conducting a process to detect needs based on two criteria: the **specific needs of each area** and the **specific needs or personal interests** of each employee, giving rise to **individual training plans**.

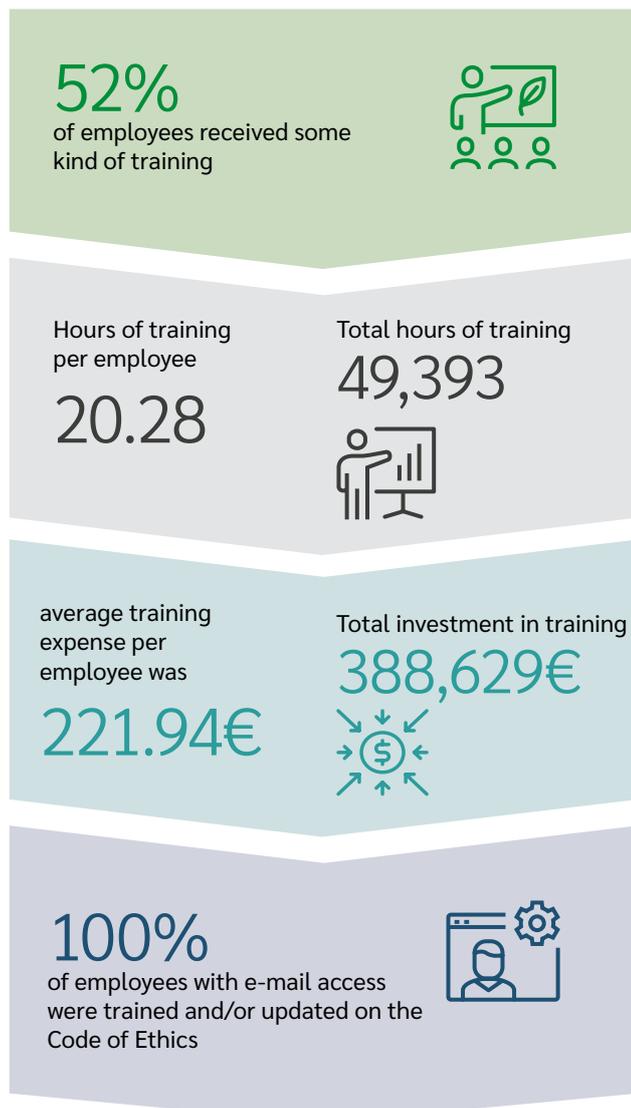
Establishing and updating the Annual Training Plan follows strict **principles**:



In this respect, in June 2021, ROVI implemented a **new training platform** called **Campus ROVI** to manage and record the training of its personnel. Thanks to this platform, **31 new training courses** were launched, including courses on ROVI's Anti-Corruption and Anti-Bribery Policy and the Social Accountability Standard SA8000, aimed at all group employees, as well as courses addressed to specific groups, such as the sales network, customer service or quality department of ROVI and its subsidiaries.

Likewise, as part of the **technical training** provided by Campus ROVI, special mention should be made of specific training in the **products** manufactured, **pharmacovigilance** procedures, **quality** agreements with external manufacturers and **clinical trials**.

As a result of the training imparted in 2021, the following ratios were obtained:



Performance evaluation

ROVI is developing a skill evaluation programme that allows people responsible for managing teams to monitor the skills established by the Company. This programme is in the process of implementation in some areas. There is a pilot programme at the Alcalá de Henares plant and it is expected to be rolled out the rest of the group in the years 2023-2024.

These evaluations are conducted jointly by the managers and the team, analysing overall performance and the development of both generic and technical-functional skills. Additionally, commitment to the HSE (Health, Safety and Environment) culture and regulatory compliance will be evaluated.



6.3.2.6. Achieving the well-being of our employees

 GRI 102-43, 103 and 403-6

Ensuring a business model committed to the quality of life of its employees is a priority for ROVI and, therefore, it strives to prevent the working life of its professionals from hindering the balance with their personal and family life. Therefore, over the years, it has undertaken initiatives that, in 2021, were reinforced as a result of **proactive listening with the employees**.

In this respect, ROVI offers its professionals competitive remuneration and a series of services and social benefits adapted to the country and work centre, endeavouring to create a workplace atmosphere that foments the well-being and satisfaction of the professionals. Likewise, the Company includes criteria for flexibility and disconnection from work, as well as work-life balance measures, in the corporate policies.

The global health crisis caused by COVID-19 has driven the need to adopt measures in practically all areas of the employment relationship, including the place where many of the employees work, the clocking-in method and the organisation of working time.

Disconnection from work

Measures in line with Royal Decree-Law 8/2019 on Urgent Measures on Social Protection and Combatting Labour Insecurity in the Working Day.

- **Actively avoid communication** with employees **outside working hours**, unless there is an urgent, unforeseen need that cannot be met otherwise.
- **Avoid scheduling meetings in the later part of the working day** to avoid overstepping working hours at the end of the day.
- **Protocol on disconnection from work**, included in ROVI's working day register policies, whereby employees are not required to connect to the digital systems after working hours.

Organisation of working hours

ROVI carries on its economic activities in **three different environments**: the industrial production area, the sales area and the industrial structure/offices area. The activity of each one of them **has different dynamics**, requiring different working hours and ways of organising working time (see section 5.2.6 "Achieving the Well-being of our Employees" of ROVI's Statement of Non-Financial Information 2021).

- Creating a quality work environment through a bet on the work-life balance.
- Flexible starting and finishing times in certain areas. In 2021, this improved significantly in the industrial area.
- Changing shifts with co-workers (especially in the industrial area).
 - Flexibility in scheduling time off.
 - Working hours adapted to the needs of each person.
- ROVI provides a laptop that can connect to the ROVI network to all the employees who need one.

Working day register

Ensure compliance with the limits on working hours in a framework of legal certainty where workers are protected against abuse of their working time, as well as measures to avoid fraud in providing and paying social security contributions on overtime.

- **Rules on clocking in**, which are a continuation of the policy already in place.
- **Generalised use of teleworking**, varying from 100% to 10%, adapted to the circumstances of the pandemic, the employees and the activity performed in each job.
- **Elimination of overtime**.

Social benefits

- **Maternity**.
 - **Improvement on government benefits** (ROVI pays a wage supplement to complete the benefit received from the Social Security to 100% of the salary).
 - **Teleworking in the last weeks of pregnancy** if the job so permits.
 - At centres where parking is difficult, **pregnant women have parking spaces**.

Flexible remuneration

- Nursery school vouchers.
- Restaurant vouchers.
- Medical, life and accident insurance.



Internal communication

ROVI, aware of the importance of active communication between all the organisational levels of the Company, works to furnish close and transparent communication that is accessible to all employees, using different channels that allow it to provide information on matters of general interest, company milestones, agreements or organisational changes.

- **Internal television channel.**
- **Notice boards.**
- **E-mail, through the internal newsletter.**
- **Mobile app ROVI Rocks**, renewed due to COVID-19:
 - Keeps people up-to-date on **new developments in the group**, in addition to including useful information on **directories**.

- Provides access to the **confidential consultation channel**, ethics channel and the Ideas ROVI section, where employees can submit proposals for improvements in the Group.
- Offers the possibility of entering an **area of discounts and exclusive groups** for ROVI employees.
- Includes a **virtual library** section (called ROVIteca), with access to a catalogue of more than 2,000 titles of all kinds: novels, learning, magazines, children's literature, classics, etc.

Additionally, ROVI has a corporate procedure on communication, participation and consultation through which communications (queries, complaints, etc.) related to the Environment and Occupational Health and Safety can be processed.

6.3.2.7. Ensuring social dialogue

 GRI 102-41, 103, 402-1 and 403-4

Relations with the workers' representatives

ROVI, convinced of the fundamental role placed by building solid and constructive labour relations, based on trust with the workers' representatives, constructs its **labour relations on the foundations of transparency, legal compliance and permanent respect and dialogue with the social partners** and workers' representatives.

These relations are implemented through smooth communication using all the means available, especially by holding both regular (in accordance with a planned schedule) and one-off (at the request of either the Company or the workers' representatives) meetings. This allows the status of agreements signed to be monitored and efficiently solves any possible incidents that may arise in the Company's day-to-day.

In 2021, numerous meetings were held for negotiations, information and consultation and took place **smoothly, without any incidents**.

The Group's Workers' Councils

The Group's Workers' Councils are the key mechanism to ensure dialogue on labour-related matters, since, through them, the Company's actions in a number of areas are consulted, debated and proposed.

In this respect, special mention should be made of the **highly representative nature and the employee participation in the Safety and Health Committees**, which principally discuss: the evaluation and assessment of occupational risks and any incidents that may take place, together with the pertinent measures to be adopted, the provision of personal protective equipment, protection facilities, and information and training on occupational risks.

In addition, regarding equality, in 2021, a milestone was reached by involving **and further increasing the role of the workers on the Workers' Council in equality issues, particularly in the industrial area**.

Employees covered by collective agreements

Lastly, regarding collective agreements, **the whole of ROVI's workforce in Spain works under the conditions regulated by the Collective Agreement of the Chemical Industry**. At European level, the employees of the subsidiaries are also covered by the collective agreement of each geographic location, except in jurisdictions where local legislation establishes the application of general labour law. This occurs in subsidiaries with very few workers.

6.3.3. Commitment to our value chain

Ensuring that the ESG commitments that ROVI has acquired are respected throughout its **value chain** is the maxim that governs its relations with suppliers and subcontractors. To this end, ROVI makes every effort to promote ESG-related values among its suppliers and creditors before, during and after the production of its product portfolio.

As an essential group, ROVI bets on **supplier relations based on solvency, commitment and alignment with the Company's principles and values**. These contractual relationships are based on financial requirements, as well as ESG requirements set out the ROVI's corporate policies.

- **ROVI's Supplier Engagement and Payment Policy**, the geographic scope of which covers the entire group. It includes issues that go beyond ESG, such as the methodology to follow in order to send invoices and have them recorded, the means of payment, etc., which guarantee that the accounting with suppliers is homogeneous and efficient.
- **Code of Ethics for Suppliers.**
- **Environmental and Social Sustainability Policy.**

Ensuring sustainability in the supply chain

 GRI 102-8, 102-9, 103, 204-1, 308-1 and 414-1

In order to ensure the Sustainability of the supply chain, ROVI monitors its value chain and, consequently, its suppliers and the other components of the chain. Before this monitoring, it is necessary to determine a framework that reflects the conduct that ROVI requires of its suppliers and, therefore, since 2017, it has had a Code of Ethics for Suppliers, which was revised in 2020.

This Code sets out the compulsory requirements for any service provider who works with the group. Its content is similar to that of ROVI's internal Code of Ethics.

Suppliers, as key elements in the value chain, contribute to the Group's Sustainability. Monitoring their ESG performance has become an essential factor in ROVI's activity.



Human and Labour Rights

It urges suppliers to **observe the protection of internationally-recognised Human and Labour Rights** and the principles of elimination of forced and child labour.

- Respect for the right of association and collective bargaining;
- Equal opportunities and non-discrimination;
- Providing a fair work environment, free of any type of violence, that strictly observes current legislation on working hours and remuneration.

Health and Safety

Emphasis on Health and Safety, therefore requiring compliance with the labor and risk prevention laws, promoting a healthy and safe work environment where the workers are trained in the prevention of workplace risks.

Management System

It expects its suppliers to implement a Management System that ensures compliance with the Code of Ethics for Suppliers as well as to adopt the best practices in accordance with current legislation and the most demanding standards, such as the SA8000 or SGE-21 certifications.



Environment

It refers to **respect for and care of the Environment**. ROVI, in collaboration with the components of the supply chain, undertakes to combine efforts to reduce the impact of its activities on the environment to a minimum, placing emphasis on:

- Observing environmental protection regulations;
- Continuous updating of authorisations, permits and licences; and
- Implementation of systems that ensure that emissions, liquid effluents and leaks are managed correctly and safely.

Business Ethics

It strives to ensure that activities are carried out in compliance with the principles of business ethics. It requires transparent, responsible management, with no type of corruption or conflicts of interest that follows good marketing practices.

ROVI's supply chain in figures

Regarding the volume of ROVI's suppliers, in 2021, ROVI worked with almost **2,400 suppliers from 40 countries**. As a result of the Company's growth in its new subsidiaries in the main European markets, the **international supplier network** expanded in 2021 and currently has service providers from Germany, Portugal, France, United Kingdom, Italy and Poland. However, **local suppliers of Spanish origin** continue to bear the **greatest weight**.

The ROVI Group's **average payment period to suppliers** in 2021 was **57 days**, while it had been 55 days in 2020, in accordance with the maximum periods provided for in Law 17/2010, amended by Law 11/2013. This figure has been calculated applying the criteria set out in the Sole Additional Provision of the Resolution of 29 January, 2016 issued by the Institute of Accounting and Account Auditing (ICAC).



6.3.3.2. Ensuring the Safety and Quality of the supply chain

 GRI 102-43 and 103

ROVI has taken a further step in its commitment to the supply chain. Not only has it established an internal regulatory framework with the requirements its suppliers must meet, but it also carries out 360-degree monitoring of the supply chain.

The Group has a **supplier selection procedure**. The type and scope of the control applied to the supplier will depend on the risk/impact of product or process purchased or subcontracted. The initial evaluation of the supplier includes a risk assessment depending on the type of activity to be performed, since said activity may have a special impact on the product quality and/or the status of

regulatory compliance of the product itself and/or ROVI's internal processes. In these cases, the risk assessment may include an audit at the supplier's facilities and the inclusion of specific clauses in the quality agreements signed between the two parties. Thus, a list of approved suppliers is drawn up and kept by the Quality Department.

Notwithstanding, attention should be drawn to the fact that the group not only evaluates its suppliers in respect of quality, but also promotes the best sustainability practices through two broad mechanisms:

AUDITS

There is strict control over the suppliers with whom ROVI works if their activities directly affect product Quality and Safety.

The control mechanisms used by ROVI include conducting on-site and remote audits.

Through these audits, there is regular monitoring of compliance with both ROVI's requirements and regulatory standards.

To this end, ROVI has an Annual Plan managed through a risk analysis performed on all the suppliers with whom it works. The methodology followed is based on the analysis and assessment of its suppliers using different metrics. When the results are known, depending on the outcome, ROVI monitors each supplier more or less frequently.

In addition to this Annual Plan, ROVI has an Annual Evaluation, a mechanism that provides information for the risk analysis, thus facilitating the process of auditing third parties. In this case, the evaluation consists of finding out the extent to which a supplier may have caused problems, such as any potential unfit lots, impacts on the Company's reputation, etc.

ECOVADIS PLATFORM

The traceability of the correct performance of its suppliers has become an essential element. For this purpose, since 2020, ROVI has adhered to the EcoVadis Platform, a tool that assesses ESG aspects of its suppliers:

- Environment
- Labour and Human Rights Practices
- Ethics
- Sustainable purchasing

The platform's methodology receives information from two sources. First, the suppliers must complete a questionnaire of more than 80 questions, providing evidence of their answers. Second, the platform itself makes an external study, considering issues such as data on complaints or public information in the press.

After the analysis, each supplier is rated with score of between 0 and 100, where the degree of ESG commitment is measured. This monitoring allows ROVI to detect possible non-compliances and thus request measures that provide a solution for the values and questions with low scores.

In this respect, ROVI is striving to increase the number of suppliers evaluated in future years. To this end, the selection criteria are based on whether a supplier is located in a country where there is concern about respect for human rights and, likewise, on the invoicing volume.



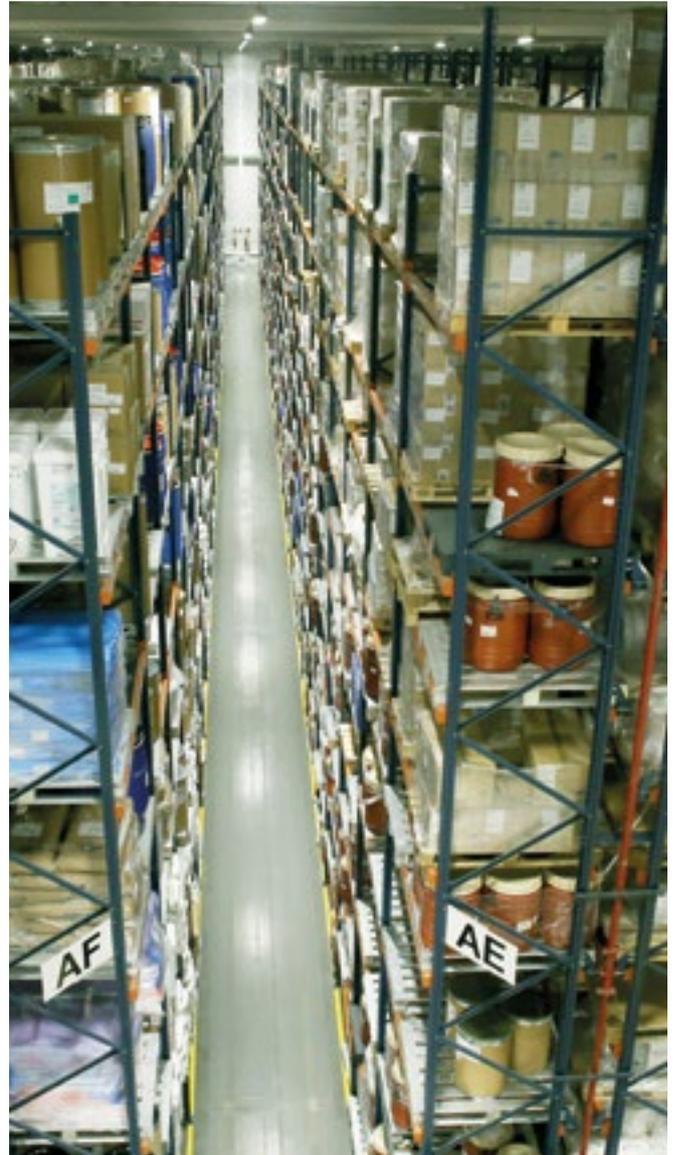
6.3.3.3. Monitoring our products' life cycle

ROVI, aware that the Health and Safety of its patients is a priority, has implemented a **broad management and control framework that guarantees the Safety and Quality of its products** during the production chain (see section 6.3.1. Commitment to our customers, patients and healthcare professionals). Additionally, ROVI has put in place a series of mechanisms that reinforce this commitment in the rest of the stages of the product's life cycle.

The COVID-19 pandemic has brought a significant increase in the **distribution of falsified medicines** in the market, which already showed alarming figures. In the period 2016-2020, the Pharmaceutical Safety Institute reported 38% growth in incidents related to falsifications. Although ROVI was aware of this problem previously, it has reinforced its control in recent years, in order to prevent this possible risk.

Likewise, derived from the aforementioned importance of the traceability and monitoring of the supply chain and life cycle of the products, ROVI participates in **initiatives for the destruction of medicines**, including the engagement of waste managers responsible for treating "non-compliant" medicines, such as those returned by customers, those detected during production, or those that have expired before entering the sales channel.

Additionally, these initiatives include ROVI's adhesion to **"Punto SIGRE"**, which strives to ensure proper environmental management of medicine packaging and medication waste generated at home through close collaboration between the pharmaceutical industry, pharmaceutical establishments and pharmaceutical distribution companies.



INTERNAL PROCEDURES

Internally, ROVI has approved a number of procedures regarding medicine falsification.

- Procedure SOP-216 **"Procedure for the Identification and Treatment of Falsified Medicines"**.
- If the falsification of medicines is suspected, it has procedure SOP-209: **"Management of Deviations and Corrective and Preventive Actions at ROVI"**, which establishes an action plan if any possible infringement is detected.

Aware that greater digitalisation of the process is a critical factor in the swift identification of falsified products, **ROVI hopes to implement a CRM procedure to manage any incidents that may be detected regarding both this and other issues.** The system will be implemented during 2022.

EMVO SYSTEM

Good product traceability leads to less or no infiltration of falsified medicines into the market. Therefore, since 2019, the **European Medicines Verification System (EMVS)**, promoted by the European Medicines Verification Organisation (EMVO), has existed. This system arose as the result of a broad catalogue of measures adopted by the European Union through Directive 1011/62/UE, set out in detail in Delegated Regulation 2016/161.

The system has been a pioneering mechanism to guarantee the reliability of the medicines received by the final patient in terms of both handling and falsification.

ROVI operates under this system, the basic mechanism of which is the **serialisation of each pack by marking it with a unique safety code so that each product can be identified individually.**

- The inclusion of **tamper evidence** on each pack. This is an inviolability measure. It consists of a security seal on each pack that guarantees that a product has not been opened previously.
- Allocation of a **safety code** to each pack. This code is recorded in the EMVO system so that, when a pharmacy or hospital dispenses the medicine, it uses this code to verify that the laboratory has registered the pack in the system.

6.3.3.4. Promoting active communication with our suppliers



ROVI's relations with its suppliers are based on sound and exhaustive selection criteria and transparent information. None of this would be possible if, at the same time, regular communication were not generated using appropriate channels (see section 4.3.3. Dialogue with our stakeholders). Likewise, ROVI takes a series of measures to reinforce this communication:

- **ROVI's Ethics Channel**, which is also open to suppliers. This is so much the case that (i) the Code of Ethics for Suppliers establishes the obligation to notify any breach thereof to the Company, and (ii) obliges suppliers to inform their employees and subcontractors of the existence of this channel. In this respect, various mechanisms are in place to enable suppliers to communicate with ROVI: the e-mail address canaleticoprovedores@rovi.es, and a physical mailbox at ROVI's offices.
- In a spirit of constant improvement, in 2021, as in previous years, ROVI imparted **internal training to company personnel who interact with suppliers**, mainly on accounting and tax topics.
- Likewise, ROVI has a **Communication and Transparency Policy** with suppliers, through which it ensures regular information is provided to this stakeholder group. In this respect, in 2021, ROVI sent communications to both new suppliers and to some existing suppliers – where considered advisable –, informing them of the procedure for sending invoices and the incident management and payment processes.

6.3.4. Commitment and contribution to the environment in which ROVI operates

In 2021, ROVI upheld its commitment to Sustainable Development: to generate a positive impact on the environment in which it operates continues to be the backbone of the activity it carries on.

ROVI assumes the **commitment to contribute to the sustainable development** of the environment in which it operates by **promoting its economic, environmental and social progress**. Said environment is a reality that is taken into consideration for the Group's development and day-to-day decision-making.

As a company, in addition to helping improve the quality of the life and health of society through its products, ROVI takes account of the social impact generated by its activity on the environment in which it operates. For this reason, **its contribution derives not only from the activity it carries on at its facilities**, but also from the **wide range of actions** the Company has implemented with the **local community as an essential element**.

ROVI makes a significant effort in a series of **priority spheres of social action**, such as mainstreaming disability in the workplace, fomenting health, commitment to training and corporate volunteering. Furthermore, it strives to assess and manage non-financial, ethical, reputational, social and environmental risks, committing itself to those initiatives that benefit society.

This is shown by the recognition obtained by ROVI in the **Sustainalytics** evaluation, to which it submits itself voluntarily. Said company is a global leader in providing studies, ratings and analytical data on environmental, social and governance aspects.

Among its activities, the **ESG Risk Score** may be highlighted. Through this, as a result of an exhaustive analysis of ESG questions, Sustainalytics rates companies on a scale from 0 to 100, 100 being the maximum sustainability risk. Among the issues analysed, mention should be made of corporate governance, business ethics, bribery and corruption, product handling, access to services, human capital management and environmental management.

For 2021, ROVI obtained an improvement in the rating of its ESG risk in comparison to 2020, achieving an **ESG rating of 18.4**, which means a low risk in Sustainability aspects. Likewise, it obtained **second place among 432 pharmaceutical companies**.

ROVI obtained an ESG RATING 2021

18.4 (low risk between 10 and 20)



Global universe

2,309th of 13,573

Industry group
(biotechnology + laboratory equipment + pharmaceutical companies)

17th of 896

Sub-industry
(pharmaceutical companies)

2nd of 432

6.3.4.1. Guaranteeing Access to medicines

In view of its commitment to manage the group under ESG criteria, ROVI **takes account of the need to promote access to medicines**⁽⁶⁾. Said access is considered essential to the Right to Health, inherent to all and recognised internationally since 1946. Therefore, the equitable access to safe and affordable medicines is vital to achieve the greatest level of health possible for all.

ROVI bases its *raison d'être* and business culture on this idea, promoting health to achieve the well-being and quality of life of its patients, as well as the assistance provided to them, as part of its mission. Therefore, during 2021, it undertook actions to this end:

- **Access to Medicines Policy.** ROVI, aware of the key role of the pharmaceutical industry in responding to society's healthcare needs, has a policy that establishes its commitment to reducing healthcare disparities. This policy, approved by the highest level of the Company's organisation (CEO), sets out the different principles for action, as well as the existing mechanisms to ensure access to healthcare and medicines. In this respect, ROVI undertakes to ensure production continuity, as well as the global distribution of its medicines at all times. Likewise, in the event of emergencies or exceptional situations, ROVI works with international and local entities to ensure a swift response to express demand for its medicines, supplying them through non-governmental organisations deployed in the area affected by the emergency.
- **One-off exportations of medicines for humanitarian reasons.** In exceptional situations, ROVI has a procedure in place to favour and expedite the swift dispatch of its products through third parties with strict and exhaustive regulatory compliance. Distribution may take place either through local distributors or international partners.

ROVI reached approximately 790 thousand patients through its main products in 2021.

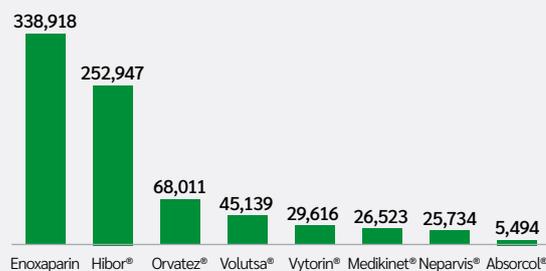
From its International Department, in constant communication with the Group's Quality and Compliance areas, ROVI ensures the **lawfulness of the process, guaranteeing the Health and Safety of its patients**. ROVI verifies and evaluates the distributors with whom it works through an audit. Likewise, it supervises and checks the existence of an official document that permits distribution of the medicine in the destination country.

In 2021, as a result of the scenario created by COVID-19, ROVI brought this mechanism into operation on several occasions due to problems in accessing LMWHs (medicines that the WHO recommended as essential in the treatment of COVID-19), leading to the dispatch of these medicines to countries such as Venezuela, Mexico and Suriname, among others, through its international partners.

With these actions, ROVI has demonstrated that it is aligned with the goal of the Access to Medicine Foundation, which promotes access to medicines in mid- and low-income countries.

In addition, ROVI monitors the **number of patients its reaches through its products** in order to measure the real impact it generates on society. In this respect, in 2021, a new methodology was defined for this calculation. This methodology uses the figure of sales to pharmacies for some of company's main own and licensed products as a source. It likewise uses the experience of the Medical Department to estimate the patient profiles most adapted to each medicine, taking account of the duration of the treatment, the dose, and an estimate of treatment adherence.

Estimated number of patients reached by ROVI's main products in 2021



Data are shown for products representing 76.5% of ROVI's portfolio (in terms of billing in Spain).

⁽⁶⁾ The WHO considers that the equitable access to safe and affordable medicines is vital to achieve the greatest level of health possible for all.

6.3.4.2. Boosting social action

 GRI 103 and 413-1

In the light of the emergency caused by COVID-19, since 2020, ROVI's planning of social and solidarity activities has had to gradually adapt to the circumstances existing at any given moment, although it has never come to a standstill. ROVI has been at the service of society and the healthcare system when most need existed.

In this respect, the Company has implemented a **wide catalogue of activities** in order to have a **positive impact on local communities** by making an active contribution to social progress, promoting health, fostering research, training commitment and environmental protection.

In general, it contributes to sustainable development through a global institutional strategy that engages its stakeholders and promotes the design and implementation of awareness programmes. Likewise, it puts in place measures that allow a contribution to development to be made through volunteering, sponsorships, collaborations and other actions.

Corporate volunteering

ROVI's corporate volunteering programme is one of the **fundamental elements upon which a substantial part of the Company's social action is based**. Through it, employees have the chance to play a leading role in change by co-operating with the different NGOs and foundations with which the Company works.

However, in 2021, the number of activities with the in-person participation of ROVI employees was affected by the restrictions applied as a result of the pandemic. Notwithstanding, this area of CSR encouraged the participation in certain activities where ROVI was present.

5 & 6 June, 2021

VI 100 Km Race for Africa, of Fundación Recover. In June, a group of 45 employees and members of their families took part in the challenge of completing 100 kilometres of this virtual race, the funds for which were used to combat COVID-19 in Africa.

7 November, 2021

10th Madrid También Solidario Race of Fundación También. In the in-person edition held on 7 November, a group of 33 employees and members of their families took part in one of the three versions of 1, 5 and 10 kilometres of this charity race.

14 November, 2021

Run for Children Race of Cruz Roja Granada (Granada Red Cross). On this occasion, in the month of November, a group of 24 employees and members of their families took part in this charity race, which collected funds to organise activities and resources for vulnerable children.

19 December, 2021

Company Race 2021, which was held with both in-person and remote presence and in which 19 ROVI employees took part.



10th Madrid También Solidario Race of Fundación También.



Run for Children Race of Cruz Roja Granada

Sponsorship, patronage and donations

Although in-presence activities were adapted to the situation caused by COVID-19, ROVI maintained its financial support to various associations, foundations and NGOs.

During 2021, ROVI contributed a total of **149,419 euros to foundations and non-profit organisations** as donations (58,400 euros), collaboration agreements (47,918 euros) and sponsorships (43,101 euros).

Mainstreaming disability

In 2021, ROVI continued to support the integration and social inclusion of differently-abled groups.

Fundación Manantial



ROVI has a programme with Fundación Manantial for the employment of people with mental illnesses to carry out activities concerning the secondary packaging of medicines. It began in 2019 when the first recruits joined the Alcalá de Henares production plant. In 2020, it was extended to the Julián Camarillo plant (Madrid) and, in 2021, to the San Sebastián de Los Reyes plant.

Likewise, ROVI was the main sponsor of the 2021 Race for Mental Health promoted and organised by Fundación Manantial.

Down Granada



Down Granada works helping young people in Granada with Down's Syndrome to enter the labour market in local companies and co-operated with ROVI in training one of its young women to perform administrative tasks at the plant in the Health Technology Park (Granada).

Fundación Prodis



ROVI has an employment programme for young people with intellectual disabilities at the Pozuelo and Julián Camarillo offices (Madrid). Additionally, the Special Employment Centre has printed corporate material, such as training brochures or T-shirts for activities organised by ROVI's CSR area.

Fundación Deporte y Desafío



A non-profit organisation dedicated to mainstreaming disability sport. In 2021, ROVI strengthened the co-operation agreement to conduct adaptive skiing courses in Sierra Nevada (Granada).

Fundación También



This non-profit organisation works to include people with disabilities in sport. As it does each year, ROVI collaborated in acquiring adaptive skiing material for the association.

ISS Facility Services (Gelim)



Provides cleaning services at ROVI's offices. Due to the pandemic, ROVI intensified the usual cleaning services, including new daily disinfection routines with virucides at the work centres (office workstations, changing rooms, common areas, etc.).

Ilunion



A company whose purpose is to generate high-quality employment for people with disabilities. ROVI collaborates with this company for the laundry services for plant clothing.

Fundación A la par



A foundation engaged in the social and workplace integration of people with intellectual disabilities, which cleans the pallets used at the plants of ROVI Pharma Industrial Services S.A.U.

Social protection

ROVI has continued with its support of social and environmental causes.

Cruz Roja Granada



ROVI resumed its collaboration with “Flag Day”, a day of activities focused on raising awareness regarding environmental sustainability.

Fundación Cofares



Foundation responsible for organising activities every year, such as the Charity

Golf Tournament or the Christmas Charity Concert, with which ROVI collaborates. The sums collected through these charitable activities were used for various solidarity initiatives in collaboration with other non-profit entities, such as the project “Journey towards Life”, which provides healthcare in Spain to African minors with serious pathologies, or “Aid against COVID-19”, aimed to provide preventive healthcare and hygiene material to vulnerable families throughout Spain.

In addition to the activities mentioned above, in 2021, ROVI continued with the work of the **Donations Committee**, which channels the requests for co-operation that ROVI receives from healthcare organisations and social or humanitarian entities. Its mission is to review each application and check that it complies with current legislation, the Code of Practice for the Pharmaceutical Industry, ROVI’s Code of Ethics, and the Social and Environmental Sustainability Policy.

From among the social and humanitarian proposals approved by the Donations Committee in 2021, the following may be highlighted:

International co-operation:

Fundación Recover

Co-operation with its programmes to improve healthcare in Africa. The foundation supports the local community in healthcare matters both in situ and through a platform on which doctors in Spain train, and also diagnose, people located in Africa.



Fundación para el Desarrollo Integral de los Pueblos

ROVI co-operates in the acquisition of teaching and educational material for schools in Callao (Peru).

Social protection:

Fundación Prodis



Donation to the Workplace Inclusion Programme: supported employment, whereby Fundación Prodis works as an intermediary and accompanies young people with disabilities to facilitate their social and workplace integration in companies.

Likewise, when the pandemic began in Spain in 2020, ROVI initiated a line of **donations to hospitals of healthcare equipment** considered especially useful for healthcare workers during the pandemic. This line of donations continued in 2021, when 171 ultrasounds were donated to 130 hospitals.



6.3.4.3. Evolution of key R&D projects

Commitment to research

In order to always remain in the vanguard, ROVI is **committed to Research, Development and Innovation**, since they are strategic factors that enable the Company to act in a changing market environment and differentiate itself in the pharmaceutical sector.

The group holds **agreements with different universities** to strengthen scientific, technological, training and knowledge-sharing activities in Spain, showing its support for research at an academic level. In this context, ROVI collaborates with the University of Granada, fostering research and training activities of scientific personnel through projects within the framework of the incentives awarded by the Technological Corporation of Andalusia.

In a global market context marked by the emergence of COVID-19, ROVI is aware of the importance of collaborating with all the agents in its environment to make a positive contribution in all the spheres where the Company is present.

For this reason, in 2021, ROVI reaffirmed its presence in **Strategic National Research Consortia under the CENIT programme:**

- **Nanofarma Consortium (2006).**
- **Melius Consortium (2007).**
- **Cyc Consortium (2009).**
- **SNC_Integra Consortium (2011).**
- **ADELIS Consortium (2013).**
- **BIOMAP Consortium (2015).**
- **BLUESPE Consortium (2017), within the framework of the ERDF Programme for Andalusia, co-financed by Structural Funds from the European Union.**

In addition, ROVI receives **support from the Ministry of Science and Innovation through the State Research Agency with the Torres Quevedo Programme (PTQ)**, the objective of which is to promote the recruitment of doctors to carry out industrial research and experimental development projects or prior viability studies, in order to further the professional careers of the researchers and stimulate private-sector demand for personnel who are sufficiently qualified to undertake R&D projects, as well as helping to consolidate recently-created technological companies.

Thanks to the funding received through the PTQ, the workforce has been reinforced by hiring two doctors to carry out R&D&I activities on the following project:

- Ref.: PTQ-2019-010712: “Project to improve the purification process in low-molecular-weight heparins”.

ROVI likewise receives the **support of leading entities such as the Industrial Technological Development Centre and the Technological Corporation of Andalusia**. As in previous years, in 2021, it received funding for its main lines of research and development: the development of the new controlled-release systems based on ISM® technology and the developments in the glycomics area, through the following projects:

- IDI-20190622 – “Development of the active substance to obtain a prolonged-release injectable system for letrozole” (2019-2021).
- IDI-20170717 – “Phase I clinical trial, with single increasing doses of letrozole using a prolonged-release injectable system” (2017-2021).
- IDI-20200346 – “Development of a new three-monthly formulation of Risperidone” (2019–2022).
- IDI-20210292 – “Definition of the profile of physicochemical characteristics of the Letrozole ISM® formulation” (2020–2023). Project led from the Granada R&D Centre and co-financed with ERDF funds.
- IDI-20210941 – “Development of an innovative process to obtain a new low-molecular-weight heparin biosimilar” (2021–2023).



Due to the patent system and the protection of trade secrets and R&D&I results, ROVI has a **well-protected portfolio composed of 695 patent dossiers**, 507 of which have already been granted, while 188 are in the examination and evaluation phase.

ROVI coordinates all its R&D&I activity in Spain, distributing it among the Madrid and Granada centres, with three R&D&I centres and two pilot plants for the manufacture of injectable medicines on which research is in progress.

Madrid injectables plant

313 employees

R&D&I - Production Centre

Annual production capacity:

- **180** million syringes



Alcalá de Henares Plant

384 employees

R&D&I - Production Centre

Annual production capacity:

- Tablets: **3,000** million units
- Hard capsules: **300** million units
- Sachets: **30** million units.

14 packing lines, 7 of which are for injectables



LMWH Production Plant (Granada)

169 employees

R&D&I - Production Centre

- **120,000** Million International Units (MIUs):



San Sebastián de los Reyes Injectables Plan

292 employees

Production Centre

Annual production capacity:

- Syringes: **120** million units
- Vials: approximately **900** million dosis



Okedi® - Risperidone ISM® (Madrid)

28 employees

Pilot plant built for the clinical trials of Okedi®.

Letrozole ISM® (Madrid)

56 employees

R&D&I centre

Escúzar

15 employees

Plant under construction to manufacture the active substances of Low Molecular Weight Heparins.

6.3.4.4. Dialogue with local communities

 GRI 413-1

ROVI, committed to the environment that surrounds it and the impact its activity generates on that environment, is aware of the importance of developing firm links to the communities in which the group carries on its activity.

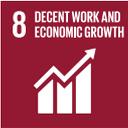
Maintaining **flexible and smooth communication by participating in different forums and institutions** is the best way to be able to take local communities into account. ROVI follows the best sector practices by monitoring and actively participating in information exchanges with Farmaindustria, the *Asociación Española de Farmacéuticos de la Industria*, the European Medicines Agency and other notified bodies or working groups.

Given that most of its activity is carried on at its facilities, attention should be drawn to the fact that, to construct and/or modify any of its plants, ROVI conducts a detailed study of the **impact that this activity has on the surroundings in both environmental and social terms**. For this reason, a basic aspect of the study is to meet the requirements of the community in which it operates and, to do so, it is indispensable to establish permanent and constructive dialogue with those who surround it.

6.3.5. Commitment and contribution to the SDGs regarding People

The following is a brief description of ROVI's impacts on the Sustainable Development Goals (SDGs) that are most significant in its commitment to Social performance:

| SDG and Goal | Key messages on ROVI's contribution in 2021 | Goal | Key contributions |
|---|--|---|---|
| <p>GOOD HEALTH AND WELL BEING</p> <p>Ensure healthy lives and promote well-being for all at all ages</p>  | <p>ROVI prioritised the Safety and Health of all the people it interacted with in its day-to-day operations (customers, patients, employees, suppliers, etc.), applying all the measures recommended by the experts and authorities to protect their health and improve their quality of life, thanks to the combined action of the pharmaceutical industry in producing medicines, which has accounted for 73% of the increase in life expectancy achieved over recent decades.</p> | <p>GOAL 3.4</p> <p>GOAL 3.8</p> <p>GOAL 3.9.b</p> | <ul style="list-style-type: none"> Wide range of products, including Risperidone ISM® for the treatment of schizophrenia in acute patients. Active role in producing the COVID-19 vaccine. Collaboration with different organisations (among them, Fundación Recover) to promote access to healthcare, especially in territories with conditions that make medicines and quality healthcare difficult to access. Internal and external audits to guarantee Quality, Health and Safety during the product's life cycle, especially from the design and research of the product until it is launched in the market (ISO 9001:2015; ISO14001:2015; ISO 13485:2016, AEMPS, EMA, etc.). Strong Occupational Health and Safety System, certified under standard ISO 45001:2015, which helps reduce occupational accidents and diseases to a minimum. Mechanism for "one-off dispatches" in exceptional situations in order to favour access to medicines. |
| <p>QUALITY EDUCATION</p> <p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>  | <p>ROVI actively supports the implementation of a quality education system, both at corporate level and externally, through its collaboration with different educational centres and organisations, offering an extensive training portfolio that covers different areas, among which the following may be highlighted:</p> <p>Leadership abilities, time management, stress management and a wide range of technical training related to the pharmaceutical industry: Green Belt, Lean Six Sigma, GMPs, calibration, etc.</p> | <p>GOAL 4.3</p> <p>GOAL 4.4</p> <p>GOAL 4.5</p> <p>GOAL 4.7</p> | <ul style="list-style-type: none"> Active collaboration with foundations and NGOs such as Down Granada, Fundación Deporte y Desafío and Fundación para el Desarrollo Integral de los Pueblos, whose <i>raison d'être</i> is the inclusion of vulnerable people by promoting knowledge sharing. Knowledge shared with local communities through smooth communications, especially with the authorities of the location in which it is operating. Fostering quality education. 77% of ROVI's workforce holds a university degree. Establishment of over 20 collaboration agreements with organisations and academic centres to promote access to education and employability. Training plans adapted to the needs of each employee, maximising their skills and strengthening their professional development: 49,393 hours of training in 2021, corresponding to a total of 28.19 hours per employee (average). |

| SDG and Goal | Key messages on ROVI's contribution in 2021 | Goal | Key contributions |
|--|--|---|--|
| <p>GENDER EQUALITY</p> <p>Achieve gender equality and empower all women and girls</p>  | <p>ROVI meets its commitment to this SDG by establishing equality as a basic principle for action and, consequently, striving to offer equal opportunities for access to work and for the professional promotion for all the professionals, ensuring that there is no kind of gender discrimination in the course of its activity.</p> | <p>GOAL 5.1</p> <p>GOAL 5.2</p> <p>GOAL 5.c</p> | <ul style="list-style-type: none"> ● Regular monitoring of the gender gap. ● Approval of corporate policies and internal mechanisms such as the Equality Plan, the Equal Opportunities Commission or the Protocol for the Prevention and Handling of Cases of Moral and Sexual Harassment. ● Participation in the Project promoted by WILLIS TOWERS WATSON SERVICES S.L. regarding remuneration. |
| <p>DECENT WORK AND ECONOMIC GROWTH</p> <p>Promote inclusive and sustainable economic growth, employment and decent work for all</p>  | <p>ROVI provides its employees with a work environment committed to respect, stability and workplace safety, in addition to developing work-life balance measures for its employees. This is in line with the best practices in the pharmaceutical industry, the leading industry in R&D investment and quality employment, as well as one of the sectors that drives the developed economies.</p> | <p>GOAL 8.2</p> <p>GOAL 8.3</p> <p>GOAL 8.5</p> <p>GOAL 8.6</p> <p>GOAL 8.7</p> <p>GOAL 8.8</p> | <ul style="list-style-type: none"> ● Promotion of favourable work environments, which is established in the Internal Code of Conduct and the Code of Conduct for Suppliers. ● Training its employees to guarantee the Health and Safety of the workforce. ● Stable workforce with 77% permanent contracts and a turnover of 2.89%. ● Development of work-life balance measures, adjustments to workloads and measures for the disconnection from work of its workers. ● Bet on employment for young people: 25% of the workforce are aged under 30. In addition, 5 of every 10 new employees joining the workforce in 2021 were aged under 35. ● 100% of the employees are covered by Collective Agreements. |
| <p>INDUSTRIES, INNOVATION AND INFRASTRUCTURE</p> <p>Build resilient infrastructures, promote sustainable industrialisation and foster innovation</p>  | <p>ROVI bets on innovation and technology to increase the productivity of its activities, discover new drugs and improve those that already exist in order to enhance the service it provides to its customers, patients and healthcare professionals. The implementation of these projects allows ROVI to adapt to the needs of society and maximise value creation for all its stakeholder groups.</p> | <p>GOAL 9.1</p> <p>GOAL 9.2</p> <p>GOAL 9.5</p> | <ul style="list-style-type: none"> ● Contribution to employment and the GDP in the countries where it operates, thanks to the technology and innovations in its products and the way it produces them. ● Investment in R&D&I activities. ● Increase in its workforce as a result of the manufacture of the COVID-19 vaccine. |

| SDG and Goal | Key messages on ROVI's contribution in 2021 | Goal | Key contributions |
|--|--|---|--|
| <p>REDUCED INEQUALITIES</p> <p>Reduce inequalities within and between countries</p>  | <p>ROVI bets on reducing inequalities by fostering inclusive workplace environments, guaranteeing equal opportunities for all its workforce, always guided by the principle of no discrimination based on gender, race, social origin, age, civil status, sexual orientation, ideology, political opinions, religion or any other personal characteristic.</p> | <p>GOAL 10.2</p> <p>GOAL 10.3</p> <p>GOAL 10.4</p> | <ul style="list-style-type: none"> • Diversity in the nationalities of the members of the workforce. • Contractual and economic collaboration agreements to provide employment and opportunities to differently-abled people (Fundación Manantial, Fundación Prodis, Ilunion, etc). • Promoting equal wages for work of the same value. • Fomenting the accessibility of its workstations. |
| <p>RESPONSIBLE PRODUCTION AND CONSUMPTION</p> <p>Ensure sustainable consumption and production patterns</p>  | <p>ROVI promotes the rational and respectful use of natural resources throughout its supply chain. It boosts the circular economy and bioeconomics through an exhaustive process to select and monitor its suppliers.</p> | <p>GOAL 12.6</p> | <ul style="list-style-type: none"> • Promotion of Sustainability throughout the supply chain, monitoring the suppliers using, among other tools, EcoVadis. • Adhesion to the System promoted by the European Medicines Verification Organisation (EMVO). |
| <p>CLIMATE ACTION</p> <p>Take urgent measures to combat climate change and its impacts</p>  | <p>ROVI, aware of the needs of the environment to mitigate Climate Change, promotes active awareness regarding the adoption of measures that foster care of the Environment among its stakeholders, particularly among its employees and suppliers.</p> | <p>GOAL 13.3</p> | <ul style="list-style-type: none"> • Training portfolio on Environmental issues. • Adhesion to Punto SIGRE for the recycling of packaging with or without medicines. |
| <p>PEACE, JUSTICE AND STRONG INSTITUTIONS</p> <p>Promote just, peaceful and inclusive societies</p>  | <p>ROVI operates under national and international regulatory compliance and, committed to human rights, urges all its stakeholders to respect and foster them.</p> | <p>GOAL 16.2</p> <p>GOAL 16.10. b</p> | <ul style="list-style-type: none"> • Code of Conduct that reflects the Company's commitment to act in accordance with the law, human rights and internationally-accepted ethical practices in all its operations. • Availability of a Complaints Channel, through which anyone may report activities that violate the Company's ethical and/or regulatory framework. |
| <p>PARTNERSHIPS FOR THE GOALS</p> <p>Revitalise the global partnership for sustainable development</p>  | <p>ROVI collaborates actively with different organisations and institutions whose action focuses on achieving and promoting the United Nations Agenda 2030.</p> | <p>GOAL 17.17</p> | <ul style="list-style-type: none"> • Collaboration with and support of public and private institutions, including the Ministry of Science and Innovation. |

6.4 Our commitment to the Environment

Key indicators



- Environmental management certified under ISO 14001:2015.
- Consumption of 1,468 m³ of well water for watering.
- Recovery of 100% of non-hazardous waste and 56% of hazardous waste.
- General improvement in the indicators related to energy consumption.
- Compensation of more than 6,000 tonnes of CO₂.
- 100% of the production plants avoid any Scope 2 carbon emissions.

2021 milestones



- Signing contracts for 100% renewable energy for all the manufacturing plants and the Group's main offices and subsidiaries.
- Installation of photovoltaic panels for energy production at the Alcalá de Henares and Granada plants.
- Decrease in CO₂ emissions.
- Scope 1 and Scope 2 carbon neutrality.

Goals



- Specific goals at the plants, such as a reduction in paper consumption at the Granada plant or a reduction in the generation of hazardous waste at the Granada plants and Julián Camarillo.
- Recovery of 100% of the medicine waste at the Julián Camarillo plant (2022).
- Compensation of 100% of the group's scope 1 and 2 emissions.
- Measurement and certification of the carbon footprint generated in 2020 and 2021 (2022).
- Certification of the Carbon Footprint generated in 2020 and 2021 (2022).

Contribution to the SDGs



Associated internal policies



- Integrated Policy for Environmental and Occupational Risk Management.
- Environmental and Social Sustainability Policy.
- Climate Change Policy.



6.4.1. Environmental policy, goals and commitments

 GRI 102-11

Since ROVI is aware of the potential impacts that its activity could generate on the Environment and is committed to being an environmentally sustainable company, it has rolled out a series of mechanisms to **protect the environment in which it operates**, which materialise principally in the following policies:

- **Integrated Policy for Environmental and Occupational Risk Management**, approved in 2020 and updated in January 2021, which guides the Company's sustainable management and action in environmental terms.
- **Environmental and Social Sustainability Policy**, approved at the end of 2020, whereby ROVI materialises its commitment to Sustainability from an environmental and social standpoint, promoting the conservation of and respect for the Environment in its different business areas.
- **Climate Change Policy**, adopted in 2020, whereby ROVI undertakes to assume a leading role in the fight against Climate Change, promote a corporate culture oriented towards raising awareness among its stakeholders of the magnitude of this challenge and the benefits associated to seeking a solution, and identify specific actions to mitigate and adapt to Climate Change.

Taking the policies mentioned above as a reference, ROVI carries on its day-to-day activity taking three broad perspectives into account:

Additionally, through the above polices and perspectives, ROVI has defined a series of **goals** at group level that allow it to carry on its activity with a firm commitment to continuing and progressive improvement in terms of environmental impact:

- To achieve **efficient energy management by rationalising** the use of its **natural resources**.
- To promote the best guidelines for **waste management**, including waste minimisation and recycling in its activity whenever possible.
- To implement different systems and measures that reduce environmental impact to a minimum, in order to extend the **Environmental Management Systems certifications** to as many group companies as possible.

In addition, since ROVI's main activity takes place in industrial facilities, the Company has adapted the environmental goals established at group level to **"plant-dependent goals"**. To this end, it has taken account of the situation at each plant and the room for improvement that exists, as well as the best sector practices in the area.



Efficient resource management



The principle of preventing the pollution derived from its activity



Promoting environmental responsibility among its shareholders

Plant: Granada



GOALS: Efficient resource management

Target date: 2022

- **Emissions:** Reduce the frequency of transport (and, therefore, greenhouse gas emissions) to remove non-hazardous waste (uncontaminated cardboard and plastic) in comparison with 2021.
- **Raw material:** Gradually reduce the consumption of the paper used for photocopies in comparison to 2020.
- **Waste:** Reduce the generation of hazardous waste (basic solutions) derived from manufacture of the vaccines by 10% in comparison with 2021.

Plant: Julián Camarillo (Madrid)



GOALS: Efficient resource management

Target date: 2022

- **Emissions:** reduce Scope 1 CO₂ emissions by 2% compared to 2021, which would represent a reduction of 14,870 t CO₂ emissions.
- **Noise pollution:** reduce the environmental noise by 1dB by improving the soundproofing at the points closest to the limits stated in the applicable regulations, compared to 2021.
- **Waste:** reduce the generation of the hazardous waste “laboratory waters” by 3% compared to 2020 (in 2020, 44,820 kg were generated).

Plant: Alcalá de Henares



GOALS: Efficient resource management

Target date: 2022

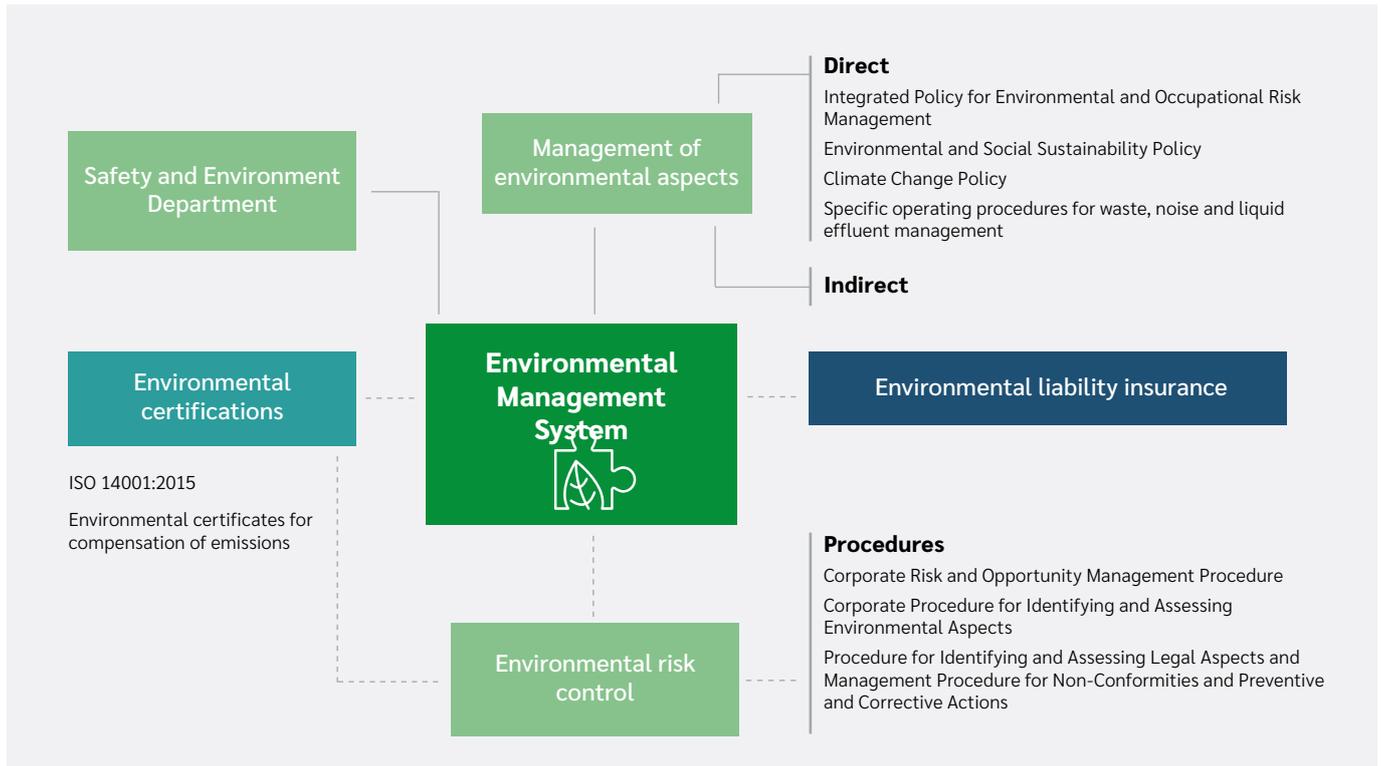
- **Emissions:** Reduce CO₂ emissions by 44 tonnes (t) by decreasing gas consumption in comparison with the actual 2021 consumption (885 t).
- **Waste:**
 - Eliminate 25% of the use of training registers on paper in comparison with 2021.
 - Reduce the environmental impact of waste treatment (medicines and raw materials) from 20 to 10 compared to 2021.



6.4.2. Environmental management system

 GRI 103

Given its undertaking to conserve, preserve and protect the Environment, ROVI has drawn up an **Environmental Management System, implemented and certified under ISO 14001:2015**, the scope of which encompasses the whole group. The proper supervision of said system is the direct responsibility of ROVI's Safety and Environment Department.



The Safety and Environment Department, in collaboration with ROVI management, has developed said Environmental Management System on the basis of solid **internal regulations, most of which cover direct environmental aspects through the following policies and procedures:**

- **Integrated Policy for Environmental and Occupational Risk Management.**
- **Environmental and Social Sustainability Policy.**
- **Specific operating procedures** to manage waste, noise and liquid effluents, intended to establish the methodology for controlling the waste, outdoor noise levels and liquid effluents generated at ROVI's production plants.

In addition, ROVI considers and monitors possible **indirect**

environmental aspects resulting from ROVI's trading relations with its suppliers. In this respect, ROVI carried out an analysis of the product life cycle and process at each production plant, in order to identify all possible environmental aspects and carry out exhaustive checks of the suppliers in relation to whom ROVI is able to take action.

Furthermore, ROVI's **Safety and Environment Department** has sufficient resources to ensure the correct operation and supervision of the system. It is formed by 10 people, who are responsible for monitoring, analysing and assessing the Company's environmental matters, in order to adopt the best measures in relation thereto, always co-ordinating with the rest of the departments.

As a result of these measures, given ROVI's commitment to environmental improvement, the Department managed a **budget of 1.6 million euros** in 2021, allocated to compliance with both legal requirements and the

requirements that ROVI had assumed voluntarily regarding



Likewise, ROVI has an **Environmental Risk Control** framework, integrated into the Environmental Management System, in order to identify any possible risks that could harm the Environment. To this end, the Company has approved a number of procedures regarding this aspect:

- **Corporate Risk and Opportunity Procedure**, which considers, among other aspects, environmental risk management (for further details, see section 6.4.5 “Global Risk Management and Control”).
- **Corporate Procedure for Identifying and Assessing Environmental Aspects**, the application of which allows the main environmental risks related to ROVI’s own activity to be identified, notified and quantified, as well as those concerning regulatory issues and possible administrative restrictions on access to new markets.
- **Procedure for Identifying, Accessing and Assessing Legal and other Requirements**, intended to identify the regulatory requirements regarding Safety and the Environment, as well as the requirements necessary to receive the relevant environmental authorisations.
- **Management Procedure for Non-Conformities and Preventive and Corrective Actions**, the application of which allows any possible deviations from the Environmental Management System to be identified, establishing procedures intended to prevent them and implement corrective actions.



As a result of applying these procedures, ROVI has identified a series of risks that could have an impact on the Environment:



Derived from an exhaustive analysis of environmental risks, as well as ROVI's firm commitment to appropriate and correct environmental management, **the Company holds a voluntary environmental liability insurance**, which is renewed annually and acts as a financial guarantee for each one of the production plants.

Lastly, environmental protection is also included in the **Corporate Communication, Participation and Consultation Procedure**, whereby internal and external communications (queries, complaints, etc.) related to the Environment and Occupational Health and Safety are managed. When ROVI receives these communications, it enters them into the communications register and the assessment and analysis process to provide a response and solution to the issue raised in the communication commences. In this respect, mention should be made of the fact that, **in 2021, ROVI did not receive any communications in this respect through any of the channels available.**



6.4.3. Sustainable use of resources

 GRI 103, 301-1, 302-1, 302- 3, 303-2 y 303-3

ROVI, as a company committed to conserving and respecting the Environment, is very much aware of **efficient management and the rational use of resources** as key elements of its business vision. This principle materialises not only with the efficiency measures that the Company has adopted to reduce the impact of the industrial processes it performs, but also, before undertaking any new activity, it ensures that it will be conducted in a way that is respectful with the Environment and surroundings where it has an impact.

In this respect, at all its production plants, **water, electricity and gas indicators are checked and reported on a monthly basis** (the last two through the energy monitoring platform), which allows consumption to be correctly monitored and, if any significant deviation is noted, reduced, in order to continue growing sustainably in accordance with current regulations.

In 2021, ROVI engaged suppliers of 100% renewable energy for all its manufacturing plants and the group’s main offices and subsidiaries.

In order to ensure the sustainable use of resources, ROVI conducts exhaustive monitoring of different environmental indicators⁽⁷⁾, set out in each of the following sections.

Energy consumption

In 2021, a number of energy-saving measures were adopted in order to have a positive impact on the Environment. To adopt these measures, each plant has a multidisciplinary team that defines, implements and monitors the actions necessary to help reach the plant-dependent targets fixed in previous years. In this respect, the principal measures in 2021 were:

Plant: Granada



MEASURES: Energy-efficiency measures

- Installation of photovoltaic panels for self-consumption at the Granada plant. They came into operation in March.

Plant: Alcalá de Henares



MEASURES: Energy-efficiency measures

- Optimisation of the control of the air conditioning in several of the plant’s packaging rooms.
- Photovoltaic installation for self-consumption, brought into operation in April.
- Execution of the project for steam condensate recovery in a pressurised tank in the boiler room, which came into service in September.
- Change of LED luminaires in the plant’s cold store.

⁽⁷⁾ The environmental indicators are presented for the production plants and the distribution business allowing a comparison between them. Notwithstanding, it should be remembered that the measurement units are different for each one of them, taking the following points into account:

- The manufacturing plant for own products in Granada, whose production is measured in MIUs (millions of international units), since it produces bemiparin and enoxaparin, the active substances of ROVI’s own main research products.
- The group’s injectables production plants, located at the San Sebastián de los Reyes, Madrid and Alcalá de Henares plants. In the case of San Sebastián de los Reyes and, the units produced are expressed in individual units packed, while in Alcalá de Henares the packs of packaged oral solid forms (tablets, coated tablets, hard capsules and sachets) are used as the production unit.
- The distribution business of Laboratorios Farmacéuticos Rovi, S.A. and its subsidiaries uses the units distributed.

Plant: Julián Camarillo (Madrid)



MEASURES: Energy-efficiency measures

- Replacement of LED luminaires in the building C warehouse and the building A canteen.
- Installation of several meters (electricity and steam) to widen the scope of the monitoring of proposals for possible improvements.
- Optimisation of control of the boilers, by reducing the O₂ levels to 3% due to the boiler smoke outlet and the replacement/repair of damaged purgers.

Regarding electricity consumption, as a result of all the measures ROVI implemented in 2021, the Company saw a **general improvement in the indicators** in comparison with the preceding year in terms of the ratios of units produced or distributed.

Plant: San Sebastián de los Reyes (Madrid)



MEASURES: Energy-efficiency measures

- Installation of several meters (electricity and steam) to widen the scope of the monitoring of proposals for possible improvements.

Notwithstanding, there was an increase in fuel consumption in the Distribution Area in 2021 (compared with 2020) as a result of the increase in the mobility of the vehicle fleet after the restrictions placed on movement in the first few months of the COVID-19 pandemic.

However, the Madrid and San Sebastián de los Reyes plants decreased their energy consumption, given that no orders were placed for diesel fuel to fill the machinery in 2021. This only occurs every two years because consumption is minimal.



Energy consumption

| 2021* | | | | | | |
|---|-----------|-----------|-----------|-------------------|--------------|-------------------|
| | Granada | Madrid | SSRR | Alcalá de Henares | Distribution | TOTAL / AVERAGE |
| kWh electricity consumed | 3,707,332 | 4,593,953 | 5,188,822 | 8,867,576 | 634,789 | 22,992,472 |
| kWh electricity / million units | 8 | 37,548 | 69,737 | 136,424 | 36,540 | 56,051 |
| kWh natural gas consumed | 4,325,551 | 4,085,211 | 5,078,398 | 14,960,320 | 0 | 28,449,480 |
| kWh natural gas / million units | 10 | 33,390 | 68,253 | 230,159 | 0 | 66,362 |
| Litres fuel consumed | 1,000 | 0 | 0 | 5,164 | 360,614 | 366,778 |
| 2020 | | | | | | |
| | Granada | Madrid | SSRR | Alcalá de Henares | Distribution | TOTAL / AVERAGE |
| kWh electricity consumed | 3,848,018 | 4,059,508 | 3,031,601 | 9,673,660 | 637,543 | 21,250,330 |
| kWh electricity / million units | 8 | 35,101 | 63,332 | 179,142 | 26,089 | 60,734 |
| kWh natural gas consumed | 4,405,540 | 4,187,642 | 3,382,910 | 14,549,428 | 0 | 26,525,520 |
| kWh natural gas / million units | 8.9 | 36,209 | 70,672 | 269,434 | 0 | 75,265 |
| Litres fuel consumed | 1,000 | 1,000 | 39,498 | 5,231 | 291,520 | 338,249 |
| % Variation | | | | | | |
| | Granada | Madrid | SSRR | Alcalá de Henares | Distribution | TOTAL / AVERAGE |
| kWh electricity consumed | -4% | 13% | 71% | -8% | 0% | 8% |
| kWh electricity / million units | 6% | 7% | 10% | -24% | 40% | -8% |
| kWh natural gas consumed | -2% | -2% | 50% | 3% | 0% | 7% |
| kWh natural gas / million units. | 8% | -8% | -3% | -15% | 0% | -12% |
| Litres fuel consumed | 0% | -100% | -100% | -1% | 24% | 8% |

(*) Note I: Some of the data for the last month of 2021 are estimates based on the information from previous periods.

Note II: The TOTAL/AVERAGE column shows, in the case of consumption, the total sum of each plant or business unit and, in the case of the ratios of consumption per million units produced or distributed, the average of all the plants or business units.

Note III: There may be discrepancies in the totals or averages due to rounding up or down.

Additionally, ROVI works to keep **in line with the Integrated National Energy and Climate Plan (ENCP) 2021-2030**, which defines the roadmap to follow to achieve the goals mandated by the European Union in relation to energy efficiency and renewable energies. This Plan includes, for the first time, energy and the environment translated into action to combat climate change.

100% of the photovoltaic energy produced by ROVI at its Alcalá de Henares and Granada plants is used for self-consumption.

An example of ROVI's commitment is that, during 2021, the production plants located in Alcalá de Henares and Granada generated 2.6% and 4.6%, respectively, of the total energy they consumed, due to the photovoltaic panels installed in their operations centres.

| Plant | Electricity (photovoltaic) produced | Electricity (total) consumed |
|-------------------------|-------------------------------------|------------------------------|
| Alcalá de Henares plant | 232,533 kWh | 8,867,576 kWh |
| Granada plant | 169,828 kWh | 3,707,332 kWh |
| Total | 402,361 kWh | 12,574,908 kWh |

Water consumed

In the course of its activity, ROVI integrates sustainable management of water, considering it a basic natural resource in pharmaceutical manufacturing. Therefore, the Company establishes measures regarding the use, treatment, reutilisation and discharge of water.

| 2021 ^(*) | | | | | | |
|--|---------|--------|--------|-------------------|--------------|-----------------|
| | Granada | Madrid | SSRR | Alcalá de Henares | Distribution | TOTAL / AVERAGE |
| m³ water consumed** | 27,509 | 38,431 | 50,128 | 56,547 | 9,616 | 182,230 |
| m³ water / million units | 0.1 | 314.1 | 673.7 | 870.0 | 553.5 | 482.3 |

| 2020 | | | | | | |
|--|---------|--------|--------|-------------------|--------------|-----------------|
| | Granada | Madrid | SSRR | Alcalá de Henares | Distribution | TOTAL / AVERAGE |
| m³ water consumed** | 28,555 | 36,451 | 18,918 | 58,641 | 7,606 | 150,171 |
| m³ water / million units | 0.1 | 315.2 | 395.2 | 1,085.9 | 311.2 | 421.5 |

| % Variation | | | | | | |
|--|---------|--------|------|-------------------|--------------|-----------------|
| | Granada | Madrid | SSRR | Alcalá de Henares | Distribution | TOTAL / AVERAGE |
| m³ water consumed** | -4% | 5% | 165% | -4% | 26% | 21% |
| m³ water / million units | 6% | 0% | 70% | -20% | 78% | 14% |

(*) Note I: Some of the data for the last month of 2021 are estimates based on the information from previous periods.

Note II: There may be discrepancies in the totals or averages due to rounding up or down.

(**) Includes both the water consumption of the offices and the water consumption related to ROVI's production process.

In addition to the figure reported for the Alcalá de Henares plant, 1,468 m³ of well water was consumed for watering in 2021, eliminating mains water consumption for this purpose.

Likewise, attention should be drawn to the fact that, at the San Sebastián de Los Reyes plant, water rejected by the vial washing machines is reused for watering, thus eliminating mains water consumption for this purpose. Notwithstanding, in 2021, this plant showed an increase in the water consumption ratio compared with 2020, mainly due to the production of the Moderna COVID-19 vaccine at the facilities.

Since water is an essential hydraulic resource for the company, two important measures were implemented in 2021, due to the new vaccine manufacturing line at the San Sebastián de Los Reyes plant:

- First, given that vial manufacturing involves a washing and sterilisation process before the vials are filled, it is necessary to use large volumes of purified water and distilled water in these processes. Therefore, as a new development, the washing machine that performs this action reutilises this water by using it in two cycles.
- Second, as a result of the agreement signed with Moderna for the manufacture of vials, ROVI treats the water that contains hazardous waste (detergent) before discharging it into the plant's wastewater treatment plant and subsequently into the public waterways.

Raw materials consumed

For ROVI, raw materials are an **essential element of its value chain**, from the moment the supplier is selected until they leave ROVI's facilities, including their reception and use at group facilities. Therefore, good raw material management is a priority for ROVI.

| 2021 | | | | | |
|--------------------------------------|---------|--------|------|-------------------|--------------|
| | Granada | Madrid | SSRR | Alcalá de Henares | TOTAL |
| Tonnes raw materials consumed | 996 | 114 | 53 | 430 | 1,593 |

| 2020 | | | | | |
|--------------------------------------|---------|--------|------|-------------------|--------------|
| | Granada | Madrid | SSRR | Alcalá de Henares | TOTAL |
| Tonnes raw materials consumed | 1,169 | 316 | 10 | 446 | 1,941 |

| % Variation | | | | | |
|--------------------------------------|---------|--------|------|-------------------|-------------|
| | Granada | Madrid | SSRR | Alcalá de Henares | TOTAL |
| Tonnes raw materials consumed | -15% | -64% | 430% | -4% | -18% |

Respect for biodiversity

ROVI, aware of the importance of looking after the environment in which it operates from a number of standpoints, considers issues related to biodiversity and protected areas by drawing up **Environmental Impact Assessment studies**, which are outsourced to third parties in accordance with legal requirements, before building any new facilities or in the event of a future renovation of existing facilities.

In this respect, ROVI carried out impact studies for all the group's plants and production centres, finding that **ROVI's activities do not represent a risk to the biodiversity in the areas where it operates.**

Additionally, ROVI actively collaborates on **projects** whose main aim is to **reforest** two areas located in Spain, thus responding to the need to safeguard biodiversity (for further information on these projects, see section 6.6.5. Mitigation of Climate Change).

6.4.4. Waste management and circular economy

 GRI 306-2 and 306-3

Waste management, treatment and recycling

ROVI, aware that waste generation is inherent to its activity and committed to reducing the adverse impact on the Environment to a minimum, manages the waste it generates correctly as an essential mechanism to prevent pollution.

In this respect, ROVI has established a number of processes related to treating waste, mostly oriented to minimising it in the production process and managing it properly when it has been produced, favouring its recovery through recycling or, in the cases where this is possible, reusing it.

This is so much the case that, as far as possible, the group always seeks, through the authorised waste managers it works with, for the waste removed to be **recovered, rather than destroyed.**

- Regarding **hazardous waste**, the company has been promoting the aforementioned actions to recover it for more than a year and, as a result, 56% of the hazardous waste generated was recovered in 2021.

In this respect, attention should be drawn to the fact that 25% of the hazard waste generated by ROVI corresponds to rejected medicines. Therefore, given the significant volume of this waste, in 2021, ROVI carried out a recovery process for 100% of the medicine waste at the Alcalá de Henares and San Sebastián de los Reyes plants, setting the goal of extending this action to the totality of the medicine waste generated at the Julián Camarillo plant, located in Madrid, for 2022.

As a result of this action, ROVI has achieved a significant improvement in the process since, until 2020, hazardous waste was destroyed and transported to dumps to be managed correctly.

- ROVI currently performs a process for **recovery of 100% of the non-hazardous waste**, through either recycling or energy from waste processes.

Recovery of 56% of the hazardous waste generated and 100% of the non-hazardous waste.

| 2021* | | | | | | |
|---|--------------|------------|--------------|-------------------|--------------|-----------------|
| | Granada | Madrid | SSRR | Alcalá de Henares | Distribution | TOTAL / AVERAGE |
| Tonnes hazardous waste generated | 2,355 | 111 | 426 | 117 | 8.6 | 3,017 |
| Tonnes non-hazardous waste generated | 1,341 | 207 | 1,019 | 853 | 4.5 | 3,425 |
| Total waste | 3,695 | 318 | 1,445 | 970 | 13.2 | 6,441 |
| Tonnes hazardous waste / million units | 0.005 | 0.9 | 5.7 | 1.8 | 0.5 | 1.8 |
| Tonnes non-hazardous waste / million units | 0.003 | 1.7 | 13.7 | 13.1 | 0.3 | 5.8 |
| Total waste / million units | 0.008 | 2.6 | 19.4 | 14.9 | 0.8 | 7.5 |

| 2020 | | | | | | |
|---|--------------|------------|--------------|-------------------|--------------|-----------------|
| | Granada | Madrid | SSRR | Alcalá de Henares | Distribution | TOTAL / AVERAGE |
| Tonnes hazardous waste generated | 2,054 | 141 | 203 | 13 | 8.9 | 2,420 |
| Tonnes non-hazardous waste generated | 2,335 | 384 | 2,050 | 565 | 0.3 | 5,335 |
| Total waste | 4,390 | 526 | 2,253 | 578 | 9.1 | 7,755 |
| Tonnes hazardous waste / million units | 0.004 | 1.2 | 4.3 | 0.2 | 0.4 | 1.2 |
| Tonnes non-hazardous waste / million units | 0.005 | 3.3 | 42.8 | 10.5 | 0.01 | 11.3 |
| Total waste / million units | 0.009 | 4.5 | 47.1 | 10.7 | 0.4 | 12.5 |

| % Variation | | | | | | |
|---|-------------|-------------|-------------|-------------------|--------------|-----------------|
| | Granada | Madrid | SSRR | Alcalá de Henares | Distribution | TOTAL / AVERAGE |
| Tonnes hazardous waste generated | 15% | -22% | 109% | 834% | -3% | 25% |
| Tonnes non-hazardous waste generated | -43% | -46% | -50% | 51% | 1,647% | -36% |
| Total waste | -16% | -40% | -36% | 68% | 44% | -17% |
| Tonnes hazardous waste / million units | 26% | -26% | 35% | 676% | 37% | 47% |
| Tonnes non-hazardous waste / million units | -37% | -49% | -68% | 25% | 2,357% | -49% |
| Total waste / million units | -7% | -43% | -59% | 40% | 103% | -40% |

(*) Note I: There may be discrepancies in the totals or averages due to rounding up or down.

Lastly, regarding waste management and circular economy, mention should be made of the fact that food waste has not been identified as a material issue for the group.

6.4.5. Mitigation of Climate Change

 GRI 103, 302-4, 305-1, 305-2, 305-4 and 305-7

Introduction: Climate Change Policy and goals

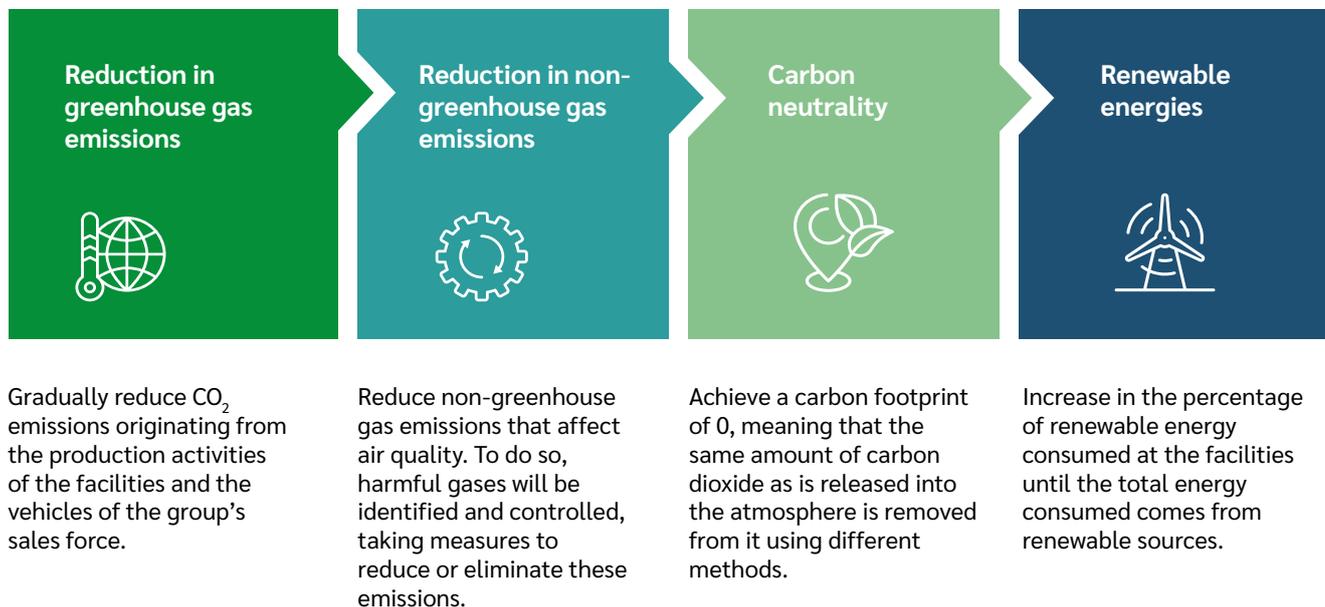
Climate Change will be one of the most important challenges that humanity will face in the 21st century. Since there are no borders that restrict or delimit its causes and consequences, the adoption of actions and measures aimed to mitigate it is an essential aspect, which will require the collaboration of all the global players and in which ROVI is participating.

In this situation, ROVI acknowledges the magnitude of the problem, identifying the need to tackle it from inside the Group, on a combined and coordinated basis with governments, multilateral bodies, the private sector and society overall.

ROVI accepts its role as an organisation that works to mitigate and adapt to climate change and, therefore, has

an internal **Climate Change Policy**, approved in 2021, whereby ROVI would like to play a leading role in the fight against climate change. Likewise, through this Policy, ROVI undertakes to promote a corporate culture oriented towards raising the awareness of all its stakeholders of the magnitude of the challenge and the benefits associated to tackling its solution, identifying specific actions in the area of mitigating and adapting to climate change.

In this respect, ROVI has identified **four key principles** that will guide it when putting its commitment to mitigating Climate Change into practice.



Commitments to reducing emissions

ROVI, in its mission to meet one of its key commitments: mitigating climate change, fixed a series of plant-dependent targets to **decrease direct and indirect CO₂** emissions in 2021, which materialised in a reduction in energy consumption:

| Plant | TARGET FIXED for 2021 | TARGET ACHIEVED in 2021 |
|--|---|---|
| Alcalá de Henares plant | To reduce electricity consumption by 2% in 2021 compared to 2020. | <p>The electricity consumption billed in 2021 was reduced by approximately 8% in comparison with 2020 for two main reasons:</p> <ul style="list-style-type: none"> ● Lower consumption due to the replacement of the cooler at the end of 2020; and ● Electricity generation from photovoltaic sources since the installation was brought into operation in April 2021. |
| Julián Camarillo plant (Madrid) | To reduce the consumption of gas as energy by 4% in comparison to 2020. | <p>The consumption of gas as energy fell by 2% and the consumption per million units produced by 8%.</p> <p>Attention should be drawn to the fact that, in spite of not achieving the target in quantitative terms, it is considered to have been reached in qualitative terms, since the reason it was not met was the increase in manufacturing at the plant.</p> |
| Granada plant | To generate 200,000 kWh/year of energy for self-consumption (photovoltaic) in respect of the total electricity needs forecast for 2021. | 161,000 kWh of electricity (photovoltaic) was generated for self-consumption as from the time the installation was brought into service at the end of March 2021. |



Management of climate matters

ROVI is aware of the global problem arising from the growth over recent decades in the use of fossil fuels, whose combustion for electricity generation, transport, heating, industrial activities, etc. gives rise to greenhouse gas emissions, which have accelerated global warming and, consequently increased the Climate Change problem.

To tackle this problem, ROVI has a strategic framework called **“AVOID, REDUCE, COMPENSATE”**, aimed to optimise energy consumption in the course of its activities and based on the following key principles:

- **Avoid** the generation of CO₂ emissions as far as possible. For this reason, the Company adopted two important initiatives in 2021:
 - **Signing contracts for renewable energy for the electricity required by the production plants**, thus reducing the generation of emissions during the operations to a minimum. Thus, 100% of the production plants avoid the totality of the emissions generated within scope 2 of the Carbon Footprint, relating to the acquisition of energy.
 - **Implementation of a thermal oxidiser at new plants**, specifically, the new plant in Escúzar in Granada, seeking to generate the least impact possible while employing the best established technique available on the market. This installation continues along the path initiated in 2020, when a thermal oxidiser with similar characteristics was installed at the Granada plant with a total investment of €1,140,000, considered the best technical alternative available to ensure compliance with the Volatile Organic Compound (VOC) emission limits. It is the treatment with the highest percentage reduction in VOC emissions, between 95% and 99%, also reducing the Total Organic Carbon (TOC) by between 1-4 mg/Nm³.

- **Reduce** consumption of key resources, essentially in the industrial area, where most of the emissions are generated (and, therefore, where the greatest impact is produced). For this reason, **ROVI has a monthly checks mechanism in place at its production plants, which analyse any possible deviations in water, electricity or gas consumption** that allow the Company to establish specific energy-saving or electricity or fuel consumption targets in collaboration with a multidisciplinary team that defines, implements and monitors the actions necessary to reach said targets.
- **Compensate** voluntarily the CO₂ emissions that it has not been possible to either avoid or reduce during the year. For ROVI, this is a very important aspect of its environmental management and, therefore, **the Company has initiatives to compensate the direct emissions produced during fuel consumption, such as the natural gas needed to start up the industrial boilers or the gas treatment and purification system**. These emissions are included in Scope 1 of the Carbon Footprint. Thus, the company helps combat the adverse effects of Climate Change, in addition to favouring the transition to a low-carbon economy.

As a result of this strategic framework, ROVI **undertook the compensation of the totality of the CO₂ emissions it was unable to avoid in 2021 through its collaboration in three large projects** based on actions aligned with the United Nations Sustainable Development Goals, particularly contributing to those pivoting on respect and care for the environment.

Through these projects, ROVI compensated the totality of the CO₂ emissions it had been unable to avoid, totalling 6,0231.4 tonnes of CO₂

La Burgalesa Project

This is a **reforestation project** in the province of Burgos (Spain), registered with the Ministry for the Ecological Transition and Demographic Challenge (MITECO) and certified with official credits from said ministry.

The project is based on planting *Pinus pinea*, *Quercus faginea*, *Quercus ilex*, *Pinus halepensis*, *Crataegus monogyna* and *Juniperus thurifera* in a deforested area with a high risk of desertification.

This project seeks to revitalise the affected area, improving the structure and organic material of the soil by eliminating risks of erosion and increasing biodiversity.



Arzádegos Project

This is a reforestation project in the province of Ourense (Spain), registered with the MITECO and certified with official credits from said ministry.

The project is based on planting *Pinus pinaster* y *Castanea sativa* on forest land that was burnt in 2005.

This initiative, in collaboration with the municipal councils, aims to revitalise the area in terms of both the environment and tourism, seeking to recover the tree cover it had before the extensive fire took place.



Jangi Project for 91.8 MW wind farm in Gujarat

This is an international project in India that has the United Nations certification of voluntary cancellation of CO₂ emissions.

The project is based on setting up a wind farm to generate electricity which would otherwise be generated using conventional energy based on fossil fuels.



ROVI is aware of the important activity it carries on in the industrial area and the resulting special environmental repercussions it may have on the surrounding area. Therefore, for a number of years, it has been working to reduce the harmful impacts it generates on the Environment with the **goal of becoming a carbon-neutral company**.

As a result of this goal, ROVI has developed and implemented different lines of work that, for the second year running, allowed the group to **achieve Scope 1 and 2 Carbon Neutrality**, thus, in addition, complying with the Group's Environmental and Social Sustainability Policy and the framework of its "Avoid, Reduce, Compensate" policy.

In this respect, although ROVI has a fairly insignificant profile regarding greenhouse gas emissions and is below

the legal limits, it is very committed to the fight against climate change. Therefore, it monitors the CO₂ emissions from its consumption of natural gas and oil derived from its electricity production and the use of the company's vehicles, as well as emissions of other particles and gases that have a harmful effect on the ozone layer.

This monitoring allows the company to know and assess the advances that are taking place regarding emissions and establish the best measures to reduce its emissions into the atmosphere.

ROVI achieved carbon neutrality again in 2021.

Atmospheric emissions of CO₂

| 2021* | | | | | | |
|--|---------|--------|-------|-------------------|--------------|-----------------|
| | Granada | Madrid | SSRR | Alcalá de Henares | Distribution | TOTAL / AVERAGE |
| Tonnes scope 1 CO₂ emitted | 790 | 744 | 924 | 2,738 | 1,034 | 6,230 |
| Tonnes scope 2 CO₂ emitted | 0 | 0 | 0 | 0 | 1.4 | 1.4 |
| Tonnes scope 2 CO₂ avoided** | 927 | 1,148 | 1,297 | 2,217 | 157 | 5,746 |
| Tonnes CO₂ avoided / million units | 0.002 | 6 | 12 | 42 | 60 | 24 |

| 2020 | | | | | | |
|--|---------|--------|------|-------------------|--------------|-----------------|
| | Granada | Madrid | SSRR | Alcalá de Henares | Distribution | TOTAL / AVERAGE |
| Tonnes scope 1 CO₂ emitted | 805 | 765 | 729 | 2,663 | 836 | 5,798 |
| Tonnes scope 2 CO₂ emitted | 0 | 0 | 0 | 0 | 102 | 102 |
| Tonnes scope 2 CO₂ avoided** | 1,193 | 1,258 | 940 | 2,999 | 96 | 6,486 |
| Tonnes CO₂ avoided / million units | 0.002 | 7 | 15 | 49 | 38 | 22 |

| % Variation | | | | | | |
|--|---------|--------|------|-------------------|--------------|-----------------|
| | Granada | Madrid | SSRR | Alcalá de Henares | Distribution | TOTAL / AVERAGE |
| Tonnes scope 1 CO₂ emitted | -2% | -3% | 27% | 3% | 24% | 7% |
| Tonnes scope 2 CO₂ emitted | - | - | - | - | -99% | -99% |
| Tonnes scope 2 CO₂ avoided** | -22% | -9% | 38% | -26% | 64% | -11% |
| Tonnes CO₂ avoided / million units | 8% | -8% | -18% | -15% | 55% | 10% |

(*) Note I: To calculate the tonnes of CO₂ emitted into the atmosphere, the emission factors provided by the Ministry for the Ecological Transition and Demographic Challenge (MITECO) for electricity, natural gas and diesel fuel are used.

Note II: There may be discrepancies in the totals or averages due to rounding up or down.

(**) Given that all ROVI's production plants and subsidiaries, as well as the main offices, have a 100% renewable energy supply certificate, the emission of the tonnes of CO₂ mentioned is avoided. Scope 2 emissions were reported for the first time in 2020, in order to reflect the group's investment in clean energy.

Other emissions of gases that harm the atmosphere*

| 2021 | | | | |
|----------------------|---------|--------|-------|-----------------|
| | Granada | Madrid | SSRR | TOTAL / AVERAGE |
| NOx (kg/year) | 2,222 | 1,402 | 4,316 | 2,647 |
| CO (kg/year) | 65 | 27 | 213 | 102 |

| 2020 | | | | |
|----------------------|---------|--------|-------|-----------------|
| | Granada | Madrid | SSRR | TOTAL / AVERAGE |
| NOx (kg/year) | 1,657 | 1,203 | 3,550 | 2,137 |
| CO (kg/year) | 28 | 37 | 4,420 | 1,495 |

| % VARIATION | | | | |
|----------------------|---------|--------|------|-----------------|
| | Granada | Madrid | SSRR | TOTAL / AVERAGE |
| NOx (kg/year) | 34% | 17% | 22% | 24% |
| CO (kg/year) | 132% | -27% | -95% | 3% |

* The table shows the plants where the data is available.

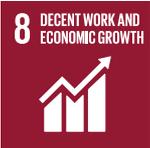
Additionally, due to its goal of becoming a carbon-neutral company, ROVI, in collaboration with an external advisor, has begun to calculate its Scope 3 **Carbon Footprint** in order to be able to register it with the Ministry for the Ecological Transition (MITECO) during 2022.

Moreover, ROVI hopes to be able to receive certification with the triple stamp offered by the MITECO: 1) “Calculate”; 2) “Reduce”; 3) “Compensate”, over the next few years. In this respect, ROVI hopes to receive the “Calculate” and “Compensate” stamps for its Carbon Footprint in 2022.



6.4.6 Commitment and contribution to the SDGs regarding the Environment

The following is a brief description of ROVI's impacts on the Sustainable Development Goals (SDGs) that are most significant in its commitment to the Environment:

| SDG and Goal | Key messages on ROVI's contribution in 2021 | GOALS | Key contributions |
|--|--|---|--|
| <p>CLEAN WATER AND SANITATION</p> <p>Ensure access to water and sanitation for all</p>  | <p>ROVI implements its commitment to this SDG by establishing sustainable management of water resources. For ROVI, water is a basic natural resource in medicine manufacturing and, therefore, it establishes measures for the use, treatment, reutilisation and discharge of water.</p> | <p>GOAL 6.3</p> <p>GOAL 6.4</p> | <ul style="list-style-type: none"> Reduction in the production of hazardous waste (basic solutions) derived from production of the COVID-19 vaccine. Reutilisation of water rejected by the vial washing machines for watering at the San Sebastián de los Reyes pant. Installation of a biological treatment system for the water at the San Sebastián de los Reyes plant. Reutilisation of the water used in the COVID-19 vaccine vial cleaning process at the San Sebastián de los Reyes plant. |
| <p>AFFORDABLE AND CLEAN ENERGY</p> <p>Ensure access to affordable, safe, sustainable and modern energy</p>  | <p>ROVI bets on clean energies and technologies by fixing energy-efficiency targets and measures at each one of its production plants, the ultimate aim of which is to reduce environmental impacts on the surroundings.</p> | <p>GOAL 7.2</p> | <ul style="list-style-type: none"> Installation of photovoltaic panels for self-consumption at the Granada and Alcalá de Henares plants. Recovery of 100% of the non-hazardous waste and 56% of the hazardous waste generated by the Group. |
| <p>DECENT WORK AND ECONOMIC GROWTH</p> <p>Promote inclusive and sustainable economic growth, employment and decent work for all</p>  | <p>ROVI promotes efficient production, placing responsible resource management as the linchpin and striving to separate economic growth from the degradation of the Environment.</p> | <p>GOAL 8.4</p> | <ul style="list-style-type: none"> Signing contracts for 100% renewable energy for the totality of its manufacturing plants and the Group's main offices and subsidiaries. |

| SDG and Goal | Key messages on ROVI's contribution in 2021 | GOALS | Key contributions |
|--|--|---|--|
| <p>INDUSTRIES, INNOVATION AND INFRASTRUCTURE</p> <p>Build resilient infrastructures, promote sustainable industrialisation and foster innovation</p>  | <p>ROVI operates by developing technologies and processes that optimise the sustainable performance of industrial plants, generating less environmental impact through the reduction of emissions, efficient energy use and minimising and optimising the waste generated.</p> | <p>GOAL 9.4</p> | <ul style="list-style-type: none"> ● Optimisation of the air conditioning and boiler control systems at some of the plants. ● Change in the lighting systems of some plants, adopting energy-efficient measures, such as the use of LED bulbs. ● Installation of new-generation electricity and steam meters that allow better monitoring of consumption and emissions. ● Implementation of thermal oxidisers at the Granada and Escúzar plants. |
| <p>RESPONSIBLE CONSUMPTION AND PRODUCTION</p> <p>Ensure sustainable consumption and production patterns</p>  | <p>ROVI acts with the intention of becoming a company with a sustainable production model. It prioritises waste recovery before it is finally disposed of, applying the principles of the circular economy, as well as reducing its raw material consumption.</p> | <p>GOAL 12.2</p> <p>GOAL 12.4</p> <p>GOAL 12.5</p> | <ul style="list-style-type: none"> ● Improvement in transport efficiency in ROVI's distribution business. ● Reduction of paper consumption at the Company's facilities. ● Monthly checks and preparation of reports on water, electricity and gas indicators at all its production plants. ● Collaboration in the project "Jangi 91.8 MW wind farm in Gujarat" for installation of a wind farm. |
| <p>CLIMATE ACTION</p> <p>Take urgent action to combat Climate Change and its impacts</p>  | <p>In order to meet its commitment to combat Climate Change, ROVI establishes different lines of action to follow, placing priority on efficient environmental management based on fostering the best environmental practices in the sector.</p> | <p>GOAL 13.2</p> | <ul style="list-style-type: none"> ● Integrated Policy for Environmental and Occupational Risk Management ● Environmental and Social Sustainability Policy. ● Climate Change Policy. ● Certification of environmental management systems. ● Energy audits. ● Preventive maintenance of machinery, lighting and computer equipment. ● Fostering the fight against Climate Change in all corporate areas. ● Carbon neutrality in the last two years. |

SDG and Goal

Key messages on ROVI's contribution in 2021

GOALS

Key contributions

LIFE ON LAND

Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss



ROVI bets on and fosters care of land ecosystems, ensuring their viability for future generations.

GOAL 15.2

- Participation in the projects “la Burgalesa” and “Arzádegos” certified by the Ministry for Ecological Development and the Demographic Challenge (MITECO), which have the main purpose of reforesting two areas in Spain in order to conserve their biodiversity.
- Environmental Impact Assessment studies, which are outsourced to third parties in accordance with legal requirements, before building any new facilities or in the event of a future renovation of existing facilities.



EUROPEAN UNION TAXONOMY

7



Background

The European Commission adopted an ambitious package of measures **to help improve the flow of money towards sustainable activities across the European Union (EU)**. By allowing investments to be redirected towards more sustainable technologies and businesses, these measures will help make **Europe climate neutral by 2050**.

One of these measures is the Taxonomy Regulation, Regulation (EU) 2020/852, which was followed by two Delegated Regulations to supplement it. One of them, the Delegated Regulation of 4 June, 2021, establishes a **list of economic activities that contribute substantially to climate change mitigation or Climate Change adaptation and cause no significant harm to any of the other environmental objectives**. In addition, the Delegated Regulation of 6 July, 2021 **describes the different indicators to be reported** by companies under the obligation to publish Statements of Non-Financial Information in accordance with articles 19a and 29a of Directive 2013/34.

As a result, a classification system was drawn up for sustainable economic activities that defines what is sustainable and what is not, based on objective criteria. It provides a common language for investors and businesses to channel investments into more sustainable technologies and businesses that have a significant positive impact on the climate and the environment, and to promote compliance with the EU's climate targets, the Paris Agreement and the United Nations Sustainable Development Goals.

The Taxonomy provides for two levels:

- **Eligibility:** an activity is eligible if it is one of the activities listed in the regulation itself.
- **Alignment:** subset of eligible activities that are not only listed but also meet the criteria of a significant positive contribution to the climate criteria (mitigation and adaptation) and do not cause significant negative harm to the other criteria.

The regulation stipulates that three economic indicators must be reported: the percentage of eligible or adapted activities in the Company's **total turnover, CapEx and OpEx**.

Fort the financial year 2021 the mandatory reporting will refer only to the scope of eligibility.

Eligibility Analysis

The analysis of the eligibility of the activities has been carried out considering the information provided by different departments of ROVI, located in the different areas of the business.

According to the Delegated Regulation of 4 June, 2021, the eligible activities considered eligible for ROVI are the following:

- 
- **Activity 4.1:** "Electricity generation using solar photovoltaic technology".
 - **Activity 5.4:** "Renewal of wastewater collection and treatment".
 - **Activity 5.5:** "Collection and transport of non-hazardous waste in source segregated fractions".
 - **Activity 7.3:** "Installation, maintenance and repair of energy efficiency equipment".
 - **Activity 7.4:** "Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)".
 - **Activity 7.5:** "Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings".
 - **Activity 7.6:** "Installation, maintenance and repair of renewable energy technologies".
 - **Activity 9.3:** "Professional services related to energy performance of buildings".

ROVI does not consider the activity 7.7 "Acquisition and ownership of buildings" to be eligible, as these buildings are not linked to any of the eligible activities reported.

Most of these activities are linked to the business of manufacturing own products and products for third parties.

Method of calculating the main indicators

According to the content published in Annex I of the Delegated Regulation of 6 July, 2021, non-financial companies must disclose the percentage of turnover, CapEx and OpEx of its eligible activities in 2021. On the basis of the first article of said Annex, ROVI has calculated them.

Calculation of turnover percentage

The proportion of turnover referred to in Article 8(2)(a) of Regulation (EU) 2020/852 shall be calculated as the share of net turnover derived from products or services, including intangibles, associated with economic activities that comply with the Taxonomy (numerator), divided by net turnover (denominator) as defined in Article 2(5) of Directive 2013/34/EU. Turnover shall include revenue recognised in accordance with International Accounting Standard (IAS) 1, paragraph 82(a), adopted by Commission Regulation (EC) No. 1126/2008.

None of the eligible activities has generated income for ROVI. In the event that this had been the case, ROVI would have included in the numerator the net turnover (recorded in the ledger accounts of group 70 of the General Chart of Accounts) of the eligible activities. The denominator would have corresponded to the consolidated net turnover of the ROVI Group.

Calculation of CapEx percentage

It is calculated as the numerator divided by the denominator; the denominator being the additions to tangible and intangible assets during the relevant financial year before depreciation, amortisation and any new valuations, including those resulting from revaluations and impairments, for the relevant financial year, excluding changes in fair value. The denominator will also include additions to tangible and intangible assets resulting from business combinations.

For non-financial companies applying International Financial Reporting Standards (IFRS) as adopted by Regulation (EC) No. 1126/2008, CapEx will cover costs that are accounted for in accordance with:

- IAS 16 Property, plant and equipment, paragraph 73 (e) (i) and (iii);
- IAS 38 Intangible Assets, paragraph 118 (e) (i);
- IAS 40 Investment Property, paragraph 76 (a) and (b) (for the fair value model);
- IAS 40 Investment Property, paragraph 79, (d), (i) and (ii), (for the cost model);
- IAS 41 Agriculture, paragraph 50 (b) and (e); and
- NIIF IFRS 16 Leases, paragraph 53, (h).

For non-financial companies applying national generally accepted accounting principles (GAAP), CapEx will integrate costs accounted for under applicable GAAP that correspond to costs included in capital expenditures by non-financial companies applying IFRS.

Leases that do not result in the recognition of a right to use the asset are not accounted for as CapEx.

The numerator equals to the part of the capital expenditure included in the denominator that is any of the following:

- a. Related to assets or processes that are associated with Taxonomy-aligned economic activities;
- b. Part of a plan to expand Taxonomy-aligned economic activities or to allow Taxonomy-eligible economic activities to become Taxonomy-aligned ('CapEx plan') under the conditions specified in the second subparagraph of point 1.1.2.2 of Annex I of the Delegated Regulation of 6 July, 2021; (on the CapEx Plan); and
- c. Related to the purchase of output from Taxonomy-aligned economic activities and to individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions, notably activities listed in Sections 7.3 to 7.6 of Annex I to the Climate Delegated Act, as well as other economic activities listed in the delegated acts adopted pursuant to Article 10(3), Article 11(3), Article 12(2), Article 13(2), Article 14(2) and Article 15(2) of Regulation (EU) 2020/852 and provided that such measures are implemented and operational within 18 months.

ROVI includes the aggregated CapEx of the eligible activities as the numerator. The denominator corresponds to the Group's total CapEx, which includes investments in property, plant and equipment, intangible assets and right-of-use assets.

Calculation of OpEx percentage

The proportion of OpEx referred to in Article 8(2), point (b), of Regulation (EU) 2020/852 shall be calculated as the numerator divided by the denominator. The latter covers direct non-capitalised costs that relate to research and development, building renovation measures, short-term leases, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or the third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.

Additionally, non-financial undertakings that apply national GAAP and are not capitalising right-of-use assets shall include lease costs in the OpEx.

The numerator equals to the part of the operating expenditure included in the denominator that is any of the following:

- a. Related to assets or processes associated with Taxonomy-aligned economic activities, including training and other human resource adaptation needs, and direct non-capitalised costs that represent research and development;
- b. Part of the CapEx plan to expand Taxonomy-aligned economic activities or allow Taxonomy-eligible economic activities to become Taxonomy-aligned within a predefined timeframe as set out in the second paragraph of section 1.1.3.2 of Annex I of the Delegated Regulation of 6 July, 2021 (on the “CapEx plan”); and

- c. Related to the purchase of output from Taxonomy-aligned economic activities and to individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions as well as individual building renovation measures as identified in the delegated acts adopted pursuant to Article 10(3), Article 11(3), Article 12(2), Article 13(2), Article 14(2) or Article 15(2) of Regulation (EU) 2020/852 and provided that such measures are implemented and operational within 18 months.

At ROVI, the OpEx indicator only considers the costs related to Research and Development, short-term leases and repairs and maintenance. Costs related to building renovation measures, as well as other direct expenses related to the daily maintenance of property, plant and equipment by the Company or a third party to whom activities are outsourced and which are necessary to ensure the continued effective operation of such assets, are not considered as OpEx by ROVI.

Thus, the denominator will include the expenditure of these three OpEx items for the entire ROVI Group, while the numerator will be made up of the same items, but only for the activities recognised as eligible.



Results

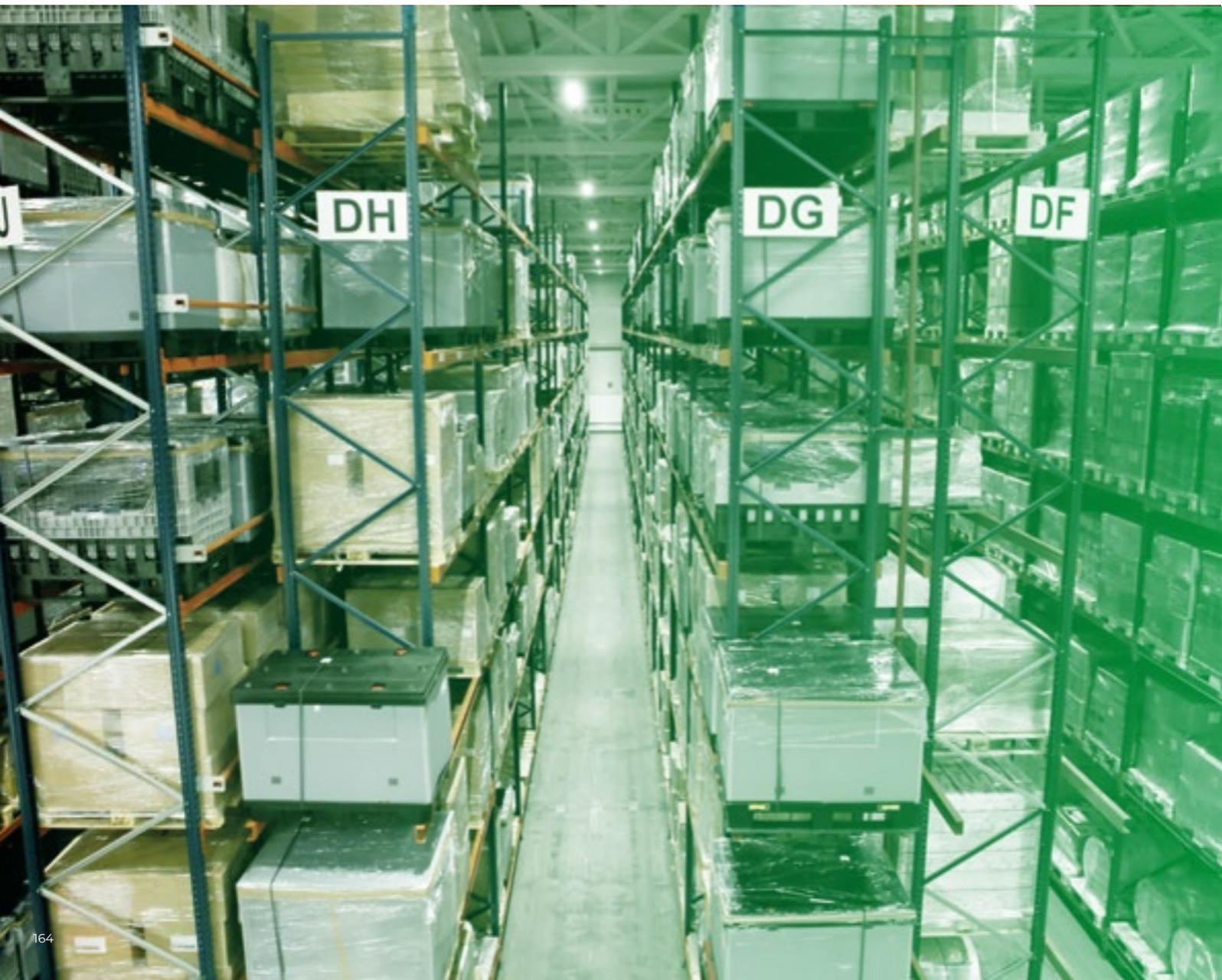
The proportion of eligible and ineligible activities according to the EU Taxonomy is shown below.



*No activities included in the Taxonomy are among ROVI's revenue-generating activities.

ABOUT THIS REPORT

8



Preparation and scope

 GRI 102-44, 102-46, 102-48, 102-49, 102-50, 102-51, 102-52, 102-53 and 102-54

This Integrated Report includes clear, concise and relevant information on ROVI (actions, advances and challenges) in the 2021 calendar year regarding financial, strategic and sustainability aspects that the Company has identified as material for both ROVI and its shareholders, following the annual pattern adopted by the Company. In this respect, the last Integrated Report drawn up by the Group was published in June 2021 and included the information for the 2020 calendar year.

The information published in this document refers to the ROVI Group in its entirety (see section 3.3 “Ownership and Structure”), except when a different scope is specified. Likewise, in order to make the Group’s evolution easier to understand, information on previous years is provided.

In respect of the items covered by this document and the material issues it mentions, no significant changes have taken place in comparison with the Integrated Report for 2020. Notwithstanding, in 2021, the group combined efforts with the external consultant PriceWaterhouseCoopers Auditores S.L. to provide the best response in reporting, making an exhaustive analysis that allows new metrics and strategic indicators to be identified to meet the information needs and expectations of ROVI’s principal stakeholders.

The structure of the information contained in this report follows the framework (IR) of the Integrated International Reporting Council (IIRC) and the Global Reporting Initiative (GRI) standards for content concerning non-financial information. Appendix III hereto includes a table showing the correlation between the GRI standards reported and the section in which the relevant information is included.

Likewise, the information contained herein represents the expectations and beliefs of ROVI at the date of preparation hereof. This information involves known and unknown risks, uncertainties and other factors which might cause the actual results, financial condition, performance, or achievements of ROVI, or its industrial results, to be materially different from any future results, performance, or achievements expressed or implied by such forward looking statements. Therefore, ROVI wishes to state that future events or developments may cause these expectations and beliefs to change. However, while ROVI may elect to update these forward-looking statements at some point in the future, it specifically disclaims any obligation to do so. Additionally, these forward-looking statements should be considered to represent the Company’s expectations or beliefs at the publication date of this document and should not be relied upon at any date subsequent to the publication hereof.

The content is supplemented by the following public information on the year 2021:

- Statement of Non-Financial Information 2021. Said document, filed together with the Management Report and Consolidated Annual Accounts of the ROVI Group, is the basis of the information on Sustainability aspects included in this report. The external company that verified the Statement of Non-Financial Information for 2021 was KPMG Auditores, S.L.
- Annual Corporate Governance Report and Annual Director Remuneration Report.
- Other relevant content that may be found on ROVI’s corporate website: <https://www.rovi.es/es/home>



PRINCIPLES OF THE GRI STANDARDS FOR PREPARING SUSTAINABILITY REPORTS

| Content-related principles | | Quality-related principles | |
|----------------------------------|---|----------------------------|--|
| Inclusion of stakeholders | ROVI identifies and maintains constant dialogue with all its stakeholders (see Chapter 3 “Our Business Model”). Thus, it is able to find out their main interests and concerns and strives to respond to and satisfy them on a personalised basis. Furthermore, this dialogue allows ROVI to identify some of the issues to include in this report because shareholders consider them relevant. | Accuracy | The information contained in this report is accurate in qualitative and quantitative terms, to enable the principal stakeholders to evaluate the Company’s performance. |
| Sustainability context | ROVI, committed to sustainable development, manages all the capital flows involved in its activity responsibly, continually seeking to generate value (economic, employment, development, etc.) for all its stakeholders. | Balance | This Integrated Report includes both the positive aspects of ROVI’s performance and those where there is room for improvement, in order to provide a complete view of the Company. |
| Materiality | ROVI has used its materiality matrix to identify the most important issues in the social, environmental, economic, ethical and Good Governance areas, for both the Company itself and its principal stakeholders. | Clarity | The information is presented in a way that is understandable, so that the principal stakeholders have a reasonable knowledge of the Company and its activities. |
| Completeness | This Integrated Report provides a response to each one of the aspects identified as material, as well as the different aspects, measures and goals of ROVI, seeking to satisfy its stakeholders’ information needs. | Comparability | The information provided contains references to previous years, so that the principal stakeholders can analyse the evolution of the organisation’s performance and the performance can be analysed in comparison with that of other organisations. |
| | | Verifiability | The Company has been preparing its Integrated Report for several years and has sound processes for gathering and reviewing information that, nevertheless, it strives to enhance and optimise every year. |
| | | Timeliness | The Group issues its Integrated Report annually, so that the principal stakeholders may obtain a deeper knowledge of the Company’s performance and milestones in the year reported. |

APPENDICES

9



Appendix I - Chapter on Financial Performance

Laboratorios Farmacéuticos Rovi, S.A. and subsidiaries

Consolidated balance sheets as of 31 December 2021 and 31 December 2020

| € THOUSANDS | 31 December 2021 | 31 December 2020 |
|-------------------------------|------------------|------------------|
| ASSETS | | |
| Non-current assets | | |
| Property Plant and Equipment | 181,775 | 155,395 |
| Intangible assets | 38,558 | 41,413 |
| Investment in a joint venture | 1,994 | 1,812 |
| Deferred income tax assets | 3,850 | 11,105 |
| Equity securities | 72 | 71 |
| Financial receivables | 65 | 65 |
| | 226,314 | 209,861 |
| Current assets | | |
| Inventories | 245,473 | 227,199 |
| Trade and other receivables | 150,172 | 76,401 |
| Current income tax assets | 9,891 | 7,803 |
| Prepaid expenses | 1,791 | 13 |
| Cash and cash equivalents | 99,035 | 53,162 |
| | 506,362 | 364,578 |
| Total assets | 732,676 | 574,439 |

Laboratorios Farmacéuticos Rovi, S.A. and subsidiaries

Consolidated balance sheets as of 31 December 2021 and 31 December 2020

| € THOUSANDS | 31 December 2021 | 31 December 2020 |
|--|------------------|------------------|
| EQUITY | | |
| Capital and reserves attributable to shareholders of the Company | | |
| Share capital | 3,364 | 3,364 |
| Share premium | 87,636 | 87,636 |
| Legal reserve | 673 | 673 |
| Treasury shares | (66,121) | (20,185) |
| Retained earnings and voluntary reserves | 292,349 | 241,158 |
| Profit for the year | 153,077 | 61,057 |
| Other reserves | (2) | (3) |
| Total equity | 470,976 | 373,700 |
| LIABILITIES | | |
| Non-current liabilities | | |
| Financial debt | 66,745 | 68,421 |
| Deferred income tax liabilities | 776 | 929 |
| Contract liabilities | 1,460 | 5,788 |
| Deferred income | 2,331 | 2,712 |
| | 71,312 | 77,850 |
| Current liabilities | | |
| Financial debt | 6,417 | 6,022 |
| Trade and other payables | 125,173 | 91,364 |
| Deferred income tax liabilities | 681 | - |
| Contract liabilities | 57,632 | 25,005 |
| Deferred income | 485 | 498 |
| | 190,388 | 122,889 |
| Total liabilities | 261,700 | 200,739 |
| Total equity and liabilities | 732,676 | 574,439 |

Laboratorios Farmacéuticos Rovi, S.A. and subsidiaries

Consolidated income statements for 2021 and 2020

| € THOUSANDS | 2021 | 2020 |
|--|----------------|----------------|
| REVENUE | 648,677 | 419,961 |
| Changes in inventories of finished goods and work in progress | 782 | 17,659 |
| Raw materials and consumables used | (264,637) | (196,311) |
| Personnel expenses | (89,803) | (74,429) |
| Other operating expenses | (93,502) | (73,706) |
| Amortisation | (21,364) | (19,593) |
| Impairment of non-current assets | (95) | (56) |
| Recognition of government grants on non-financial non-current assets and other | 1,334 | 1,157 |
| Share of profits of joint venture | 182 | (31) |
| OPERATING PROFIT | 181,574 | 74,651 |
| Finance income | 68 | 4 |
| Finance costs | (905) | (1,072) |
| Impairment and gain or loss on measurement of financial instruments | 2,069 | (1,041) |
| Exchange difference | (178) | 39 |
| FINANCE INCOME/(COSTS) - NET | 1,054 | (2,070) |
| PROFIT BEFORE INCOME TAX | 182,628 | 72,581 |
| Income tax | (29,551) | (11,524) |
| PROFIT FOR THE YEAR | 153,077 | 61,057 |

Laboratorios Farmacéuticos Rovi, S.A. and subsidiaries

Consolidated cash flow statements for 2021 and 2020

| € THOUSANDS | 2021 | 2020 |
|--|----------|----------|
| Cash flows from operating activities | | |
| Profit before tax | 182,628 | 72,581 |
| Adjustments for non-monetary transactions: | | |
| Amortisation | 21,364 | 19,593 |
| Finance income | (68) | (43) |
| Valuation allowance | 4,885 | 1,772 |
| Adjustments for changes in value of derivatives | (908) | 796 |
| Gain or loss on derecognition of financial assets and liabilities | (1,161) | 245 |
| Finance expenses | 905 | 1,072 |
| Grants, income from distribution licenses and other deferred incomes | (6,473) | (2,101) |
| Other current assets (prepaid expenses) | (1,778) | (10) |
| Share of profits of joint venture | (182) | 31 |
| Share-based payments | 1,403 | - |
| Changes in working capital: | | |
| Trade and other receivables | (74,187) | 7,468 |
| Inventories | (23,427) | (70,398) |
| Trade and other payables | 35,358 | (811) |
| Other collections and payments: | | |
| Proceeds from CMO services | 34,429 | 21,617 |
| Proceeds from distribution licenses | 518 | 1,253 |

| € THOUSANDS | 2021 | 2020 |
|--|-----------------|-----------------|
| Income tax cash flow | (23,861) | (6,038) |
| Interest payments | (4) | (151) |
| Net cash generated from (used in) operating activities | 149,441 | 46,876 |
| Cash flows from investing activities | | |
| Purchases of intangible assets | (722) | (355) |
| Purchases of property, plant and equipment (usage rights not included) | (40,218) | (39,337) |
| Proceeds from sale of property, plant and equipment | 33 | 63 |
| Interest received | 68 | 4 |
| Net cash generated from (used in) investing activities | (40,839) | (39,625) |
| Cash flows from financing activities | | |
| Repayments of financial debt | (6,192) | (13,179) |
| Proceeds from financial debt | 1,340 | 1,430 |
| Interest paid | (288) | (299) |
| Purchase of treasury shares | (78,785) | (37,255) |
| Reissue of treasury shares | 42,328 | 37,488 |
| Dividends paid | (21,132) | (9,700) |
| Net cash generated from (used in) financing activities | (62,729) | (21,515) |
| Net (decrease) increase in cash and cash equivalents | 45,873 | (14,264) |
| Cash and cash equivalents at the beginning of the year | 53,162 | 67,426 |
| Cash and cash equivalents at the end of the year | 99,035 | 53,162 |

Tax information for 2021 by company (*thousand euros*)

| | Country | Profit before tax | Income tax | Government grants received |
|---|-------------|-------------------|-----------------|----------------------------|
| Laboratorios Farmacéuticos Rovi, S.A. | Spain | 58,366 | 6,161 | 1,326 |
| Laboratorios Farmacéuticos Rovi, S.A. permanent establishment in Portugal | Portugal | 357 | (3) | |
| Laboratorios Farmacéuticos Rovi, S.A. permanent establishment in Poland | Poland | (68) | - | |
| Laboratorios Farmacéuticos Rovi, S.A. permanent establishment in Germany | Germany | 872 | - | |
| ROVI Biotech GmbH | Switzerland | (16) | - | |
| ROVI Pharma Industrial Services, S.A. (*) | Spain | 146,891 | (35,469) | 4 |
| Pan Química Farmacéutica, S.A. (*) | Spain | 91 | (23) | |
| Gineladius, S.L. (*) | Spain | (34) | 9 | |
| ROVI Escúzar, S.L. (*) | Spain | (392) | 98 | |
| Bertex Pharma GmbH | Germany | (15) | - | |
| ROVI Biotech, Limited | U.K. | 91 | - | |
| ROVI Biotech, S.R.L. | Italy | 533 | (98) | |
| ROVI, GmbH | Germany | 747 | (196) | 4 |
| ROVI S.A.S. | France | 27 | - | |
| ROVI Biotech spółka z o.o | Poland | (155) | (4) | |
| Total | | 207,295 | (29,525) | 1,334 |

(*) These companies for part of tax group 362/07, the parent of which is Laboratorios Farmacéuticos Rovi, S.A.

Note: There may be discrepancies in the totals due to rounding up or down.

Tax information for 2020 by company (*thousand euros*)

| | Country | Profit before tax | Income tax | Government grants received |
|---|----------|-------------------|-----------------|----------------------------|
| Laboratorios Farmacéuticos Rovi, S.A. | Spain | 72,119 | (3,877) | 1,146 |
| Laboratorios Farmacéuticos Rovi, S.A. permanent establishment in Portugal | Portugal | 707 | (202) | - |
| Laboratorios Farmacéuticos Rovi, S.A. permanent establishment in Poland | Poland | (154) | - | - |
| Laboratorios Farmacéuticos Rovi, S.A. permanent establishment in Germany | Germany | 2,544 | - | - |
| ROVI Pharma Industrial Services, S.A. (*) | Spain | 33,374 | (8,701) | - |
| Pan Química Farmacéutica, S.A. (*) | Spain | 387 | (97) | - |
| Gineladius, S.L. (*) | Spain | (37) | 9 | - |
| ROVI Escúzar, S.L.(*) | Spain | (74) | 23 | - |
| Bertex Pharma GmbH | Germany | - | - | - |
| ROVI Biotech, Limited | U.K. | 10 | - | 11 |
| ROVI Biotech, S.R.L. | Italy | 409 | (112) | - |
| ROVI, GmbH | Germany | 623 | (164) | - |
| ROVI S.A.S. | France | 9 | - | - |
| ROVI Biotech spółka z o.o | Poland | (4) | (2) | - |
| Total | | 109,913 | (13,123) | 1,157 |

(*) These companies for part of tax group 362/07, the parent of which is Laboratorios Farmacéuticos Rovi, S.A.

Note: There may be discrepancies in the totals due to rounding up or down.

Appendix II - Chapter on Our Commitment to People

Complaints and queries

| | Customer complaints | | Customer queries - Quality and Therapeutic* | |
|--|-------------------------|---------------------------|---|-------------------------|
| | No. customer complaints | Complaint / million units | No. customer queries | Queries / million units |
| Laboratorios Farmacéuticos Rovi, S.A. | 132 | 10.09 | 73 | 5.58 |
| ROVI Pharma Industrial Services, S.A.U. | | | | |
| Madrid | 146 | 1.16 | 0 | 0 |
| San Sebastián de los Reyes | 308 | 4.69 | 0 | 0 |
| Alcalá de Henares | 793 | 12.30 | 0 | 0 |
| Pan Química Farmacéutica, S.A. | 7 | 187.17 | 0 | 0 |
| Laboratorios Farmacéuticos Rovi, S.A. perm. est. Portugal | 26 | 39.53 | 7 | 10.64 |
| ROVI Biotech, GmbH (German) | 94 | 84.12 | 155 | 138.71 |
| ROVI Biotech, Limited (United Kingdom) | 1 | 6.98 | 24 | 167.60 |
| ROVI Biotech, S.R.L (Italy) | 17 | 8.38 | 0 | 0 |
| ROVI S.A.S (France) | 2 | 6.62 | 9 | 29.81 |
| TOTAL | 1,526 | 5.58 | 268 | 0.98 |

(*) Quality queries are those where the patient or healthcare professional asks about the conditions concerning storage, allergens, formula composition or similar. Therapeutic queries are defined as those relating to any scientific information and/or the uses of a product.

As a comparison, the 2020 data are shown below:

| | Customer complaints | | Customer queries - Quality and Therapeutic* | |
|--|-------------------------|---------------------------|---|-------------------------|
| | No. customer complaints | Complaint / million units | No. customer queries | Queries / million units |
| Laboratorios Farmacéuticos Rovi, S.A. | 117 | 5.68 | 75 | 3.64 |
| ROVI Pharma Industrial Services, S.A.U. | | | | |
| Madrid | 249 | 2.42 | 0 | 0 |
| San Sebastián de los Reyes | 28 | 0.58 | 0 | 0 |
| Alcalá de Henares | 860 | 13.98 | 0 | 0 |
| Pan Química Farmacéutica, S.A. | 0 | 0 | 0 | 0 |
| Laboratorios Farmacéuticos Rovi, S.A. perm. est. Portugal | 12 | 15.41 | 4 | 5.14 |
| ROVI Biotech, GmbH (German) | 125 | 136.26 | 243 | 264.89 |
| ROVI Biotech, Limited (United Kingdom) | 3 | 30.29 | 17 | 171.62 |
| ROVI Biotech, S.R.L (Italy) | 7 | 4.10 | 0 | 0 |
| ROVI S.A.S (France) | 1 | 3.46 | 23 | 79.47 |
| TOTAL | 1,402 | 5.92 | 362 | 1.53 |

(*) Quality queries are those where the patient or healthcare professional asks about the conditions concerning storage, allergens, formula composition or similar. Therapeutic queries are defined as those relating to any scientific information and/or the uses of a product.

Total number and distribution of employees by:

Gender

| Gender | 2021 | 2020 | % Variation |
|--------------|--------------|--------------|-------------|
| Men | 834 | 672 | 24% |
| Women | 917 | 747 | 23% |
| Total | 1,751 | 1,419 | 23% |

Age and gender

| | 2021 | | | 2020 | | | % Variation |
|--------------|------------|------------|--------------|------------|------------|--------------|-------------|
| | Men | Women | Total | Men | Women | Total | |
| 18-30 years | 188 | 251 | 439 | 101 | 137 | 238 | 84% |
| 31-40 years | 244 | 258 | 502 | 198 | 216 | 414 | 21% |
| 41-50 years | 252 | 250 | 502 | 225 | 238 | 463 | 8% |
| 51-60 years | 133 | 136 | 269 | 125 | 127 | 252 | 7% |
| >60 years | 17 | 22 | 39 | 23 | 29 | 52 | -25% |
| Total | 834 | 917 | 1,751 | 672 | 747 | 1,419 | 23% |

Country and gender

| | 2021 | | | 2020 | | | % Variation |
|--------------|------------|------------|--------------|------------|------------|--------------|-------------|
| | Men | Women | Total | Men | Women | Total | |
| Spain | 816 | 893 | 1,709 | 656 | 727 | 1,383 | 24% |
| UK | 1 | 1 | 2 | 0 | 1 | 1 | 100% |
| Germany | 12 | 14 | 26 | 11 | 9 | 20 | 30% |
| Italy | 0 | 3 | 3 | 1 | 4 | 5 | -40% |
| France | 4 | 1 | 5 | 3 | 1 | 4 | 25% |
| Poland | 0 | 1 | 1 | 0 | 1 | 1 | 0% |
| Portugal | 1 | 4 | 5 | 1 | 4 | 5 | 0% |
| Total | 834 | 917 | 1,751 | 672 | 747 | 1,419 | 23% |

Professional classification* and gender

| | 2021 | | | 2020 | | | % Variation |
|--------------|------------|------------|--------------|------------|------------|--------------|-------------|
| | Men | Women | Total | Men | Women | Total | |
| 1 | 1 | 5 | 6 | 1 | 5 | 6 | 0% |
| 2 | 62 | 60 | 122 | 42 | 31 | 73 | 67% |
| 3 | 144 | 151 | 295 | 85 | 113 | 198 | 49% |
| 4 | 145 | 122 | 267 | 138 | 111 | 249 | 7% |
| 5 | 287 | 297 | 584 | 229 | 215 | 444 | 32% |
| 6 | 98 | 128 | 226 | 84 | 120 | 204 | 11% |
| 7 | 64 | 124 | 188 | 62 | 126 | 188 | 0% |
| 8 | 3 | 1 | 4 | 3 | 1 | 4 | 0% |
| 0 | 12 | 5 | 17 | 12 | 5 | 17 | 0% |
| Subsidiaries | 18 | 24 | 42 | 16 | 20 | 36 | 17% |
| Total | 834 | 917 | 1,751 | 672 | 747 | 1,419 | 23% |

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

Professional classification*

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 0 | Subsidiaries | Total |
|-----------------------------------|----------|------------|------------|------------|------------|------------|------------|----------|-----------|--------------|--------------|
| Permanent | 6 | 28 | 206 | 226 | 437 | 191 | 187 | 4 | 17 | 42 | 1,344 |
| Temp. specific project or service | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| Temp. work backlog | 0 | 90 | 64 | 13 | 73 | 13 | 0 | 0 | 0 | 0 | 253 |
| Temp. substitution contract | 0 | 2 | 6 | 0 | 5 | 3 | 0 | 0 | 0 | 0 | 16 |
| Training/apprenticeship | 0 | 0 | 9 | 16 | 61 | 18 | 0 | 0 | 0 | 0 | 104 |
| Temp. part-time | 0 | 2 | 10 | 12 | 8 | 0 | 1 | 0 | 0 | 0 | 33 |
| Total | 6 | 122 | 295 | 267 | 584 | 226 | 188 | 4 | 17 | 42 | 1,751 |

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

Average and distribution of contract types by

Gender

| | 2021 | | |
|-----------------------------------|------------|------------|--------------|
| | Men | Women | Total |
| Permanent full-time | 594 | 605 | 1,199 |
| Permanent part-time | 1 | 5 | 6 |
| Permanent reduced hours | 3 | 37 | 40 |
| Total permanent | 598 | 647 | 1,245 |
| Temp. specific project or service | 3 | 0 | 3 |
| Temp. work backlog | 101 | 97 | 198 |
| Temp. substitution contract | 7 | 13 | 20 |
| Training/apprenticeship | 38 | 53 | 91 |
| Temp. part-time | 10 | 21 | 31 |
| Total temporary | 159 | 184 | 343 |
| Total | 757 | 831 | 1,588 |

Average number of employees in 2021.

Age

| | 2021 | | | | | Total |
|-----------------------------------|------------|------------|------------|------------|-----------|--------------|
| | 18-30 | 31-40 | 41-50 | 51-60 | >60 | |
| Permanent | 167 | 379 | 435 | 247 | 17 | 1,245 |
| Temp. specific project or service | 2 | 1 | 0 | 0 | 0 | 3 |
| Temp. work backlog | 75 | 57 | 48 | 16 | 2 | 198 |
| Temp. substitution contract | 4 | 7 | 7 | 2 | 0 | 20 |
| Training/apprenticeship | 83 | 8 | 0 | 0 | 0 | 91 |
| Temp. part-time | 1 | 1 | 0 | 1 | 28 | 31 |
| Total | 332 | 453 | 490 | 266 | 47 | 1,588 |

Average number of employees in 2021.

Professional classification*

| | 2021 | | | | | | | | | | Total |
|-----------------------------------|----------|-----------|------------|------------|------------|------------|------------|----------|-----------|--------------|--------------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 0 | Subsidiaries | |
| Permanent | 6 | 24 | 169 | 219 | 399 | 179 | 190 | 4 | 17 | 38 | 1,245 |
| Temp. specific project or service | 0 | 0 | 0 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 3 |
| Temp. work backlog | 0 | 64 | 63 | 11 | 45 | 12 | 0 | 0 | 0 | 3 | 198 |
| Temp. substitution contract | 0 | 4 | 8 | 1 | 4 | 2 | 1 | 0 | 0 | 0 | 20 |
| Training/apprenticeship | 0 | 0 | 8 | 15 | 49 | 18 | 0 | 0 | 0 | 1 | 91 |
| Temp. part-time | 0 | 1 | 9 | 12 | 8 | 0 | 1 | 0 | 0 | 0 | 31 |
| Total | 6 | 93 | 257 | 259 | 506 | 212 | 192 | 4 | 17 | 42 | 1,588 |

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

Average number of employees in 2021.

Number of dismissals by:

Gender

| Gender | 2021 | 2020 | % Variation |
|--------------|-----------|-----------|-------------|
| Men | 10 | 13 | -23% |
| Women | 11 | 5 | 120% |
| Total | 21 | 18 | 17% |

Age and gender

| | 2021 | | | 2020 | | | % Variation |
|--------------|-----------|-----------|-----------|-----------|----------|-----------|-------------|
| | Men | Women | Total | Men | Women | Total | |
| 18-30 years | 3 | 1 | 4 | 1 | 0 | 1 | 300% |
| 31-40 years | 2 | 2 | 4 | 3 | 0 | 3 | 33% |
| 41-50 years | 1 | 6 | 7 | 8 | 3 | 11 | -36% |
| 51-60 years | 4 | 2 | 6 | 1 | 2 | 3 | 100% |
| >60 years | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Total | 10 | 11 | 21 | 13 | 5 | 18 | 17% |

Professional classification* and gender

| | 2021 | | | 2020 | | | % Variation |
|--------------|-----------|-----------|-----------|-----------|----------|-----------|-------------|
| | Men | Women | Total | Men | Women | Total | |
| 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| 2 | 2 | 1 | 3 | 0 | 1 | 1 | 200% |
| 3 | 1 | 0 | 1 | 5 | 1 | 6 | -83% |
| 4 | 1 | 1 | 2 | 2 | 1 | 3 | -33% |
| 5 | 5 | 4 | 9 | 4 | 0 | 4 | 125% |
| 6 | 1 | 3 | 4 | 1 | 0 | 1 | 300% |
| 7 | 0 | 2 | 2 | 1 | 2 | 3 | -33% |
| 8 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Subsidiaries | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Total | 10 | 11 | 21 | 13 | 5 | 18 | 17% |

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

Accident rate

Frequency rate for work-related accidents* by gender

| Gender | 2021 | 2020 | % Variation |
|--------------|--------------|--------------|-------------|
| Men | 6.872 | 2.143 | 221% |
| Women | 7.132 | 6.769 | 5% |
| Total | 7.008 | 4.574 | 53% |

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

Work-related accident severity rate* by gender

| Gender | 2021 | 2020 | % Variation |
|--------------|--------------|--------------|-------------|
| Men | 0.228 | 0.039 | 486% |
| Women | 0.313 | 0.290 | 8% |
| Total | 0.273 | 0.171 | 59% |

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

Work-related accident incidence rate* by gender

| Gender | 2021 | 2020 | % Variation |
|--------------|--------------|--------------|-------------|
| Men | 1.799 | 0.595 | 202% |
| Women | 1.854 | 1.874 | -1% |
| Total | 1.828 | 1.268 | 44% |

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

Number of work-related accidents* by gender

| Gender | 2021 | 2020 | % Variation |
|--------------|-----------|-----------|-------------|
| Men | 15 | 4 | 275% |
| Women | 17 | 14 | 21% |
| Total | 32 | 18 | 78% |

*Accidents in itinere 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

Summary of sick leave rates in the period

| | 2021 | | 2020 | | % Variation |
|-------------------|--------------|--------------|-------|--------|-------------|
| | ROVI | Sector | ROVI | Sector | |
| Total SL rate | 3.31% | 4.30% | 3.34% | 4.39% | -1% |
| SL rate: AW & OD | 0.23% | 0.39% | 0.14% | 0.16% | 64% |
| SL rate: CC | 2.49% | 3.32% | 2.42% | 3.39% | 3% |
| SL rate: COVID-19 | 0.60% | 0.62% | 0.77% | 0.83% | -22% |

IT: Sick leave

AT: Accidents at work

EP: Occupational diseases

CC: Common contingencies

Source: FREMAP Work Accident Mutual. Annual Global Absenteeism Report ROVI GROUP.

| | 2021 | | | | 2020 | | | |
|--------------|-----------------|----------------|--------------|---------------------|-----------------|-------------|--------------|---------------------|
| | Days sick leave | Days worked | Absence rate | Sector absence rate | Days sick leave | Days worked | Absence rate | Sector absence rate |
| Total | 18,975 | 573,098 | 3.31% | 4.30% | 16,656 | 499,355 | 3.34% | 4.39% |

Days sick leave: days sick leave for AW+OD+CC+COVID-19 recorded.

Notional days worked: days worked by each worker in companies with professional and common cover with a mutual society that collaborates with the Social Security. In the file of movements sent by the General Treasury of the Social Security, the days worked in the Company by each worker are calculated and the days of all the workers are added together.

Total absolute absence rate: percentage ratio between the days of sick leave (AW+OD+CC+COVID-19) and the notional days worked by each worker in companies with professional and common cover with a mutual society that collaborates with the Social Security (Days sick leave AW+OD+CC+COVID-19 / notional days) * 100.

Sector: Data relating to the group protected by the mutual society that collaborates with the Social Security in the sector and/or region selected.

Source: FREMAP Work Accident Mutual. Annual global Absenteeism Report ROVI Group.

Remuneration

Average remuneration* by

Gender

| Gender | 2021 | 2020 | % Variation |
|--------------|-----------------|-----------------|-------------|
| Men | 36,868 € | 38,677 € | -5% |
| Women | 34,082 € | 35,410 € | -4% |
| Total | 35,475 € | 37,044 € | -4% |

Age and gender

| | 2021 | | | 2020 | | | % Variation |
|-------------|----------|----------|-----------------|----------|----------|-----------------|-------------|
| | Men | Women | Total | Men | Women | Total | |
| 18-30 years | 23,834 € | 25,446 € | 24,755 € | 24,737 € | 25,705 € | 25,294 € | -2% |
| 31-40 years | 30,369 € | 33,647 € | 32,053 € | 30,216 € | 34,177 € | 32,283 € | -1% |
| 41-50 years | 42,676 € | 39,149 € | 40,919 € | 42,890 € | 38,655 € | 40,713 € | 1% |
| 51-60 years | 51,848 € | 41,689 € | 46,712 € | 51,676 € | 42,276 € | 46,939 € | 0% |
| >60 years | 71,023 € | 33,135 € | 49,650 € | 60,862 € | 33,752 € | 45,743 € | 9% |

Professional group** and gender

| | 2021 | | 2020 | | % Variation | Wage gap**** 2021 |
|--------------|-----------|-----------|-----------|-----------|-------------|-------------------|
| | Men | Women | Men | Women | | |
| 1 | 16,657 € | 18,277 € | 16,447 € | 18,304 € | 1% | -10% |
| 2 | 17,777 € | 17,995 € | 17,467 € | 18,235 € | 0% | -1% |
| 3 | 19,493 € | 21,004 € | 19,408 € | 20,901 € | 0% | -8% |
| 4 | 27,118 € | 26,098 € | 26,734 € | 26,299 € | 0% | 4% |
| 5 | 34,466 € | 32,267 € | 36,683 € | 34,342 € | -6% | 6% |
| 6 | 43,690 € | 38,127 € | 43,441 € | 36,584 € | 2% | 13% |
| 7 | 59,776 € | 55,067 € | 57,045 € | 53,880 € | 4% | 8% |
| 8 | 117,420 € | 106,262 € | 113,338 € | 105,013 € | 2% | 10% |
| 0 | 231,341 € | 137,942 € | 223,139 € | 135,803 € | 3% | 40% |
| Subsidiaries | 97,943 € | 68,293 € | 81,134 € | 58,366 € | 19% | 30% |

* Scholarship remuneration is not included because scholarship-holders do not have a Professional Group.

**Professional Group according to the XX Collective Agreement of the Chemical Industry.

*** Wage gap calculated as the difference between the average salary of men versus that of women.

The remuneration figures shown above contain items relating to fixed remuneration and variable remuneration (commissions and bonuses).

APPENDIX III - GRI Content Index

| Id. | Indicator | Page / Integrated Report |
|---------------------------------------|--|--|
| GRI 102: General Contents 2016 | | |
| 102-1 | Name of the organization | p.15 (Group Profile) |
| 102-2 | Activities, brands, products, and services | p.17 (National and International Presence) p.22 (Business Units) p.77 (Our corporate governance model and structure) |
| 102-3 | Location of headquarters | p.15 (Group Profile) p.17 (National and International Presence) |
| 102-4 | Location of operations | p.17 (National and International Presence) |
| 102-5 | Ownership and legal form | p.15 (Group Profile) p.21 (Ownership and Structure) |
| 102-6 | Markets served | p.15 (Group Profile) p.17 (National and International Presence) |
| 102-7 | Scale of the organisation | p.109 (Ensuring the stability of our workforce) |
| 102-8 | Information on employees and other workers | p.109 (Ensuring the stability of our workforce) p.122 (Ensuring sustainability in the supply chain) |
| 102-9 | Supply Chain | p.122 (Ensuring sustainability in the supply chain) |
| 102-10 | Significant changes to the organization and its Supply Chain | p.17 (National and International Presence) |
| 102-11 | Precautionary principle or approach | p.139 (Environmental policy, goals and commitments) |
| 102-12 | External initiatives | p.41 (Identity and Commitment: mission, vision and values) |
| 102-13 | Membership of associations | p.77 (Our corporate governance model and structure) |
| 102-14 | Statement of senior decision-maker | p.47 (ESG Management at Laboratorios ROVI) |
| 102-15 | Key impacts, risks and opportunities | p.94 (Global management and risk control) |
| 102-16 | Values, principles, standards and norms of behaviour | p.41 (Identity and Commitment: mission, vision and values) p.87 (Ethics and integrity in our business model) |

| Id. | Indicator | Page / Integrated Report |
|--------|---|---|
| 102-17 | Mechanisms for advice and concerns about ethics. | p.87 (Ethics and integrity in our business model) p.90 (Regulatory compliance) |
| 102-18 | Governance structure | p.77 (Our corporate governance model and structure) |
| 102-19 | Delegating authority | p.77 (Our corporate governance model and structure) |
| 102-20 | Executive-level responsibility for economic, environmental, and social topics | p.77 (Our corporate governance model and structure) |
| 102-22 | Composition of the highest governance body and its committees | p.77 (Our corporate governance model and structure) |
| 102-23 | Chair of the highest governance body | p.77 (Our corporate governance model and structure) |
| 102-24 | Nominating and selecting the highest governance body | p.77 (Our corporate governance model and structure) |
| 102-26 | Role of highest governance body in setting purpose, values, and strategy | p.77 (Our corporate governance model and structure) |
| 102-28 | Evaluating the highest governance body's performance | p.77 (Our corporate governance model and structure) |
| 102-30 | Effectiveness of risk management processes | p.94 (Global management and risk control) |
| 102-32 | Highest governance body's role in sustainability reporting | p.77 (Our corporate governance model and structure) |
| 102-35 | Remuneration policies | p.93 (Remuneration policy) |
| 102-36 | Process for determining remuneration | p.93 (Remuneration policy) |
| 102-40 | List of stakeholder groups | p.43 (Materiality) |
| 102-41 | Collective bargaining agreements | p.121 (Guaranteeing social dialogue) |
| 102-42 | Identifying and selecting stakeholders | p.43 (Materiality) |
| 102-43 | Approach to stakeholder engagement | p.43 (Materiality) p.107 (Maintaining active communication with our customers, patients and healthcare professionals) p.120 (Achieving the well-being of our employees) p.124 (Ensuring the safety and quality of the supply chain) p.126 (Promoting active communication with our suppliers) |

| Id. | Indicator | Page / Integrated Report |
|--|--|---|
| 102-44 | Key topics and concerns raised | p.43 (Materiality) p.165 (Preparation and scope) |
| 102-45 | Entities included in the consolidated financial statements | p.21 (Ownership and Structure) |
| 102-46 | Defining report content and topic Boundaries | p.43 (Materiality) p.165 (Preparation and scope) |
| 102-47 | List of material topics | p.43 (Materiality) |
| 102-48 | Restatements of information | p.165 (Preparation and scope) |
| 102-49 | Changes in reporting | p.165 (Preparation and scope) |
| 102-50 | Reporting Period | p.165 (Preparation and scope) |
| 102-51 | Date of most recent report | p.165 (Preparation and scope) |
| 102-52 | Reporting cycle | p.165 (Preparation and scope) |
| 102-53 | Contact point for questions regarding the report | p.165 (Preparation and scope) |
| 102-54 | Claims of reporting in accordance with GRI Standards | p.165 (Preparation and scope) |
| 102-55 | GRI content index | |
| GRI 103: Management Approach 2016 | | |
| 103-1 | Explanation of the material topic and its Boundary | |
| 103-2 | Explanation of the material topic and its Boundary | p.43 (Materiality) |
| 103-3 | Evaluation of the management approach | |
| GRI 200 ECONOMIC TOPICS | | |
| GRI 103: Management Approach 2016 | | |
| 103-1 | Explanation of the material topic and its Boundary | p.70 (Tax Transparency) |
| 103-2 | Explanation of the material topic and its Boundary | p.122 (Ensuring sustainability in the supply chain) |
| 103-3 | Evaluation of the management approach | |
| GRI 201: Market Presence 2016 | | |
| 201-4 | Financial assistance received from government | p.70 (Tax Transparency) |
| 207-1 | Approach to tax | p.70 (Tax Transparency) |
| GRI 204: Procurement Practices 2016 | | |
| 204-1 | Proportion of spending on local suppliers | p.122 (Ensuring sustainability in the supply chain) |

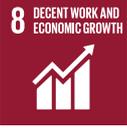
| Id. | Indicator | Page / Integrated Report |
|--|---|---|
| GRI 300 ENVIRONMENTAL TOPICES | | |
| GRI 103: Management Approach 2016 | | |
| 103-1 | Explanation of the material topic and its Boundary | p.122 (Ensuring sustainability in the supply chain) |
| 103-2 | Explanation of the material topic and its Boundary | p.141 (Environmental management system) p.144 (Sustainable use of resources) |
| 103-3 | Evaluation of the management approach | p.151 (Mitigation of climate change) |
| GRI 301: Materials 2016 | | |
| 301-1 | Materials used by weight or volume | p.144 (Sustainable use of resources) |
| GRI 302: Energy 2016 | | |
| 302-1 | Energy consumption within the organisation | p.144 (Sustainable use of resources) |
| 302-2 | Energy consumption outside of the organisation | p.144 (Sustainable use of resources) |
| 302-4 | Reduction of energy consumption | p.151 (Mitigation of climate change) |
| GRI 303: Water and Effluents 2018 | | |
| 303-2 | Management of water discharge-related impacts | p.144 (Sustainable use of resources) |
| 303-3 | Water withdrawal | p.144 (Sustainable use of resources) |
| GRI 305: Emissions 2016 | | |
| 305-1 | Direct (Scope 1) GHG emissions | p.151 (Mitigation of climate change) |
| 305-2 | Energy indirect (Scope 2) GHG emissions | p.151 (Mitigation of climate change) |
| 305-4 | GHG emissions intensity | p.151 (Mitigation of climate change) |
| 305-7 | Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions | p.151 (Mitigation of climate change) |
| GRI 306: Effluents and Waste 2016 | | |
| 306-2 | Waste by type and disposal method | p.149 (Waste management and circular economy) |
| 306-3 | Significant spills | p.149 (Waste management and circular economy) |
| GRI 308: Supplier Environmental Assessment 2016 | | |
| 308 -1 | New suppliers that were screened using environmental criteria | p.122 (Ensuring sustainability in the supply chain) |

| Id. | Indicator | Page / Integrated Report |
|---|---|--|
| GRI 400 SOCIAL TOPICS | | |
| GRI 103: Management Approach 2016 | | |
| 103-1 | Explanation of the material topic and its Boundary | <p>p.87 (Ethics and integrity in our business model)</p> <p>p.90 (Regulatory compliance)</p> <p>p.94 (Global management and risk control)</p> <p>p.106 (Promoting responsible marketing)</p> |
| 103-2 | The management approach and its components | <p>p.109 (Ensuring the stability of our workforce)</p> <p>p.110 (Seeking to attract and retain talent)</p> <p>p.112 (Protecting health and safety)</p> <p>p.114 (Promoting equal opportunities, diversity and inclusion)</p> <p>p.118 (Driving training, development and performance evaluation)</p> |
| 103-3 | Evaluation of the management approach | <p>p.120 (Achieving the well-being of our employees)</p> <p>p.121 (Guaranteeing social dialogue)</p> <p>p.129 (Driving social action)</p> |
| GRI 401: Employment 2016 | | |
| 401-1 | New employee hires and employee turnover | <p>p.109 (Ensuring the stability of our workforce)</p> <p>p.110 (Seeking to attract and retain talent)</p> |
| GRI 402: Labor/Management Relations 2016 | | |
| 402-1 | Minimum notice periods regarding operational changes | p.121 (Guaranteeing social dialogue) |
| GRI 403: Occupational Health and Safety 2018 | | |
| 403-1 | Occupational health and safety management system | p.112 (Protecting health and safety) |
| 403-4 | Worker participation, consultation, and communication on occupational health and safety | <p>p.112 (Protecting health and safety)</p> <p>p.121 (Guaranteeing social dialogue)</p> |
| 403-5 | Worker training on occupational health and safety | <p>p.112 (Protecting health and safety)</p> <p>p.118 (Driving training, development and performance evaluation)</p> |

| Id. | Indicator | Page / Integrated Report |
|--|--|--|
| 403-6 | Promotion of worker health | p.120 (Achieving the well-being of our employees) |
| 403-9 | Work-related injuries | p.112 (Protecting health and safety) |
| 403-10 | Work-related ill health | p.112 (Protecting health and safety) |
| GRI 404: Training and Education 2016 | | |
| 404-1 | Average hours of training per employee per year | p.118 (Driving training, development and performance evaluation) |
| 404-2 | Programs for upgrading employee skills and transition assistance programs | p.118 (Driving training, development and performance evaluation) |
| GRI 405: Diversity and Equal Opportunity 2016 | | |
| 405-1 | Diversity of governance bodies and employees | p.77 (Our corporate governance model and structure) |
| | | p.109 (Ensuring the stability of our workforce) |
| | | p.114 (Promoting equal opportunities, diversity and inclusion) |
| 405-2 | Ratio of basic salary and remuneration of women to men | p.114 (Promoting equal opportunities, diversity and inclusion) |
| GRI 413: Local Communities 2016 | | |
| 413-1 | Operations with local community engagement, impact assessments, and development programs | p.129 (Driving social action) |
| | | p.134 (Dialogue with local communities) |
| GRI 413: Local Communities 2016 | | |
| 414-1 | New suppliers that were screened using social criteria | p.122 (Ensuring sustainability in the supply chain) |
| GRI 413: Local Communities 2016 | | |
| 417-2 | Incidents of non-compliance concerning product and service information and labeling | p.106 (Promoting responsible marketing) |

APPENDIX IV - SDGs

Our contribution to the SDGs regarding Good Governance:

| TARGETS | |
|---|--|
|  <p>5 GENDER EQUALITY</p> | <p>TARGET 5.5 “Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic and public life”</p> |
|  <p>8 DECENT WORK AND ECONOMIC GROWTH</p> | <p>TARGET 8.3 “Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services”</p> <p>TARGET 8.7 “Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms”</p> |
|  <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p> | <p>TARGET 16.5 “Substantially reduce corruption and bribery in all their forms”</p> <p>TARGET 16.7 “Ensure responsive, inclusive, participatory and representative decision-making at all levels”</p> |

Our contribution to the SDGs regarding People

| TARGETS | |
|--|---|
|  <p>3 GOOD HEALTH AND WELL-BEING</p> | <p>TARGET 3.4 “By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being”</p> <p>TARGET 3.8 “Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all”</p> <p>TARGET 3.9.b “Support the research and development of vaccines and medicines for the communicable and non-communicable diseases that primarily affect developing countries, provide access to affordable essential medicines and vaccines, in accordance with the Doha Declaration on the TRIPS Agreement and Public Health, which affirms the right of developing countries to use to the full the provisions in the Agreement on Trade-Related Aspects of Intellectual Property Rights regarding flexibilities to protect public health, and, in particular, provide access to medicines for all”</p> |

TARGETS



TARGET 4.3 “By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university”

TARGET 4.4 “By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship”

TARGET 4.5 “By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations”

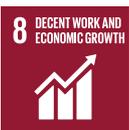
TARGET 4.7 “By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture’s contribution to sustainable development”



TARGET 5.1 “End all forms of discrimination against all women and girls everywhere”

TARGET 5.2 “Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation”

TARGET 5.c “Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels”



TARGET 8.2 “Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors”

TARGET 8.3 “Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services”

TARGET 8.5 “By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value”

TARGET 8.6 “By 2020, substantially reduce the proportion of youth not in employment, education or training”

TARGET 8.7 “Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms”

TARGET 8.8 “Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment”

TARGETS



TARGET 9.1 “Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all”

TARGET 9.2 “Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry’s share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries”

TARGET 9.5 “Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending”



TARGET 10.2 “By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status”

TARGET 10.3 “Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard”

TARGET 10.4 “Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality”



TARGET 12.6 “Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle”



TARGET 13.3 “Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning”



TARGET 16.2 “End abuse, exploitation, trafficking and all forms of violence against and torture of children”

TARGET 16.10.b “Promote and enforce non-discriminatory laws and policies for sustainable development”



TARGET 17.17 “Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships Data, monitoring and accountability”

Our contribution to the SDGs regarding the Environment

TARGETS



TARGET 6.3 “By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally”

TARGET 6.4 “By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity”



TARGET 7.2 “By 2030, increase substantially the share of renewable energy in the global energy mix”



TARGET 8.4 “Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead”



TARGET 9.4 “By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities”



TARGET 12.2 “By 2030, achieve the sustainable management and efficient use of natural resources”

TARGET 12.4 “By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment”

TARGET 12.5 “By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse”



TARGET 13.2 “Integrate climate change measures into national policies, strategies and planning”



TARGET 15.2 “By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally”

