Report

Non-Financial Statement

INSUD PHARMA

BASES FOR THE PREPARATION OF THE NON-FINANCIAL STATEMENT

Pursuant to Spanish Law 11/2018, of 28th December, on non-financial information and diversity, Insud Pharma, S.L.U. issues its Non-Financial Statement (henceforth, "**NFS**", "**consolidated NFS**", or "**Report**") as a separate annex to the Consolidated Management Report corresponding to the fiscal year from 1st January to 31st December 2020.

The preparation of the Report has been fundamentally based on the requirements of the Spanish Royal Decree-Law on non-financial information and diversity passed on 24th November 2017, which modifies the Spanish Commercial Code; the consolidated text of the Spanish Law on corporations, approved by the Spanish Royal Legislative Decree 1/2010, of 2nd July; and Spanish Law 22/2015, of 20th July, on auditing.

This Report has also been drafted in accordance with the Communication from the European Commission, of 5th July 2017, entitled Guidelines on non-financial reporting (methodology for reporting non-financial information, 2017/C 215/01).

Furthermore, good practices included in both the Global Reporting Initiative (GRI) Standards, within the selected GRI option, and the International Framework of the International Integrated Reporting Council have been taken into consideration.

Lastly, Insud Pharma, S.L.U. has defined its content bearing in mind the inclusion of stakeholders, the sustainability context, and the principles of materiality and thoroughness.

For the purpose of this consolidated NFS, Insud Pharma, S.L.U. and all its subsidiaries are henceforth referred to as "**INSUD PHARMA Group**" or the "**Group**". The scope of consolidation of this report coincides with that of the financial statements and consolidated management report, taking into account the following considerations:

- Due to the complexity and global distribution of INSUD PHARMA Group's business, the scope of some of the non-financial indicators may differ from the established standard; in those cases where the reported indicators present exceptions in scope, these have been properly identified in each case.
- Additionally, this year 2020 the scope of consolidation of the Group has changed, since the Group's subsidiary, mAbxience Holding, S.L., together with the subsidiaries dependent on the same (jointly, the "**mAbxience Branch**") are deconsolidated from the financial scope and, as a consequence, from the scope of consolidation of this Report. Since mAbxience Branch's deconsolidation took place in late September 2020, data will be reported to the extent possible and where reasonable up to said date.

In any case, these data will be properly identified.

- In the section on environmental matters, all quantitative data reported by INSUD PHARMA Group represent the production and commercial activities of all its manufacturing plants. From an environmental perspective, the Group – due to the international scope of the business and, consequently, to the different locations of the manufacturing plants – is locally and individually subjected to the applicable regulations and rules. Additionally, international certifications may be held as applicable.

The manufacturing plants of the Group are the following, although it should be taken into account that, since late September 2020, mAbxience plants are outside of the scope of consolidation of the report:

1. Altian Pharma, S.A. (Guatemala) (henceforth, "**Altian Plant**")
2. Chemo Biosynthesis, S.r.L. (Corana, Italy) (henceforth, "**Chemo Biosynthesis Plant**")
3. Chemo India Formulation, PTV. Ltd. (Hyderabad, India) (henceforth, "**Chemo India Formulation Plant**")
4. Exeltis Ilaç Sanayi ve Ticaret A.S. (Çerkezköy, Turkey) (henceforth, "**Exeltis Ilaç Plant**").
5. GH Genhelix, S.A. (León, Spain) (henceforth, "**mAbxience León Genhelix Plant**")
6. Industriale Chimica, S.r.L. (Saronno, Italy) (henceforth, "**Industriale Chimica Plant**").
7. Laboratorios Farmalán, S.A. (León, Spain) (henceforth, "**Farmalán Plant**")
8. Laboratorios León Farma, S.A. (León, Spain) (henceforth, "**León Farma Plant**")
9. Laboratorios Liconsa, S.A. (Guadalajara, Spain) (henceforth, "**Liconsa Plant**")
10. mAbxience, S.A. (Buenos Aires, Argentina), with two production plants: one of them in Munro ("**Munro Plant**") and the other one in Garín ("**Garín Plant**") (henceforth, jointly referred to as "**mAbxience Plants**")

11. Ordain Health Care Global Pte. Ltd. (Chennai, India) (henceforth, "**Ordain Plant**")
12. PT Nufarindo (Semarang, Indonesia) (henceforth, "**Nufarindo Plant**")
13. Química Sintética, S.A. (Madrid, Spain) (henceforth, "**Química Sintética Plant**")
14. Universal Farma, S.L. (Guadalajara, Spain) (henceforth, "**Universal Farma Plant**")

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1. General Information

Insud Pharma S.L.U. (henceforth, the "**Company**") is a Spanish corporation with headquarters in calle Manuel Pombo Angulo, 28, 3rd and 4th floors, 28050 Madrid (Spain), whose main activity is the management and administration of corporations.

This Company is the parent company of the INSUD PHARMA Group, a group of corporations which develop their activity in the pharmacochemical sector. INSUD PHARMA Group is a group committed to health since 1977. It operates throughout the entire pharmacochemical value chain and offers specialised knowledge in scientific research, development, manufacturing, sales, and marketing of a wide range of active pharmaceutical ingredients (API), finished dosage forms (FDF), branded medicinal products, and over-the-counter dosage forms (OTC), as well as biosimilar products for human and animal care.

As a leading global group in the pharmaceutical sector, INSUD PHARMA Group focuses on innovation and sustainable development. We are committed to improving human health and well-being by promoting access to affordable, quality medicines and by continuously expanding our research and development endeavours and investments with a view to creating new and improved therapeutic solutions. In addition, the Group continues to make a notable endeavour by investing in new businesses, entering new markets, and looking for differentiating factors which provide added value.

1.1. Geographical Presence

At present, INSUD PHARMA Group has worldwide presence and has created a broad, balanced commercial and manufacturing network in all five continents in order to address global opportunities and meet the needs of clients in the world's main pharmaceutical markets.

The list of countries where the Group performs its activities classified according to the Group's business divisions, which will be defined in the following chapter, is shown below:

- **Industrial business division, "CHEMO":**
    - R&D centres: Argentina, China, India, Italy, and Spain.
    - Business office: Argentina, Brazil, China, Hungary, India, Spain, and the United States.
    - Manufacturing plants: China, India, Italy, and Spain.

- **Commercial business division, including Branded Generics & Innovation, "EXELTIS":**
  - Business office: Austria, Brazil, Belgium, Chile, China, Colombia, Costa Rica, Czech Republic, Dominican Republic, Ecuador, El Salvador, France, Germany, Guatemala, Honduras, Hungary, India, Indonesia, Italy, Lebanon, Lithuania, Malaysia, Mexico, Morocco, Nicaragua, Nigeria, Panama, Paraguay, Poland, Portugal, Philippines, Slovakia, South Africa, Spain, Sweden, Switzerland, Thailand, Turkey, the United Arab Emirates, the United States, and Vietnam.
  - Manufacturing plants: Guatemala, India, Indonesia, and Turkey.

- **Biosimilar products business division, "MABXIENCE":**
  - R&D centre: Spain.
  - Business office: Argentina, Spain, and Switzerland.
  - Manufacturing plants: Argentina and Spain.

- **Generics division, "XIROMED":**
  - Business office: Denmark, Finland, Germany, Great Britain, Iceland, the Netherlands, Norway, Poland, Sweden, and the United States.

1.2. Mission, Policies, Organisation Model, and Materiality Analysis

1.2.1. Mission

INSUD PHARMA Group's mission is to improve human health and well-being by promoting access to affordable, quality medicines and by continuously expanding its research and development endeavours and investments with a view to creating new and improved therapeutic solutions. In addition, the Group continues to make a notable endeavour by investing in new businesses, entering new markets, and looking for differentiating factors which provide added value.

In this sense, it is worth mentioning that the company has been qualified as “EXCELENT” in the 2020 Profarma Plan of the Spanish Ministry of Industry, Energy, and Tourism for the second year in a row, in recognition of its industrial activity and its dedication to development and innovation in Spain.

This qualification is the result of the Company’s commitment to the development of the Spanish industrial structure and its investment endeavours, both in terms of production and RDI.

1.2.2. Policies

INSUD PHARMA Group's corporate responsibility policy is included in the Code of Ethics (Horizon) and is inspired by the Group's corporate values, which determine its identity as an organisation. These values are fundamentally the following: Integrity, Transparency, Innovation, Quality, Passion, Entrepreneurship, Diversity, and Flexibility.

Regarding environmental and social matters, and those related to personnel, human rights, and the fight against corruption and bribery, the most relevant policies are the ones included in the Group's Code of Ethics (Horizon), the supervision under the sole control of the leading subsidiary, as well as in the ABC Book and in the general procedure of the Direct Channel. The responsibility for Horizon rests on the Compliance and Auditing Committee, which consists of the Chief Executive Officer, the Chief Legal Officer, the Chief Compliance Officer, the Chief Internal Auditor, the Chief Quality Officer, and the Chief Human Resources Officer.

With regard to the data protection policy, the Group has a Data Protection Department that is in charge of supervising everything related to the regulation in force on data protection, promoting knowledge among employees and training them on these matters (with both online and face-to-face training). This department is led by an internal Data Protection Officer. Besides, the aforementioned department intervenes in the Internal Auditing and Compliance Committee on a recurring basis in order to inform about the most relevant topics concerning data protection. In this sense, the Group has several internal policies on these

matters, which are reviewed yearly by said department. In addition, in order to ensure proper compliance with the regulations in force on data protection, an audit has been carried out in 2020, under the supervision of the Internal Auditing Department, which has been successfully passed.

Quality Policy

The manufacturing of medicinal products and medical devices is extremely regulated. Having strict legislation, both at European and global levels, ensures patients' protection. Furthermore, the Group is particularly transparent about its interaction with healthcare professionals and sector organisations.

The Quality Policy is clearly outlined in the Declaration of Commitment to Quality Management, which was created as part of the #OneQualityVoice initiative:

#OneQualityVoice
Quality is at the core of our company.
Trust is our main asset.
Patients, relatives, doctors, pharmacists, and health authorities trust the medicines we produce.
The commitment to continuous improvement is part of our DNA.
We strive every day to become better at what we do, to improve our service, and to fulfil our quality promises.
Each person in our company is responsible for quality.
We all have the responsibility of doing a perfect job.
We achieve growth and sustainability by always providing our patients and collaborators with affordable products of the top quality at the right time.
For us: Quality is everyone's responsibility.

In INSUD PHARMA Group, each business division has internal policies and procedures to ensure safety and quality across all the elements which the product supply chain comprises.

Additionally, INSUD PHARMA Group is implementing an integrated quality management system, #OneQualityVoice, which is structured to facilitate standardisation and consistent application of quality requirements along the entire life cycle of the medicinal product and in every business unit. Said quality management system, #OneQualityVoice, allows us to make sure that patients have access to safe and effective medicines that improve their quality of life every day.

The #OneQualityVoice quality system is a robust management system based on three fundamental pillars: the generation of global Quality Standards that meet the expectations of regulatory agencies and a globally coordinated and led Quality Unit which applies an integrated control and management system that promotes digitisation for the establishment

of an effective, efficient, and sustainable Quality Culture.

With regard to **Quality Standards**, corporate policies (7), global procedures (11), and work instructions (37) have been established, many of them in relation to the implementation of new specific IT systems for the management of quality: Electronic Batch Record Management System (EBR), Laboratory Information Management System (LIMS), Document Management System (DMS), and Quality Processes Management System (QMS).

Regarding the **Global Quality Unit**, its area of operation is shown in the corporate organisational chart. Since it is a management body, a Global Quality Committee is set up, led by the Corporate Quality officer and comprising operational and corporate officers from Quality and Pharmacovigilance. The aforementioned committee has defined the four **strategic lines** below, which are the basis for the annual objectives of the entire organisation:

- Resolving today: improving our processes and products.
- Securing tomorrow: standardising our quality system in compliance with the requirements of regulatory agencies.
- Building the future: implementing new electronic quality management systems which allow us to be more efficient.
- Strengthening our teamwork culture: investing in identifying talent and fostering the development, training, and integration of the individuals who make up our teams.

Strategic lines of INSUD PHARMA Group's quality culture

INSUD PHARMA Group is aware of the key role of digitisation in the area of Products, Processes, and Information Quality and Integrity. For this reason, various global digitisation projects have been planned and/or have been launched and/or have extended their scope during 2020. These projects seek excellence, and they will improve the operation control and processing, allow for more efficient processes, and facilitate trend analysis, which is essential in order to identify improvement areas.

Ongoing digitisation projects are detailed below:

- EBR: electronic management of manufacturing and packaging guides at the León Farma Plant and at the Liconsa Plant.

- LIMS: laboratory activities management system. In 2020, it was launched/its scope was extended, including plants of all three business divisions:

    - CHEMO: at the Chemo India Formulation Plant and at the Química Sintética Plant.

    - EXELTIS: at the Exeltis Ilaç Plant.

    - mAbxience: at the mAbxience León Genhelix Plant.

    - Also planning its launch at the two main pharmaceutical plants in Spain: Linconsa Plant and León Farma Plant.

- DMS: document management system. As of the closing date of this Report, the aforementioned system has been implemented in the global functions and in the mAbxience Branch.

- QMS: quality processes management system. It has been planned and validated in order to start its global implementation in all divisions and at all plants of the Group.

These projects will continue to be gradually implemented in the following years within the Group's remaining companies and business units.

For INSUD PHARMA Group, it is key to keep improving every day. For this reason, the Global Quality Unit (GQU) performs Regular Quality Reviews (QMR) with all plants and also defines, monitors, and publishes internally the results of quality performance indicators (QPI) aimed at reviewing global quality objectives and achieving continuous improvement.

Moreover, in line with our commitment to quality, the Group's Global Quality Unit has continued the **Internal Audits** programme to monitor quality standards, cross-cutting

implementation of corporate policies, and compliance with GXP regulations. As of the closing date of the 2020 fiscal year, all plants, except for one (in which it is planned for 2021), have been internally audited and will continue to be part of the programme on a two-yearly basis (unless a different frequency is suggested according to the risk analysis). These reviews allow us to identify opportunities for improvement in our quality system that will have a positive impact on our patients.

This Internal Audits Programme is a key element of the system, as it is well known that the manufacturing of medicinal products and medical devices is highly regulated. This strict legislation, both at European and global levels, is what ensures patients' protection. Furthermore, the Group is particularly transparent about its interaction with healthcare professionals and sector organisations.

The positive results of inspections performed by health authorities, international regulatory bodies, and clients' audits of our plants with marketed production in 2020 are proof of our commitment and the effectiveness and efficiency of the Quality System.

Lastly, it is worth noting that INSUD PHARMA Group is aware of the strength instilled into all our employees and clients by our **Quality Culture**, which recognises quality not only as a compliance requirement, but rather as a necessity that allows us to make better decisions which will benefit our patients. This is why compliance with our quality standards is the responsibility of all the employees in the Group.

so much so that, in 2020, a communication campaign was launched to emphasise the Group's Quality Culture. The goal of the campaign, entitled *Every Step Counts. Make it Matter*, was to convey the importance of each and every one of the INSUD PHARMA Group's employees in Quality processes and the way our daily job has an impact, in many different ways, on the lives of thousands of patients around the world.

1.2.3. Organisation Model

Except for the matters that fall exclusively under the competence of the general shareholders' meeting, the management body is the highest decision-making body of the Company, assuming, as the core of its mission, the approval and implementation of the Group's corporate strategy, and supervising, guiding, and controlling the performance of management in order to comply with set objectives and stakeholders. Business is the cornerstone within the organisation, and it is represented by the Business Departments, which are responsible for designing the business strategy. They cover the Group's main lines of business: Chemo, Exeltis, Xiromed, and the mAbxience Branch, which, as mentioned above, was deconsolidated from the financial scope of INSUD PHARMA Group in September 2020. Since then, the Group holds a 40% share in the same.

The Group operates throughout the pharmacochemical chain value, differentiating four lines of business within its activity. These lines are part of the INSUD PHARMA Group and are organised according to 4 different divisions: the industrial division (CHEMO), the commercial division (EXELTIS), the biotechnology division (mAbxience), and the XIROMED division. Thus, each of the companies that make up the Group is focused on a specific activity, with a high level of vertical integration and synergy among the different divisions being worth noting:

- **CHEMO Division**: The CHEMO division includes research and development, manufacturing, and marketing of a wide range of active pharmaceutical ingredients (APIs) and finished dosage forms (FDFs) in various therapeutic lines.

  Its portfolio comprises more than 100 active ingredients, more than 120 finished dosage forms, and more that 500 over-the-counter dosage forms (OTC). The division covers all the stages of the value chain, from development to registration, ensuring the quality of its products and conducting in-house manufacturing and direct distribution to the client.

  CHEMO owns three chemical plants (two in Italy and one in Spain) and holds a 40% share in Nosch Labs Pte. Ltd. (a company with a plant in India) and a 50% share in Maprimed, S.A. (Argentina). Additionally, it has four different pharmaceutical facilities in Spain: León Farma Plant, focused on the production of hormone finished products; Liconsa Plant, dedicated to the production of finished products; and Farmalán Plant and Universal Farma Plant, dedicated to injectable medicinal products. All plants fully comply with good manufacturing practice (GMP) regulations and with the quality standards of the FDA (US Food and Drug Administration) and of the EMA (European Medicines Agency). The pharmaceutical plants are equipped with the latest technology and provide a wide variety of final solutions, such as solid, semisolid, hormone, injectable, and inhaler products.

  In mid-2017, CHEMO opened a research and development centre in India, the Chemo India Formulation Plant, specialised in the development and manufacturing of oral solid products, including tablets, soft gelatine capsules, pellets, etc. This plant aims to improve the development activities of new finished products and to broaden the portfolio that CHEMO offers to its clients. CHEMO operates in all the main therapeutic areas, focusing on cardiovascular system, gastroenterology, central nervous system, respiratory tract, women's health, and eye health, and it has more than 1,000 clients among leading pharmaceutical companies worldwide.

- **EXELTIS Division**: EXELTIS is the branded division of INSUD PHARMA Group. It is orientated towards research and development, manufacturing, sales, and marketing of a balanced portfolio of branded pharmacological solutions, focusing on female, respiratory, dermatological, and central nervous system based health solutions.

EXELTIS combines the Group's knowledge, expertise, and innovative spirit in order to develop, produce, and market medicinal products and medical devices.

EXELTIS holds a consolidated portfolio of about 300 products and operates in more than 40 countries with approximately 45 subsidiaries distributed across four continents, thus being present in countries with great growth potential such as Brazil, China, India, Indonesia, and Mexico, as well as in consolidated markets such as Germany and the United States, among others.

In its relentless search for new solutions to offer in the market, EXELTIS aligns its research and development endeavours, striving for synergies with CHEMO and with its corporate R&D centre specialised in the research and development of new products from Stage I to approval. Furthermore, EXELTIS continues to expand its therapeutic areas of operation, acquiring new portfolios in the market to consolidate its business.

EXELTIS owns four production plants: Altian Pharma Plant, Exeltis Ilaç Plant, Nufarindo Plant, and Ordain Plant, as well as another partly owned plant in Paraguay.

- **XIROMED Division**: XIROMED is the division within the Group whose business is focused on supplying quality generic products to major pharmaceutical companies in the US market and on tenders taking place in Northern European countries (such as, Belgium, Iceland, Norway, and Sweden, among others).

  With the ambition of constantly simplifying and improving access to high quality medicinal products, the key to our success is the development of sustainable solutions and partnerships in public tenders.

- **mAbxience Division**: As it has already been mentioned on several occasions, since September 2020, the mAbxience Branch was deconsolidated from the financial scope of the INSUD PHARMA Group, although the Group still holds a 40% share in the same.

  Created in 2010, mAbxience is a biotechnology group with worldwide presence in which the Company holds shares.

  With more than 360 professionals globally, mAbxience is a biopharmaceutical company specialised in research, development, manufacturing, and marketing of biosimilar medicinal products for the treatment of diseases in different therapeutic areas.

  The therapeutic applications of the biosimilar products developed by mAbxience are mostly related to oncology, osteoporosis, rheumatology, psoriasis, and paediatrics.

There are currently 8 biosimilar products in the pipeline, 2 products in the market, and 6 products under development. mAbxience uses a B2B business model in order to develop and build up alliances worldwide with renowned partners in each region. These alliances allow the company to access different markets by offering a more affordable alternative to their health systems, consisting of products that are equivalent to the original medicinal products in terms of efficacy and safety. mAbxience's products are developed following the highest quality standards (EMA) and manufactured at production plants equipped with the latest technology with respect to the manufacturing of biotechnology products.

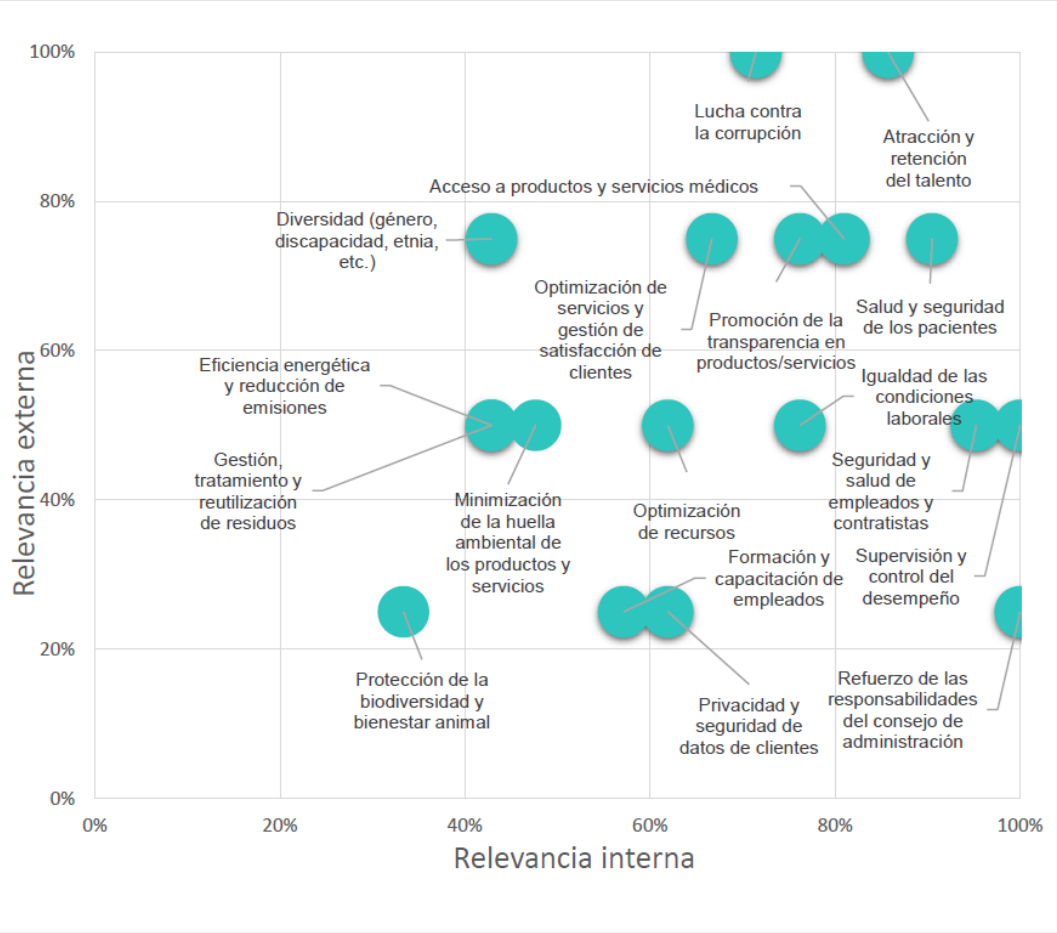
mAbxience owns three plants, two in Argentina and one in Spain. With headquarters in León, the mAbxience León Genhelix Plant is the European research and development centre of monoclonal antibodies, and it aims to become one of the main biotechnology production and development centres in Southern Europe. After a successful inspection in 2016, the Spanish Agency of Medicines and Medical Devices (AEMPS, as per the Spanish acronym) granted the European GMP certificate to the mAbxience León Genhelix Plant.

The Munro Plant, with headquarters in Buenos Aires (Argentina), is the plant focused on the development and manufacturing of biotechnology products, and it represents the original production plant of mAbxience. The plant has cutting-edge single-use bioreactors with volumes of 500 and 1,000 litres. All of its laboratories are also GMP certified and meet the highest international quality standards. The Garín Plant, for its part, has its headquarters in Buenos Aires (Argentina), and it opened in February 2020. The plant was designed according to the strictest standards and it is the most modern production plant of its kind in Latin America.

Following its growth strategy, mAbxience is present in more than 100 markets, leading in key markets such as the Argentinian market (first monoclonal biosimilar antibody launched), Brazil (first biosimilar Rituximab launched via techtransfer), Jordan (first biosimilar product in the region), and Mexico, among others.

1.2.4. Materiality Analysis of the Group

The **materiality analysis** considers relevant matters for the Group as a company from the pharmaceutical sector from the perspective of Corporate Social Responsibility.



INSUD PHARMA Group is focused on its relationship with patients and clients, the patients' health and safety being of great importance, as illustrated in the graph. This is reflected in the high-quality standards of the Group. In this sense, the relevance of employees and contractors' health and safety also stands out.

Furthermore, the promotion of transparency about its products and services and the access to medical products and services are also of great relevance to the Group since, as has been previously mentioned, we are committed to improving human health and well-being by promoting access to affordable, quality medicines and by continuously expanding our research and development endeavours and investments with a view to creating new and improved therapeutic solutions.

Matters related to the protection of biodiversity are not classified as material due to the low impact on biodiversity of the sites where the production activity takes place.

1.3. Main Factors and Trends that May Influence the Group's Future Evolution

The future of the field of health will entail important challenges for the sector. Among others, access to medicines, relationships with governments, and the reputation of the pharmaceutical industry.

More than 2,000 million people across the globe lack access to essential medicines. The Group is committed to providing accessibility to pharmacological treatments. The Company generates more than 300 branded products, and the prices of its medicinal products are, on average, 50% lower than those of other brands. In relation to biotechnology products, they represent a 30% average price reduction.

The year 2020 has been marked by the pandemic and by how it has impacted the pharmaceutical sector, which was initially focused on ensuring the safety of its personnel and on securing supplies to sustain production. The COVID-19 challenge has also evidenced the need for cooperation among public administrations and the private sector and, above all, for a global coordinated action for the development of a vaccine against COVID-19. However, it has become apparent that public resources are not enough to confront a global pandemic like the current one. The International Federation of Pharmaceutical Manufacturers & Associations highlighted the need to pursue a global agreement among health authorities, pharmaceutical companies, health organisations, medical and scientific associations, biotechnology companies, and hospital and sociosanitary operators through collaborative R&D programmes to develop new medicines and vaccines.

In this sense, the Group has made a significant contribution to the fight against COVID-19, since it carries out the process of filling the vials of the vaccine developed by AstraZeneca in Spain, at the Universal Farma Plant, and, additionally, it manufactures the active ingredient of the AstraZeneca vaccine through the mAbxience Branch, at the Garín Plant, for all of Latin America, except for Brazil.

On the other hand, a company in which the Group holds shares, Inmunova, S.A., is producing Covifab in Argentina. This substance is an active ingredient for the treatment of COVID-19 that was approved in late 2020 and began to be distributed in mid-January 2021 by Laboratorios Elea Phoenix, S.A., another company in which the Group holds shares.

The Group also develops its social responsibility through Mundo Sano, a non-profit family foundation whose vision is to transform the reality of populations affected by neglected diseases. Among these, Chagas disease, geoparasitic diseases, dengue fever, leishmaniasis, and hydatidosis are some of the diseases that usually affect the most vulnerable sectors of the population, causing serious consequences for the health of those who suffer from them. Mundo Sano's mission is to develop effective management methods which are replicable, scalable, and transferable through public-private alliances by means of multidisciplinary scientific research.

Population ageing is an ever-increasing phenomenon, and the structure of the population pyramid heightens pressure on sustainability. The development of medical science has caused an increase in life expectancy, and it is the Group's mission to improve the health of people across the globe by providing effective and quality pharmacological treatments.

In a globalised world with constant technological advances, pharmacovigilance becomes more relevant every day as a means of public health protection. However, companies, organisations, and governments are going to require the use of new technologies in order to progress. The use of AI, virtual reality, or big data opens up countless options for rapid decision-making and prevention.

Innovations will enable the achievement of public health objectives while transforming the health industry, breaking down current limitations and pushing back boundaries to provide services which prior to this were not deemed to be possible. To attain this goal, the Group encourages close collaboration among different stakeholders involved in the use of medicinal products (pharmaceutical laboratories, health care professionals, authorities, and patients), always with the aim of detecting, evaluating, and preventing possible adverse reactions to the marketed medicinal products. Within the Group, we would like to face the challenge posed by new technologies while remaining true to our commitment to improving patients' health and quality of life and looking out for their safety.

We are aware of the global need to improve human health and well-being through high quality medicines, which is the purpose of Medicines for Europe. Since 2017, the Group has made a transparency commitment whereby we publish on our website our interactions with HCPs pursuant to the code of conduct of Medicines for Europe.

Given the current situation, with an economic crisis globally brought on by the COVID-19 pandemic, in 2021 the Group foresees a negative impact on some of the geographical areas where it operates through Exeltis, such as India and Turkey, as well as Italy and

France (although, the two latter cases, the impact is expected to be less pronounced than in the two former cases), as a consequence of the lack of an active sales force due to the circumstances derived from the health crisis caused by COVID-19.

The Group is also involved in support projects for health sector start-ups, contributing to technological development through the ChemoStart programme, a global programme which helps drive start-ups and companies with innovative projects focused on health and healthcare. ChemoStart has recently celebrated its fourth edition, where a total of twelve projects were shortlisted from over fifty submissions. On the Pitch Day, which took place in January 2021, there were two winning start-ups: one focused on the application of artificial intelligence to medical imaging for the diagnosis of cerebrovascular disorders and a second company specialised in intelligent UV filters.

1.4. Objectives and Strategies of the Organisation

The purpose of the strategic plan is to turn the Group into a benchmark within the health sector for both for clients and patients. To this end, we work together, always taking into account the following premises:

- **Quality:** one of our priorities as a Group is to guarantee quality as the main value proposition for patients. Our quality culture is focused on safety, efficacy, and compliance of our products and facilities throughout the world. As a Group, we are committed to always achieving maximum quality, so much so that internal awareness campaigns for employees are carried out on an ongoing basis. This year, the campaign *Every Step Counts. Make it Matter* has been launched.

- **Innovation:** the Group is focused on fostering an innovative and disruptive spirit, distinguishing ourselves in the eyes of our clients and building a Group which detects new business opportunities and an attractive product portfolio for the market and the patients alike.

- **Productivity:** acting as a benchmark for the market in terms of the development of our operations from all angles (technical and commercial) while maintaining the best quality standards. Productivity is the attitude required to increase the efficiency of processes and to prioritise activities. Honouring its patient-oriented perspective, the Group focuses its endeavours on listening to and meeting their needs within the shortest possible time with an excellent quality standard.

- **Commitment to our clients (partnership):** referred to the ability to become a benchmark for our clients and collaborators through a close network where our priority is to increase their satisfaction.

- **Team and Talent:** focusing our endeavours on ensuring a connected, committed, and innovative human team. Managing the talent of our employees contributes to the creation of value for our patients.

- **Growth:** lastly, the Group is always focused on becoming one of the most efficient and competitive pharmaceutical companies and increasing commercial operations and the profitability of our business.

To this effect, the Group promotes a series of key values among its employees so that its professional teams work under the same paradigm and on the same mission: improving and contributing to the health of patients across the globe. Some of our essential values are as follows:

- **Integrity:** we act according to our values and to the Group's principles. In INSUD PHARMA Group, we are guided by what is best and most appropriate for all. We are honest in our relations and decisions.

- **Passion:** passion is the driving force of each and every project of our Group. In INSUD PHARMA Group, we love what we do and the notion of being able to contribute to human health and well-being.

- **Entrepreneurship:** being proactive requires responsibility and commitment. In INSUD PHARMA Group, we value restless minds, and we help make projects come true.

- **LEAN philosophy:** LEAN philosophy contributes to making processes more efficient. Its purpose is to strive for constant improvement. In INSUD PHARMA Group, we continuously improve process quality management, and we promote environments that make it easier for our professionals to increasingly become more self-sufficient and productive.

- **Flexibility:** the ability to react and adapt is essential in any industry. In INSUD PHARMA Group, we understand change as an opportunity to learn and grow.

2. Environmental Management

2.1. Size of the Organisation

The **total production (kg)** of the plants during 2020 was of 4,503,347 kg. For calculation purposes and due to the disparity between the final products manufactured in the different manufacturing plants, the production unit criterion has been unified to total amount of kilograms produced, regardless of whether it is an API or a finished dosage form (FDF). In addition, only the effective production was taken into account, i.e., the amount of product that can be marketed, discarding non-conforming products and those obtained in trials and tests. Thus, only the pharmaceutical product itself is included in the calculation, whereas primary packaging (blisters, containers, etc.) and secondary packaging (cases, leaflets, boxes, etc.) are not counted.

2.2. Main Impacts, Risks, and Opportunities

The main environmental impacts derived from the activity carried out by the organisation are:

- materials, energy, and water consumption; and
- generation of emissions, effluents, and waste.

With regard to noise pollution, one of the objectives of our environmental policy is to minimise the environmental impact generated by our manufacturing activity on any environmental aspect. At those plants in which the authorities require so, environmental noise measurements are conducted.

Regarding light pollution, given the location of the different plants, their activity does not cause a relevant impact.

As it will be explained in more detail in section 2.5. of this report, there are no effects on the biodiversity of the sites where its production activity takes place.

For further information, the environmental performance of the organisation with respect to each of the possible impacts generated by the activity carried out will be developed below.

2.2.1. Environmental Management

The fundamental bases on which the environmental management systems are developed are established at the Group level. According to these, the Group is committed to integrating environmental protection into the manufacturing processes of its products, as set out in the INSUD PHARMA Group's environmental policy. Additionally, the specific location of plants around the globe is a determining factor in the application of environmental regulations, rules, and standards. Compliance with local regulations is a priority, which is why the Group is

committed to the environmental management and control of each of the Plants individually.

In the same way, this commitment to the environment is also manifested through the Code of Ethics (Horizon), applicable to the entire Group and to environmental management pursuant to ISO 14001:2015 standard at the following production plants: mAbxience León Genhelix Plant, Química Sintética Plant, Liconsa Plant, and León Farma Plant, all of them located in Spain; Industriale Chimica Plant in Italy; and Exeltis Ilaç Plant in Turkey, as well as through the subjection of the Química Sintética Plant and the mAbxience León Genhelix Plant to the Integrated Environmental Authorisation in accordance with Spanish Royal Legislative Decree 1/2016, of 16th December, approving the consolidated text of the Spanish Law on integrated pollution prevention and control.

Furthermore, with the implementation of ISO 14001:2015 standard, the achievement of the following objectives is intended:

- maintaining an efficient control of resources, thus saving on the consumption of resources, improving the efficiency of production processes, and reducing the amount of waste generated;
- ensuring ongoing compliance with environmental legislation;
- ensuring continuous improvement in environmental performance;
- reducing risk and increasing opportunities for environmental management improvement;
- improving the corporate image and, consequently, strengthening relationships with our stakeholders; and
- increasing efficiency in the usual performance, favouring the improvement of processes.

In addition, it is important to note that the Química Sintética Plant is adhered to the voluntary initiative Responsible Care. This is an initiative from the chemical sector for the continuous improvement of its production activity and the activity of all of its operations in accordance with the Sustainable Development and SCR principles. The initiative is promoted by the Spanish Chemical Industry Federation (FEIQUE, as per the Spanish acronym). Through this initiative, the plant undertakes to "carry out its operations by continuously improving Safety, Health, and Environmental protection".

As a novelty, the Garín Plant has created the "Greenteam", a group of people who work in different departments and meet periodically with the aim of being aligned concerning the plant's environmental matters and implementing new sustainable proposals.

2.2.2. Environmental Measures Applied in the Organisation

For the INSUD PHARMA Group, the prevention of environmental risks is a fundamental premise. That is why environmental management systems certified in accordance with ISO 14001 include a comprehensive risk analysis, the objective of which is to eliminate or minimise their risk, always applying prevention measures based on the Best Available Techniques in each case. In order to evaluate the risk of occurrence of each and every potential aspect, an analysis is made of all potential initiating events evaluated according to the activity that the initiating event may develop.

At Plants that do not have a certified environmental management system, the environmental risk analysis is approached in different ways. For example, it is included in Farmalán Plant's simplified assessment or in Universal Farma Plant's environmental document, since the environmental impact assessment does not apply to it, or in Chemo India Formulation Plant's audited environmental statement.

Furthermore, INSUD PHARMA Group has a Civil Liability policy with a coverage of forty million euros for cases of accidental pollution of soil, water, or the atmosphere, provided that its cause is accidental, sudden, unforeseen, and unexpected by the insured party on national territory.

The outcomes of the Intergovernmental Panel on Climate Change (IPCC) show that human activity has influenced climate evolution since the industrial era, which is impacting variables such as the increase in atmospheric and ocean temperature, the rising sea levels, or the increase in greenhouse gas (GHG) concentration, among others. The INSUD PHARMA Group is not out of touch with this issue, and it is committed to the sustainable development of its activity, thus having existing measures that allow for the adaptation to the consequences of climate change. These measures are implemented based on a comprehensive identification of risks and their consequences, as shown below:

ACTIVITY	CAUSE	CONSEQUENCE	RISK	EXISTING MEASURES	RISK DECISION
TRANSPORT, STORAGE, AND DISTRIBUTION	Temperature increase	Reduction of the efficiency of transport and electric distribution lines due to heat.	Problems with the supply of raw materials and utilities	Updated risk map of both national and international providers Increased stock of raw materials upon production planning Establishment of agreements with providers (Supply Agreement and Quality Agreement) in order to	Controlled risk

				avoid a shortage of raw materials Proactive communication with providers	
	Climatic events (torrential rain, snowfall, etc.)	Impact on the infrastructure of transport, roads, airports...	Problems with the supply of raw material and utilities	Increased stock of raw materials upon production planning Establishment of agreements with providers (Supply Agreement and Quality Agreement) in order to avoid shortages	Controlled risk
	Fires	Risk of increasing forest fires due to natural and unnatural causes as a consequence of temperature increase and favourable conditions for ignition	Impact on areas for the storage of raw materials, products, or landfills	Effective fire protection systems at all the facilities Direct contact with emergency assistance Existence of action protocols in case of emergency Personnel training	Controlled risk
ENERGY	Temperature increase	Decreased battery efficiency	Production equipment failure	Duplication of key equipment Increase of preventive maintenance plans Stock of spare parts at the plant	Controlled risk
		Increase in electricity demand peaks associated to cooling and air-conditioning needs	Increased expenditure on electricity consump-tion	Use of emergency generators Estimation rentals for generators	Controlled risk
	Climatic events (torrential rain, snowfall, etc.)	Damage to electricity supply infrastructure	Energy shortage	Ownership of self-generators with enough capacity until recovery Protection and insulation of supply installations against inclemency	Controlled risk
WATER	Climatic events (torrential rain,	Overburden infrastructure	Risk of non-discharge of treated water	Temporary storage of treated water in containment basins or tanks	Controlled risk

	snowfall, etc.)	Risks concerning marine ecosystem functioning, fishing activity, and aquaculture due to an increase in the frequency and intensity of extreme events at sea (swell, storms, saltwater intrusion)	Impact on raw materials used for our Manufactu-re	Updated risk map of both national and international providers Increased stock of raw materials upon production planning Establishment of agreements with providers (Supply Agreement and Quality Agreement) in order to avoid a shortage of raw materials Proactive communication with providers	Controlled risk
	Drought	Risk of reduced availability of water resources for industrial use	Risk of shortage of water for production and auxiliary processes	Possibility of using well water Possibility of supplying drinking water by means of a tanker	Controlled risk
HR	Disruption and extinction of species	Increased presence of certain parasites	Increase of production personnel on leave rotating and less expe-rienced personnel	There is qualified supervisory personnel There are hiring protocols	Controlled risk
	Tempera-ture increase	Spread and increased incidence of pests and diseases	Increase of production personnel on leave rotating and less expe-rienced personnel	There is qualified supervisory personnel There are hiring protocols	Controlled risk

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	Climatic events (torrential rain, snowfall, etc.)	Risk of increase in the number of diseases associated to the worsening of air quality	Increase of production personnel on leave Rotating and less expe-rienced personnel	There is qualified Supervisory personnel There are hiring protocols	Controlled risk
ECONOMIC RESOURCES	Climatic events (torrential rain, snowfall, etc.)	Risk of loss of exploitation due to production losses and increased input prices	Increased price of raw materials	Updated risk map of both national and international providers Increased stock of raw materials upon production planning Establishment of Agreements with providers (Supply Agreement and Quality Agreement) in order to avoid a shortage of raw materials Proactive communication with providers	Controlled risk

The solid commitment of the Group to the installation of innovative and efficient techniques aimed at increasing environmental protection is reflected in the high expenditure and investment it assumes annually. One notable investment is that of the Chemo India Formulation Plant for the conservation of energy through the implementation of a new solar system installed on the rooftop terrace of the facility. The system has a capacity of 30 kWp, thus generating a daily amount of energy for own consumption of 140 to 175 kWh. On the other hand, an ozone generator has been implemented in its treated water tank, which will be used for internal irrigation. Ozone is a solution for problems related to water treatment, such as odour, colour, COD, or BOD, since it disinfects, oxidises, deodorises, and discolours.

In addition, we must highlight the initiatives carried out by the Ordain Plant in India, in which young trees have been planted to increase its green belt, and by the Exeltis Ilaç Plant, which has an interior garden in which fruit trees have been planted with the idea of creating a small forest.

The total resources for environmental protection of INSUD PHARMA Group's production plants corresponding to the year 2020, as well as their breakdown, are detailed below:

Total resources dedicated to Environmental Protection	**€10,967,207**

These resources include:

- Personnel dedicated to environmental management.
- Technical installations.
- Machinery.
- Data processing equipment.
- Waste management.
- Reagents involved in wastewater treatment.
- Laboratory material.
- Treatment of atmospheric emissions.
- Environmental controls, both voluntary and regulatory (water, soil, gases, groundwater...).
- Repairs and improvements.
- Studies and improvement projects.
- Audits.
- Soil protection.

On the other hand, in order to comply with Spanish Law 26/2007, of 23rd October, on environmental liability, during 2019 the relevant risk analyses were carried out in the mAbxience León Genhelix Plant and the Química Sintética Plant with the aim of establishing, if necessary, the financial guarantee of environmental liability pursuant to this regulation. In both plants, due to the high level of risk control, the establishment of preventive measures that increase environmental protection, and the use of the best available techniques, the risk of the facilities is non-existent and, therefore, they are exempt from establishing said financial guarantee as set out in article 28 of Spanish Law 26/2007 on environmental liability.

2.3. Materials

2.3.1. Background

For the development of its production activity, the Group requires the supply of raw materials and resources by other organisations, thereby producing an indirect environmental impact, originating from the production processes carried out by its providers.

The consumption of resources and raw materials for production is mainly generated in those production plants which are active.

For the elaboration and packaging of INSUD PHARMA Group products, processed products derived from the activity of other industries are used. These products are mainly chemicals, such as the active ingredients, excipients, reagents, and solvents, as well as primary and secondary packaging material for the product obtained.

Raw materials used in the production process are listed below:

- **Solvents:** solvents are volatile organic compounds that do not undergo any chemical change, i.e., they neither transform nor react. Depending on the production activity of the plant, solvents, reagents, or excipients are used according to the different stages of its production process, such as: purification processes, to carry out extractions, centrifuging processes, to dissolve active ingredients in the formulation process, as well as sterilising agents in API sterilisation. They are also used as cleaning agents for equipment and tools.
- **Reagents:** they are all those substances that undergo a process of transformation or combination during the reaction, i.e., they intervene in it.
- **Active ingredients:** they are the main ingredient of medicinal products, since an active ingredient is the substance to which the pharmacological effect of the same is attributed.
- **Excipients:** they are non-active substances that make up the pharmaceutical product. They are basically lactose, starch, food colouring agents, etc.
- **Auxiliary material:** within this category, we find raw materials not used directly in the manufacturing process, such as machine oils, cleaning products, reagents for the neutralisation of wastewater, etc.
- **Primary and secondary packaging material.**

Except at the Química Sintética Plant, raw materials used in the production process (active ingredients, solvents, and excipients) do not undergo chemical or biological changes, i.e., they do not transform or react.

The chemicals used in production are generally renewable products, since they are obtained by chemical synthesis processes.

Due to regulatory requirements to which the production process for manufacturing pharmaceutical products is subjected, the use of recycled or recovered materials is highly complex. Only in the Química Sintética Plant, and thanks to an elaborate work of solvent recovery, some of these can be recovered internally or in outsourced manufacturing to be later incorporated into the production process, complying with the established quality specifications. Furthermore, it is worth noting that containers are reused in some plants for the collection of waste.

Additionally, in all plants, studies are continuously carried out on the recovery of material resources, especially with respect to those that end up as waste, in order to reduce the generation of waste. Having continuous improvement as the basis of our activities and the fact that the environmental policy is one of our reference points when setting objectives result in our purpose being the reduction, to the extent possible, of the environmental impacts generated so that our activity causes the least possible damage to the environment. This is achieved by means of, among other strategies, the optimisation of consumption through the optimisation of processes and the support from our R&D centres.

2.3.2. Indicators

The main materials used to produce and package the products during the reporting period are listed below. Said materials will be reported grouped in international units of weight (tons).

a) Raw materials (natural resources used to transform them into products or services, such as metals, minerals, or wood).
   As previously explained, in the elaboration of final products, except in specific cases, no raw materials such as metals, minerals, or wood are used.

b) Process-related materials (materials necessary for the manufacturing process, but which are not part of the final product, such as lubricants for production machinery).

   As already indicated in the background section of this Report, most of the processed- related materials which are not part of the final product are renewable chemicals.

   The quantities consumed in national and international plants during the fiscal year 2020 of the main products used without being incorporated into the product are listed below:

Renewable materials used				
Material	**Tn**	**External or internal**	**Estimated or direct data**	**Estimation method**
Solvents	18,971	External	Direct	-
Reagents	4,611	External	Direct	-
2020 TOTAL	**23,582**			
2019 TOTAL	**14,547**			

c) Semi-manufactured items or parts, including all types of materials and components that are not raw materials and that are part of the final product.

The quantities consumed in national and international plants during 2020 of the main processed products that are part of the final product are shown below.

Renewable materials used				
Material	**Tn**	**External or internal**	**Estimated or direct data**	**Estimation method**
Active ingredients	557	Internal and external*	Direct	-
Excipients	6,089	External	Direct	-
2020 TOTAL	**6,647**			
2019 TOTAL	**4,294**			

The Química Sintética Plant produces active ingredients used in the production of the Liconsa Plant and also part of those used in the Universal Farma Plant. The Industriale Chimica Plant, in Italy, supplies most of the active ingredients of the León Farma Plant.

d) Packaging materials, including paper, cardboard, and plastics.
Listed below are the quantities of packaging materials consumed in national and international plants during 2020.

Renewable materials used				
Material	**Tn**	**External or internal**	**Estimated or direct data**	**Estimation method**
Packaging materials, including paper, cardboard, and plastics	3,809	External	Direct	-
2020 TOTAL	**3,809**			
2019 TOTAL	**4,177**			

2.4. Energy

2.4.1. Background

Energy consumption is considered a material issue for the Group, since it is a fundamental aspect due to the high energy demand required by the production processes.

This impact due to energy consumption arises from the manufacturing activities of the plants indicated in the first section of the Report. Energy consumption, both electrical energy and energy from different types of fuel, is used to power production, lighting, and air conditioning equipment, as well as various types of fuels (natural gas, LPG) used in the boilers mainly dedicated to generating steam.

Thanks to the proximity between some of the production plants, it is possible to share resources, such as the industrial steam used in the production process and air conditioning systems. This action is carried out between the Liconsa Plant and the Universal Farma Plant, and between the León Farma Plant and the Farmalán Plant, respectively. Thus, material energy consumption data are reported jointly between said plants.

For the indicators, it has been considered that all the energy consumed is considered "non-renewable", since natural gas is not considered renewable, and the percentage of renewable energy that has been used for the electricity supplied to us is variable.

The impact derived from electricity consumption is produced by the generation of electricity in the different sources and its transport by the supply companies through the electricity grid.

The impact from fuel consumption occurs externally due to production and supply, and internally due to emissions produced by combustion.

To minimise energy consumption and CO2 emissions into the atmosphere, the Group applies different measures:

- Conducting an energy audit in all national plants affected by Spanish Royal Decree 56/2016, of 12th February, which transposes Directive 2012/27/EU of the European Parliament and of the Council, of 25th October 2012, on energy efficiency, regarding energy audits, accreditation of service providers and energy auditors, and promotion of energy supply efficiency, as well as gradually implementing the measures for energy consumption reduction proposed in the audits. The Química Sintética Plant,

the Liconsa Plant, and the León Farma Plant, which cover 85% of the Group's total energy consumption, renewed in 2020 the corresponding energy audit, thus complying with the aforementioned Royal Decree. These energy audits will be renewed throughout 2024.

- Consuming natural gas, with higher performance and lower emissions than other fossil fuels such as diesel oil.

- Reducing energy demand. Based on the principle of energy conservation, actions are carried out for the insulation of the building envelope (walls, floors, roofs, glass, facades, and carpentry) and complying with the regulatory framework of the Spanish Technical Building Code (CTE, as per the Spanish acronym). The design features of the building already contemplated this principle.

- Considering habitability, based on factors that take advantage of the buildings' orientation, seeking the necessary thermal contribution for the winter periods, using solar gain and protection systems in galleries, terraces, etc.

- Ensuring energy efficiency by using a steam boiler for the production of sanitary hot water, which covers 100% of the demand through high-performance boilers and thermostatic control systems to control temperature and optimise thermal production.

- Using VRV technology for air conditioning systems, which allows intelligent air conditioning through variable refrigerant flow, maintaining individual control of each zone to be air conditioned. This system provides a total solution for heating, cooling, ventilation, air curtains, and centralised control.

- Using LED technology for lighting, which allows to reduce electricity consumption considerably. Natural lighting is developed using the Lledó Sunoptics@ system, which provides greater light transmission, as well as 100% diffusion, reducing electricity consumption and CO2 emissions. Reduction measures have already been implemented in the Universal Farma Plant, the Farmalán Plant, the León Farma Plant, the Munro Plant, the Garín Plant, the Química Sintética Plant, and the Liconsa Plant, both in the old areas and in the new extensions. In the same way, during 2020, there has been a switch in the Altian Plant from incandescent lamps and mercury tube lights to this much more efficient type of LED luminaires. This change project towards sustainable LED-type luminaires was also carried out between 2019 and 2020 at the mAbxience León Genhelix Plant.

- As part of its "Iniciativas Verdes" (in English, "Green Initiatives") project programme, and aiming at energy conservation for optimum resource consumption, the Chemo India Formulation Plant has implemented and installed a solar energy gain system on the terrace of the plant building, with a capacity of 200 kWh, which allows to reduce the emission of tons of CO2 emitted. Other measures taken within the green

initiatives project have been the installation of presence timers for lighting, optimisation of the time of use of cooling equipment, compressors, hot water systems, and street lighting. In the combustion boilers, pressure timers have been installed to reduce the hours of fuel consumption. In addition, greater control of energy consumption has been exercised through daily monitoring of the consumption line.

- The switching on and off of lights is also monitored in order to programme them according to the occupancy of the rooms.

- The Liconsa Plant has carried out studies to minimise product packaging, reducing its volume, which means a reduction in transport energy consumption by increasing the volume of transported product (GRI 302-5 Reduction in energy requirements of products and services).

- As has been introduced at the beginning of this report, the INSUD PHARMA Group is a family group where human personnel are the basis of success. The responsibility of employees with respect to the environment is important and is supported by the awareness and training sessions.

2.4.2. Indicators

The amounts of energy consumed in national and international plants during 2020 are detailed below:

Non-renewable fuel consumed (Mwh)	**Natural Gas**	217,435
	Fuel Oil	-
	LPG	69
	Diesel	446,780
Renewable fuel consumed (Mwh)		-
Electricity purchased for consumption (Mwh)		71,958
Electricity, heating, cooling, and steam self-generated and not consumed (Mwh)		-
Electricity, heating, cooling, and steam sold (Mwh)		-
Total energy consumption within the organisation (Mwh) 2020		**736,242**
Total energy consumption within the organisation (Mwh)		**749,524**

***Non-renewable resource**: Resource that is not renewed in short periods of time. Examples of non-renewable materials include minerals, metals, oil, gas, or coal.*

****Renewable resource**: Material from abundant resources that are rapidly replenished through ecological cycles or agricultural processes, so that the services provided by these and related resources are not compromised and remain available for future generations.*

2.5. Water

2.5.1 Background

The consumption of water is considered an issue of great importance for the Group, since it is an essential natural resource for living beings and for its production activity.

Most of the water consumption occurs in the different phases of the production process and equipment cleaning, as well as in auxiliary processes (boilers, refrigeration, etc.). The process water is subjected to different treatments necessary to meet the specifications required by each process.

Reducing water consumption is a corporate goal and, to this end, the main measures aimed at achieving this objective are described below:

- Continuous study and implementation of improvements aimed at optimising cleaning processes and production processes that reduce water consumption.

- There is a trend towards manufacturing in campaigns with the objective, among others, of reducing the number of cleanings and, consequently, the amount water used in them.

- The Química Sintética Plant implemented an internal Telemetry tool for the management and control of water consumption by zones, which allows for a more efficient control of water consumption and to address any anomalous consumption that may occur. Furthermore, the change in the manufacturing concept, which has gone from manufacturing on demand to manufacturing in campaigns, has contributed enormously to the reduction in the consumption of this resource, derived from a drastic reduction in the number of cleanings.

- At the mAbxience León Genhelix Plant, facilities are powered by the most innovative technology in the industry, single-use technology. This technology consists of the use of disposable bioreactors, which provides a double advantage. On the one hand, it offers greater flexibility, allowing the product to be changed in record time and, on the other, it eliminates any possibility of cross-contamination throughout this process. In addition, the use of this technology allows a significant saving in the resources consumed during the production processes. Mainly, the consumption of water and cleaning agents is reduced, which fall by 80% and 90%, respectively, as these are not necessary for cleaning the reactors, and this reduces the environmental impact of our facilities.

- At the Liconsa Plant, rejects from the water purification plant are utilised in non-productive uses such as irrigation. This water, despite not being usable in production, comes from the drinking water supply network, so it is completely suitable for use in irrigation or fountains, avoiding the discharge of large quantities of clean water and making it unnecessary to consume additional water to irrigate gardens or feed ornamental fountains.

- The Group conducts awareness campaigns to save water consumption.

- In the Chemo India Formulation Plant, taking into account the scarcity of water, rainwater collection tanks equipped with filtration systems for water were installed in various areas, which can then be used in various non-productive processes such as irrigation, fire system, etc.

- The Exeltis Ilaç Plant in Turkey began to work on campaigns that lead to a reduction in the cleaning associated with the production process. In addition, cleaning of the equipment is only carried out when it has been idle for more than two hours.

- The Garín Plant has a 350 m^3 rainwater reservoir that fulfils the mission of using the water collected from rain to irrigate green spaces such as the 200 m2 green terrace.

- Currently, and following the line of continuous improvement aimed at reducing the consumption of resources, the Química Sintética Plant is immersed in the process of implementing a project to reduce water consumption, consisting of the reuse of previously treated wastewater at the Wastewater Treatment Plant. This project to reuse water in non-productive auxiliary processes, which will be fully operational in 2023, consists of ultrafiltering the treated water in the wastewater treatment plant, which is expected to be used in non-productive processes. The reuse of water is an intrinsic component of the management of the water resources of our "blue planet". The reuse that has aroused most interest since the middle of the last century is the so-called planned reuse or, simply, reuse.

- It is worth noting that at the Ordain Plant all the permeated water in its ETP and STP water treatment system is reused for its many hectares of garden. When irrigation is not required due to increasing rainfall, this treated water is stored in a tank, which allows them to have zero discharge.

This water reuse project, linked to the natural hydrological cycle of water, together with the recovery of by-products represent the two most emblematic examples that fall within the concept of circular economy.

Due to the volume of water withdrawn (no more than 5% of the annual volume of the water body) and because they are not part of protected areas and do not affect biodiversity, the water sources are not affected by the organisation's activity (GRI 303-2 Water sources significantly affected by withdrawal of water).

The organisation does not recycle water for internal reuse, but there are projects to do so (GRI 303-3 Water recycled and reused).

2.5.2 Indicators

The amounts of water consumed in national and international plants of the Group during 2020 are detailed below:

Source	Flow rate withdrawn (m^3)
Surface water, including water from wetlands, rivers, lakes, and oceans	**6,660**
Groundwater	**503,972**
Rainwater collected and stored directly by the organisation	**310**
Wastewater from another organisation	-
Municipal water supplies or other public or private water services	**611,651**
Total volume of withdrawn water	**1,122,593**
Total volume of withdrawn water	**872,162**

In 2020, the León Farma Plant performed adjustments of the level of condensate in boilers and installed a new heat exchanger for the filling of hot water in the air-conditioner. These and other improvements have led to a 3% reduction in the water consumption rate in these facilities compared to the previous year.

2.6 Biodiversity

As justified in the different assessment documents prepared to obtain environmental authorisations for the plants (Integrated Environmental Authorisation, Environmental Impact Assessment, etc.) none of the operation centres owned, leased, or managed by the organisation are located within or adjacent to protected areas or areas of high biodiversity value outside protected areas.

The activities, products, and services of the organisation do not cause significant impacts on biodiversity. The areas affected by the organisation do not affect habitats of species that appear on the IUCN Red List or national conservation lists.

In view of the above, it has not been necessary for the organisation to carry out activities to protect or restore natural habitats due to the damage suffered as a result of the Group's activities.

2.7 Emissions – Climate Change

2.7.1 Indicators

Emissions of pollutant gases and their influence on climate change is an environmental aspect that is considered relevant for the Group, mainly due to the emissions of combustion gases from boilers.

The impact of emissions into the atmosphere is produced directly by fuel consumption, and indirectly by electricity consumption. In line with our mindset of reducing the potential environmental impact produced by the organisation, priority is given in all plants to the use of the Best Available Techniques, whether they are applied through Integrated Environmental Authorisation or not.

Given the diverse nature of the production activities carried out at each of the plants and based on their inputs and the equipment used, it is not possible to set shared global goals for all the plants. Each plant sets its own measures for the reduction of emissions if deemed appropriate. Nevertheless, the entire Group has a global commitment to preventing pollution by reducing, to the extent that is technically and financially possible, waste, discharges, and emissions generated by our activities, as well as other impacts that our activity may have on the environment.

The values referring to direct and indirect CO_2 emissions from electricity consumption are reported, since the rest of the indirect emissions of the organisation are not considered significant compared to the emissions generated directly in the production process.

In the Group, no significant power generation activities are carried out, therefore the indicator GRI 305-2 Energy indirect (Scope 2) GHG emissions is not taken into account. In addition, INSUD PHARMA Group does not participate in the trading of greenhouse gas (GHG) emissions rights. Similarly, there are no biogenic CO_2 emissions.

As a general rule, in production plants, there are no emissions of fluorinated gases that deplete the ozone layer. This potential aspect could only occur in the event of leaks in the cooling equipment. To prevent such an event, there are internal maintenance plans and leak checks by authorised maintenance companies. For this reason, the indicator GRI 305-6 Emissions of ozone-depleting substances (ODS) does not apply.

In Spain, plants are subject to different authorisations with respect to emissions into the atmosphere:

	Química Sintética	*Universal Farma*	*Genhelix*	*Liconsa*	*León Farma*	*Farmalán*
AAI-IPCC (Spanish Law 16/2002)	X	-	X	-	-	-
Activities which may potentially pollute the atmosphere (Spanish R.D. 100/2011)	X	-	X	X	X	-
VOCs (Spanish R.D. 117/2003)	X	-	-	X	-	
E-PRTR (Spanish R.D. 508/2007)	X	-	X	-	-	-
Regulation (EC) 1005/2009 on substances that deplete the ozone layer	X	X	X	X	X	X

The Group includes in its Environmental Policy the obligation to adopt measures to minimise the emissions produced by its activity, with which it ensures that the values of its emissions remain below the legal limits.

Among the measures to reduce pollutant emissions implemented, the following should be highlighted:

- The organisation has the Best Available Techniques (BAT).
- All production processes that may or could be associated with the emission of pollutants into the atmosphere incorporate in their structure or are connected to a treatment system to avoid or minimise emissions into the atmosphere.
- The following is a description of the systems installed and/or measures taken to avoid or minimise polluting emissions into the atmosphere at the Química Sintética Plant:
  - In the first place, there are two types of polluting emissions, diffuse and concentrated, treated independently, thus ensuring a high quality of environmental protection in the field of emissions into the atmosphere.
  - Through a propylene conduit, the diffuse emissions are directed to scrubber washing towers. The liquid and gas phases are brought into contact by means of fillers with a large specific surface area and low pressure drop, which allow high absorption yields and low operating energy consumption to be obtained with moderate liquid loads.

- For the treatment of concentrated emissions from the main production equipment, an efficient treatment system is used, consisting of condensation through condensers incorporated into the main equipment, such as reactors and vacuum dryers, which is then treated in absorption/neutralisation columns that perform the function of a gas scrubber. The traces of Volatile Organic Compounds (VOCs) converge in the general treatment line, which is directed towards two condensers placed in series with a temperature below zero that allow for the condensation of those traces of gases that were not eliminated in the first stage. Finally, the plant has a high-efficiency cryogenic condenser to refine the emission thanks to the action of liquid nitrogen at -110 ºC. In this way, we make sure that all the solvents are condensed, since they have exceeded their dew point, thus ensuring the filtration of the gas stream emitted.

- At the Liconsa Plant, the solvents used in the production process, which are pulverised, leave the beds in vapour phases, forming part of the exhaust air stream. A Solvent Recovery Plant (SRP) is used to treat these gas streams. The objective of the SRP is to treat these air streams and organic vapours, so that the emissions comply with the legal requirements for VOC concentration and at the same time recover the organic solvents used in the process. The reduction of the volume of VOCs is achieved by passing the stream through beds of activated carbon that adsorb these compounds. Subsequently, the VOCs are desorbed and condensed, obtaining a liquid effluent. The overall recovery process carried out in the activated carbon beds is performed in two phases: adsorption phase and regeneration phase.

- The INSUD PHARMA Group is committed to reducing greenhouse gases. For this reason, it uses either Natural Gas or Liquefied Petroleum Gases as fuels, which reduce the emissions of Carbon Dioxide (CO2) and Nitrous Oxides (NOx), the main gases responsible for climate change.

- The combustion boilers are high-performance with thermostatic control systems to control temperature and optimise thermal production.

- The installed emission treatment equipment is of high efficiency and proven effectiveness. Absolute filters are available so that, if they are working properly, no particles should be detected in the emission.

The effectiveness of the measures to reduce atmospheric emissions is reflected in the results of both voluntary and regulatory environmental controls, in which the results of all

parameters are always below the maximum legal limits.

Furthermore, it is worth mentioning that a negotiation has taken place with the electricity supply company, and it has been agreed that from 2021 onwards all he power supplied to the plants located in Spain will be renewable.

The annual CO_2 and CO emissions produced in 2020 by natural gas, diesel, and liquefied petroleum gas combustion boilers are included below.

	Tn CO_2 Eq.
2020 Scope 1 emissions	166,344
2019 Scope 1 emissions	177,905

**The calculation of the annual emissions produced in 2020 has been made from the conversion factors obtained in DEFRA (Department for Environment, Food, and Rural Affairs, UK).*

This indicator takes into account the indirect CO_2 emissions from the consumption of electrical energy by the suppliers of said energy to all national and international plants.

Annual consumption (Kwh)		Tn CO_2 eq
2020 Electricity	71,957,524	24,405
2019 Electricity	65,072,269	21,732

**As a calculation source, the conversion factor present on the official website of the International Energy Agency (IEA) has been used.*

2.8 Effluents and Waste

2.8.1 Background

The discharge of effluents is a material issue for the Group since, due to its activity, contaminated process waters are produced that could have a negative effect on the environment if they were not properly treated.

The generation of waste is a also a relevant issue for the Group, since different types of waste are generated in the production process that must be managed correctly to minimise their potential impact on the environment.

We can differentiate 3 types of wastewater:

- Industrial
- Rainwater
- Sanitary

Each of the production plants has a treatment method for its generated wastewater depending on the characteristics of its activity.

The main existing treatment methods are detailed below:

Química Sintética Plant:

Its Environmental Policy is integrated in the Química Sintética Environmental Management System, certified since June 2015 pursuant to the UNE EN ISO 14001 Standard, which is an international reference standard. This system reaffirms Química Sintética's commitment to environmental protection of our environment.

Biodegradable wastewater, sanitary water, and rainwater are treated in the Wastewater Treatment Plant (WWTP) at the facility. Process water that is not biodegradable or cannot be treated in the treatment plant due to its high organic load or salt content is managed externally as waste through an authorised manager.

The Química Sintética Plant is itself a bund. The sewage system is routed so that any discharge is treated in the WWTP, avoiding any negative environmental effect outside the plant or in the Integral Sanitation System.

The Wastewater Treatment Plant of Química Sintética, in general terms, has the following unitary treatments:

- Containment basins (settling basins).
- Physicochemical treatment.
- Biological treatment.
- Secondary sedimentation after the start-up of the ultrafiltration equipment. The purpose of the settling tank will be to store the ultrafiltered water.
- Tertiary treatment by flotation in the process of replacement by ultrafiltration equipment.
- Sludge treatment line.

In 2016, a new aerobic biological reactor was put into operation, consisting of a vitrified steel tank with a useful biological reaction capacity of 1,200 m^3. The purpose of this reactor is to treat biodegradable wastewater with a high load, which was being managed as waste through an external authorised manager due to lack of capacity in the WWTP designed at the beginning. Initially, the plant had two biological reactors of about 1,050 m^3 each, made of reinforced concrete, semi-buried, adjacent to each other, and with a rectangular configuration. After the construction of the new reactor, the three reactors work in series. After undergoing physicochemical treatment, the wastewater is pumped from one biological reactor to another.

The three biological reactors have aerobic biomass, and the oxygen supply is carried out through a tank of pure oxygen. The concentration of dissolved oxygen in the mixed liquor is controlled through a continuous meter, which sends a signal to a solenoid valve that opens or closes the supply of oxygen according to previously established setpoint parameters.

The installation and commissioning of a tertiary treatment is currently underway, consisting of a ceramic membrane ultrafiltration equipment for treated water at the WWTP, with the aim of improving the WWTP performance and reducing the pollutant load of the discharge. It will therefore replace the current flotation equipment, the ultimate goal being zero discharge and reuse of water, in line with the concept of circular water economy.

With the start-up of this piece of equipment, the plant will be able to move forward with the reuse of ultrafiltered water in non-productive auxiliary processes. Given the activity carried out in the facilities (manufacture of active ingredients for the medicinal product), for obvious quality reasons, the reuse of wastewater for use in the production process is not feasible. Reuse in auxiliary processes could be expected to begin in 2023.

Over the last seven (7) years, the Química Sintética Plant has invested more than ten million euros (€10,000,000) in Best Available Techniques. At present, modification of the water treatment flow has been carried out, with the objective, among others, of minimising the storage time that could lead to anaerobic reactions, and reducing the discharge flow to 50%, substantially improving the quality of the discharge.

It is worth noting that:

- The former homogenisation is currently used as a collection tank for torrential rainwater and, in case of emergency, it could be used as a spill containment tank.

- The physicochemical treatment at the WWTP is only used to treat the biological purge sludge. Since the presence of inorganic solids in the wastewater to be treated at the WWTP is minimal, water can go directly to be treated in the

biological reactors, reducing as much as possible its transfer through the WWTP facilities.

- The biological sludge purge, after passing through the physicochemical treatment, adopts sufficient size and weight to improve its subsequent settling in the sludge thickener. This avoids prolonged storage of the biological sludge and favours its immediate dewatering, avoiding anaerobic reactions, which generate unpleasant odours.

- Once the ultrafiltration equipment has been commissioned, the secondary settling tank will be used only to store ultrafiltered water, which may be reused.

- For twelve (12) hours (from 18:00 to 6:00 h), treated and clarified water is transferred to tertiary treatment by floatation. From there, it is pumped towards the Integral Sanitation System of Alcalá de Henares in order to be treated at the municipal wastewater treatment facility. This operating scheme, with 12 h of discharge and 12 h of recirculation, is related to an ongoing project whose objective is to reuse water treated at the WWTP in non-productive auxiliary processes (VERTIDO 0; in English, “Zero Discharge”).

Universal Farma Plant:

A separate, industrial, sanitary, and rainwater treatment network has been built, avoiding any water pollution. The effluent treatment system of the production plant is carried out through the homogenisation-neutralisation area, which consists of two 15 m^3 industrial water reception and homogenisation tanks and an in-line pH correction system. There are two tanks for the collection and storage of industrial water. The homogenisation of the water favours its neutralisation. However, an automatic pH measurement and correction system has been installed to ensure water neutralisation prior to discharge. Given the low pollutant load of the water discharged by Universal Farma Plant, the only correction that may sometimes be required is the neutralisation of the water. The automatic system does not allow the water to be discharged into the sewage system until the pH measurement is within the established range. During the process of water neutralisation, the system automatically closes the discharge valve. In accordance with the above, industrial water is not discharged directly into the public sewage system, but it is discharged after the tank has been filled and neutralised.

Sanitary water and rainwater is discharged directly into the public sewage system, without undergoing any type of treatment, as in the waste of a residential or tertiary activity.

mAbxience León Genhelix Plant:

Water is collected by four different networks: rainwater, sanitary, industrial, and biological/concentrated. Rainwater and sanitary water will be discharged directly to the corresponding collector of the park network. The mAbxience León Genhelix Plant's drainage system allows the segregation at source of the discharges generated in the production and R&D process, so that any discharge that does not comply with the values set by municipal regulations is sent to a homogenisation tank for storage and subsequent external treatment by an authorised manager (biological/concentrated waters). Discharges that can be adapted to the established values are segregated in an independent network to be treated prior to its evacuation by passing through a watertight recovery tank, where its pH and conductivity will be conditioned.

Liconsa Plant:

It has two service reservoirs for the reception and homogenisation of industrial water of 25 m^3 each. The reason why the production plant has two reservoirs is to be able to use one as a bund so that, in the event of an accidental discharge, it would be retained in the reservoir to be subsequently analysed and corrected internally or managed as waste through an authorised manager. The homogenisation of the water usually favours its neutralisation; however, an automatic pH measurement and correction system has been installed to ensure water neutralisation prior to discharge. Given the low pollutant load of the water discharged from our facility, the only correction that may sometimes be required is the neutralisation of the water. The control and adjustment of the pH begins when a level of 80% is reached in the reservoirs. Once the pH has been adjusted, the effluent is discharged into the municipal treatment system. Sanitary water is discharged into the public sewage system without undergoing any type of treatment.

León Farma Plant:

It has a 40 m^3 containment tank for industrial and laboratory water. These waters are sent to specialised plants of external managers. There is another 40 m^3 homogenisation tank for water from general systems, toilets, warehouse, boiler and water plant rejects, etc. with pH control and neutralisation system prior to discharge to the ISS.

Farmalán Plant:

It uses León Farma Plant's discharge systems, also having a separate sewer network.

Chemo India Formulation Plant:

A lamella bed has been installed to provide that extra filtration using a natural and sustainable ecological process with zero energy consumption and no additional chemicals or other maintenance requirements.

The operating principle is simple: water travels through layers of gravel and stones where a thin film of bacteria breaks down organic matter. At the same time, reed plants absorb the remaining nutrients present in the water. Finally, the water is clarified in a series of humus tanks and, as a final result, we obtain clean water that will be reused for gardening. The goal achieved is zero liquid discharge.

In none of the production plants has there been any significant spill affecting the environment (GRI 306-3 Significant spills), since in all of them there are sufficient preventive measures, among which are:

- Plant integrated in its entirety as a bund (Química Sintética Plant).
- Paving and waterproofing of all areas susceptible to a spill.
- Air conduction systems for leak detection.
- Surface storage tanks, with bunds of sufficient capacity to retain the possible spill.
- Buried double-walled tanks and pressure gauges indicating possible leaks that could affect the environment.
- Delimited loading and unloading areas with retention chambers for potential spills.

By discharging all wastewater exclusively into the sanitation network connected to municipal WWTPs, there are no effects on water courses (GRI 306-5 Water bodies affected by water discharges and/or runoff).

In the Group's production plants, the multiple and effective measures aimed at reducing waste generation, reducing its hazardousness, and improving waste management are always adopted, following this order of preference:

- Prevention, reduction at source, minimisation of the use of necessary resources, minimisation of the production of waste from each process.
- Preparation for reuse: the reuse of materials in the centre itself will be considered a priority rather than an external activity.

- Segregation, internal or external recovery under the outsourcing regime.
- Internal recovery for reuse.
- External recovery for recycling.
- Evacuation by authorised manager as non-recoverable waste.
- Upcycling: only outside the centre, in authorised treatment plants.
- Landfills.

Among the measures to achieve the reduction of waste, are the following:

- Reduction at source: Optimisation of production processes (R&D) and reorganisation of the production system, which implies their simplification.
- Optimisation of treatment processes for non-natural waters that may be discharged into the different integral sanitation systems.
- Periodic reviews of the effluents generated in order to reduce the generation of waste destined for external management through an authorised manager.
- Increase in the internal recovery capacity of those solvents that can be reused in the process. So far, this measure is only applicable to Química Sintética.
- Reduction of the ratio of consumption of raw materials per tonne of manufactured product and, consequently, of the ratio of associated waste.
- Correct segregation of waste in all waste-producing areas. All waste is correctly classified in a classification area provided for this purpose. For this, the corresponding procedures for the management and handling of products and waste have been developed.
- Training of all personnel, before starting work, in the work procedures necessary for the performance of their activity.
- Reuse of containers for the collection of waste.

- Favouring the purchase of raw materials in bulk over the purchase in containers.
- Investment in specific machinery for the recovery of the raw material involved in the production and packaging process in cases where this process is applicable.
- The Group carries out awareness-raising campaigns on the need to carry out a correct segregation of the different types of waste.

The INSUD PHARMA Group is committed to the environment, taking measures aimed at reducing the environmental impact of its activities. In relation to the reduction of the generation of residual plastic, during 2019, water fountains were installed at strategic points of the different companies and the distribution of reusable glass bottles for all employees was carried out. This measure eliminated the vending of plastic water bottles, thus eliminating the generation of this waste and sending a message of environmental awareness to the entire workforce.

The mAbxience León Genhelix Plant has implemented various measures to reduce the amount of wastewater generated by its production activity, which represents more than 90% of the total hazardous waste generated. Among the improvements implemented is the expansion of the industrial plant drainage network and the acquisition of flow meters to quantify the destination of water from the plant network, in order to optimise segregation at source and wastewater management. Also, at the end of the year, a wastewater evaporation system was approved for implementation during 2020, which will allow a theoretical reduction of this waste by 80-90%.

At the Nufarindo Plant, a system for the treatment of sanitary discharges generated at the facility has been installed. All effluents from toilets, cafeterias, or septic tanks are collected in the equalisation tank and then sent to a bioreactor, where the decomposition process takes place, which uses microorganisms performing the following processes: aerobic process, anaerobic process, and sedimentation. The three processes require a minimum of 24 hours, and it has a capacity of 10 m^3. The process continues with a filtration phase using a media filter (sand, silica, and activated carbon); then the effluent is transferred to the effluent tank where disinfectant (chlorine) is added, and the effluent is ready for discharge.

At the Liconsa Plant and the León Farma Plant, the treatment of obsolete or out-of-specification finished product waste has been convened with a waste treatment manager who performs a more sustainable treatment of this waste. Previously, pharmaceutical waste was sent to be stored in a secure landfill or to upcycling. However, we have recently signed a contract with a new authorised manager to send it to their treatment plant, where

they manage all SIGRE waste (waste adhered to the Integrated Packaging Management and Collection System) in Spain. There, all materials are shredded and segregated to recycle those that can be recycled (cardboard, plastic, glass, aluminium, etc.) and to form a RDF for upcycling with the rest.

2.8.2 Indicators

All plants included in the scope of consolidation of this Report have process water treatment systems, based on the best available techniques, prior to their authorised discharge and with the maximum rigour of compliance with current legislation in each location of the centre.

The total process water discharged during 2020 by national and international plants is included below:

2020 Total volume of programmed water discharges (m^3)	**820,058**
2019 Total volume of programmed water discharges (m^3)	**654,433**

In some cases, the volume of discharged water is calculated by means of meters located in the wastewater treatment process, as is the case of the Química Sintética Plant. In other cases, these data are estimated based on water consumption, subtracting what is managed as waste, what is used in irrigation, or what is evaporated from auxiliary equipment.

The volume discharged includes the treated water in the existing treatment systems in the different plants and in the case of the Liconsa Plant and the Química Sintética Plant, it also includes sanitary water and rainwater. In the rest of the plants, the volume discharged referred to rainwater and sanitary water is not counted.

Currently, as already mentioned, the Química Sintética Plant is immersed in the study of a water reuse project for its use in non-productive auxiliary processes.

It is noteworthy that the Ordain Plant is already reusing treated process and sanitary water. Water from the production process enters a treatment line for reuse in steam boilers. Similarly, the influent from the sanitary water is treated in a different line than the process influent and, once treated, it is reused in auxiliary processes such as irrigation.

The quality of the water discharged by the plants in Spain and some of the international production plants is reflected in the results obtained in the analyses performed by external laboratories, whose values for the most representative parameters of the activity are detailed in the following table:

Quality of discharged water	QS	UF	GH	LC	LF	Semarang Plant	Altian Pharma	Exeltis Turkey	Industriale Chimica	Chemo India	Ordain	Chemo biosintes	La Linda	PharmADN	Legal limit**
BOD5 (mg/l)	160	65	49	306.33	440	20	330		12.5	**23**	**23**	**21**	**<5**	**<5**	**500 mg/l**
Conductivity (microS/cm^2)	3.043	106	380	1,109.5	1,508	39			430	**150**	**180**	**1,184**	**18.7**	**36**	**5,000 microS/cm^2**
COD (mg/l)	633		74	601	541	39	601	1,250.0	30.0	**114**	**229**	**42**	**17.2**	**55**	**1,000 mg/l**

**As indicated above, the Farmalán Plant's discharge is done jointly with that of León Farma Plant.*

********The most restrictive value among the different regulations applicable to each plant is taken.*

In all cases, the results obtained are below the legal limits.

The disposal method for each type of waste has been decided taking into account the Best Available Techniques (BATs).

Data on the quantities of waste generated by the national and international plants are obtained from the information contained in the documentation accompanying each waste removal and that provided by the waste managers after each removal with the actual weight at the entry into the management plant, which are incorporated into the chronological waste register of each plant.

Waste by type and destination	Waste (Tn/year)
Upcycling	18,910
Elimination	14,377
2020 TOTAL Hazardous Waste	**33,287**
2019 TOTAL Hazardous Waste	**28,517**
Upcycling	2,425
Elimination	3,308
2020 TOTAL Non-Hazardous Waste	**5,733**
2019 TOTAL Non-Hazardous Waste	**5,912**
2020 TOTAL Waste	**39,019**
2019 TOTAL Waste	**34,430**

Following the provisions of the environmental policy, in order to prevent pollution by reducing waste, the León Farma Plant, the Farmalán Plant, and the Liconsa Plant have implemented an inventory and stock control system for the control of laboratory reagents. Thanks to this, a 10% reduction in the waste generation ratio of laboratory reagents has been achieved with

respect to the previous year. In addition, the waste warehouse has been expanded, which has improved segregation at source.

Furthermore, it is worth noting that the mAbxience León Genhelix Plant has focused its environmental improvement in 2020 on reducing waste generation and, in particular, the generation of wastewater.

In August 2020, an evaporator unit was put into operation so that wastewater enters this piece of equipment and undergoes a vacuum evaporation process. This process provides a final concentrate and a low-conductivity distillate. The operation of the evaporator unit is managed by an automaton which controls the input of gross effluent and the discharge of distillate and concentrate. On the one hand, the concentrate is automatically discharged into a 30 m^3 tank for its storage and subsequent external management. On the other hand, the distillate is homogenised with the rest of industrial water, which is segregated into an independent network so that it is treated prior to its evacuation into the integral sanitation system. Currently, the evaporator unit has achieved a performance of 80%, which means that, under optimum operating conditions, 80% of the entry effluent (wastewater that until now was managed externally) is discharged as distillate and 20% is discharged as concentrate, the latter being the one that is stored for subsequent external management.

3. Social and Personnel Management

For the sake of clarity, it is hereby stated that the data have a scope of 94.6% with respect to the workforce corresponding to the financial consolidation scope. The remaining 5.4% corresponds to workers from companies in which the Group holds shares, whose workforce is not managed by the human resources area.

3.1. Policies and Commitments (GRI 103-2)

The mission of the people management policies of the INSUD PHARMA Group is to contribute to building a more agile company and to improve efficiency with light organisational structures which are focused on business priorities and which promote productivity, self-sufficiency, and speed both in decision-making and action, rigorously complying with current legislation in each territory and promoting an inclusive culture.

The central department of People, called "People", represents an essentially advisory department within the Group, which offers support and cooperates with the subsidiaries. It is part of the Group's strategy to decentralise the implementation of initiatives, policies, processes, and decision-making in the different areas of social and human resources management. In spite of this decentralisation, one of the main purposes of People is to guarantee equal treatment and opportunities between men and women in labour matters, as well as the inclusion of persons with disabilities.

To this end, key people management policies and the tools on which they are based are designed to avoid any bias that could lead the Group to incur in a risk of discrimination based on gender, age, race, or any other personal circumstance.

The measures included in the key policies are:

- **Competency-based selection**: talent acquisition processes are designed to ensure that the Group hires the best professionals for each position. This starts with a job description containing the experience, qualifications, knowledge, and other requirements to be met by candidates for each position, using gender-neutral language and avoiding any reference to other personal circumstances. In this way, the aim is to eliminate any bias in the filtering of CVs.

  Secondly, the selection interviews and evaluation of candidates focus on checking their technical competencies, skills, experience, and references to ensure that the most suitable professionals are recruited for each position.

- **Remuneration**: the Group has implemented the IPE (International Position Evaluation) system of the consulting firm Mercer HR for job evaluation.

  The IPE system makes it possible to establish the hierarchy and subsequent levelling of jobs based on the analysis of each position with respect to the following business contribution factors:

  - **Impact**: under this factor, the characteristics of the company or business unit in which each position is integrated (dimension and value chain) are analysed, as well as the contribution of the position to the results.
  - **Communication**: determines the nature of the communication requirements of the position, as well as the frame of reference and the type of dialogue required.
  - **Innovation**: analyses each position based on the requirements for detecting and implementing operational improvements and for the development of procedures, services, and products.
  - **Knowledge**: measures the nature of the knowledge and experience required by the position in order to meet expectations, objectives, and add value to the organisation. This factor also analyses the extent to which the job responsibilities include team management, as well as the geographic scope of the area of operation of the job.
  - **Risk**: evaluates the risks to which each position is exposed (physical or mental), as well as the degree of exposure.

  The IPE system is currently used to evaluate 568 positions in the Group in more than 25 countries. With the results of the job evaluation and market salary studies of the consulting firms Mercer HR Consulting and WillisTowersWatson, the corporate compensation and benefits department designed a structure of 26 salary bands on which compensation decisions are based: hiring salaries, promotions, and salary increases. These tools ensure that all Group employees are grouped into salary bands that group together positions with similar contribution levels, thus ensuring that the criteria for compensation decisions eliminate gender bias.

- **Annual Performance Review**. Finally, in 2017, People Department promoted the implementation of a common annual performance review process for the entire Group, so that, based on the business objectives, all employees establish

individual and team objectives for the year with their supervisors. To drive performance and professional growth, we believe the process should ensure a good conversation at the beginning of the year between the manager and the employee about what is expected of each person in terms of key objectives and values (i.e., what objectives are be achieved and how).

The results of the annual performance review allow to make people management decisions, such as promotions, salary reviews, approval of annual bonuses, and training and development plans, according to the objectives achieved and the values and competencies demonstrated by each person.

- **Digital Platform for Human Resources Management: HR2O**

  To support its mission, in the last quarter of 2017, the Group undertook the implementation of HR2O as our global human resources management platform. The investment and effort dedicated to this initiative succeeded in integrating all the countries where we operate within twelve months, which substantially improved our ability to track key personnel management indicators.

  HR2O thus became the central information platform that enables us to identify our internal talent, carry out development plans, and share management criteria throughout our organisation. This platform, insofar as it forms the basis for the digitisation of human resources management and the strengthening of our analytical capacity, is essential to support global integration efforts as a Group, with the following objectives:

  - To contribute to increasing the productivity of our employees and refining their experience through the use of technology that enhances the connection between employees and executives, continuous assessment, and team alignment across the Group.
  - To support the Group's digital transformation which is a key element in our business.
  - To understand and support an organisation with lean and agile structures, with an organisational model focused on teamwork that offers collaborative solutions and process automation.
  - During 2019, a special effort was made to add new functionalities integrated into the HR2O platform, among others, the on-boarding, recruitment, off-boarding, and people management dashboard modules came into service, allowing for substantial improvements in management

capacity, improving efficiency, and strengthening the overall scope of the work of the Corporate People Department.

- In 2020, we have continued to improve this tool by integrating the HR2O platform with the payroll system, implementing the Employee Central Payroll functionality. With this integration, we have driven an improvement of data quality and we have taken the first step towards the consolidation of the data which make up the global profile of each employee.
- To continue with the strategy and mission established by the Group's Management in the global people management model, HR2O aims to make available to business managers a tool that allows them to keep track of personnel movements and minimise the dedication to management reporting activities.

3.2 Employment

3.2.1 Number of Employees by Country (GRI 102-8)

COUNTRY	No. OF EMPLOYEES IN 2019 *(31/12/19)*	No. OF EMPLOYEES IN 2020 *(31/12/20)*	No. OF EMPLOYEES IN 2020 *(31/12/20) (excluding mAbxience)*
Argentina	164	177	0
Austria	7	10	9
Belgium	7	8	8
Brazil	99	122	122
CENAM	241	211	211
Chile	58	61	61
China	31	24	24
Colombia	51	51	51
Czech Republic	24	25	25
Ecuador	0	13	13
France	43	39	39
Germany	90	83	82
Hungary	23	25	25
India	1,060	845	845
Indonesia	379	322	322
Italy	279	341	341
Mexico	351	363	363
Peru	0	13	13
Philippines	55	58	58
Poland	51	45	45
Portugal	8	11	11
Slovakia	18	21	21
Spain	2,193	2,342	2,162
Sweden	8	21	21
Switzerland	1	1	0
Thailand	46	51	51
Turkey	296	301	301
UAE	15	21	21
United States	101	101	101
Vietnam	36	31	31
TOTAL	***5,735***	***5,737***	***5,377***

**Active non-FTE employees.*

3.2.2 Total Number and Distribution of Employees by Gender, Age, and Occupational Classification; Total Number and Distribution of Employment Contract Modalities; Average Annual Number of Permanent Contracts, Temporary Contracts, and Part-Time Contracts by Gender, Age, and Occupational Classification; Number of Dismissals by Gender, Age, and Occupational Classification (GRI 102-8; GRI 405-1)

a) Employee Turnover

MONTH	No. OF EMPLOYEES IN 2019	No. OF EMPLOYEES IN 2020
January	5,509	5,898
February	5,535	5,938
March	5,597	5,990
April	5,615	6,007
May	5,613	6,014
June	5,635	5,983
July	5,607	5,840
August	5,746	5,837
September	5,701	5,423
October	5,705	5,411
November	5,769	5,409
December	5,735	5,377
ANNUAL AVERAGE	**5,647**	**5,761**
TURNOVER Annual average VS. December	***1.53%***	***-7.13%***

From September 2020, those employees who offer their services to the mAbxience business unit are deconsolidated from the scope of the report, which causes a certain turnover between the annual average and the figure as of the closing date, that is, 31st December 2020.

There are no seasonal or rotation periods in the business, beyond the hiring campaigns carried out in the production plants to cover the vacations of operators and quality analysts.

Consequently, the information reported in this Report is calculated at the end of the fiscal year (31st December 2020). Due to the deconsolidation of mAbxience from the scope of the Report, the below data include two scenarios: one with the entire workforce (mAbxience included) as of 31st December 2020, and another one with the workforce as of 31st December 2020, excluding mAbxience group's personnel.

The figures include those employees who have been subject to temporary employment regulation procedures (ERTE, as per the Spanish acronym) due to COVID-19.

b) Number of Employees and Distribution

GENDER	No. OF EMPLOYEES IN 2019	No. OF EMPLOYEES IN 2020	No. OF EMPLOYEES IN 2020 (excluding mAbxience)
Men	3,407	3,314	3,150
Women	2,328	2,423	2,227
TOTAL	*5,735*	*5,737*	*5,377*

AGE RANGE	No. OF EMPLOYEES IN 2019	No. OF EMPLOYEES IN 2020	No. OF EMPLOYEES IN 2020 (excluding mAbxience)
Under 25	136	149	126
Between 25 and 40	3,466	3,103	2,854
Over 40	2,133	2,485	2,397
TOTAL	*5,735*	*5,737*	*5,377*

PROFESSIONAL ROLE	No. OF EMPLOYEES IN 2019	No. OF EMPLOYEES IN 2020	No. OF EMPLOYEES IN 2020 (Excluding mAbxience)
CORPORATE/MANAGING DIRECTOR	7	6	5
DIRECTOR	60	54	50
MANAGER/ASSOCIATE DIRECTOR	204	223	208
TEAM LEADER/LINE MNGMT./SUPERV./COORD./SPECIALIST	722	790	727
TECHNICIAN/SCIENTIST	2,173	2,255	2,143
SUPPORT/OPERATOR/ASSISTANT/ANALYST	2,569	2,409	2,244
TOTAL	*5,735*	*5,737*	*5,377*

c) Modality of Contracts and Distribution

GENDER	2019 TYPE OF CONTRACT				2020 TYPE OF CONTRACT				2020 TYPE OF CONTRACT (excluding mAbxience)			
	PERMANENT FT	PERMANENT PT	TEMPORARY FT	TEMPORARY PT	PERMANENT FT	PERMANENT PT	TEMPORARY FT	TEMPORARY PT	PERMANENT FT	PERMANENT PT	TEMPORARY FT	TEMPORARY PT
Men	2,992	8	407	0	3,132	8	173	1	2,972	8	169	1
Women	1,961	71	283	13	2,159	77	186	1	1,980	76	170	1
TOTAL	*4,953*	*79*	*690*	*13*	*5,291*	*85*	*359*	*2*	*4,952*	*84*	*339*	*2*

AGE RANGE	2019 TYPE OF CONTRACT				2020 TYPE OF CONTRACT				2020 TYPE OF CONTRACT (excluding mAbxience)			
	PERMANENT FT	PERMANENT PT	TEMPORARY FT	TEMPORARY PT	PERMANENT FT	PERMANENT PT	TEMPORARY FT	TEMPORARY PT	PERMANENT FT	PERMANENT PT	TEMPORARY FT	TEMPORARY PT
Under 25	99	0	37	0	116	1	32	0	97	1	28	0
Between 25 and 40	2,,996	39	427	4	2,829	33	239	2	2,596	32	224	2
Over 40	1,858	40	226	9	2,346	51	88	0	2,259	51	87	0
TOTAL	*4,953*	*79*	*690*	*13*	*5,291*	*85*	*359*	*2*	*4,952*	*84*	*339*	*2*

PROFESSIONAL ROLE	2019 TYPE OF CONTRACT				2020 TYPE OF CONTRACT				2020 TYPE OF CONTRACT (excluding mAbxience)			
	PERMANENT FT	PERMANENT PT	TEMPORARY FT	TEMPORARY PT	PERMANENT FT	PERMANENT PT	TEMPORARY FT	TEMPORARY PT	PERMANENT FT	PERMANENT PT	TEMPORARY FT	TEMPORARY PT
CORPORATE/MANAGING DIRECTOR	7	0	0	0	6	0	0	5	0	0	0	0
DIRECTOR	60	0	0	0	54	0	0	50	0	0	0	0
MANAGER/ASSOCIATE DIRECTOR	197	2	5	0	216	3	0	201	3	4	4	0
TEAM LEADER/LINE MNGMT./SUPERV./ COORD./SPECIALIST	691	16	15	0	758	12	0	696	12	19	19	0
TECHNICIAN/SCIENTIST	2,026	35	112	0	2,125	36	1	2,016	36	90	90	1
SUPPORT/OPERATOR/ASSISTANT/ ANALYST	1,972	26	558	13	2,132	34	1	1,984	33	226	226	1
TOTAL	*4,953*	*79*	*690*	*13*	*5,291*	*85*	*359*	*2*	*4,952*	*84*	*339*	*2*

**FT: Full-time contracts*
**PT: Part-time contracts*

d) Number of Dismissals and Distribution

	2019 NO. OF DEPARTURES (CAUSES)			2020 NO. OF DEPARTURES (CAUSES			2020 NO. OF DEPARTURES (CAUSES		
GENDER	INVOLUNTARY	VOLUNTARY	OTHER	INVOLUNTARY	VOLUNTARY	OTHER	INVOLUNTARY	VOLUNTARY	OTHER
Men	332	483	120	478	216	128	475	207	124
Women	169	232	68	154	175	68	154	161	66
TOTAL	*501*	*715*	*188*	*632*	*391*	*196*	*629*	*368*	*190*

**The Other category mainly includes departures due to the termination of temporary contracts.*

	2019 NO. OF DEPARTURES (CAUSES)			2020 NO. OF DEPARTURES (CAUSES			2020 NO. OF DEPARTURES (CAUSES		
AGE RANGE	INVOLUNTARY	VOLUNTARY	OTHER	INVOLUNTARY	VOLUNTARY	OTHER	INVOLUNTARY	VOLUNTARY	OTHER
Under 25	11	35	11	26	16	17	26	16	17
Between 25 and 40	282	502	108	400	271	99	398	253	96
Over 40	208	178	69	206	104	80	205	99	77
TOTAL	*501*	*715*	*188*	*632*	*391*	*196*	*629*	*368*	*190*

	2019 NO. OF DEPARTURES (CAUSES)			2020 NO. OF DEPARTURES (CAUSES			2020 NO. OF DEPARTURES (CAUSES		
PROFESSIONAL ROLE	INVOLUNTARY	VOLUNTARY	OTHER	INVOLUNTARY	VOLUNTARY	OTHER	INVOLUNTARY	VOLUNTARY	OTHER
CORPORATE/MANAGING DIRECTOR		1		0	0	0	0	0	0
DIRECTOR	6	2		2		2	2		2
MANAGER/ASSOCIATE DIRECTOR	24	27	2	13	16	0	12	13	0
TEAM LEADER/LINE MNGMT./SUPERV./ COORD./SPECIALIST	59	74	5	51	55	2	51	50	2
TECHNICIAN/SCIENTIST	229	271	10	224	133	22	224	125	20
SUPPORT/OPERATOR/ASSISTANT/ ANALYST	183	340	171	342	183	170	340	176	166
TOTAL	*501*	*715*	*188*	*632*	*391*	*196*	*629*	*368*	*190*

3.2.3 Average Remuneration and its Evolution Disaggregated by Gender, Age, and Occupational Classification or Equal Value (GRI 405-2)

GENDER	AVERAGE SALARY (€) *(31/12/18)*	AVERAGE SALARY (€) *(31/12/19)*	AVERAGE SALARY (€) *(31/12/20)*	AVERAGE SALARY (€) *(31/12/20)* (excluding mAbxience)
Men	*22,492*	23,216	25,097	24,884
Women	27,554	28,142	28,485	28,682

AGE RANGE	AVERAGE SALARY (€) *(31/12/18)*	AVERAGE SALARY (€) *(31/12/19)*	AVERAGE SALARY (€) *(31/12/20)*	AVERAGE SALARY (€) *(31/12/20)* (excluding mAbxience)
Under 25	9,560	9,470	12,377	11,969
Between 25 and 40	18,320	19,291	19,882	19,821
Over 40	34,981	35,878	35,700	35,140

PROFESSIONAL ROLE	AVERAGE SALARY (€) *(31/12/18)*	AVERAGE SALARY (€) *(31/12/19)*	AVERAGE SALARY (€) *(31/12/20)*	AVERAGE SALARY (€) *(31/12/20)* (excluding mAbxience)
CORPORATE/MANAGING DIRECTOR + DIRECTOR	182,633	188,357	191,314	188,324
MANAGER/ASSOCIATE DIRECTOR	84,467	91,972	92,480	92,951
TEAM LEADER/LINE MNGMT./SUPERV./ COORD./SPECIALIST	42,196	42,771	43,303	43,379
TECHNICIAN/SCIENTIST	21,431	22,334	22,044	22,048
SUPPORT/OPERATOR/ASSISTANT/ ANALYST	12,990	13,796	15,613	15,554

For confidentiality reasons, the professional roles of Corporate/Managing Director and Director are grouped together in the role analysis. The average salary presented has been calculated using the weighted average of both professional roles.

3.2.4. Pay Gap, Remuneration of Equal Job Positions, or Average Remuneration in the Company (GRI 405-2)

The Pay Gap data presented below have been calculated as the difference in average remuneration per Professional Role between women and men, expressed as a percentage of the average remuneration of men. Thus, the positive gap will indicate the percentage by which the female average salary is lower than the male average salary, and the negative gap will indicate the percentage by which the female average salary is higher than the male average salary.

As in the previous section, we present the gap analysis for the Corporate/Managing Director and Director unified. The salary data presented for this category have been calculated using weighted averages.

Given the wide geographic dispersion of the workforce and local pay trends in each country, we present below two alternatives in the gap analysis.

a) Pay gap analysis including the total workforce of the Group

PROFESSIONAL ROLE	Gender	No. of employees	Seniority (years)	Annual basic salary (€)	Pay Gap
CORPORATE/MANAGING DIRECTOR + DIRECTOR	Men	46	7.00	199,256	**17.1%**
	Women	14	7.63	165,217	
MANAGER/ASSOCIATE DIRECTOR	Men	134	6.39	96,704	**10.9%**
	Women	89	6.49	86,120	
TEAM LEADER/LINE MNGMT. /SUPERV. / COORD./SPECIALIST	Men	428	6.16	41,162	**-11.4%**
	Women	362	5.54	45,835	
TECHNICIAN/SCIENTIST	Men	1,106	4.79	19,196	**-29.1%**
	Women	1,149	4.73	24,784	
SUPPORT/OPERATOR/ASSISTANT/ANALYST	Men	1,600	5.25	14,575	**-21.2%**
	Women	809	6.60	17,664	

**Formula used: (Men's Salary-Women's Salary)/Men's Salary*

The 25% gap is only exceeded in the Technician/Scientist role.

Moreover, even though the role of Support/Operator/Assistant/Analyst does not exceed the 25% limit, the pay gap is wider here than in other higher categories.

The results shown in the table above for the lower roles, which show a very significant difference in favour of women's pay, should be qualified: these results, taken as they are, are misleading because the total sample includes the Indian workforce, which is predominantly male (men account for 95% of the workforce) and has comparatively low pay levels compared to other countries with a much larger number of women in these roles, which weighs down the average pay of men in these professional categories.

Therefore, we believe that, for a more accurate pay gap analysis, it is advisable to eliminate the bias introduced by the Indian workforce.

b) Pay gap analysis excluding the Indian workforce

PROFESSIONAL ROLE	Gender	No. of employees	Seniority (years)	Annual basic salary (€)	Pay Gap
CORPORATE/MANAGING DIRECTOR + DIRECTOR	Men	43	7.29	201,229	**17.9%**
	Women	14	7.63	165,217	
MANAGER/ASSOCIATE DIRECTOR	Men	127	6.53	98,713	**12.8%**
	Women	89	6.49	86,120	
TEAM LEADER/LINE MNGMT. /SUPERV. / COORD./SPECIALIST	Men	339	6.77	47,606	**2.8%**
	Women	357	5.60	46,259	
TECHNICIAN/SCIENTIST	Men	936	4.84	21,419	**-16.6%**
	Women	1,136	4.74	24,984	
SUPPORT/OPERATOR/ASSISTANT/ANALYST	Men	1,079	5.94	20,155	**8.9%**
	Women	772	6.81	18,362	

In this table, and despite the geographical dispersion of the Group, we can see that none of the Professional Roles exceeds the 25% gap: a figure established as a limit to understand the significant salary difference between men and women and as an element to be analysed in the Group's salary policy.

In compliance with the requirements from Royal Decree 902/2020, of 13th October, on equal pay between men and women, the Group is conducting the appropriate remuneration analyses for the different Spanish companies following the indications and procedures established by law.

3.2.5. Average Remuneration of Directors and Executives, including Variable Remuneration, Allowances, Compensation, Payment of Long-Term Savings Pension Systems, and any Other Payment Disaggregated by Gender (GRI 405-2)

Employees with the Professional Role of Corporate/Managing Directors are included in the Executive category. This role is assigned to Directors of Corporate Functions and Directors of Business Units with direct hierarchical reporting to the President of the Company and members of the Management Committee.

For confidentiality reasons, we present the salary information of the Company's executives without segmenting between men and women, since the minimum established criteria are not met in this Report (more than two people in each category).

PROFESSIONAL ROLE	2020 AVERAGE SALARY (€)	2020 AVERAGE SALARY (€)	2020 AVERAGE SALARY (€) *(excluding mAbxience)*
CORPORATE/MANAGING DIRECTOR	256,561	265,582	249,357

PROFESSIONAL ROLE	2019 AVERAGE INCENTIVE (€)	2020 AVERAGE INCENTIVE (€)	2020 AVERAGE INCENTIVE (€)
CORPORATE/MANAGING DIRECTOR	75,746	85,446	73,870

Life Insurance coverage is identical for all Corporate and Business Directors, without distinction based on salary or position.

PROFESSIONAL ROLE	LIFE INSURANCE	COVERAGE (€)
CORPORATE/MANAGING DIRECTOR	DEATH DISABILITY	500,000 500,000

3.2.6. Implementation of Labour Disconnection Policies (GRI 103-2)

The Group complies with the laws and regulations in force in each country in relation to the right to disconnect and resting periods.

3.2.7. Number of Employees with Disabilities (GRI 405-1)

COUNTRY	No. of EMPLOYEES WITH DISABILITIES IN 2019	No. of EMPLOYEES WITH DISABILITIES IN 2020	
		Men	Women
Austria		0	1
Brazil	2	2	0
China	1		
Germany	1	1	1
India	1	1	0
Italy	12	9	5
Spain	13	9	5
Turkey	7	4	0
TOTAL	*37*	*26*	*12*

The rest of the countries in which the Group operates and which do not appear in the above table do not have disabled personnel on their workforce.

In Spain, there are certificates of exceptionality for 6 of the 8 Spanish companies. In this sense, in addition to complying with Spanish labour law, the Group is committed to advancing, as much as possible, towards the social goal of integrating people with difficulties into the labour market. Thus, it does not limit itself to complying with the mandatory legal minimum contribution, but rather invests in foundations and companies with disabled personnel.

3.3 Work Organisation

3.3.1 Description of the Organisation of Working Time (Shifts, Overtime Management, Flexibility in Working Hours, etc.) (GRI 103-2)

The companies that make up the Group comply with the labour regulations in force for their territory, with the longest **working time** globally being 40 hours/week from Monday to Friday. That being said, there are some countries, mainly Latin American (Argentina, Chile, Mexico, and Peru) and Asian (India and the Philippines) countries, where we observe weekly working times of more than 40 hours pursuant to the corresponding applicable legislation.

Generally speaking, there are no **work shifts** for office personnel. In production plants, work shifts are established according to the production needs of each centre, the most common practice being that of establishing three shifts, both during the week and during weekends.

With regard to **flexibility in working times**, each country also applies its own criteria, adjusting to legal regulations and local labour market practices in an attempt to meet the needs of the workforce.

Most workplaces (offices) have flexible start and exit hours, with a margin of between 1 and 2 hours. In this sense, Northern European countries (Finland and Sweden) stand out, with the application of full flexibility. It is still most common that full flexibility applies to sales personnel. There are few countries with no flexibility schemes, and, in some cases, this model is justified because it is applied to production plants located outside the urban area, with transport services provided by the company, which transfers employees at specific hours.

In the event that **overtime** is done, office personnel and sales personnel are usually compensated with equivalent time off, whereas in production plants financial compensation is usually provided pursuant to the legislation in force in each country concerning this matters.

We observe a general trend towards compensating for overtime with time off in some European countries: Austria, Belgium, Czech Republic, Germany, Hungary, and Slovakia. In the case of Italy, we find a mixed scheme with both time-off and financial compensation.

Lastly, there are countries which provide financial compensation for overtime. Among these, we find, as mentioned above, production employees (Argentina, Guatemala, India, Indonesia, and Turkey) and other countries, such as Brazil, Chile, Ecuador, and the USA.

Each centre complies with the legislation in force in its territory regarding the **limit on the number of overtime hours** that are allowed to be performed in the year.

3.3.2 Description of Measures Aimed at Facilitating the Enjoyment of Work-Life Balance and Promoting its Co-responsible Exercise by Both Parents (GRI 103-2)

The Group complies with the laws and regulations in force in each country in relation to the reconciliation of professional and personal life.

Regarding specific practices to promote work-life balance in offices and work centres, the most prevalent measure among the Group companies is to allow occasional teleworking or certain flexibility when an employee needs it for family reasons. The following local practices are also frequent:

- Taking hours off work to accompany children on the first day of school, for birthdays, to attend family celebrations, etc.
- Possibility of reducing working times.
- Nursery and lactation rooms in offices.

In addition to the above, the Group organises and promotes cultural and leisure activities that facilitate work-life balance and family enjoyment.

3.3.3 Absenteeism Rate (GRI 403-9 [2018 Version])

COUNTRY	2019 ABSENTEEISM HOURS		2020 ABSENTEEISM HOURS	
	Men	Men	Women	Men
Argentina			864	1,242
Austria	370	462	0	524
Belgium	0	0	0	0
Brazil	0	0	104	256
CENAM	0	5	512	480
Chile	0	0	0	0
China	0	0	--	--
Colombia	0	0	800	1,984
Czech Republic	16	1,168	280	488
Ecuador			0	0
Finland			0	0
France	0	0	0	0
Germany	3,368	5,576	310	448
Hungary	0	0	0	0
India	456	0	13,384	744
Indonesia	2,064	2,072	0	0
Italy	9,628	3,395	16,610	13,631
Mexico	99	207	104	40
Peru			64	72
Philippines	0	0	0	0
Poland	0	72	0	0
Portugal			0	0
Slovakia	272	964	184	940
Spain	24,430	20,841	77,465	55,731
Sweden	0	0	0	0
Switzerland	0	0	0	0
Thailand	0	0	0	0
Turkey	9	17	9,169	9,611
UAE	0	0	--	--
United States	2,060	3,739	9,866	6,228
Vietnam	0	0	272	1,120
TOTAL	*42,771*	*38,519*	*129,989*	*93,539*

Time not worked due to short-term temporary disability, leave, medical consultations, union hours, and unjustified absences is included as absenteeism.

3.4 Health and Safety

3.4.1 Description of Occupational Health and Safety Conditions (GRI 403-1 to GRI 403-7 [2018 Version])

The Group's different companies take special care to ensure compliance with the commitments assumed in occupational health and safety matters, both by virtue of collective agreements and the different applicable regulations.

As an example of good practice, the organisation has its own resources (Senior Technicians in Occupational Risk Prevention) for occupational safety management in Spain, having set up its Own Prevention Services in the Química Sintética Plant, the Liconsa Plant, and the León Farma Plant and contracting External Prevention Services in the rest of the centres and as support for the Own Prevention Services.

The Occupational Risk Assessments of positions and workplaces are periodically carried out by External Prevention Services and Own Prevention Services in the centres that have them and, based on the results of said evaluations, preventive activities are planned.

In addition, specific evaluations are carried out on those aspects and working conditions which, due to their characteristics, may pose a risk, such as chemical products, active ingredients, and critical work equipment used. Besides, whenever forced postures or manual handling of heavy loads are observed, specific ergonomic studies are carried out.

The Health and Safety Committee has been established at the Química Sintética Plant, the León Farma Plant, and the Liconsa Plant, but it has not been established at the rest of the centres because there are no workers' representatives. The INSUD PHARMA Group is aware of the obligation to provide the required dedication to these health and safety committees, as well as to provide the relevant information and statistics to the workers' representatives on these committees.

The organisation carries out the Coordination of Business Activities with other concurrent companies in the work centres through the ASEM platform in the Química Sintética Plant.

In addition to what is established in each collective agreement or in the legislation applicable to each country, it is frequent practice in the Group in relation to health and safety to offer workers:

- Private health insurance.
- Life and accident insurance.
- Annual medical check-ups.
- Training sessions on occupational safety and protection.

3.4.2 Occupational Accidents, in Particular, their Frequency and Severity, as Well as Occupational Diseases, Disaggregated by Gender (GRI 403-9; GRI 403-10 [2018 Version])

Below, we present the accident frequency and severity rates, as well as the number of days lost due to occupational disease in countries that have reported an incident in this regard in 2020. The rest of the countries in which the Group has operations have reported the absence of occupational accidents and occupational diseases in 2020; therefore, to simplify the information, they are not reflected in the table.

The formulas used to calculate the accident frequency and severity rates were as follows:

$$\text{Men frequency rate} = \frac{\text{No. accidents men}}{\text{No. hours worked men}} \times 10^6$$

$$\text{Women frequency rate} = \frac{\text{No. accidents women}}{\text{No. hours worked women}} \times 10^6$$

$$\text{Men severity rate} = \frac{\text{No. days on leave men}}{\text{No. hours worked men}} \times 10^3$$

$$\text{Women severity rate} = \frac{\text{No. days on leave women}}{\text{No. hours worked women}} \times 10^3$$

COUNTRY	ACCIDENT RATE	Men	Women
Argentina	Accident frequency rate	9.65	11.43
	Severity rate	0.13	0.22
	No. of accidents with leave (excluding in itinere)	2	2
	No. days lost due to occupational disease	0	0
	No. of deaths due to occupational accident or disease	0	0
CENAM	Accident frequency rate	5.28	0.00
	Severity rate	0.10	0.00
	No. of accidents with leave (excluding in itinere)	1.00	0.00
	No. days lost due to occupational disease	0	0
	No. of deaths due to occupational accident or disease	0	0
Germany	Accident frequency rate	0.00	11.23
	Severity rate	0.00	0.07
	No. of accidents with leave (excluding in itinere)	0	1
	No. days lost due to occupational disease	0	0
	No. of deaths due to occupational accident or disease	0	0
India	Accident frequency rate	1.62	0.00
	Severity rate	0.02	0.00
	No. of accidents with leave (excluding in itinere)	3.00	0.00
	No. days lost due to occupational disease	0	0
	No. of deaths due to occupational accident or disease	1	0
Italy	Accident frequency rate	9.84	5.33
	Severity rate	0.11	0.03
	No. of accidents with leave (excluding in itinere)	5	1
	No. days lost due to occupational disease	0	0
	No. of deaths due to occupational accident or disease	0	0

COUNTRY	ACCIDENT RATE	Men	Women
Mexico	Accident frequency rate	2.68	7.92
	Severity rate	0.04	0.54
	No. of accidents with leave (excluding in itinere)	1	3
	No. days lost due to occupational disease	49	212
	No. of deaths due to occupational accident or disease	0	0
Portugal	Accident frequency rate	0.00	0.00
	Severity rate	0.00	0.00
	No. of accidents with leave (excluding in itinere)	0	0
	No. days lost due to occupational disease	28	0
	No. of deaths due to occupational accident or disease	0	0
Spain	Accident frequency rate	21.16	8.10
	Severity rate	0.61	0.32
	No. of accidents with leave (excluding in itinere)	45.00	16.00
	No. days lost due to occupational disease	0	0
	No. of deaths due to occupational accident or disease	0	0
Turkey	Accident frequency rate	2.48	4.90
	Severity rate	0.00	0.04
	No. of accidents with leave (excluding in itinere)	1	1
	No. days lost due to occupational disease	0	0
	No. of deaths due to occupational accident or disease	0	0

In addition to the data on each country, we present aggregate data on accident frequency and severity rates, as well as the days lost due to occupational disease, considering for their calculation both the countries that have reported incidents in this regard and those that have reported the absence of such incidents.

The following formulas were used to calculate the aggregate rates:

$$\text{Men aggregate frequency rate} = \frac{\text{Total no. accidents men}}{\text{Weighted average worked hours men} * \text{Total no. men}} \times 10^6$$

$$\text{Women aggregate frequency rate} = \frac{\text{Total no. accidents women}}{\text{Weighted average worked hours women} * \text{Total no. women}} \times 10^6$$

$$\text{Men aggregate severity rate} = \frac{\text{No. days on leave men}}{\text{Weighted average worked hours men} * \text{Total no. men}} \times 10^3$$

$$\text{Women aggregate severity rate} = \frac{\text{Total no. accidents women}}{\text{Weighted average worked hours women} * \text{Total no. women}} \times 10^3$$

ACCIDENT RATE		Men	Women
TOTAL AGGREGATE	**Accident frequency rate**	10.16	7.09
	Severity rate	0.25	0.26
	No. days lost due to occupational disease	77	212

3.4.3 COVID-19: Incidence rate, actions, and protective measures

All the Group's subsidiaries have followed the protocols and safety measures established in each of the countries during the different phases of COVID-19, strengthening communication among the same by means of training, information, and update sessions on potential risks and action measures.

Teleworking has been fostered, particularly during those phases with a higher virus incidence rate in each country. The return to offices has been conducted gradually, establishing, in some cases, on-site groups every other day. In the event of an increase in cases, employees have returned to teleworking. Furthermore, office spaces have been adapted to keep the safety distance among workstations.

At all centres, free protective equipment has been provided, such as masks, gloves, and hydroalcoholic gels, and cleaning and ventilation has also been reinforced in workspaces. Face-to-face meetings have been reduced or ruled out altogether, promoting the use of digital tools both among employees and with clients and providers.

Some countries have made body temperature measurements to the entire workforce and antigen tests in case of suspected infection. Lastly, at some centres, protective methacrylate screens have been installed in meeting rooms, dining rooms, etc.

COUNTRY	COVID-19	Men	Women
Argentina	No. of leaves due to COVID-19	3	5
	No. days lost due to COVID-19	65	81
Austria	No. of leaves due to COVID-19	0	0
	No. days lost due to COVID-19	0	0
Belgium	No. of leaves due to COVID-19	0	3
	No. days lost due to COVID-19	0	27
Brazil	No. of leaves due to COVID-19	13	9
	No. days lost due to COVID-19	182	126
CENAM	No. of leaves due to COVID-19	6	2
	No. days lost due to COVID-19	290	40
Chile	No. of leaves due to COVID-19	2	3
	No. days lost due to COVID-19	30	42
Colombia	No. of leaves due to COVID-19	0	5
	No. days lost due to COVID-19	0	22
Czech Republic	No. of leaves due to COVID-19	1	3
	No. days lost due to COVID-19	8	32
Ecuador	No. of leaves due to COVID-19	1	2
	No. days lost due to COVID-19	15	40
France	No. of leaves due to COVID-19	0	0
	No. days lost due to COVID-19	0	0
Germany	No. of leaves due to COVID-19	0	0
	No. days lost due to COVID-19	0	0
India	No. of leaves due to COVID-19	49	7
	No. days lost due to COVID-19	605	74
Indonesia	No. of leaves due to COVID-19	2	2
	No. days lost due to COVID-19	29	41
Italy	No. of leaves due to COVID-19	40	12
	No. days lost due to COVID-19	488	132

COUNTRY	COVID-19	Men	Women
Mexico	No. of leaves due to COVID-19	41	34
	No. days lost due to COVID-19	365	305
Peru	No. of leaves due to COVID-19	1	1
	No. days lost due to COVID-19	21	8
Philippines	No. of leaves due to COVID-19	0	2
	No. days lost due to COVID-19	0	14
Poland	No. of leaves due to COVID-19	0	0
	No. days lost due to COVID-19	0	0
Portugal	No. of leaves due to COVID-19	0	1
	No. days lost due to COVID-19	0	11
Slovakia	No. of leaves due to COVID-19	0	4
	No. days lost due to COVID-19	0	20
Spain	No. of leaves due to COVID-19	301	220
	No. days lost due to COVID-19	4,808	4,197
Sweden	No. of leaves due to COVID-19	0	1
	No. days lost due to COVID-19	0	10
Thailand	No. of leaves due to COVID-19	0	0
	No. days lost due to COVID-19	0	0
Turkey	No. of leaves due to COVID-19	24	26
	No. days lost due to COVID-19	244	275
United States	No. of leaves due to COVID-19	2	7
	No. days lost due to COVID-19	14	37
Vietnam	No. of leaves due to COVID-19	0	0
	No. days lost due to COVID-19	0	0

3.5 Social Relations

3.5.1 Description of the Organisation of Social Dialogue, including Procedures for Informing, Consulting, and Negotiating with Personnel (GRI 103-2)

The Group does not have a Workers' Legal Representation (WLR) at a global level, but in certain companies and specific centres there is such a WLR.

The Corporate People Department establishes fundamental action frameworks and ensures the autonomy of business managers to adapt human resources policies to the needs of the company in each territory, and to local practices and customs, as well as to the determining factors of each labour market. Of course, the Group puts in place the means of control to verify compliance with the labour regulations in force in each territory, with the internal audit procedures and confidential communication channels already described in another section of this report, for the identification of risks and the detection of any irregular practices or conduct.

The organisation of social dialogue and the procedures for informing, consulting, and negotiating with personnel in each country are in accordance with the applicable regulations, as well as the country's own customs and practices.

All employees in Spain are covered by the Spanish General Agreement of the Chemical Industry and dialogue is maintained with the workers' representation existing in the work centres.

Hence, there is Workers' Legal Representation in four companies of the Group in Spain. There are Works Councils in three centres of three companies: Química Sintética, S.A. in Alcalá de Henares, Madrid (with 13 members and 2 union delegates); Laboratorios Liconsa, S.A. in its Azuqueca de Henares centre in Guadalajara (with 17 members and 3 union delegates); and Laboratorios León Farma, S.A. in its Villaquilambre (León) centre (with 13 members and 3 union delegates). There are also three personnel delegates at Laboratorios Farmalán, S.A. in its Villaquilambre (León) centre. Negotiations with this WLR are carried out through a system of periodic or one-time meetings, applying the required regulations on union matters.

In the rest of the centres and companies of the Group in Spain, dialogue is conducted on an individual basis with each employee. When the company needs to take measures with a collective effect in these centres, communications or information sessions are held for all employees depending on the importance of the measure or its understanding by the personnel.

In the rest of the countries, practices comply with current regulations in each case and labour relations may be regulated by national labour codes, sector collective agreements, and internal regulations.

That said, there is an open and flexible social dialogue in the organisation, which allows communication of relevant aspects or specific problems to be maintained fluidly through practices such as:

- Regular meetings of the employees with the managers and executives of the subsidiary.
- One-on-one meetings between employee and manager.
- Regular sending of emails and newsletters with relevant information for the personnel.
- Escalation system in cases where an agreement is not reached at the first consultation level (employee-line manager).

3.5.2 Description of the Balance of Collective Agreements, Particularly in the Field of Occupational Health and Safety (GRI 403-4 [2018 Version])

The Group's different companies take special care to ensure compliance with the commitments assumed in occupational health and safety matters, both by virtue of collective agreements and the different applicable regulations.

3.5.3 Percentage of Employees Covered by Collective Agreement by Country (GRI 102-41)

COUNTRY	% employees covered by agreement
Argentina	32%
Austria	100%
Belgium	100%
Brazil	100%
CENAM	0%
Chile	0%
China	--
Colombia	0%
Czech Republic	0%
Ecuador	0%
France	100%
Germany	0%
Hungary	0%
India	4%
Indonesia	0%
Italy	100%
Mexico	100%
Peru	0%
Philippines	0%
Poland	100%
Portugal	100%
Slovakia	0%
Spain	100%
Sweden	0%
Switzerland	--
Thailand	0%
Turkey	0.03%
UAE	--
United States	0%
Vietnam	100%

3.6 Training

3.6.1 Description of the Policies Implemented in the Field of Training (GRI 103-2; GRI 404-2)

In 2020, efforts continued in order to improve the technical and leadership capabilities of our professionals. As a consequence of COVID-19, we consolidated our digital transformation strategy for corporate training, updating programmes on our virtual campus, My Learn Space, and including new content in order to meet the needs of the company in pandemic times.

The training plans prepared by the Corporate People Department contain specific actions for the different collectives of the Group:

- For all the employees of the Group: within the framework of the digital transformation of training and taking into account the worldwide pandemic, we particularly focused on offering diverse global platforms of content and programmes to the organisation, such as LinkedIn Learning, Languagae Academy, Campus Gamelearn the Speak Up Programme (aimed at Managers who want to learn how to give feedback to their teams), and the webinar "Liderando en tiempos de crisis" (in English, "Leading in times of crisis"), aimed at General Managers and Directors of the different countries (200).

- Directors, Managers, and Supervisors: for this group, there is a development framework called "Liderando a todos los Niveles" (in English, "Leading at all Levels") which includes actions to promote the quality of people's leadership and initiatives to develop new leaders. Within this framework, there are different programmes aimed at different groups depending on the level:

    - Leading@Insud Pharma: programme aimed at General Managers and their direct reports with teams and who occupy strategic roles. The goal is to provide them with the skills needed to be more effective leaders, build high performance teams, foster employee engagement, and boost their capabilities to address Insud Pharma's current and future needs.

    - Managing@InsudPharma: programme aimed at plant employees who lead teams with the objective of improving their skills as leaders in order to start creating high performance teams and boost their capabilities to address INSUD PHARMA Group's current and future needs.

    - Preparing4Leading@InsudPharma: programme aimed at high-potential individual collaborators with the objective of improving their skills to become more effective contributors and boost their capabilities to address

INSUD PHARMA Group's current and future needs.

- Sales personnel: in addition to the general training areas, the training plans include reinforcement actions on the Group's products.

- Technical and operations personnel: among other initiatives aimed at improving technical skills, promoting safety in the workplace, and training in technologies, the plans for this group place special emphasis on training in Good Manufacturing Practice (GMP) and other key areas of knowledge in the pharmaceutical industry.

The number of training hours given in 2020 throughout the Group amounted to a total of 121,304 hours (including online training).

In addition to the training actions adapted to the particular needs of each country, the Corporate People Department shared the following training and development initiatives with the entire Group:

- In 2019 we wanted to strengthen internal training and for this reason we launched the figure of the "Learning Champions", whose objective was to empower our employees and have them share their areas of expertise and knowledge with the rest of the organisation. In 2020, we were not able to continue with these initiatives, since we had to adapt to the Group’s business needs.

- MyLearnSpace, our multilingual virtual campus with global reach, offers a wide range of training programmes in an online platform that allows us to adapt to the learning pace and availability of each participant. MyLearnSpace has over 4,000 registered users from 18 countries.

  The MyLearnSpace platform includes mandatory training courses such as Compliance, Pharmacovigilance, Occupational Risk Prevention, Data Protection, and Health and Safety, as well as skills courses, Office 365, and courses from Business Schools such as IESE, and specific business and Corporate Quality courses. In this way, it is possible to check the degree of follow-up of the mandatory courses and to obtain the necessary certificates to accredit their completion.

- Corporate Leadership Programme is a managerial development programme promoted between the INSUD PHARMA Group and IESE, the prestigious Spanish business school. The year 2019 saw the end of the third edition in which 34 professionals of 11 nationalities participated and had the opportunity to develop and perfect their management and

decision-making skills with a global and inclusive mindset, aligned with the Company's business strategy.

3.6.2 Total Number of Training Hours by Professional Category (GRI 404-1)

COUNTRY	PROFESSIONAL ROLE					2019 TOTAL HOURS TRAINING
	CORPORATE/ MANAGING DIRECTOR & DIRECTOR	MANAGER/ ASSOCIATE DIRECTOR	TEAM LEADER/LINE MNGMT./SUPERV./ COORD./SPECIALIST	TECHNICIAN/ SCIENTIST SALES REPS	SUPPORT/ OPERATOR/ ANALYST	
Argentina	23	341	1,539		5,304	**7,207**
Austria				75		**75**
Belgium						**0**
Brazil	120	82		34		**116**
Chile	46		615	8,478		**9,213**
China	50	50	129	16	28	**269**
Colombia	64	64	50	34	34	**232**
Costa Rica		64	144	256		**528**
Czech Republic and Slovakia		8	16	112	24	**160**
Dominican Republic	48	48		240		**336**
Ecuador	32		62	372		**434**
El Salvador		32	112	224		**400**
Germany		198		1,300		**1,498**
Guatemala	48	48	128	240		**464**
Honduras	24	24	104	216		**368**
Hungary	16	24		32		**72**
India	176	6,424	464	11,600	136	**18,800**
Indonesia	1	242	97	217	65	**621**
Italy	10	77		202	4	**291**
Mexico	123	409	3,150	19,102	8	**22,792**
Nicaragua	16	16		208		**240**
Panama	64	64		256		**384**
Peru	120		120	1,200		**1,440**
Philippines		24	112	760		**896**
Poland		69	48	64	54	**235**
Spain	902	2,673	2,923	15,134	3,083	**24,715**
Thailand		0	2,923	96		**96**
Turkey	2,365	0	4,355	13,740	3,148	**23,608**
UAE		77	4,355	200		**277**
USA	36	102	310	310	46	**804**
Vietnam			310	432		**432**
Xiromed Nordics	16	40		16		**72**
GLOBAL HOURS ONLINE		**3,177**	**3,177**	**3,177**	**3,177**	**12,708**
TOTAL	**4,300**	**14,376**	**17,654**	**78,343**	**15,111**	**129,782**

COUNTRY	PROFESSIONAL ROLE					2019 TOTAL HOURS TRAINING
	CORPORATE/ MANAGING DIRECTOR & DIRECTOR	MANAGER/ ASSOCIATE DIRECTOR	TEAM LEADER/LINE MNGMT./SUPERV./ COORD./SPECIALIST	TECHNICIAN/ SCIENTIST SALES REPS	SUPPORT/ OPERATOR/ ANALYST	
Spain	57	592	3,628	3,768	353	**8,396**
Spain (Speak Up Programme)	0	0	16	0	0	**16**
Exeltis Spain	0	0	0	87	0	**87**
Brazil	24	18	0	70	0	**112**
Thailand	0	344	0	7,296	0	**7,640**
Hungary	2	0	16	240	24	**282**
China	2	74	81	0	6	**163**
Chemo India	0	0	461	0	0	**461**
Exeltis India	0	0	224	515	14	**753**
Indonesia	7	196	56	460	490	**1,207**
Vietnam	0	0	0	0	0	**0**
France	0	38	38	456	0	**532**
Turkey	11	0	5,236	5,012	5,009	**15,268**
Mexico	176	296	4,159	56,673	397	**61,683**
Argentina	2	81	208	0	876	**1,165**
Czech Republic	0	4	4	136	0	**144**
Slovakia	6	6	0	240	0	**252**
Exeltis Italy	0	133	0	791	15	**938**
Chemo Italy	0	46	178	227	1,819	**2,268**
Portugal	0	0	0	51	0	**51**
Germany	1	109	139	1,816	232	**2,297**
Austria	0	0	2	39	0	**41**
Colombia	0	89	47	15	15	**166**
Philippines	3	3	49	1,250	0	**1,305**
Sweden	0	0	56	0	0	**56**
Exeltis Sweden	0	0	0	65	0	**65**
Belgium	0	0	0	0	0	**0**
Finland	0	0	0	0	0	**0**
USA	0	0	0	0	0	**0**
Arab Emirates	50	100	50	160	0	**360**
Chile	0	0	0	0	0	**0**
Peru	0	0	0	0	0	**0**
Ecuador	0	0	0	0	0	**0**
Global Platforms						
My Learn Space	0	0	0	0	0	**13,230**
LinkedIn Learning	0	0	0	0	0	**489**
Language Academy (Go Fluent)	0	0	0	0	0	**1,768**
Gamelearn	0	0	0	0	0	**104**
Global Leadership Webinar	6	0	0	0	0	**6**
TOTAL	**346**	**2,126**	**14,645**	**79,364**	**9,248**	**121,304**

3.7 Accessibility

3.7.1 Description of the Measures Taken to Guarantee Universal Accessibility for Persons with Disabilities (GRI 103-2)

The Group's companies comply with the regulations in force in all the countries in which we have operations regarding the integration and universal accessibility of persons with disabilities.

In general terms, the subsidiaries:

- Promote the participation of persons with disabilities in selection processes as long as the candidates meet the requirements of the position.
- Have spaces adapted to the needs of persons with disabilities and eliminate architectural barriers to ensure their accessibility and comfort in the workplace.

Specifically in Spain, and for Group companies in which we are required by law to cover 2% of the workforce with personnel with disability certificates, vacancies are advertised. Persons with said certificates who apply for such offers participate in the selection processes under the same conditions as the rest of the candidates, according to the suitability of their qualifications and experience to the requirements demanded for each position.

3.8 Equality

1. **Description of Measures Adopted to Promote Equal Treatment and Opportunities Between Women and Men (GRI 103-2)**
2. **Description of Equality Plans, Measures Adopted to Promote Employment, Protocols against Sexual and Gender-Based Harassment, Integration, and Universal Accessibility for Persons with Disabilities (GRI 103-2)**
3. **Description of the Policy against All Types of Discrimination and, Where Applicable, Diversity Management (GRI 103-2)**

The Group's companies are firmly committed to complying with the regulations in force in each country in which we operate in terms of equal treatment, protocols against sexual and gender-based harassment, as well as policies against all types of discrimination and, where applicable, diversity management.

In addition to local legislation and regulations, the Group has a Code of Ethics and Conduct that is rigorously applied in each centre, and which establishes discrimination and sexual harassment as a serious and intolerable violation of the

rights of workers. The different companies of the Group work to ensure a safe working environment and investigate any complaints made in this regard, applying the sanctions established in each case.

Among the usual and common practices in all Group companies to promote equal treatment and opportunities are the following:

- The publication of vacancies without gender-related conditions.
- The establishment of salaries and benefits based on qualification and experience criteria.
- The implementation of promotion and professional development plans based on employees' skills.
- The active search for parity between men and women in the workforce.

In Spain, we currently have eight companies that have an Equality Plan, reviewed in each case after performing the respective diagnoses every year or every two years. Since October 2020, with the publication of Spanish Royal Decree 901/2020, of 13th October, companies who are required to have an Equality Plan have to update and review their existing plans according to the new regulations. The deadline to comply with this requirement is of one year from the publication of the aforementioned Spanish Royal Decree, which is the reason why these plans are being reviewed.

The establishment of the Equality Plan in Spanish companies is carried out on the basis of a rigorous diagnosis of the workforce broken down into men and women and which includes, among others, the analysis of aspects such as:

- Distribution by age and seniority.
- Incorporations and departures, with special emphasis on the analysis of the causes of the latter.
- Modalities of hiring.
- Distribution by Professional Groups and job positions.
- Salaries by Professional Groups.
- Conciliatory measures applied.
- Training plans provided.

Once the diagnosis is made, the strategy to follow is proposed and reflected in the subsequent Equality Plan. A monitoring commission is set up to analyse the viability of the implementation of the proposed improvement measures.

Some measures incorporated in the Equality Plans are:

- Non-application of discriminatory criteria from the very moment of selection, basing hiring decisions on the candidate's training-experience criteria.

- Delivery of blind CVs to those responsible for filling vacancies.

- Professional Group promotion system for support personnel and factory operators based on objective attitude and aptitude tests.

- Salaries based on the tables of the Collective Agreement for base personnel.

- Annual salary gap studies based on the valuation of positions according to the aforementioned classification system of the Mercer consulting firm for technical and senior positions, in order to guarantee equal pay without gender bias.

- Generalised access to the training plans established in the company.

Likewise, with the preparation of the Equality Plan, the Harassment Protocol is drawn up, which reflects the provisions of the Collective Agreement and refers to the Group's Code of Ethics, which establishes the policy against all types of discrimination and diversity management.

The INSUD PHARMA Group's Code of Ethics came into force in April 2016 and is published on the Intranet for the knowledge and access of all personnel. Thus, among our values and principles, the following, among others, are stated:

- DIVERSITY is enrichment. It is interaction, not only of cultures, but also of points of view, languages, or beliefs. For this reason, in our Group we like diversity and we promote it. Because we live and work for a global and diverse society, in which we all have a place, in which we all contribute.

- WE RESPECT our workers, partners, and patients. INSUD PHARMA Group's maxim is respect for everything and everyone. And, especially, to those who work with us. That is why we promote diversity as a form of mutual enrichment. We promote equal opportunities, integration, and freedom of belief. We like to create motivating, ground-breaking environments in which our professionals can feel comfortable and cooperate. We are multicultural and we treat others in the same way that we want them to treat us, always respecting the confidentiality and privacy of both clients, partners, workers, and patients.

- WORK ENVIRONMENT. DIVERSITY. We believe that creating a work environment that enables us to fully attract, retain, and engage diverse talents leads to improvements in innovation and creativity in our Company. We are committed to a policy of non-discrimination by offering equal employment opportunities to all qualified employees and applicants. This commitment is

reflected in all aspects of our daily activities. For this reason, we promote a productive and cooperative work environment through ethnic and cultural diversity at all levels of the company. Our collective challenge is to improve the company's performance by means of valuing and understanding differences.

- NO HARASSMENT. We respect the dignity of all people, and we respect our differences. It is important for employees to report if they experience or witness harassment at work or in work-related activities. We want to maintain a professional and harassment-free work environment at our facilities around the world. In general, harassment refers to offensive conduct that is serious and pervasive and that discriminates against an employee to the detriment and prejudice of that employee because of a difference that is covered by law, such as race, gender, colour, sexual orientation, religion, national origin, ethnicity, citizenship, age, marital status, disability or veteran status. Harassment includes a wide range of conduct, from direct requests for sexual favours to situations in which offensive behaviour (e.g., name-calling, offensive jokes or slurs, offensive material in the workplace), verbal or non-verbal threats, abuse or ridicule, assaults or blocking free movement result in a hostile work environment. We must not harass anyone. We must not threaten, insult, abuse, or ridicule others and we must not create an offensive, hostile and intimidating work environment. There will be zero tolerance for harassment situations.

- EQUAL OPPORTUNITIES. Any discrimination in hiring, training, promotion, wages, etc. based on race, colour, age, gender, sexual orientation, marital status, ethnic group, disability, religion, political party affiliation, union membership, etc. is prohibited.

This policy and principles are transmitted and reflected in all the actions of our managers and employees in the workplace.

4. Human Rights

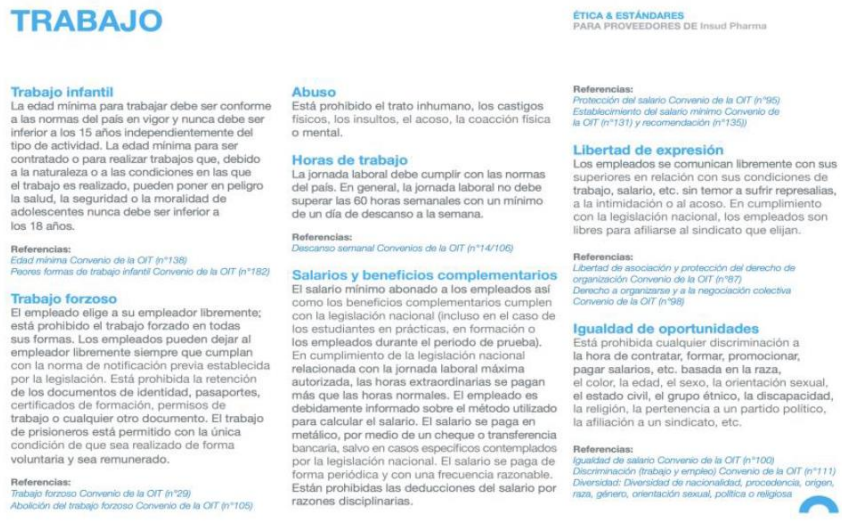
The Group has a comprehensive Code of Ethics and Conduct, Horizon, which explains in detail the Group's commitment to ethics and compliance, establishing integrity and transparency as basic principles. Horizon is what drives our human team and what allows us to keep moving forward with actions that represent the values of the organisation (integrity, transparency, passion, innovation, diversity, and entrepreneurship). Furthermore, the code also covers the International Labour Organisation's basic conventions on global regulations against corruption, such as the FCPA and the Spanish legislation against corruption.

INSUD PHARMA Group ensures that these standards are applied within the Group and in every subsidiary. The Code of Conduct has been approved by the Compliance and Auditing Committee, a group which consists of the Chief Executive Officer, the Chief Legal Officer, the Chief Compliance Officer, the Chief Internal Auditor, the Chief Quality Officer, and the Chief Human Resources Officer.

All employees are trained on these matters, either online or in person, when they join the Group. Besides, we have implemented recurring "refresher" courses to keep everyone up to date.

Human rights standards are applied to any provider engaged with the organisation. They are obliged to comply with the Providers' Standards. These standards address the following aspects:

- Prohibition of child abuse and forced labour.
- Working hours and salary compliance pursuant to local legislation.
- Freedom of speech and equal opportunities.
- Protection of employees' health and safety.
- Protection of the environment.
- Commercial integrity.



TRABAJO

ÉTICA & ESTÁNDARES
PARA PROVEEDORES DE Insud Pharma

Trabajo infantil
La edad mínima para trabajar debe ser conforme a las normas del país en vigor y nunca debe ser inferior a los 15 años independientemente del tipo de actividad. La edad mínima para ser contratado o para realizar trabajos que, debido a la naturaleza o a las condiciones en las que el trabajo es realizado, pueden poner en peligro la salud, la seguridad o la moralidad de adolescentes nunca debe ser inferior a los 18 años.

Referencias:
Edad mínima Convenio de la OIT (nº138)
Peores formas de trabajo infantil Convenio de la OIT (nº182)

Trabajo forzoso
El empleado elige a su empleador libremente; está prohibido el trabajo forzado en todas sus formas. Los empleados pueden dejar al empleador libremente siempre que cumplan con la norma de notificación previa establecida por la legislación. Está prohibida la retención de los documentos de identidad, pasaportes, certificados de formación, permisos de trabajo o cualquier otro documento. El trabajo de prisioneros está permitido con la única condición de que sea realizado de forma voluntaria y sea remunerado.

Referencias:
Trabajo forzoso Convenio de la OIT (nº29)
Abolición del trabajo forzoso Convenio de la OIT (nº105)

Abuso
Está prohibido el trato inhumano, los castigos físicos, los insultos, el acoso, la coacción física o mental.

Horas de trabajo
La jornada laboral debe cumplir con las normas del país. En general, la jornada laboral no debe superar las 60 horas semanales con un mínimo de un día de descanso a la semana.

Referencias:
Descanso semanal Convenios de la OIT (nº14/106)

Salarios y beneficios complementarios
El salario mínimo abonado a los empleados así como los beneficios complementarios cumplen con la legislación nacional (incluso en el caso de los estudiantes en prácticas, en formación o los empleados durante el periodo de prueba). En cumplimiento de la legislación nacional relacionada con la jornada laboral máxima autorizada, las horas extraordinarias se pagan más que las horas normales. El empleado es debidamente informado sobre el método utilizado para calcular el salario. El salario se paga en metálico, por medio de un cheque o transferencia bancaria, salvo en casos específicos contemplados por la legislación nacional. El salario se paga de forma periódica y con una frecuencia razonable. Están prohibidas las deducciones del salario por razones disciplinarias.

Referencias:
Protección del salario Convenio de la OIT (nº95)
Establecimiento del salario mínimo Convenio de la OIT (nº131) y recomendación (nº135))

Libertad de expresión
Los empleados se comunican libremente con sus superiores en relación con sus condiciones de trabajo, salario, etc. sin temor a sufrir represalias, a la intimidación o al acoso. En cumplimiento con la legislación nacional, los empleados son libres para afiliarse al sindicato que elijan.

Referencias:
Libertad de asociación y protección del derecho de organización Convenio de la OIT (nº87)
Derecho a organizarse y a la negociación colectiva Convenio de la OIT (nº98)

Igualdad de oportunidades
Está prohibida cualquier discriminación a la hora de contratar, formar, promocionar, pagar salarios, etc. basada en la raza, el color, la edad, el sexo, la orientación sexual, el estado civil, el grupo étnico, la discapacidad, la religión, la pertenencia a un partido político, la afiliación a un sindicato, etc.

Referencias:
Igualdad de salario Convenio de la OIT (nº100)
Discriminación (trabajo y empleo) Convenio de la OIT (nº111)
Diversidad: Diversidad de nacionalidad, procedencia, origen, raza, género, orientación sexual, política o religiosa

Additionally, the Group has an Open Reporting process in place through the "Directline" system. This channel allows employees to contact the Compliance Committee directly and notify incidents, which are reviewed with absolute confidentiality and without retaliation.

In 2020, 9 claims were received through Directline:

- Claims related to inappropriate behaviour: 80%
- Claims related to workplace harassment*: 20%*

**The term workplace harassment is interpreted in accordance with the International Labour Organisation's definition of violation of human rights.*

Claims are sent through the website*http://www.insudpharmadirectline.com/*, via email to the following address *directline@insudpharma.com*, or received through managers or the People department (human resources).

Throughout the period of 2020, all the claims received have been processed, with a total 100% closed complaints, of which the following is worth noting:

1. 50% were closed due to lack of evidence and proof;
2. 37% of the investigations that were carried out resulted in a detailed report and the application of measures for improvement; and
3. the remaining 13% were not complaints related to the Compliance Department, but were referred to the concerned departments, which properly managed and closed the same.

General process:

Incidents are reviewed by the Compliance Department, which launches an investigation and presents the case to the Compliance and Auditing Committee. The Chief Compliance Officer might engage other departments in the investigation, as deemed necessary. Those claims that do not constitute a breach of the Code of Conduct are filed.

5. Corruption and Bribery

Since the INSUD PHARMA Group is a pharmaceutical group, the main area of corruption risk lies in the interactions with healthcare professionals and government officials.

For this reason, the Group's anti-corruption guide and compulsory practices are based on global and local standards. The ABC Book is part of the Code of Ethics Horizon. This document includes all the information with respect to corruption, bribery, and money laundering, as it describes proper conduct and how to avoid malpractice. Besides, those departments that are most exposed have their own procedures in order to ensure proper compliance of everyone involved in each process.

The Code of Conduct includes an appendix entitled "ABC Book - Anti-bribery and Anti-corruption", which covers a wide range of business practices and related activities. This manual is reviewed regularly and kept up to date. Its contents specifically address measures against bribery and corruption that must be observed by every professional in the Group.

The following activities are expressly prohibited:

- Active bribery: offering/delivering bribes.
- Passive bribery: requesting/receiving bribes.
- Public bribery: bribes committed in the context of the public sector.
- Bribery among private individuals: bribes committed in the private sector.

These specifications are also applied to any trading partner with whom a relationship is maintained.

For trading partners included within the high-risk classification, a diligence analysis is carried out before initiating any business activity in order to hedge any risk of infringement of the internal guide against bribery and corruption or any applicable local legislation.

The Code of Conduct also includes requirements concerning the following aspects:

- Guidance against money laundering.
- Relationships with business partners.
- Donations, subsidies, and sponsorships.

With the aim of providing a specific approach on the specific requirements that the Group must follow to avoid the risk of engaging in certain conducts related to bribery and corruption, the ABC Book summarises the conducts that must be observed, and, above all, that these must always be consistent with the following principles:

- we do not bribe nor pay bribes to government officials, trading partners, healthcare professionals, or any other external party;
- when offering gifts, meals, travel and accommodation, events, and sponsorships, we comply with our Code of Ethics and Conduct, the ABC Book, applicable legislation, and the standards of the local and international industry;
- we substantially increase our demand and attention levels when dealing with the health community; and
- we want to be transparent with the information concerning value transfers to organisations and healthcare professionals,

and we are open to disseminate it publicly when required by local regulations or industry codes.

- During 2020, no corruption or bribery cases have been reported in the Group. In the event that corruption case arises, it would be dealt with in the Compliance and Internal Auditing Committee to ensure its reporting to the appropriate levels and its swift, proactive, and correct handling. This Committee includes members of the Board of Directors.

5.1. Commitment to Transparency

As a member of Medicines for Europe, INSUD PHARMA Group also publishes its annual list of transactions with healthcare professionals on its website.

Available at: *http://www.insudpharma.com/es/transparency*

All transactions with European healthcare professionals are available, thus covering all consulting agreements, payments to medical institutions, and event invites for healthcare professionals.

In the US, the Sunshine Act also requires the reporting of transactions with healthcare professionals and medical institutions, a requirement that the Group completes annually.

These lists are available in the following US government website: *https://openpaymentsdata.cms.gov/*

6. Company

As a Group which operates in the field of health, patients and healthcare professionals are at the core of INSUD PHARMA Group's activity. For this reason, all processes are subject to the highest quality and safety standards. Additionally, the participation and involvement of INSUD's human team in support of local communities has been highly relevant.

6.1. Commitment of the Organisation to Sustainable Development

INSUD PHARMA Group takes care to ensure local employability, professional development, and continuous training and is strongly committed to the professional integration of students and young people in the regions where it operates, through the creation of new job positions, internships, and grants. These measures further their training and allow us to have a talent pool ready for our activities.

We are committed to maintaining a relationship with local schools and universities (University of Alcalá, University of Salamanca, Centro de Estudios Superiores de la Industria Farmacéutica, Padre Isla Secondary School, La Paloma Secondary School, Mateo Alemán Secondary School, among others), with which we sign collaboration agreements with the aim of integrating students by means of grants. We also participate in employment fora and student conferences in order to provide guidance on their career opportunities, and we open our work centres for the organisation of conferences and visits for them.

For this reason, the INSUD PHARMA Group ensures, on the one hand, compliance with Spanish labour regulations and, on the other hand, with its own commitment to working for the people and, in this sense, to striving, to the extent possible, to reach the social goal of integrating people with difficulties into the labour market, thus contributing to equality.

Therefore, we do not settle for compliance with the minimum legal requirements in terms of contribution, but rather make a greater investment in foundations and corporations with disabled personnel. In fact, in 2019, we collaborated with Fundación Manantial in Guadalajara and León, Fundación Alcalá 1 in Guadalajara, Zauma's Special Employment Centres (CEE, as per the Spanish acronym) in Madrid and Guadalajara, SIFU's CEE in Madrid, Aqua Integra's CEE in Madrid, and Fundación Inclusión y Diversidad in Madrid and Guadalajara, and we continue to collaborate with most of them in 2020. In this way, we pay for their goods and services, ordering more than the minimum volume, and we also contribute with donations to projects.

Additionally, the organisation, true to its social commitment, carried out sponsorship actions, such as the sponsorship of charity races, football teams, cycling tours, etc.:

- Sponsorship of RC Sport's F5 Female League.
- Cinefalia Cultural Association.
- Sponsorship of the race Carrera Navarrosa Azuqueca.
- Sponsorship of female five-a-side football.
- Sponsorship of Azuqueca’s Football Team.

- Collaboration with the Graduation Award of the University of León.

Furthermore, INSUD PHARMA Group has collaborated in Ningún Niño sin Sonrisa's Christmas campaign and has donated a box with school tablets and 5 boxes with school supplies to contribute to the project "Campaña Mochilas" (in English, "Backpack Campaign") of this association.

With regard to the **support of women and girls in technology**, our Group is part of STEM Talent Girl. This is a benchmark project in Spain focused on developing STEM talent (Science, Technology, Engineering and Mathematics) among the female population organised by ASTI Foundation and the government of Castile and León.

At an international level, there are many countries supporting women in different fields, both in terms of education and empowerment; our brand Exeltis in Asia is a clear example of this through its Never Surrender campaigns, its collaborations with associations against abuse, its book lending activities, or its support and sponsorship to female scientists.

In relation to training, our Exeltis brand uses its professorship to offer grants for research on insomnia within its Central Nervous System area, through which it has awarded a grant through the Spanish Sleep Society.

As for our Química Sintética Plant in Alcalá de Henares, it offers grants in partnership with the University of Alcalá.

In addition, the Company is a member of the following associations from the pharmaceutical industry, to which it has contributed the following amounts (without VAT) in 2020:

Name	**Area of action**
AESEG	Spain (8,500 euros)
Asebio	Spain (8,000 euros)
BioSim	Spain (33,000 euros)
Medicines for Europe	Europe (38,500 euros)

The Group also channels its commitment to society through its own foundation, Mundo Sano Foundation, the origin of which goes back to the family history of the Group.

Mundo Sano is a family foundation whose mission is to transform the lives of people affected by neglected diseases, i.e., those which affect the most vulnerable populations with serious consequences for the health of those who suffer them.

Since its early beginnings, this foundation pursues the cooperation from the private sector with the Administration, with the aim of contributing to public health. Its daily activity consists of fieldwork, both in its own headquarters and in other locations, where it launches programmes that seek to efficiently break down the barriers that hinder people's access to health, generating useful evidence for public policies.

Its mission is to develop effective management models which are replicable, sustainable, scalable, and transferable through public-private alliances based on multidisciplinary scientific research together with the affected communities.

The joint effort of the Group and the Foundation to enable the access in Spain to the medicinal product (Benznidazole), which serves as treatment for Chagas disease, is worth noting here, since it has enabled a public-private alliance whereby treatment is already provided to more than 10% of the people estimated to suffer from this disease in our country. This detail is highly significant, since no other country in the world has reached this figure yet.

Besides, the Foundation interacts in various ways with the communities in Spain through different health initiatives focused on improving healthcare and access to the medicinal product for Chagas disease treatment, which, due to the COVID-19 pandemic, have continued to be performed by increasingly relying on virtual tools:

a) Madres Comprometidas con el Chagas Programme

The purpose of the programme Madres Comprometidas con el Chagas (in English, "Mothers Committed to the Cause of Chagas Disease") is to train Latin American immigrant women, affected by Chagas disease, as health agents. To this effect, Mundo Sano has designed this training programme which includes general aspects of maternal and child health, Chagas disease, the Spanish healthcare system, mediation, counselling, and communication tools. Committed mothers play a key role within their communities: they disseminate information on the relevance of Chagas disease diagnosis and treatment, and organise community information and awareness-raising activities, both in Spain and in their home country. In 2020, two virtual platforms were set up, which are enabling the training and monitoring of more than 40 people, both male and female, in Valencia, Galicia, and Murcia.

b) Screening and accompaniment of patients suffering from Chagas disease

Chagas disease screenings have continued to be organised regularly across Spain, mainly among the Latin American population, in cooperation with different public and private organisations. These screenings are free checks which, by means of a blood test, detect people potentially affected by the disease with the objective of enabling their treatment. In this sense, it is worth mentioning that thanks to the models

fostered by Mundo Sano and its partners, we are seeing a boost in actions which are increasingly carried out by the public health system itself. Some examples of this are Miércoles de Atención de Chagas (in English, "Chagas Care Wednesdays") in the General Consulate of Bolivia in Madrid, where 90 people have been screened and the 20 positive results have been referred to outpatient care, and the corresponding follow-up at referral hospitals such as Ramón y Cajal or La Paz, thanks to the programme that we have initiated with community healthcare agents, which we have called "Acompañando al Chagas: un estudio cualitativo" (in English, "Chagas Accompaniment: a qualitative study").

c) Ningún Bebé con Chagas Campaign

The Foundation continues to be immersed in the dissemination of its campaign "Ningún Bebé con Chagas" (in English, "No Baby with Chagas Disease"), launched in March 2019 in Spain at the Ibero-American General Secretariat (SEGIB, as per the Spanish acronym). This campaign represents the Foundation's commitment to raising awareness about this unfair disease and enabling access to diagnosis to all babies born with Chagas disease, contracted by mother-to-child transmission during the pregnancy of an infected mother, and all women of childbearing age, ensuring that they receive treatment. The goal of the "Ningún Bebé con Chagas" campaign is to make sure that no baby is born infected by 2030. In 2020, the SEGIB has suggested the creation of an Ibero-American programme related to this campaign, entitled "Ningún bebé con Chagas: el camino hacia nuevas generaciones libres de Chagas" (in English, "No Baby with Chagas Disease: the road towards new generations free of Chagas disease"). This is especially relevant for Spain, since it is the country outside of the American region (non-endemic country) with the highest treatment rate for this disease, and it can share and document its good practices.

d) Spanish National Network of Microbiology Laboratories for the improvement of Chagas disease diagnosis

Co-creation of the Spanish National Network of Microbiologists, which Mundo Sano has been driving at national level, together with the National Microbiology Centre - Institute of Health Carlos III in order to raise awareness of the disease from the laboratory to healthcare centres across the country. There are currently 26 centres throughout the Spanish national territory, with which multicentre intercomparability studies are conducted in order to ensure the quality and homogeneity of Chagas disease diagnosis protocols throughout the country. In 2020, the World Health Organization (WHO) joined the initiative, and diagnosis laboratories from different European countries started to be included.

6.2. Outsourcing and Providers

The quality of our medicinal products is guaranteed from the source, with the manufacturing and purchasing of raw and starting materials, until the distribution of the medicinal product to the patient, including all the production and control activities

carried out by our plants and by third parties to which GxP-impact activities are outsourced.

For this reason, each and every one of our contracted providers of raw materials, manufacturing services or analysis, suppliers of other services, or suppliers of any other outsourced GxP activity are conveniently qualified, i.e., selected and approved before their use, and also assessed regularly based on the risk posed by the materials or services provided. The quality unit in charge will assess the quality status of the provider of materials or services.

As part of the qualification process of providers and service suppliers, the global audit team performs both standardisation and assessment audits. These audits are planned based on a risk analysis where the quality status of the provider, the supply chain, and the related risks are assessed.

In case observations are identified during the audit which impact the quality of the product or service, said provider will be assessed in order to proceed to its disqualification or a remediation plan will be established, the implementation of which will be re-assessed.

During 2020, 148 providers were audited worldwide (in 2019, for its part, 186 were audited). In the case of 6 of this providers (9 in 2019), observations revealing deficiencies in compliance with applicable regulatory standards were detected. Later on, following the implementation of a remediation plan, the aforementioned providers have either been audited again or the implementation of said plan is currently under monitoring.

The number of audits in 2020 has been lower to that of 2019 due to the crisis caused by COVID-19, which has prevented/minimised the trips required for the established in-person audit process. Alternatively, an alternative remote auditing process was implemented, which allowed to essentially complete the 2020 audit programme. Nonetheless, efficiency and effectiveness were slightly reduced with this programme, due to the arduous preparation and execution required by this mode of auditing.

These raw materials and services are incorporated to our highly regulated manufacturing processes, which comply with the legislation in force in the countries where we operate and supply our products.

Finally, our products, from active ingredients to final products, are distributed in compliance with good distribution practice regulations, ensuring that the medicinal product and/or medical device are distributed through the approved channels.

Additionally, the Group establishes Quality Agreements with their critical and requires that all providers make a statement accepting our ethical and compliance standards, included in the

Code of Ethics Horizon in relation to social, equality, and environmental matters (see Human Rights section above), unless they have their own standards in writing. The latter may replace the standards included in Horizon provided that they meet the expectations and principles of the Group and are incorporated into a written agreement.

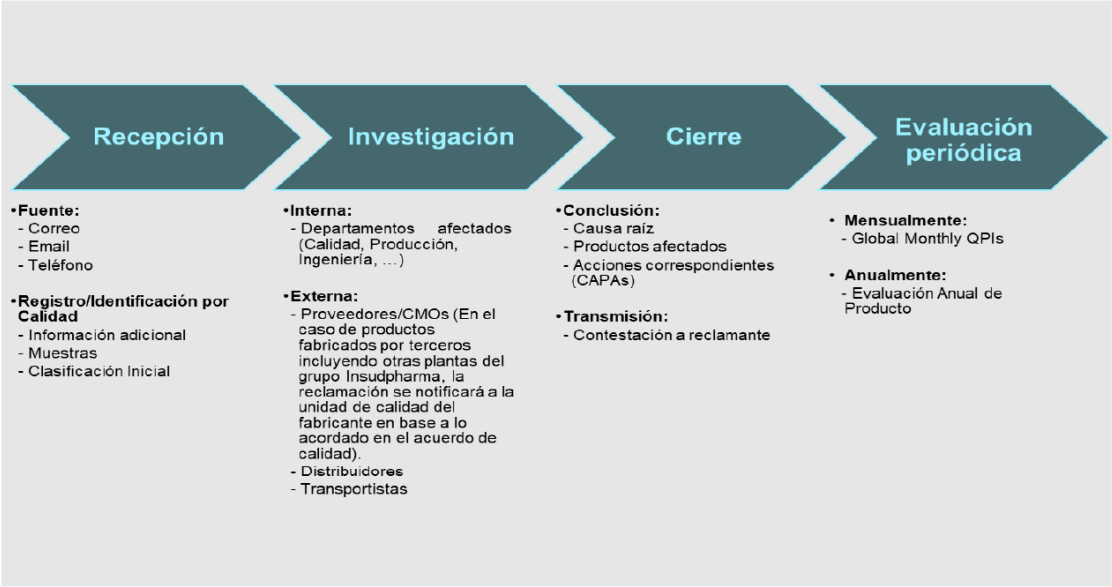
Within Horizon, we have four annexes to assess the risk of providers. The employees who manage these agreements access said documents for the proper assessment of our business partners. Thus, we study the different risks in advance, and we assess whether there are sufficient means to mitigate or prevent those, which, in turn, influences the decision of formalising or not an agreement with a third party.

6.3. Claim Management, Market Recall, and Pharmacovigilance

Our commitment to patients and healthcare professionals is vital. For this reason, we have a robust claim reception, investigation, and response programme. In this way, we make sure that any product incident is properly documented, investigated, and responded to. Besides, relevant corrective and preventive actions are taken in order to correct the underlying causes so that this type of claims are avoided in the future.

Lastly, regular assessments of the claims are carried out both at manufacturing plant level and at corporate level which allow us to identify any recurrence and/or trend and propose action plans, where appropriate.

A diagram of the Claims System is included below:



During 2020, a total of 2,588 claims (5,613 in 2019) have been opened in relation to alleged quality defects in products from the Group's manufacturing plants. All of them have been received and investigated following the claim management procedures appropriate to each business unit. 2,544 claims have been closed during this period (3,332 in 2019).

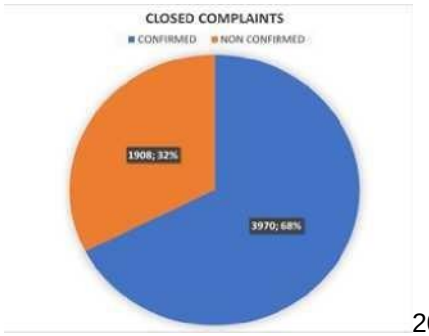
The mismatch between open and closed claims is due to the time required for the reception of samples and the investigation and closure of the same.

The table below reflects the indicator of the number of claims received per million of finished product packs sold by the three main Business Units (BU):

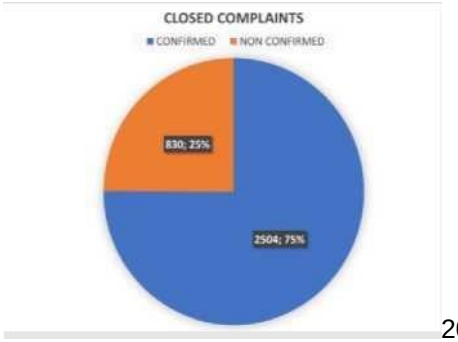
BU	Claims (2020)/millions of packs sold
Chemo	5
Exeltis	0
mAbxience	6

After the appropriate investigation, all 5,878 closed claims have been classified as confirmed with the manufacturing process or not confirmed.

Closed claims in relation to quality defects of products from the Group's manufacturing plants (confirmed), as well as those which are unrelated (not confirmed), are detailed below:



2020



2019

In case a confirmed critical defect in terms of quality or safety is identified among our distributed products, the Group has a market recall system in place. The effectiveness of the aforementioned process is regularly verified and reviewed in order to ensure that the process described in the work procedures is still solid and effective.

There have been a total of 9 market recalls in 2020, of which 6 were requested by the Health Authority. In 2020, there have been no sanctions related to consumer health and safety.

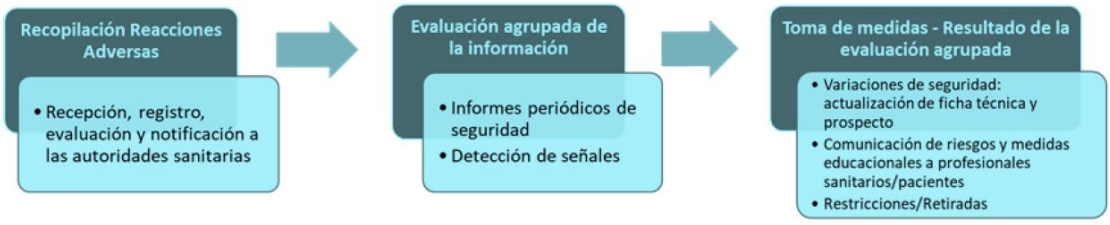
Pharmacovigilance: Our Commitment to the Safety of Our Patients Health

Remaining true to our commitment to improving the health and quality of life of patients and to look out for their safety, each of the business units of the Group, Chemo, Exeltis, and mAbxience, in compliance with the regulations in force in the countries where it operates, establishes a reporting channel for possible adverse reactions to medicinal products and/or medical devices with the aim of ensuring the safety of our patients, notifying the relevant health authorities, and adopting the appropriate measures regarding their marketing.

Pharmacovigilance is a public health activity which is aimed at detecting, evaluating, and preventing possible adverse reactions to the marketed products. An adverse reaction is defined as any undesired effect that appears after the administration of a medicinal product and/or a medical device.

For this purpose, close collaboration among the different agents involved in the use of the medicinal product (pharmaceutical laboratories, healthcare professionals, authorities, and patients) is required.

Diagram of the Group's Pharmacovigilance System



7. 2020 Tax Information

7.1. Tax Contribution

INSUD PHARMA Group stands by its commitment to contribute to economic, social, and industrial development through compliance with the tax legislation of the countries where it operates and with the OECD's Guidelines for Multinational Enterprises.

INSUD PHARMA Group's direct tax contribution by way of personal income tax payment corresponding to fiscal year 2020 has been of approximately 13,292 million euros.

This amount includes, in line with the information reported by the Group in its Country-by-Country Report, cash inflows and outflows which, by way of the income tax, have taken place during the current year, regardless of whether they correspond to the tax on profits from the current year (2020) or that of previous years.

7.2. Contribution by Geographical Area

INSUD PHARMA Group is taxed on the income generated in the territories where each activity is developed. A breakdown of the taxes paid in 2020 (in thousands of euros) by geographical area is included below:

Region*	Profit**	Tax Paid***
Europe	**86,424.13**	**9,885.37**
Spain	52,835.45	8,906.44
Germany	4,210.99	-28.25
France	-3,454.65	-1,216.61
Czech Republic	494.83	141.37
Slovakia	814.76	75.55
Poland	134.79	-31.65
Belgium	0.34	0.00
Italy	21,549.86	1,356.42
Portugal	-15.93	0.00
Hungary	1,173.10	259.72
Lithuania	95.76	1.96
Sweden	2,059.03	39.70
Netherlands	4,363.67	31.25
Switzerland	1,032.61	287.07
Austria	-138.58	3.50
Russia	11.62	1.87
United Kingdom	0.00	0.00

Turkey	1,256.48	57.01
LATAM	**-20,393.71**	**2,899.49**
Mexico	5,275.77	1,620.77
Chile	1,935.02	100.64
Peru	-711.76	4.04
Colombia	-2,004.28	33.43
Argentina	-6,302.96	794.60
Brazil	-8,397.20	0.00
Uruguay	-104.21	0.00
Guatemala	-1,089.11	170.70
Panama	-8,266.52	164.37
Ecuador	-728.43	10.94
USA	**-275.88**	**-54.81**
Asia	**-865.19**	**538.70**
Malaysia	15.31	0.00
Singapore	-0.06	0.00
Thailand	2,393.95	472.17
Cambodia	-12.74	0.00
Indonesia	-1,357.71	18.80
Philippines	-48.65	41.02
China	1,370.67	5.71
India	-3,218.81	1.00
Myanmar	-7.15	0.00
MENA (Middle East and North Africa)	**-748.23**	**22.76**
United Arab Emirates	1.77	0.00
Morocco	741.05	22.76
Nigeria	5.41	0.00
Total	**65,637.58**	**13,291.51**

**In line with the information reported in the Country-by-Country Report, only those companies consolidated according to the global integration method have been considered.*

***Profits before taxes of all the companies from the Group considered individually, only excluding the amount corresponding to intra-Group dividends and capital gains due to the transfer of shares.*

****Cash inflows and outflows performed during the current year, regardless of whether they correspond to the tax on profits from the current year (2020) or that of previous years.*

7.3. Subsidies

Subsidies received:

Thousands of Euros	**Capital subsidies**
Spain	1,570.33
Total	**1,570.33***

Thousands of Euros	**Operating subsidies**
Spain	199.35
Argentina	756.83
Italy	383.79
Turkey	157.84
Poland	96.72
Total	**1,594.52***

**Total amount of subsidies as of 31/12/2019*

8. Table of Contents Required by Spanish Law 11/2018

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Measures implemented to promote and comply with the provisions of ILO's fundamental conventions on the respect of freedom of association and the effective recognition of the right to collective bargaining; the elimination of discrimination in respect of employment and occupation; the elimination of all forms of forced or compulsory labour; and the effective abolition of child labour	4. Human Rights	GRI 103-2	83-85
Fight against Corruption and Bribery			
Management approach: description and results of the policies related to these matters, as well as the main risks associated to the activities of the group in relation to these matters	1.2. Mission, Policies, Organisation Model, and Materiality Analysis 5. Corruption and Bribery	GRI 102-15 GRI 103-2	8-17, 85-87
Measures taken to prevent corruption and bribery	5. Corruption and Bribery	GRI 103-2 GRI 102-16 GRI 102-17 GRI 205-2 GRI 205-3	85-87
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