Report

Non-financial information

INSUD PHARMA

BASIS FOR THE PREPARATION OF THE STATEMENT OF NON-FINANCIAL INFORMATION

In compliance with Law 11/2018 of 28 December on non-financial information and diversity, Insud Pharma, S.L.U. issues its Statement of Non-Financial Information ("**NFI**" or "**Consolidated NFI**" or "**Report**") as a separate annex to the Consolidated Directors' Report for the financial year from 1 January to 31 December 2022.

In addition, this Report has also been prepared in accordance with the European Commission's Communication of 5 July 2017 on Guidelines on non-financial reporting (Methodology for non-financial reporting, 2017/C 215/01).

Certain good practices contemplated in both the Global Reporting Initiative (GRI) standard in the GRI Selected option and in the International Framework of the International Integrated Reporting Committee have also been taken into account.

Finally, Insud Pharma, S.L.U. has determined its content taking into account the inclusion of stakeholders, the context of sustainability and the principles of materiality and completeness.

For the purposes of this consolidated NFI, Insud Pharma, S.L.U. and all its subsidiaries are referred to as the "**INSUD PHARMA Group**" or the "**Group**". The scope of reporting is consistent with the scope of the financial statements and the consolidated management report, taking into account the following considerations:

- Given the overall complexity and distribution of INSUD PHARMA Group's business, the scope of certain non-financial indicators may differ from the established standard, in cases where the reported indicators present exceptions to the scope, these have been properly identified

- In addition, in 2022, information has been included for Airpharm, S.L., together with its subsidiaries, a company acquired in December 2021.

- In the section on environmental issues, all quantitative data reported by the INSUD PHARMA Group represent the production and commercial activity of all its manufacturing sites. From an environmental point of view, the Group, given the international scope of the business and, therefore, the different locations of the manufacturing plants, is subject to the applicable regulations and standards on a local and individual basis. In addition, they may hold international certifications, as applicable.

In particular, the Group's manufacturing plants are as follows:

1. Altian Pharma, S.A. (Guatemala) (hereinafter "**Altian Plant**").

2. Chemo Biosynthesis, S.r.l. (Italy - Corana) (hereinafter "**Chemo Biosynthesis Plant**").

3. Chemo India Formulation, PTV. Ltd. (India- Hyderabad) (hereinafter, "**Planta Chemo India Formulation**")

4. Exeltis Ilac Sanayi ve Ticaret A.S. (Turkey- Çerkezköy) (hereinafter, "**Planta Exeltis Ilaç**").

5. Industriale Chimica, S.r.L. (Italia- Saronno) (hereinafter, "**Industriale Chimica Plant**").

6. Laboratorios Farmalán, S.A. (Spain- León) (hereinafter, "**Farmalán Plant**").

7. Laboratorios León Farma, S.A. (Spain- León) (hereinafter, "**León Farma Plant**").

8. Laboratorios Liconsa, S.A. (Spain- Guadalajara) (hereinafter, "**Liconsa Plant**").

9. Ordain Health Care Global Pte. Ltd. (India- Chennai) (hereinafter, "**Ordain Plant**").

10. PT Nufarindo (Indonesia- Semarang) (hereinafter, "**Nufarindo Plant**").

11. Química Sintética, S.A. (Spain - Madrid) (hereinafter, ("**Química Sintética Plant**").

12. Universal Farma, S.L. (Spain - Guadalajara) (hereinafter, "**Universal Farma Plant**").

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1. General information

Insud Pharma S.L.U. (the "**Company**") is a Spanish company with registered offices at calle Manuel Pombo Angulo, 28, 3ª y 4ª planta 28050, Madrid (Spain) and whose main activity is the management and administration of companies.

This Company is the Parent Company of the INSUD PHARMA Group, a group of companies mainly active in the pharmaceutical and chemical sector. The INSUD PHARMA Group is a group engaged in healthcare since 1977, operating along the entire drug-chemical value chain and offering expertise in scientific research, development, manufacturing, sales and marketing of a wide range of active pharmaceutical ingredients (APIs), finished dosage forms (FDFs) and own-brand, over-the-counter (OTC) medicines for human and animal care.

The INSUD PHARMA Group, as the world's leading pharmaceutical group, focuses on innovation and sustainable development. Our vision is to improve people's health and well-being by promoting access to affordable, quality medicines and to continue to expand our efforts and investments in research and development to develop new and better therapeutic solutions. In addition, the Group continues to make a significant effort to invest in new businesses, enter new markets and seek differentiating factors that add value.

1.1. Geographical presence

Currently, the INSUD PHARMA Group has a worldwide presence and has built a broad and balanced commercial and manufacturing network across five continents to address global opportunities and serve the needs of customers in the world's major pharmaceutical markets.

The following is a list of the countries in which the Group operates classified by the Group's business divisions which will be described in the next chapter:

- **Industrial Business Division, "CHEMO":**

  - R&D Centres: Argentina, China, Spain, India, and Italy.
  - Commercial office: Argentina, Brazil, China, Spain, India, Mexico and Russia.
  - Manufacturing plants: Spain, India, and Italy.

- **Commercial Business Division, including *Branded Generics & Innovation, "EXELTIS":***

  - Commercial office: Austria, Brazil, Belgium, Chile, China, Colombia, Costa Rica, Czech Republic, Dominican Republic, Ecuador, El Salvador, France, Germany, Guatemala, Honduras, Hungary, India, Indonesia, England, Italy, Lithuania, Malaysia, Mexico, Morocco, Nicaragua, Nigeria, Panama, Paraguay, Philippines, Poland, Portugal, Slovakia, Spain, Sweden,

Switzerland, Thailand, Turkey, United Arab Emirates, United Arab Emirates, United States and Vietnam.

- Manufacturing plants: Turkey, Guatemala, India and Indonesia.

- **“XIROMED" generics division:**

  - Commercial office: United States, Sweden, Finland, Denmark, Iceland, Norway, Germany, the Netherlands and Poland.

- **“AIRPHARM" logistics division:**

  - Headquarters: Spain.
  - Branches: Switzerland, Hungary, Uruguay and United Arab Emirates (Dubai)

1.2. Mission, policies, organisational model and materiality study

1.2.1. Mission

The INSUD PHARMA Group's vision is to improve people's health and well-being by promoting access to affordable, quality medicines and to continue to expand its efforts and investments in research and development to develop new and better therapeutic solutions. In addition, the Group continues to make a significant effort to invest in new businesses, enter new markets and seek differentiating factors that add value.

In this regard, it should be noted that the company, for the second consecutive year, has obtained, with the Chemo and Exeltis brands, the "EXCELLENT" rating in the Profarma 2021 Plan of the Spanish Ministry of Industry, Energy and Tourism, in recognition of its industrial activity and its commitment to development and innovation in our country.

This rating is the result of the Company's commitment to the development of the industrial structure in Spain and its investment effort in both production and R&D&I.

1.2.2. Policies

The 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 and are, fundamentally: Integrity, Transparency, Innovation, Quality, Passion, Entrepreneurship, Diversity and Flexibility.

In relation to environmental and social issues, those related to personnel, human rights and the fight against corruption and bribery, the policies included in the Group's Code of Ethics (*Horizon*), the supervision of which is centralised in the parent company, as well as in the ABC Book and the general procedure of Canal Directo, stand out. In addition, the Group has a Criminal Compliance Model (Corporate Defence), which includes a Criminal Risk Prevention and Compliance Manual and a Risk and Control Matrix. Corporate Defence and Horizon are the responsibility of the Compliance and Audit Committee, comprising the Chief Executive Officer, the General Counsel, the Chief Compliance Officer, the Director of Internal Audit, the Director of Quality Assurance, the Director of Human Resources and the Compliance and Data Protection Specialist.

As regards data protection policy, the Group has a data protection department which is responsible for supervising all matters relating to current data protection regulations, promoting knowledge and training among employees (with both online and in-person training) and which is headed by an internal Data Protection Officer. In addition, this department participates in the Internal Audit and Compliance Committee on a recurring basis to report on the most relevant data protection issues. In this regard, there are various internal Group policies in this area which are reviewed annually by this department.

Quality Policy

The manufacture of drugs and medical devices is highly regulated. Rigorous legislation, both at European and global level, ensures the protection of patients. In addition, the Group is particularly transparent in its interaction with healthcare professionals and industry organisations.

The Quality Policy is clearly stated in the Statement of Management Commitment to Quality generated under the #One Quality Voice initiative:

#OneQualityVoice
Quality is at the heart of our company
Trust is our greatest asset.
Patients, families, doctors, pharmacists and health authorities trust the medicines we produce.
Commitment to continuous improvement is in our DNA.
Working daily to be better at what we do helps us eliminate waste, improve our service and deliver on our quality promises.
Responsibility for quality lies with every person in our company. We all have a responsibility to do our jobs well.
We achieve growth and sustainability by offering our patients and business partners products that are consistently high quality, affordable and on time.
For us: Quality is everyone's responsibility.

At INSUD PHARMA Group, each business division has internal policies and procedures that ensure safety and quality across all elements of the product supply chain.

In addition, the INSUD PHARMA Group is implementing an integrated quality management system, #OneQualityVoice, which is structured to facilitate standardisation and consistent application of quality requirements throughout the drug life cycle and across all business units. This quality management system, #OneQualityVoice, ensures that patients have access to safe and effective medicines that improve their quality of life on a daily basis.

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, a coordinated and globally led Quality Unit that applies an integrated management and control system that fosters digitalisation for the establishment of an effective, efficient and sustainable Quality Culture.

As regards Quality Standards, since the start-up of the project, 1 quality manual (in year 2021: 1), 29 corporate policies (in year 2021: 15), 91 global procedures (in year 2021: 22) and 16 work instructions (in year 2021: 59) have been implemented, many of them related to the implementation of the new specific IT systems for quality management: Electronic Manufacturing Record Management System (EBR), Laboratory Information Management System (LIMS), Document Management System (DMS), and Quality Process Management System (QMS).

As regards the **Global Quality Unit,** its scope of action is reflected in the corporate organisation chart and, as a management body, a Global Quality Committee is set up, headed by the Corporate Head of Quality and comprising operational and corporate heads of Quality and Pharmacovigilance. This Committee has defined the following four **strategic lines** on which the annual objectives for the entire organisation are established:

- 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 that allow us to be more efficient.
- Strengthen our culture of teamwork: Investing in identifying talent and fostering the development, training and integration of the people who make up our teams.

Strategic lines of the INSUD PHARMA Group's quality culture

The INSUD PHARMA Group is aware of the key role that digitalisation is playing in the Quality and Integrity of Products, Processes and Information area. Therefore, in year 2022, several global digitalisation projects have been planned and / or launched and / or increased in scope in pursuit of excellence, which will improve the control and processing of operations, enable more efficient processes and facilitate the analysis of trends, which is necessary to identify areas for improvement.

The **Digitalisation** projects underway are detailed below:

- EBR, Electronic management of manufacturing and packaging guides at the Química Sintética Plant, Leon Farma Plant and Liconsa Plant.

- LIMS, Laboratory Activity Management System. In year 2022, the implementation of LIMS continued according to the predefined plan, consolidating the implementations in Spain: Química Sintética Plant, Leon Farma Plant and Liconsa Plant; in Turkey: Exeltis Ilac Plant; in India: Chemo India Formulation Plant; and also continued with the configuration and

validation of the ELN (*Electronic Laboratory Notebook*) Tool with ME (*Method Execution*) complementary to LIMS, which will speed up / facilitate the configuration of the system. Once validated, the ELN implementation plan will be decided.

- DMS: Document Management System. Two DMS systems are maintained with integral or repository functionality, covering the documentation of the Global Quality Unit (including Pharmacovigilance) and all Chemo's plants in Spain.

- OEE system for Liconsa and León Farma plants.

- 4Action operations automation system.

- SGP (plant management system) for Liconsa, the aim of which is to control all the automation of the silo and the movement of materials in the plant.

These projects will continue to be implemented progressively in the following years in the remaining companies and business units of the Group.

For the INSUD PHARMA Group, continuing to improve day by day is a key factor. Therefore, the Global Quality Unit (GQU) conducts Quality Periodic Reviews (QMR) with all plants and also defines, monitors and publishes internally the results of quality indicators (QPIs) oriented to the review of global quality objectives and continuous improvement.

In addition, in line with our commitment to quality, the Group's Global Quality Unit has continued with the **Internal Audit** Programme to monitor quality standards, cross-cutting implementation of corporate policies and compliance with GXPs at all Group plants. These reviews allow us to identify opportunities for improvement in our quality system that impact our patients.

In year 2022, internal audits have been carried out in 7 of the INSUD PHARMA Group companies and in 2 of them major remarks have been reported.

This Internal Audit Programme is a key part of the system, as it is well known that the manufacture of medicines and medical devices is highly regulated; stringent legislation, both at European and global level, ensures the protection of patients. In addition, the Group is particularly transparent in its interaction with healthcare professionals and industry organisations.

In year 2022, INSUD PHARMA Group companies received 24 inspections from the Health Authorities; to date, 16 inspection reports have been received, with only 1 containing a critical observation, 5 containing major observations and 10 containing

minor observations. All observations were diligently and voluntarily addressed to meet the requirements of the Health Authorities.

The positive outcome of the inspections received by the Health Authorities, international regulatory bodies to maintain the corresponding Manufacturing and / or Marketing authorisations and, on the other hand, of the Customer Audits of the plants with marketed production during year 2022 to guarantee the contracted supply is an example of our commitment and of the effectiveness and efficiency of the Quality System.

Finally, it should be noted that the INSUD PHARMA Group is aware of the strength that our **Quality Culture** conveys to all our employees and customers, which recognises quality not only as a compliance requirement but as a necessity that allows us to make better decisions that benefit our patients. Therefore, all Group employees are responsible for complying with our quality standards.

Thus, in year 2022, we continued with the communication campaign announced in year 2021 to promote the Group's Quality Culture, under the title "*The importance of Details",* which aims to highlight how small but important details in the performance of our work can have a great impact on our patients.

As regards quality certifications, Airpharm has, among other certifications, the Certificate of compliance with good distribution practices (gdp) of a pharmaceutical distribution entity, authorisation of health records of food companies, authorisation by the Department of Agriculture, Livestock, Fisheries and Food of the Regional Government of Catalonia and ISO certification.

1.2.3. Organisational Model

With the exception of matters reserved to the competence of the General Meeting of Shareholders, the Board of Directors is the highest decision-making body of the Company, assuming, as the core of its mission, approval of the Group's corporate strategy and its implementation, supervising, guiding and controlling the actions of management in order to meet the goals set and with the stakeholders. The business is at the forefront of the organisation and is represented in the General Business Divisions, which are responsible for the design of the business strategy and cover the Group's main business lines: Chemo, Exeltis, Xiromed and Airpharm.

The Group is active throughout the entire pharmaceutical and chemical value chain and its activities are divided into three business lines within the INSUD PHARMA Group, structured into three different divisions: the industrial division (CHEMO), the commercial division (EXELTIS) and the XIROMED division. In this way, each of the companies that make up the Group is focused on a specific activity, with a high degree of vertical integration and synergies between the different divisions:

- **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 includes more than 100 active ingredients, more than 120 finished dosage forms and more than 500 over-the-counter (OTC) dosage forms. The division covers all links in the value chain from development to registration, ensuring the quality of its products, manufacturing in-house and distributing directly to the customer.

  CHEMO owns three chemical plants (two in Italy and one in Spain) and has a 40% stake in Nosch Labs Pte. Ltd. (a company with a plant in India) and a 50% stake in Maprimed, S.A. (Argentina). (Argentina). In addition, it has four pharmaceutical facilities in Spain: the León Farma plant, which produces finished hormone products, the Liconsa plant, which produces finished products, and the Farmalán and Universal Farma plants, which produce injectables. All plants are fully compliant with Good Manufacturing Practices (GMP), FDA (US Food and Drug Administration) and EMA (European Medicines Agency) quality standards. The pharmaceutical plants are equipped with the latest technology and offer a multitude of final solutions such as solids, semi-solids, hormones, injectables and inhalers. The pharmaceutical plants are equipped with the latest technology and offer a wide range of final solutions such as solids, semi-solids, hormones, injectables and inhalers.

  In mid-2017, CHEMO opened the research and development centre in India, the Chemo India Formulation Plant, specialising in the development and manufacture of oral solids including tablets, soft gelatin capsules*, pellets*, etc*.* This plant aims to improve the development activities of new finished products and expand CHEMO's portfolio for its customers.

  CHEMO operates in all major therapeutic areas with a focus on cardiovascular, gastroenterology, central nervous system, respiratory, women's health and eye health and has more than 1,000 customers among the world's leading pharmaceutical companies.

- **EXELTIS Division:** EXELTIS is the private brand division of the INSUD PHARMA Group. It is aimed at research and development, manufacturing, sales and marketing of a balanced portfolio of private label pharmacological solutions with a focus on women's health, respiratory, dermatology and central nervous system oriented solutions.

  EXELTIS combines the Group's expertise, experience and innovative spirit to develop, produce and market medicines and medical devices.

EXELTIS has a consolidated portfolio of approximately 300 products and operates in more than 40 countries with around 50 subsidiaries spread across four continents and is present in countries with high growth potential such as Brazil, Mexico, China, India and Indonesia, as well as in established markets such as the United States and Germany, among others.

In its ongoing search to offer new solutions in the market, EXELTIS aligns its research and development efforts by seeking synergies with CHEMO and its corporate R&D centre specialising in research and development of new products from Phase I to approval. In addition, EXELTIS is moving to expand its therapeutic areas of activity by acquiring new portfolios in the market to consolidate its business.

EXELTIS has four production plants of its own: Altian Plant, Exeltis Ilac Plant, Nufarindo Plant and Ordain Plant, in addition to another investee in Paraguay.

- **XIROMED Division:** XIROMED is the Group's division with a business focused on supplying quality generic products to large pharmaceutical chains in the US market and in tenders in northern European countries (such as Belgium, Sweden, Norway, Iceland, among others).

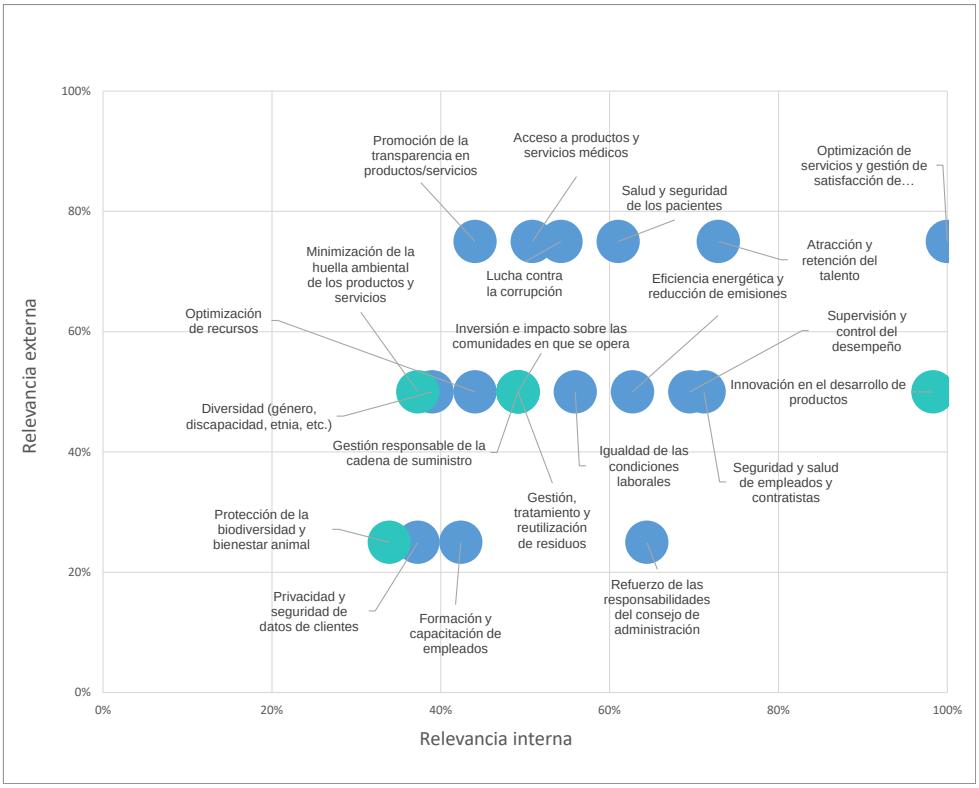
  Our ambition is to always simplify and improve access to high quality medicines, and our success comes from developing sustainable solutions and partnerships in public tenders.

- **AIRPHARM Division:** Airpharm is a continuously growing transport group offering international transport services, import and export, logistics, warehousing and distribution, customs and bonded warehouse services, logistics outsourcing, foreign trade and technical consultancy, specialising in the chemical-pharmaceutical, cosmetics, veterinary and food supplements sectors.

  Recognised as a benchmark in this sector, it formalises creative and innovative solutions through continuous improvement, becoming a strategic ally of clients and suppliers with a network of agents and correspondents that serves the markets of Europe, America, Australia, Africa and the Middle East, which allows it to cover 99% of the areas where global trade takes place.

1.2.4. Group materiality study

The **materiality study** considers issues relevant to the Group as a company in the pharmaceutical sector from a Corporate Social Responsibility perspective.



The INSUD PHARMA Group focuses on its relationship with patients and customers, with innovation in product development being a top priority for the company, as exemplified by the graph. This is evidenced by the Group's high quality standards, with patient health and safety being of paramount importance.

Furthermore, attracting and retaining the talent of top professionals who are committed to the project is also of great importance to the Group. In this regard, the promotion and optimisation of services and customer satisfaction is the leitmotiv of the company and the result of its success. Transparency and access, i.e. promoting improvements in people's lives and access to affordable, quality medicines for the greatest number of people, are at the heart of our efforts and investments in research and development.

Biodiversity protection issues are not categorised as material due to the limited impact on biodiversity of the sites where the production activity takes place.

1.3. Major factors and trends that may affect the Group's future evolution

The future of healthcare holds significant challenges for the sector. These include access to drugs, the relationship with governments and the reputation of the pharmaceutical industry.

More than 2 billion people in the world lack access to essential drugs. The Group is committed to providing access to drug treatments. The Company generates more than 300 own-brand products.

In geopolitical and economic terms, year 2022 was a year dominated by two indisputable events: the end of the COVID-19 pandemic (at least in Western countries) and the beginning of Russia's invasion of Ukraine. he latter event has exacerbated an economic trend that had already been anticipated: inflation, loss of purchasing power and the shadow of the dreaded recession.

The onset of COVID-19 has hit the global supply chain hard, causing shortages of some products (mainly intermediate goods) and price tensions. This has been and continues to be the case for microchips or semiconductors, shortages of which are causing disruptions on European car assembly lines.

The pharmaceutical sector was one of the sectors where such disruptions were most intense and evident: from the beginning of the pandemic until mid-2022, we suffered shortages of certain pharmaceutical products, such as testing kits (PCR and antigens) and masks, not to mention the shortage of vaccines during the first third of year 2021. All this evidenced that the pharmaceutical industry is a key sector that lacks all the necessary capacity to ensure a certain degree of independence from the outside world, which highlights the need to make a definitive commitment to developing it, bearing in mind that it is extremely productive and competitive both in Spain and in the rest of the EU.

The situation experienced by some sectors of the pharmaceutical industry, such as generic and biosimilar manufacturers, is particularly noteworthy, as they are suffering pressure on energy and transport costs, with the well-known dependence on raw materials from China and India, revealing the fragility of our pandemic response plans and the lack of strategic autonomy of the pharmaceutical industry in the European Union. This situation is bringing to light additional problems such as shortages, supply disruptions or even the unfeasibility of producing some drugs due to the pricing policies applied by the Member States, which reveal that the cost of production is higher than the cost of marketing.

The COVID-19 challenge also highlighted the need for collaboration between public administrations and the private sector and, above all, for coordinated global action to develop vaccines against COVID-19. However, it is clear that public resources are not sufficient to deal with a global pandemic such as the current one. The International Pharmaceutical Industry Federation stressed the need to seek a global agreement between health authorities, pharmaceutical companies, health organisations, medical-scientific associations, biotech companies, hospital operators and healthcare partners through collaborative R&D programmes to develop new drugs and vaccines.

In this regard, the Group has made a significant contribution to the fight against COVID-19 by filling the vials of the vaccine developed by AstraZeneca at the Universal Farma plant in Spain.

In addition, a subsidiary of the Group, Inmunova, S.A., is producing Covifab in Argentina, a drug for the treatment of COVID-19 that was approved at the end of year 2020 and began to be distributed in mid-January 2021 by Laboratorios Elea Phoenix, S.A., also a subsidiary of the Group.

The Group also develops its social responsibility through Mundo Sano, a non-profit family foundation whose mission is to transform the reality of populations affected by neglected diseases. These include Chagas disease, geoparasitosis, dengue, leishmaniasis and hydatidosis, among others, which often affect the most vulnerable sectors, causing serious consequences for the health of those who suffer from them. Its aim is to develop effective, replicable, scalable and transferable management models through public-private partnerships and multidisciplinary scientific research.

The ageing of the population is increasing and the structure of the population pyramid increases the pressure on sustainability. The development of medical science has led to an increase in life expectancy, and it is the Group's mission to improve the health of people around the world by providing effective, high-quality drug treatments.

In a global world with constant technological advances, pharmacovigilance continues to grow in importance as a means of protecting public health. However, companies, organisations and governments will require the use of new technologies to move forward. The use of AI, virtual reality or big data opens up countless options for accelerated decision-making and prevention.

Innovations will enable the achievement of public health goals and transform the healthcare industry, breaking through current boundaries and expanding frontiers to provide services that were not previously thought possible. In order to achieve this goal, the Group encourages close collaboration between the different actors involved in the use of medicines: pharmaceutical laboratories, healthcare professionals, authorities and patients, always aiming at the detection, evaluation and prevention of possible adverse reactions to marketed medicines. At the Group, we are committed to meeting the challenge of new technologies while remaining faithful to our commitment to improving the health and quality of life of patients and ensuring their safety.

We are aware that there is a global need to improve people's health and well-being through high quality medicines, and this is the purpose of Medicines for Europe. The Group is committed to transparency since 2017 by publishing on our website its interactions with HCPs in accordance with the Medicines for Europe Code of Conduct.

The Group is also involved in projects to help start-ups in the healthcare sector, supporting technological development, through the "ChemoStart" programme, a global programme that helps boost start-ups and companies with innovative projects in health and healthcare. ChemoStart has just celebrated its sixth edition. In the *Pitch Day* held in year 2022, two *start-ups* won: one dedicated to the development of medical devices to improve women's health and a second company specialised in detecting diseases with a single saliva sample.

Lastly, it should be noted the new participation and qualification of the group within the PROFARMA programme, which is a programme managed by the Ministry of Industry, Trade and Tourism, with the participation of the Ministry of Health and the Ministry of Science and Innovation.

In year 2022, there was a double call corresponding to the years 2021 and 2022 (due to the suspension during COVID-19), with results to date for the 2021 call.

Both at national and international level, global companies have their focus on PROFARMA due to its industrial, political and business relevance.

Chemo and Exeltis, through INSUD PHARMA, have achieved an EXCELLENT rating in Group A under PROFARMA 2021, the highest possible rating within the group of companies with the highest value.

INSUD PHARMA's excellent track record in the PROFARMA plan is due to the company's commitment to invest in R&D&I and productive activities of the highest scientific and technological level.

The company is committed to creating value, quality employment, developing innovative products and improving people's health.

In particular, in Spain, INSUD PHARMA has been committed to the creation of large state-of-the-art production plants, the design of new drug delivery methods, the development of scientific and clinical projects of great value to society, and all this has been reflected in the excellent rating in PROFARMA, a milestone by obtaining the rating of EXCELLENT for the third consecutive year.

1.4. Goals and strategies of the organisation

The strategic plan is aimed at making the Group a benchmark in the healthcare sector for both customers and patients. To this end, we work together, always bearing in mind the following premises:

- **Quality:** one of our priorities as a Group is to guarantee quality as the maximum value proposition for patients. Our quality-based culture focuses on the safety, efficacy and compliance of our products and facilities throughout the world. As a Group, we are committed to achieving the highest quality at all times. This is why internal employee awareness campaigns are conducted on an ongoing basis. This year, the campaign "T*he Importance of Details" was continued*.

- **Innovation:** the Group aims to foster an innovative and disruptive spirit, being distinctive for our customers and building a Group that detects new business opportunities and a portfolio of products that is attractive to the market and patients.

- **Productivity:** to be a benchmark for the market in the development of our operations from all points of view: technical and commercial, while maintaining the best quality standards. Productivity is the way to increase the efficiency of processes and prioritise activities. The Group, in its patient-oriented approach, focuses its efforts on listening to patients' needs and meeting them in the shortest possible time with an excellent quality standard.

- **Commitment to our customers (partnership):** referring to the ability to be a reference for our customers and collaborators through a close network where our priority is to increase their satisfaction.

- **Team and Talent:** focusing our efforts on our team to be connected, committed and innovative. The talent management of our employees contributes to the creation of value for our patients.

- **Growth:** Finally, the Group remains focused on becoming one of the most efficient and competitive pharmaceutical companies, increasing the commercial operations and profitability of our businesses.

To achieve all this, the Group promotes a series of key values among its employees so that its teams of professionals work under the same paradigm and with the same mission: to improve and help the health of patients around the world. Some of our core values are:

- **Integrity:** Our actions are in accordance with our values and the Group's principles. At INSUD PHARMA Group, we are driven by what is best and right for everyone. We have integrity in our relationships and decisions.

- **Passion:** Passion is the driving force in every one of our Group's projects. At INSUD PHARMA Group, we are passionate about what we do and the idea of being able to contribute to people's health care and well-being.

- **Entrepreneurship:** To be proactive implies responsibility and commitment. At INSUD PHARMA Group, we value inquiring minds and contribute to making projects a reality.

- **LEAN philosophy:** The LEAN philosophy favours more efficient processes and is oriented towards continuous improvement. At INSUD PHARMA Group, we are continuously improving the quality management of processes and promoting environments that enable our professionals to be increasingly autonomous and efficient.

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

2. Environmental management

2.1. Size of the organisation

The **total production (Kg)** of the plants in year 2022 was 5,701,626 kg.

For the purpose of calculation and due to the disparity between the final products generated in the different manufacturing plants, the criterion of production unit has been unified, in total kilograms produced, regardless of whether it is API or final pharmaceutical form (FDF). Furthermore, only actual production has been taken into account, i.e., the amount of product that can be marketed, discarding non-compliant products and those obtained in tests and trials. Therefore, calculation only includes the pharmaceutical product itself, and does not include packaging (blister packs, bottles, etc.) or packaging (kits, leaflets, boxes, etc.).

2.2. Main impacts, risks and opportunities

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

- Consumption of materials, energy and water; and
- Generation of Emissions, Effluents and Waste.

As regards noise pollution, one of the objectives of our environmental policy is to minimise the impact on the environment generated by our manufacturing activity in any environmental aspect. In those plants where the authorities so require, environmental noise measurements are taken.

As regards light pollution, given the location of the different plants, their activity does not have a significant impact.

As will be explained more widely in section 2.5. of this report, there is no impact on the biodiversity of the sites where their production activity is carried out.

For further details, the organisation's environmental performance with respect to each of the possible impacts generated by its activities is described below.

2.2.1. Environmental management

The key principles on the basis of which the environmental management systems are developed are established at Group level, and 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. In addition, the specific location of the plants around the globe is a determining factor in terms of the application of environmental regulations, norms and standards. Compliance with local regulations is a priority, which is why the Group is committed to the environmental management and control of each individual plant.

This commitment to the environment is also expressed through the Horizon Code of Ethics, applicable to the entire Group, and environmental management in accordance with the ISO 14001 standard: 2015, in the production plants Química Sintética Plant, Liconsa Plant and León Farma Plant, all located in Spain, the Planta Industriale Chimica in Italy and the Planta Exeltis Ilaç in Turkey, and through the submission of the Química Sintética Plant to the Integrated Environmental Authorisation in accordance with Royal Legislative Decree 1/2016, of 16 December, approving the revised text of the Law on Integrated Pollution Prevention and Control.

Furthermore, with the implementation of the ISO14001:2015 standard, we aim to achieve the following objectives:

- To carry out an efficient control of resources, thus achieving savings in the consumption of resources, improving the efficiency of production processes and reducing the amount of waste generated;
- To ensure continuous compliance with environmental legislation;
- To ensure continuous improvement in environmental performance;
- To reduce risk and increase opportunities for improvement in environmental management;
- To improve the corporate image and thereby strengthen relationships with our stakeholders; and
- To increase efficiency in regular performance, favouring process improvement.

It is also important to note that the Química Sintética Plant is a member of the voluntary Responsible Care initiative. This is a chemical sector initiative for the continuous improvement of the performance of its production activity and all its operations in accordance with the principles of Sustainable Development and CSR, promoted by the Spanish Federation of Chemical Industries (FEIQUE), whereby it undertakes to "carry out its operations by continuously improving Safety and the protection of Health and the Environment".

2.2.2. Environmental measures applied in the organisation

For the INSUD PHARMA Group, the prevention of environmental risks is a key concern. For this reason, the environmental management systems certified in accordance with ISO 14001 include an exhaustive risk analysis, the objective of which is to eliminate or minimise risks, always and in each case applying preventive measures based on the Best Available Techniques. In order to evaluate the risk of occurrence of each and every potential aspect, an analysis of all potential initiating events is carried out, evaluated according to the activity that may develop the initiating event.

In those plants that do not have a certified environmental management system, environmental risk analysis is addressed in different ways. This is included, for example, in the simplified assessment of the Farmalán plant or in the environmental document of the Universal Farma plant, as the environmental impact assessment does not apply, or in the audited environmental statement of the Chemo India Formulation plant.

In year 2022, through the ECOVADIS platform, the Química Sintética Corporate Social Responsibility assessment in the areas of Environment, Safety, Human Resources, Ethics and Sustainable Purchasing, obtained a silver medal rating, which means that Química Sintética is among the top 8% of companies rated by EcoVadis in the sector of Manufacture of pharmaceutical products, medicinal chemicals and botanical products for pharmaceutical use.

In addition, the INSUD PHARMA Group has a Civil Liability policy with a cover of forty million euros for cases of accidental contamination of the soil, water or atmosphere, provided that the cause is accidental, sudden, and not foreseen or expected by the insured in national territory.

The results of the Intergovernmental Panel on Climate Change (IPCC) show that human activity has influenced the evolution of the climate since the industrial era, which is affecting variables such as the increase in the temperature of the atmosphere and the oceans, the rise in sea level or the increased concentration of greenhouse gases (GHG), among others. The INSUD PHARMA Group is aware of this fact and is committed to the sustainable development of its activity, taking measures to adapt to the consequences of climate change. These measures are established on the basis of a thorough identification of the risk and its consequences, as shown below:

ASPECT	CAUSE	CONSEQUENCE	RISK	EXISTING MEASURES	RISK DECISION
TRANSPORT, STORAGE AND DISTRIBUTION	Increased temperatures	Reduced efficiency of power transmission and distribution lines due to heat.	Problems in raw material sourcing and supply	Updated risk map of suppliers at both international and national level Increase of the stock of raw materials prior to production planning Establishment of agreements with suppliers (Supply Agreement and Quality Agreement) to avoid stock-outs of raw materials Proactivity in communications with suppliers	Controlled risk
	Weather events (heavy rains, snowfall, etc.)	Effect on transport infrastructures roads, airports...	Problems in raw material sourcin	Increase of the stock of raw materials prior to production planning Establishment of agreements with suppliers (Supply	Controlled risk

			g and supply	Agreement and Quality Agreement) to avoid stock-outs.	
	Fires	Risk of increased forest fires from natural and unnatural causes due to higher temperatures and more favourable conditions for ignition.	Affection of storage areas for raw materials, products or landfills.	Efficient fire protection systems in all facilities Direct contact with emergency assistance Existence of protocols for action in emergencies Staff training	Controlled risk
ENERGY	Increased temperatures	Decreased battery performance	Production equipment failures	Duplication of key equipment Increase in preventive maintenance plans Stock of spare parts in the plant	Controlled risk
		Increased peak electricity demand associated with cooling and air-conditioning needs.	Increase in electricity consumption costs.	Use of emergency generators. Provision for rental of generators.	Controlled risk
	Weather events (heavy rains, snowfall, etc.)	Damage to energy supply infrastructure	Energy shortages.	Possession of self-generators of sufficient capacity until re-established. Protection and insulation of supply installations from the elements.	Controlled risk

WATER		Sewerage infrastructure overloading	Risk of non-discharge of treated water.	Temporary storage of treated water in containment basins or tanks	Controlled risk
	Weather events (heavy rains, snowfall, etc.)	Risks to the functioning of marine ecosystems, fisheries and aquaculture due to an increase in the frequency and intensity of extreme events at sea (waves, storm surges, sea level intrusion, etc.).	Affecting the raw materials used in our manufacture	Updated risk map of suppliers at both international and national level Increase of the stock of raw materials prior to production planning Establishment of agreements with suppliers (Supply Agreement and Quality Agreement) to avoid stock-outs of raw materials Proactivity in communications with suppliers	Controlled risk
	Drought	Risk of reduction in the availability of water resources for industrial uses.	Risk of water shortage for production and auxiliary processes.	Possibility of using well water Possibility of drinking water supply by tanker truck	Controlled risk
HR	Alteration and extinction of species	Increase in the presence of certain parasites.	Increase in the number of departures from	Qualified supervisory staff are in place Recruitment protocols are in place	Controlled risk

			the production workforce. Staff in rotation and less experienced.		
	Temperature increase	Proliferation and increased incidence of pests and diseases.	Increase in the number of departures from the production workforce. Staff in rotation and less experienced.	Qualified supervisory staff are in place Recruitment protocols are in place	Controlled risk
	Weather events (heavy rains, snowfall, etc.)	Risk of increase in diseases associated with worsening air quality.	Increase in the number of departures from the production workforce. Staff in rotation and less experienced.	Qualified supervisory staff are in place Recruitment protocols are in place	Controlled risk

FINANCIAL RESOURCES	Weather events (heavy rains, snowfall, etc.)	Risk of farm losses due to production losses and input price increases.	Increase in the price of raw materials	Updated risk map of suppliers at both international and national level Increase of the stock of raw materials prior to production planning Establishment of agreements with suppliers (Supply Agreement and Quality Agreement) to avoid stock-outs of raw materials Proactivity in communications with suppliers	Controlled risk

The Group's solid commitment to the installation of innovative and efficient techniques aimed at increasing environmental protection is reflected in the high level of expenditure and investment it undertakes each year.

These investments will be detailed in the corresponding chapters, but we can highlight the most relevant ones:

- he plants and offices in Spain have contracted a 100% renewable energy supply since January 2021. With this measure, total CO_2 emissions have been reduced by 30-50%, depending on each plant.

- Other major initiatives have been aimed at installing more effective technologies for the treatment of emissions, such as the new scrubber and adsorption stage with activated carbon that has been implemented at the Industriale Chimica plant in Italy, or the new scrubber and subsequent cri-condensation stage for the treatment of VOCs installed at the Chemo Biosynthesis plant, also in Italy.

Airpharm applies risk management through different methodologies such as:

FMEA (Failure Mode and Effects Analysis): the risks of the different processes are classified taking into account the severity of a failure, the probability of detection and the probability of the failure occurring. This methodology is also used in the analysis of risks and opportunities in environmental management to assess the potential environmental risks and opportunities defined by the organisation. Control measures are also determined to mitigate those risks and opportunities detected to acceptable values.

- Risk ranking and filtering: Based on the worst case principle. Used for validations as a method of detecting the worst cases that can be found in each process and which are candidates to be studied in depth to avoid failures.

-HACCP: This method is used to study the critical processes and identify the points where controls must be added to avoid deviations.
All these methodologies make it possible to identify those processes with a high level of risk and establish control mechanisms to mitigate them until a zero or acceptable risk is obtained according to the company's own standards.

Below is a breakdown of the total resources allocated to environmental protection at the INSUD PHARMA Group's production sites in year 2022:

Total resources dedicated to Environmental Protection	**€ 21,443,698**

These resources include:

- Staff dedicated to environmental management.
- Technical installations.
- Machinery.
- Information processing equipment.
- Waste management.
- Reagents involved in wastewater treatment.
- Laboratory equipment.
- Treatment of atmospheric emissions.
- Voluntary and regulatory environmental controls (water, soil, gas, groundwater...).
- Repairs and improvements.
- Studies and improvement projects.
- Audits.
- Soil protection.

On the other hand, in order to comply with Law 26/2007, of 23 October, on Environmental Responsibility, during 2019, the relevant risk analyses were carried out at the Química Sintética Plant in order to establish, if necessary, the financial

guarantee of environmental responsibility, in accordance with the aforementioned regulation. In this plant, 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 nil and, therefore, it is exempt from establishing this financial guarantee as established in article 28 of Law 26/2007 on Environmental Responsibility.

2.3. Materials

2.3.1. Context

In order to carry out its production activities, the Group requires the supply of raw materials and resources from other organisations, and therefore an indirect environmental impact is produced as a result of the production processes carried out by its suppliers.

The consumption of resources and raw materials for production is mainly generated in the production plants that are in operation.

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

The raw materials used in the production processes are listed below:

- **Solvents:** solvents are volatile organic compounds that do not undergo any chemical change, i.e. they neither transform nor react. According to the production activity of the plant, solvents, reagents or excipients are used depending on the different phases of the production process, such as: purification processes, to carry out extractions, centrifugation processes, to dissolve active ingredients in the formulation process, as well as a steriliser in the sterilisation of the API. They are also used as cleaning agents for equipment and tools.

- **Reagents:** all substances that undergo a transformation or combination process during the reaction, i.e. they are involved in the reaction.

- **Active ingredients:** are the main ingredient of a medicinal product, since it is the substance to which the pharmacological effect of the medicinal product is attributed.

- **Excipients:** these are non-active substances that make up the pharmaceutical speciality. They are basically lactose, starch, food colouring, etc.

- **Auxiliary material:** this classification includes raw materials not used directly in the manufacturing process, such as machine oils, cleaning products, reagents for neutralising waste water, etc.

- **Packaging and conditioning material.**

Chemicals used in production are generally renewable products, as they are obtained by chemical synthesis processes.

Given the regulatory requirements to which the production process of pharmaceutical products is subject, the use of recycled or recovered materials is very complex. Only at the Química Sintética Plant, and thanks to the work carried out to recover solvents, some of these can be recovered internally or on a tolling basis and then incorporated into the production process, complying with the established quality specifications. It should also be noted that some of the plants reuse containers for waste collection.

In addition, studies on the use of material resources, especially those that end up as waste, are continuously carried out at all the plants in order to reduce the generation of waste. The ongoing improvement as the basis of our activities and the fact that the environmental policy is one of our references for the establishment of objectives, means that our aim is to reduce, as far as possible, the environmental impacts generated, so that our activity causes the least possible damage to the environment. This includes the optimisation of consumption through process optimisation and support in 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. These materials will be reported grouped in international units of weight (Kilograms or tonnes).

a) Raw materials (natural resources used to transform them into products or services, such as metals, minerals or wood).

   As explained above, raw materials such as metals, minerals or wood are not used in the production of final products, except in specific cases.

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 contextual part of this report, most of the process-related materials, which are not part of the final product, are renewable chemicals.

The quantities consumed in domestic and international plants in year 2022 of the main products used without being incorporated into the product are listed below:

Renewable Used Materials				
Materials	**Tn**	**External o internal**	**Estimated Data or Direct**	**Estimated Method**
Solvents	14.981	Externo	Directo	-
Reagents	1.786	Externo	Directo	-
TOTAL 2022	**16.767**			
TOTAL 2021	**17.013**			

c) Semi-manufactured articles or parts, including all types of materials and components other than raw materials that are part of the final product.

The quantities consumed in domestic and international plants during year 2022 of the main processed products that are part of the final product are shown below.

Renewable Used Materials				
Materials	**Tn**	**External o internal**	**Estimated Data or Direct**	**Estimated Method**
Active Principles	962	Internal and External	Direct	-
Excipients	4.863	External	Direct	-
TOTAL 2022	**5.825**			
TOTAL 2021	**5.182**			

The Química Sintética Plant produces a large part of the 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 for the Leon Farma Plant.

d) Packaging materials, including paper, cardboard and plastics:

The quantities consumed at the domestic and international plants during year 2022 of packaging materials are listed below.

Materials Used				
Materials	**Tn**	**External o internal**	**Estimated Data or Direct**	**Estimated Method**
Packaging Materials, including paper, paper board and plastic	4.923	External	Direct	-
TOTAL 2022	**4.923**			
TOTAL 2021	**4.614**			

The quantities of packaging materials consumed at Airpharm during year 2022 are listed below:

Type	Consumo de material embalaje/ acondicionamiento	2022	
		Units	TN
Renewable Material	Packaging	39.909	9,8
	Paper	2.435	6,1
Non renewable Material	Shipping carton with controlled temperatura	3.422	55,2
	Cold accumulators	260	0,7
	Dataloggers y Geolocators	9.557	0,7
	Strech Film	1.232	8,8

2.4. Energy

2.4.1. Context

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

This impact on energy consumption is due to the manufacturing activities of the plants indicated in the first section of the report. Energy consumption, both electricity and different types of fuel, is used to power production, lighting and air conditioning equipment, as well as various types of fuel (natural gas, LPG) used in the boilers, mainly to generate steam.

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

For the purposes of the indicators, all energy consumed is considered "non-renewable", given that natural gas is not considered renewable, and the percentage of renewable energy used for the electricity supplied to us varies in each part of the world.

However, it is important to note that the electricity supply of the plants in Spain (Liconsa Plant, Universal Farma Plant, León Farma Plant, Farmalan Plant and Química Sintética Plant) is 100% renewable from 1 January 2021, and this situation will continue in year 2022.

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

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

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

- Performance of an energy audit at all domestic plants affected by Royal Decree 56/2016, of 12 February, transposing Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, as regards energy audits, accreditation of service providers and energy auditors and promotion of energy supply efficiency, as well as the progressive implementation of the energy consumption reduction measures proposed in the audits. The Química Sintética Plant, the Liconsa Plant and the León Farma Plant, which cover most of the Group's total energy consumption in Spain, renewed their energy audits in year 2020, thereby complying with the aforementioned Royal Decree. These energy audits will be renewed in 2024.

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

- Reduction of energy demand. Based on the principle of energy conservation, insulation actions are carried out to configure the building envelope (walls, floors, roofs, glass, facades and carpentry), complying with the regulatory framework of the CTE. The design features of the building already contemplated this principle.

- Habitability. Based on factors that take advantage of the orientation of the buildings, seeking the necessary thermal contribution for the winter periods, using solar capture and protection systems in galleries, terraces, etc.

- Energy Efficiency. By using a steam boiler for domestic hot water production, which covers 100% of the demand by means of high performance boilers and thermostatic control systems to control the temperature and optimise thermal production.

- The air-conditioning systems use VRV technology, which allows intelligent air-conditioning by means of 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.

- LED technology is generally used for lighting, which allows for a considerable reduction in electricity consumption. It is the only technology installed in the

new extensions and in the rest of the areas it is gradually being replaced with large investments in plants such as the Altian Plant (Guatemala), the León Farma Plant and the Liconsa Plant (Spain).

- At the Chemo India Formulation plant, as part of its "Green Initiatives" project programme, and with the aim of conserving energy for optimal resource consumption, a solar energy collection system was implemented and installed on the terrace of the plant building in year 2020, which was extended in year 2021, with an increase in capacity of 17 kWh, enabling a reduction in the emission of tonnes of CO2 emitted. Other measures taken within the green initiatives project have been the installation of presence timers for lighting, optimisation in the time of use of refrigeration equipment, compressors, hot water systems and street lighting. In 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.

- Another of the measures carried out at the Chemo India Formulation plant stems from the modification of the water treatment plant which, apart from reducing consumption in the use of raw materials, has managed to reduce electricity consumption by 87%.

- In addition, the switching on and off of lights is monitored and programmed according to the occupancy of the rooms.

- The Química Sintética plant is in the process of developing a project to install photovoltaic panels, with the aim of reducing the plant's energy consumption.

- The Liconsa plant has installed solar panel modules that have generated a photovoltaic energy production of 219 MWh. In addition, lighting in several production areas has been replaced with LED lighting. The improvement actions derived from the Energy Audit carried out in year 2020 continue to be promoted.

- At the León Farma and Farmalán 2022 plants, more than 1,500 photovoltaic solar panels have been installed on the roofs of the plant and on the canopies installed in the car park, which have generated a photovoltaic energy production of 224 MWh and which are going to represent an annual saving of around 10% of the total electricity consumption of the facility. The remaining electricity supply continues to be contracted with companies that certify a 100% renewable energy supply. In this way, the generation of CO2 associated with electricity consumption by the activity of León Farma and Farmalán is achieved to be 0. Four parking spaces have also been reserved in which four electric vehicle charging points have been installed to provide this service free of charge to workers who come to the plant with plug-in hybrid or fully electric cars. All the lighting installation in new areas (extension of offices) and in existing areas where there have been modifications is done with LED panels

that reduce electricity consumption and have greater durability, thereby also reducing the generation of waste associated with conventional fluorescent tubes. Lighting presence sensors have also been installed in all the transit areas where there is no continuous presence of workers.

- As mentioned at the beginning of this report, the INSUD PHARMA Group is a family group, where human resources are the basis for success. The employees' responsibility towards the environment is important, supported by awareness-raising and training days.

2.4.2. Indicators

The quantities of energy consumed at domestic and international plants during year 2022 are detailed below:

Non renewable fuel consumption (Mwh)	Natural Gas	90.821
	Fuel Oil	317
	Glp	2
	Diesel	978
Electricity acquired for Consumption (Mwh)		76.739
Total Energy Consumption (Mwh) 2022		**168.856**
Total Energy Consumption (Mwh) 2021		**163.197**

***Non-renewable resource:** A resource that is not renewed in short periods of time. The following are examples of non-renewable materials: 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 at risk and remain available for future generations.*

2.5. Water

2.5.1. Context

Water consumption is considered an issue of great importance for the Group, as it is an essential natural resource for living beings and for the Group's productive activity.

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

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

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

- The trend is towards manufacturing by campaigns with the aim, among others, of reducing the number of cleanings and, consequently, the water used in them.

- At the Química Sintética plant, an internal telemetry tool was implemented for the management and control of water consumption by zones, which allows more effective control of water consumption and to address any anomalous consumption that may occur. In addition, the change in the manufacturing concept, which has gone from on-demand manufacturing to manufacturing in campaigns, has contributed enormously to the reduction in the consumption of this resource, resulting in a drastic reduction in the number of cleanings.

- At the Liconsa plant, the rejects from the water purification plant are used for non-productive purposes such as irrigation. This water, despite not being usable in production, comes from the drinking water supply network and is therefore 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 for watering the gardens or feeding the ornamental fountains.

- Within the Group, awareness-raising campaigns to save water consumption continue to be carried out among employees.

- At the Altian Plant (Guatemala), with the system implemented in year 2021 to repair leaks and the system for turning off water pumps by installing a control timer, water consumption has been reduced and water tanks have been purchased in addition to the contracted Municipal supply, resulting in a reduction of 22,500 gallons of water consumed in year 2022 compared to year 2021.

- At the León Farma plant (Spain), the cooling system of some production equipment was modified, replacing supercooled water with a cooling gas.

- At the Exeltis Ilaç plant in Turkey, work continues to be carried out in campaigns, which leads to a reduction in cleaning associated with the production process. In addition, the equipment is only cleaned when it has been stopped for more than two hours.

- Currently, and in line with the continuous improvement aimed at reducing the consumption of resources, the Química Sintética Plant is immersed in a

project aimed at having zero discharge, for which tertiary equipment is already in operation for the ultrafiltration of water treated at the WWTP. The ultimate objective is to reuse the treated water for non-productive auxiliary uses. Water reuse is an intrinsic component of water resource management on our "blue planet". The reuse that has attracted most interest since the middle of the last century is the so-called planned reuse or simply reuse.

- In the first quarter of 2023, Química Sintética has started an innovative project in collaboration with the university. A project called MET (Microbial Electrochemical Technology) consisting of a biological treatment process for wastewater with a high organic load, in which special microorganisms are used to transform pollutants into electrical energy, thus stimulating 10 times its treatment capacity. This is the first time that this process has been applied to water with a high organic load of pharmaceutical origin.

- It should be noted that at the Ordain Plant, all the water permeated in its ETP and STP water treatment system is reused for the many hectares of garden. When irrigation is not necessary due to increased rainfall, this treated water is stored in a tank. This allows them to have zero discharge.

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

Given the volume of water withdrawn (they do not exceed 5% of the annual volume of the water body) and as 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 the extraction of water).

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

2.5.2. Indicators

The quantities of water consumed at the Group's domestic and international sites in year 2022 are detailed below:

Source	Extracted Flow (m^3)	Methodology used
Surface Waters	6.228	Meter reading
Ground Waters	417.868	Meter reading
Rain Water harvesting	250	
Water Municipal Supply	558.822	Invoicing
Total Volume of Water Extracted 2022	983.168	
Total Volume of Water Extracted 2021	1.138.230	

2.6. Biodiversity

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

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

In view of the foregoing, 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 a material environmental issue for the Group, mainly due to 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 order to reduce the potential impact environmental dynamics produced by the organization, it is prioritized in all plants the

use of the Best Available Techniques, are these application by means of Integrated Environmental Authorization or not.

In view of the diversity of the production activities carried out at each of the plants, and based on their consumption and the equipment used, it is not possible to establish common global objectives for all the plants; each plant establishes its own emission reduction measures, if it deems it appropriate to do so. However, it is a global commitment of the entire Group to prevent pollution by reducing, to the extent technically and economically feasible, the waste, spills and emissions generated by our activities, as well as other impacts that our activity may have on the environment.

The values reported refer to direct and indirect CO2 emissions from electricity consumption, as the rest of the Group's indirect emissions are not considered significant in comparison with the emissions generated directly in the production process.

The Group does not carry out substantial energy generation activities, so GRI 305-2 Indirect GHG emissions from energy generation (Scope 2) is not taken into account. Similarly, there are no biogenic CO2 emissions.

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

In Spain, plants are submitted to different authorizations with respect to emissions to the atmosphere:

	Química sintética	Universal Farma	Liconsa	León Farma	Farmalan
AAI-IPCC (Ley 16/2002)	X	-	-	-	-
Potencial Polluting activities for the atmosphere (R.D. 100/2011)	X	-	X	X	-
COVs (R.D. 117/2003)	X	-	X	-	-
E-PRTR (R.D 508/2007)	X	-	-	-	-
Standard (CE) 1005/2009 about substance which reduce ozone lawyer	X	X	X	X	X

The Group's Environmental Policy includes the obligation to adopt measures to minimise the emissions produced by its activity, thereby ensuring that its emission values remain below the legal limits.

The measures implemented to reduce pollutant emissions include the following:

- The organisation has 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 INSUD PHARMA Group is committed to the reduction of greenhouse gases, and therefore uses either Natural Gas or Liquefied Petroleum Gases as fuels, which reduce emissions of Carbon Dioxide (CO_2) and Nitrous Oxides (NOx), the main gases responsible for climate change.

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

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

- The following is a description of the systems installed and / or measures taken to avoid or minimise pollutant emissions into the atmosphere at the group's different plants in year 2022:

  At the Química Sintética plant (Spain), first of all, two types of pollutant emissions are distinguished, diffuse and concentrated, which are treated independently, thus ensuring a high quality of environmental protection in the area of emissions into the atmosphere.

  Through a propylene pipe, the diffuse emissions are directed towards scrubber towers. The liquid and gaseous phases are brought into contact by means of fillers with a large specific surface area and low pressure loss, which allow high absorption yields and low energy consumption to be obtained with moderate liquid loads.

  To treat the 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 will then be treated in absorption / neutralisation columns that perform the function of a gas scrubber. The Volatile Organic Compounds (VOC's) traces flow into the general treatment line, which is directed towards two condensers placed in series with a sub-zero temperature, which allows the condensation of those traces of gases not eliminated in the first stage. Lastly, to refine the emission, the plant has a high efficiency cryogenic condenser, which is produced by the action of liquid nitrogen at -110ºC, thus ensuring that all the solvents are condensed when

they exceed their dew point, thus ensuring the purification of the gaseous stream emitted.

As a result of improvements in production processes and facilities, the flow to be treated in the cryogenic condenser has been reduced to such an extent that it now allows us to treat both concentrated emissions from the main production equipment (reactors, centrifuges, dryers, etc.) and small diffuse emissions generated, for example, in the handling of packaged solvents, without affecting the quality of the emissions into the atmosphere that leave the cryogenic condenser. For this reason, a project to reduce emission sources has been underway since the first quarter of year 2021. This entails a reduction in the mass concentration of TOC emitted by the plant.

- At the Altian plant (Guatemala), the 404A refrigerant has been replaced in 90% of the cooling and air conditioning equipment in year 2022, the remaining 10% is constantly monitored to prevent leaks and seepage into the environment and total migration will be scheduled for 2023.

- At the Chemo Biosynthesis Plant (Italy), the srcubbers have been renewed and a new VOC treatment plant has been installed.

- At the Industriale Chimica Plant (Italy), the emission treatment systems have also been renewed with a cryogenic pre-treatment stage and three stages of activated carbon as a final barrier before emission into the atmosphere.

- At the Ordain Plant (India), the old scrubber serving coating line 2 has been replaced with a new, more efficient wet scrubber system and an air emission control system has been installed to comply with the environmental requirements of the pollution control board.

- The Liconsa plant continues to use both the RTO (regenerative thermal oxidiser) and POLARIS equipment for the treatment of VOCs (volatile organic compounds) emissions from the manufacture of pharmaceutical forms containing solvents in their formulation (acetone, ethanol and methylene chloride). The regenerative thermal oxidiser (RTO) is used for the treatment of emissions from the manufacture of pharmaceutical forms containing solvents in their formulation (acetone and ethanol). This equipment scrubs the air stream contaminated with volatile organic compounds (VOCs) at high temperature. The operation of this equipment consists of the oxidation of these VOCs in the oxidation chamber under appropriate temperature and residence time conditions. The reaction temperature is reached by the self-ignition of the pollutants present in the gas to be purified and, if this energy supply is not sufficient, an additional fuel (natural gas) is used. In addition, the equipment is equipped with a heat recovery system (ceramic filler) to achieve very high efficiency with the highest energy efficiency. As the gases leave the oxidation chamber, they pass through this ceramic bed and are heated for the

next stage, when the gas to be purified enters the chamber. The equipment thus reduces the pollutant load of the emission stream by 99% compared to the input stream.

- The INSUD PHARMA Group is committed to the reduction of greenhouse gases, and therefore uses either Natural Gas or Liquefied Petroleum Gases as fuels, which reduce emissions of Carbon Dioxide (CO_2) and Nitrous Oxides (NOx), the main gases responsible for climate change.

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

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

The effectiveness of the measures for reducing 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.

It should also be noted that it has been negotiated and agreed with the electricity supplier that from January 2021 all the energy supplied in the plants located in Spain will be of renewable origin. This is leading to a 100% reduction in the generation of CO_2 associated with electricity consumption, which implies a reduction in total CO_2 generation of between 30% and 50%.

The annual CO2 and CO emissions produced in year 2022 by natural gas, diesel and LPG-fired boilers are included below.

	Tn CO2 Eq.
Scope 1 Emissions 2022	18.788
Scope 1 Emissions 2021	19.376

**The calculation of annual emissions produced in year 2022 is based on conversion factors obtained from DEFRA (Department for Environment, Food and Rural Affairs, UK).*

This indicator takes into account indirect CO2 emissions from electricity consumption by electricity suppliers to all domestic and international plants.

Annual Consumption (Kwh)		Tn of CO2 eq
Scope Emissions 2 2022	76.738.988	10.381
Scope Emissions 2 2021	68.155.395	9.909

**The conversion factor available on the official website of the International Energy Agency (IEA) has been used as a source of calculation.*

2.8. Effluents and waste

2.8.1. Context

The release of effluents is a material issue for the Group since, due to its activity, polluted process water is produced that could have a negative effect on the environment if not properly treated.

Waste generation is also a relevant issue for the Group, as different types of waste are generated in the production process and must be properly managed to minimise their potential impact on the environment.

There are three types of wastewater:

- Industrials
- Rainwater
- Sewage

Depending on the characteristics of their activity, each of the production plants has a method for treating the wastewater generated.

The main existing treatment methods are detailed below:

Química Sintética Plant:

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

Biodegradable wastewater, sanitary and rainwater are treated in the plant's Wastewater Treatment Plant (WWTP). 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 retention basin. The sewage system is designed so that any discharge is treated in the WWTP, avoiding any negative environmental effect on the outside of the plant or on the Integral Sewage System.

Improvements have been made to the water treatment plant at the Química Sintética over the years, and the following is an update of the treatment system:

Water line

Workshop basins: with a capacity of 50 m3, they act as a settling tank and as a place of first action against possible uncontrolled dumping.

•*Homogenisation:* This is a covered and closed basin with a capacity of more than 800,000 litres whose function is to retain rainwater when there is a large flow, accidental discharges of large volumes or water treated at the WWTP that does not comply with the values established for discharge into the SIS. It is usually empty.

•*Temporary storage tank for the water to be fed to the biological reactors. DE-568*. From the workshop ponds, the water is pumped to a closed, watertight 18,000-litre tank called DE-568. The water will then be transferred from this tank to the P/C treatment, using a pump controlled by a level installed in the tank.

• *Physical/chemical treatment (P/C):* Physical/chemical treatment is designed to eliminate suspended and colloidal matter from the wastewater entering the WWTP for treatment.

In this phase of the P/C treatment, coagulation, flocculation and decantation operations are carried out, as detailed below:

Coagulation: In the first compartment of the P/C reactor, the coagulant (Cl3Fe) and a 30% soda solution are added, the dosage of which is regulated by a pH detector. This pH meter installed in the coagulation chamber allows an optimum to be achieved. The rapid agitation system installed in the tank allows the complete mixing of the reagents with the water to be treated.

Flocculation: The water passes into the second compartment of the reactor, which has slow agitation, where flocculation is carried out by adding a polyelectrolyte of an anionic nature which is prepared. The flocculant is added by means of a dosing pump, the flow of which can be adjusted to the quantity required according to the tests carried out.

Primary Decantation - Lamellar Decanter: At the outlet of the coagulation-flocculation treatment, there is a Lamellar Decanter where the floc produced (sludge) is separated from the water. This decanter consists of a first part where the floc grows and a final stage where the floc is retained in devices made up of bundles of plastic tubes of hexagonal geometry, positioned at an incline (between 45º and 60° to the horizontal), allowing the passage of water free of suspended solids. The advantage of a lamella decanter is that it offers the same or a larger

settling surface than a conventional gravity decanter on a very small actual surface area.

The solids deposited in the modules move counter current by gravity until they settle to the bottom of the tank and the clarified water flows out through the overflow of the settling tank and is conveyed by gravity to the storage tank.

The sludge that settles at the bottom of the settling tank is pumped to the thickener from the bottom by an eccentric screw pump.

•*Reserve Tank:* The reserve tank has a capacity of 224 m^3. It is a covered tank and is used as a water reservoir to feed the biological reactors. In this tank is stored the water free of suspended solids and colloidal matter treated in the P/C, the overflow from the thickener and the clarified water from the centrifuge used for sludge dewatering.

This tank is equipped with an agitation / aeration system to prevent rotting of the stored water.

The water in the storage tank is extracted by means of centrifugal pumps that operate alternately. The operation of these pumps and the aerator is regulated by a level sensor. When a minimum level is reached, both the pump and the aerator stop automatically.

The organic load fed to the biological reactors (F/M = Kg COD/Kg MLSS) is directly related to the Kg of micro-organisms present in the MLSS biological reactors and to the Kg COD fed, which in turn is a function of the feed flow rate. Therefore, the feed flow rate is a key parameter that is controlled by means of a frequency converter.

• *Biological activated sludge reactors.* The most important treatment in the WWTP of Química Sintética is the biological treatment, since thanks to the action of aerobic activated sludge, the organic matter, which is the main pollutant in the water, is eliminated. The general mechanism of the activated sludge system is represented by the following biological reaction:

Organic Matter + Microorganisms + O2 ⇒ CO2 + H2O + NH3/NH4 + Microorganisms + Energy.

The energy generated is thermal, which is why biological reactors always maintain high temperatures (above 30°C) regardless of the outside ambient temperature. This is an indication of the good performance of the biological reactors.

The biological treatment consists of three reactors totalling 3,200,000 litres of oxygenated biological reaction with pure oxygen.

- Biological reactor 0 (RB0); vitrified steel tank with a useful biological reaction capacity of 1,200 m^3.

- Biological reactors 1 and 2 (RB1 and RB2); two biological reactors of approximately 1,000 m^3 each, built of reinforced concrete, semi-buried, adjacent to each other and rectangular in shape.

The three reactors (RB0, RB1 and RB2) work in series. The wastewater is pumped from the DE-568 tank and from the storage tank to the RB0 reactor, from which the water overflows to RB1, from RB1 to RB2 via communicating vessels, and from RB2 to the secondary settling tank via overflow.

In accordance with the foregoing, the treatment is a triple stage treatment. Since the three reactors together total about 3,200 m^3 and the average flow fed is usually 100 m^3 per day, the average retention time is more than 30 days.

Oxygen system (MIXFLOW / ISO)

Oxygen is supplied from a pure oxygen tank, controlled by a dissolved oxygen in water meter (oximeter). This meter sends a signal to a solenoid valve, which opens or closes the oxygen supply according to previously set parameters. Thus, the oxygen supply will stop when the dissolved oxygen measurement in the reactors is higher than the set value and will open again when it is lower than the setpoint value.

RB0 is equipped with 2 oxygenation units called ISO. These units are located on the surface and serve both to keep the mixed liquor in agitation and to oxygenate the reactor.

RB1 and RB2 also have 2 ISO units each, but in addition each of these reactors has a back-up unit called MIXFLOW. In RB1 a Mixflow V9 is installed, capable of recirculating 900 m^3/h of mixed liquor. In RB2 a Mixflow V5 is installed, capable of recirculating 500 m^3/h of mixed liquor.

The oxygenation equipment is responsible for continuously agitating the contents of the reactors to keep the biomass present in the mixed liquor in suspension and to prevent the sludge from remaining as inactive supernatant on the surface. In addition, they automatically inject the required oxygen according to the dissolved oxygen level in the tanks.

Furthermore, there are two agitators that allow the entire biomass in the reactor to be agitated.

Química Sintética accepts the additional expense involved in the use of oxygen compared to conventional aeration systems due to the many advantages that oxygen offers over air, which are mainly the following:

- Higher rate of substrate utilisation.
- More oxygen is transferred per unit of power.

- Offers higher resistance to shock loads.
- Avoids odour dispersion.
- Biomass production per unit of organic matter reduction in the substrate is lower, i.e. less sludge is produced. It allows a reduction in the size of the reactor for the same degree of treatment when compared to the case of conventional aeration. In addition, as less biomass is produced, there is a saving in the disposal of excess sludge.
- Minimises aggression on the floc structure present in the biological reactors.

In view of the importance of oxygen, both for the proper functioning of the WWTP and to avoid the generation of unpleasant odours, preventive measures have been taken to ensure the supply at all times. Thus, in order to prevent possible breakdowns of the oxygen injection system, investments have been made in the duplication of equipment. In addition, the oxygen storage tank has been equipped with a telematic level control system that sends a signal to the supply company, which fills the tank as soon as the level reaches 35%, thus avoiding running out of supply due to human error.

Both preventive and corrective maintenance of the oxygenation equipment is subcontracted to the expert company supplying the gases and equipment used to oxygenate the biological reactors. In accordance with the contract, preventive maintenance of the installations is carried out at least once a month. In case of a breakdown, an assistance service is contracted in less than 24 hours to deal with the solution in the shortest possible time.

The organic load decreases as it passes from one biological reactor to the next, so that, in RB2, hardly any organic matter reaches it, the function of this reactor is to refine the quality of the final discharge.

The activity and oxygen consumption is lower in this reactor, since most of the organic load has been degraded in RB0 and RB1. Oxygen supply and consumption is monitored through the WWTP control panel.

The control of oxygen consumption is a basic tool to determine the correct functioning of the biological reactors. The activity must always decrease from RB0 to RB2.

•*Pilot tank:* This is a tank adjoining the reserve tank and the Biological Reactor 2, with a capacity of 148 m^3. This tank has been commonly used for the scaling of all the experimental pilot tests that may arise at the treatment plant. Currently it is used as a temporary storage tank for the water treated at the WWTP for subsequent tertiary treatment by ultrafiltration.

•*Secondary Decanter:* The active mixed liquor overflows from Biological Reactor 2 and passes by gravity to the secondary decanter, which is located at a lower level.

In this phase, cationic polyelectrolyte is incorporated to increase flocculation and favour the settling of the sludge in the subsequent phase, thus reducing residence times and increasing the performance of the secondary settling tank.

The treated water is separated from the activated sludge by density difference. The clarified water flows out through the perimeter overflow of the secondary settling tank.

•*Tertiary treatment - MBR ultrafiltration system:*

- **Dissolved air flotation (DAF) system** operational since 2016 and currently in disuse. The water is mixed with a polyelectrolyte to bind the solids in suspension, the injected air causes the solids to remain on the surface to be removed by mechanical means. The solids are sent to the sludge centrifuge system and the water free of most of the solids is sent as a final discharge.

  This system has been replaced by an MBR type ceramic membrane ultrafiltration system.

- **MBR ultrafiltration system** In September 2021, start-up tests began on the ultrafiltration equipment that replaces the flotation system, and were completed in December of the same year. The treated and decanted water from the secondary decanter is pumped to the ultrafiltration equipment. The solids-free water is discharged into the SIS and the sludge retained by the action of the membranes is mostly recirculated to the biological reactor 1 and part of it is purged to the thickener.

This equipment's final aim is to achieve a water quality that allows us to reuse the water for non-productive processes and therefore zero discharge, in accordance with the concept of a circular water economy.

Once this equipment is in operation, the plant will be able to make progress in the reuse of ultrafiltered water in non-productive auxiliary processes. In view of the activity carried out at the facilities (manufacture of active ingredients for the drug), for clear quality reasons, the reuse of wastewater for use in the production process is unfeasible.

•*Final discharge chamber:* Wastewater is pumped to the final discharge chamber by means of a separate overhead line. The final discharge chamber is designed in accordance with the provisions set out in Annex 5 of Law 10/1993 of 26 October 1993, as amended by Decree 57/2005 of 30 June 2005, which revises the annexes to Law 10/1993 on industrial liquid discharges to the integrated sewerage system.

Sludge line

- **Sludge thickener:** The sludge thickening is aimed at reducing the volume of the sludge by concentrating it to improve the subsequent dewatering treatment. The sludge is thickened by gravity in a circular thickener with a covered conical bottom. The sludge from the secondary settling tank, the ultrafiltration unit and the lamella settling tank of the P/C treatment is conveyed to the thickener through an overhead pipe. This pipe drains into a central distribution and calming hood. The sludge thickens and is extracted from the bottom by two alternately operating eccentric screw pumps and sent for centrifugal dewatering. In this thickener, the watery clarified sludge overflows into the storage tank. In this process, the sludge from the treatment plant is treated to reduce its volume and the end result will be inert biological sludge that will be delivered to an authorised manager.

- **Sludge dewatering by centrifugation:** continuous sludge dewatering. In this process, two phases are once again obtained. One phase of clarified water, which is sent to the reserve tank, and another phase of dewatered sludge, which is transported by means of a screw conveyor to a hermetic container. To produce the sludge agglutination by centrifugation, it is required the addition of polyelectrolyte, which is added in emulsion and must be prepared and matured in tanks before being dosed to the centrifuge. The dehydrated sludge is stored in a covered tank for subsequent treatment by an authorized manager.

Over the last nine (9) years, the Química Sintética Plant has invested more than thirteen million euros (13,000,000 €) in Available Technical Improvements, all aimed at minimising and / or eliminating its impact on the environment.

Until the end of 2021, for twelve (12) hours (from 18:00 to 6:00 hours) the treated and clarified water was passed to the tertiary treatment by flotation and, from there, it was pumped to the Integral Sanitation System of Alcalá de Henares, to be treated in the municipal wastewater treatment plant. This operating regime, with 12 hours of discharge and 12 hours of recirculation, was connected with an ongoing project, aimed at reusing the water treated at the WWTP in non-productive auxiliary processes (DISPOSAL 0).

Once the industrial tests of tertiary treatment by ultrafiltration of the treated water at the WWTP have been completed, we have verified that it is necessary to maintain a water reservoir to ensure a uniform feeding regime to the MBR ultrafiltration system, for which the water is pumped from the secondary settling tank to the pilot tank and from there to the MBR equipment. The discharge regime to the SIS is also constant during the day.

Universal Farma Plant

A separate industrial, sanitary and rainwater drainage network has been built to prevent any water contamination. The effluent treatment system of the production plant is carried out by means of the homogenisation-neutralisation area, consisting of two tanks for the reception and homogenisation of industrial water of 15 m^3 each 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 that the water is neutralised before discharge. In view of the low pollutant load of the water discharged by the 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. The system automatically closes the discharge valve for the duration of the water neutralisation process.

In accordance with the foregoing, industrial water is not discharged directly into the public sewerage network, but is discharged once the tank has been filled and neutralised.

Sanitary and rainwater is discharged straight into the public sewerage network, without undergoing any type of treatment, as in the rest of a residential or tertiary activity.

At the Universal Farma plant (Spain), waste has been reclassified, completely separating its management from that of Liconsa and seeking in each case the available BAT that allows for the best environmental management option that complies with current regulations.

By the end of year 2022, filtered water fountains for human consumption have been installed to reduce the consumption of plastic and tetra brik containers and thus reduce the volume of waste from these materials.

Liconsa Plant

It has two 25 m³ industrial water reception and homogenisation tanks, each with an automatic pH measurement and correction system that ensures the neutralisation of the water prior to discharge. The purpose of the production plant's two tanks is to be able to use one as a retention tank so that, in the event of an accidental spillage, it would be retained in the tank to be subsequently analysed and corrected internally or managed as waste through an authorised waste manager. The homogenisation of the water usually promotes its neutralisation, but there is an automatic pH measurement and correction system ensuring that the water is neutralised before it is discharged. The control and adjustment of the pH starts when a level of 80% is reached in the tanks. Once the pH has been adjusted, the effluent is discharged into the municipal treatment system. The sanitary water is discharged into the public sewage system without any treatment.

León Farma Plant

In line with the policy of seeking better management alternatives from an environmental point of view, the segregation and conditioning of gelatine trimmings (waste from the manufacture of Léon Farma's soft gelatine capsules) has been changed so that they can be sent to a biomethanisation plant. Prior to year 2022, it was deposited in an industrial waste safety landfill, but from now on it will be used to generate biogas and produce electricity.

Farmalán Plant

It uses the discharge systems of the León Farma plant, which also has a separate water network. Both the León Farma and Farmalán plants still maintain the policy whereby wastewater in which there may be an API load is sent to the external manager specialising in the treatment of this type of water, despite the fact that it is perfectly pourable to the integral sewerage system.

Planta Chemo India Formulation

An automatic condenser cleaning system has been installed to remove dirt from the condensers, thus avoiding the addition of chemicals (as well as additional corrosion problems and reducing energy consumption).

In addition to this, a lamella bed has been installed to provide that extra filtration using a natural and sustainable environmentally friendly process with zero energy consumption and no additional chemical or other maintenance requirements.

The functioning principle is straightforward: water travels through layers of gravel and stones where a thin film of bacteria decomposes the organic matter. Meanwhile, reed plants absorb the remaining nutrients present in the water. At the end, the water is clarified in a series of hummus tanks and, as a final result, we get clean water that will be reused for gardening. The goal achieved is zero liquid discharge.

Altian Plant

In year 2022, we have maintained waste classification with a careful separation of both hazardous and non-hazardous waste and implemented waste sorting awareness campaigns, reuse of paper sheets and recycling campaigns.

In year 2022, general maintenance was performed on the aerators of the wastewater treatment plant, and the dosage of chlorine in the discharged water was readjusted. However, at the moment it does not comply with the BOD5 values of 500 mg/L, which the Wastewater regulation establishes, with a result of 522 mg/L of BOD5, in the last monitoring. Therefore, in 2023 we will work on the wastewater treatment plant remediation, as during 2022, there were internal factors such as support crews to Packing, which exceeded the number of staff for which the Wastewater Treatment Plant was originally designed, therefore it is not giving the expected results, because the calculation memory for which it was designed currently exceeds the values of number of staff at the time of its construction.

During 2022, the conductivity measurement of the discharged water was implemented, complying with the established reference parameters.

Industriale Chimica Plant

A new tank has been installed to enable better management of the plant's wastewater.

Nufarindo Plant

The most relevant improvement regarding effluent management is an additional sludge drying bed in the existing wastewater installation plant to reduce the volume of sludge to be disposed of and the amount of wastewater.

Ordain Plant

The wastewater treatment plant has been extended following Pollution Control Board compliance recommendations.

Regarding waste management, in none of the production plants has there been any significant spillage affecting the environment (GRI 306-3 Significant spillages), as there are sufficient preventive measures in place in all of them, including the following:

- Fully integrated plant as a retention basin (Química Sintética plant).
- Paving and waterproofing of all areas susceptible to spillage.
- Aerial conduction systems for leak detection.
- Surface storage tanks, with retention basins of sufficient capacity to retain possible spillage.
- Buried tanks with double walls and pressure gauges to indicate possible leaks that could affect the environment.
- Delimited loading and unloading areas with retention boxes for potential spillages.

Since all wastewater is discharged exclusively into the sewage network connected to municipal WWTPs, there is no impact on watercourses (GRI 306-5 Water bodies affected by water discharges and / or runoff).

In the Group's production plants, a large number of effective measures are always implemented to reduce the generation of waste, reduce its hazardousness and improve its management, following this order of preference:

- Prevention, reduction at source, minimisation of the required use of resources, minimisation of the production of waste in each process.
- Preparation for reuse: Priority will be given to the reuse of materials in the centre itself rather than in an external activity.
- Segregation, internal or external recovery on a tolling basis.
- Internal recovery for reuse.
- External recovery for recycling.
- Disposal by an authorised manager as non-recoverable waste.
- Valorisation. Only outside the Centre, in authorised treatment plants.

- Landfill.

The measures to achieve waste reduction include the following:

- Reduction at source: Optimisation of production processes (R&D) and reorganisation of the production system, which implies their simplification.
- Optimisation of water treatment processes that can be discharged into the different integral, non-natural sanitation systems.
- Periodic reviews of the effluents generated in order to reduce the generation of waste for external management through an authorised manager.
- Increase the internal recovery capacity of solvents that can be reused in the process. So far this measure only applies to Química Sintética.
- Reduce the ratio of raw material consumption per tonne of product manufactured and therefore reduce the associated waste ratio.
- Proper segregation of waste in all waste producing areas. All waste is properly classified in a sorting area provided for this purpose. To this end, the relevant product and waste management and handling procedures have been prepared.
- All staff are given training in the working procedures required for their work before starting work.
- Reuse of packaging for waste collection.
- Promote the purchase of raw materials in bulk rather than in packaging.
- Investment in specific machinery for the use of the raw material involved in the production and packaging process in cases where this process is applicable.
- The Group conducts awareness campaigns regarding the need for correct segregation of the different types of waste.

A system has been installed at the Nufarindo Plant for the treatment of sanitary effluents generated at the facility. All effluents from toilets, cafeterias or septic tanks are accumulated in the equalisation tank, then pass to a bioreactor, where the decomposition process takes place, which uses microorganisms carrying out the following processes: aerobic, anaerobic and sedimentation. All three processes require a minimum of 24 hours and have a capacity of 10 m^3. The process is followed by a filtration phase using a media filter (sand, silica and activated carbon), then 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 (Spain), an agreement has been concluded with a waste treatment manager for the treatment of waste from obsolete or out-of-specification finished products. This manager provides more sustainable treatment of this waste. Formerly, pharmaceutical waste was sent to a secure landfill or for recovery, but recently a contract has been signed with a new authorised manager to send it to their treatment plant, where they manage all SIGRE waste in Spain. All materials are shredded and segregated there, in order to recycle those that can be recycled (cardboard, plastic, glass, aluminium, etc.) and, with the rest, to form a CDR for recovery, thus achieving the goal of zero waste for this type of material.

At the Liconsa plant (Spain), the company has also carried out several additional measures that have led to an improvement in waste data. The waste segregation explanatory signage has been changed and in-plant training has been reinforced, thus achieving a 5% reduction compared to year 2020 in the waste generation ratio. Furthermore, a project has been carried out to fine-tune the blister lines to make better use of the aluminium coils, reducing the waste generated from this type of material by 24%.

At the León Farma plant (Spain), a high-capacity vertical press has been installed to manage contaminated absorbent waste (cleaning rags, empty bags, overalls, disposable gloves, etc.). As a result, palletised sacks (approx. 40 kg) are no longer used, but bales of approx. 350 kg are generated. Instead, 350 kg bales are generated. This measure reduces the weight of the waste, the cost of pallets, the consumption of sacks and the transport required to send it to the waste manager. The generation ratio of this waste has decreased by 15% with respect to the prior year as a result of this measure. The plant's ethanol use operation is also modified so that it can shift from 200-litre disposable containers to 1,000-litre containers (IBCs) that are returned to the supplier, thus reducing both the consumption of packaging materials and the generation of waste from this type of contaminated container.

At the Altian plant (Guatemala), a comprehensive waste reclassification process has been carried out on the waste generated in its activity, declassifying waste considered hazardous in order to have it.

At the Exeltis Ilac Sanayi ve Ticaret A.S. plant (Turkey), the Zero Waste Certificate, approved by the Ministry of the Environment and Urban Planning, has been obtained, which means the construction of a Zero Waste System to protect the environment, human health and all sources, ensuring efficient management of raw materials and natural resources and having principles of sustainable improvement Parallel to this, the plant has partnered with Cevko in relation to the correct management of its packaging waste.

At the Universal Farma plant (Spain), waste has been reclassified, completely separating its management from that of Liconsa and seeking in each case the available BAT that allows for the best environmental management option that complies with current regulations.

2.8.2. Indicators

The plants included in the scope of this report all have process water treatment systems based on the best available techniques, prior to authorised discharge and with the highest level of compliance with the legislation in force at each plant location.

Below is the total process water discharged in year 2022 by the domestic and international plants:

Total Volume of water discharge (m3) 2022	**587.569**
Total Volume of water discharge (m3) 2021	**787.904**

The volume of water discharged is calculated, in some cases, by water meters located in the water treatment process, as in the case of the Química Sintética plant. In other cases, this is a calculation based on water consumption, subtracting what is managed as waste, what is used for irrigation or what is evaporated from auxiliary equipment.

The volume discharged comprises the water treated in the existing treatment systems at the different plants and, in the case of the Liconsa Plant and the Química Sintética plant, also includes sewage and rainwater. In the remaining plants, the volume discharged for rainwater and sanitary water is not included.

As mentioned above, the Química Sintética plant is currently studying a water reuse project for use in non-productive auxiliary processes.

It is worth pointing out that the Ordain Plant continues to reuse treated process and sanitary water. Water from the production process flows into a treatment line for reuse in the steam boilers. Similarly, the influent from the sanitary sewage is treated in a separate line from the process influent and, once treated, is reused in auxiliary processes such as irrigation.

Water quality discharged by the plants in Spain and certain international production plants is shown by the results obtained in the analyses carried out by external laboratories, whose values for the most representative parameters of the activity are shown in the following table:

Quality of Discharge Water	Química Sintética	Universal Farma	Liconsa	León Farma	Farmalan	Semarang plant	Altian Pharma	Exeltis Turkey	Industriale Chimica	Chemo India	Ordain	Chemo biosintesis
DBO5 (mg/l)	98		330	940	Incluido en LF	24	522		17,5	22	0	< 10
Conductivity (microS/cm^2)	4.873		1.024	2330	Incluido en LF	54	684	---	420	150	140	1.672
DQO (mg/l)	610		724	1130	Incluido en LF	17	1515,0	1151,0	41,25	118	0	14

**As indicated above, the discharge of the Farmalán Plant is carried out along with the discharge of the León Farma Plant.*

In all cases, the results obtained are lower than the legal limits that apply in each of the plants.

The disposal method for each type of waste has been decided on the basis of Best Available Techniques (BAT).

Figures on the quantities of waste generated by domestic and international plants are obtained from the information provided 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 & Destination	Waste (Tn/year)
Valorization	17.395
Elimination	14.563
TOTAL Hazardous Waste 2022	**31.958**
TOTAL Hazardous Waste 2021	**35.911**
Valorization	2.532
Elimination	2.769
TOTAL Non Hazardous Waste 2022	**5.301**
TOTAL Non Hazardous Waste 2021	**5.782**
TOTAL Waster 2022	**37.259**
TOTAL Waster 2021	**41.692**

3. Social and staff management

For clarification purposes, it should be pointed out that the scope of the data is 96.6% for the workforce corresponding to the financial consolidation perimeter. The remaining 3.4% corresponds to employees of companies whose staff is not managed by the human resources area.

3.1. Policies and commitments

The INSUD PHARMA Group's people management policies mission is to contribute to building a more agile company, improving efficiency with lean organisational structures, focused on business priorities and fostering productivity, autonomy and speed in both decision-making and action, in strict compliance with the legislation in force in each territory and promoting an inclusive culture.

The Group's central People department, known as "People", is mainly a consulting, support and cooperation department for the Group's subsidiaries. It is part of the Group's strategy to implement decentralised initiatives, policies, processes and decision-making in the various areas of social and human resources management. Notwithstanding this decentralisation, one of People's key objectives is to ensure equal treatment and opportunities for men and women in the workplace, as well as the inclusion of disabled people.

To this purpose, the key policies for managing people and the tools on which they are based are designed to avoid any risk of discrimination on the basis of gender, age, race or any other personal circumstance.

The measures included in the key policies are:

- **Skills-based selection:** Talent acquisition processes are designed to ensure that the Company recruits the best professionals for each position. In order to do this, we start with a job description that includes 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. Thus, it is intended to eliminate any prejudice when filtering curricula vitae.

  In the second place, the selection interviews and the evaluation of candidates are focused 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 Mercer HR consultancy firm for job evaluation.

  The IPE system enables the hierarchy and subsequent levelling of jobs to be established on the basis of an analysis of each position with respect to the following business contribution factors:

  - **Impact:** this factor analyses the business profile of the company or the business unit in which each position is integrated (size and value chain) as well as the contribution of the position to the results.

  - **Communication:** it determines the nature of the communication requirements of the position, as well as the frame of reference and the type of interlocution required.

  - **Innovation:** it analyses each job based on the requirements for detecting and implementing operational improvements and for the development of procedures, services and products.

  - **Knowledge:** it measures the nature of the knowledge and experience required by the job to achieve expectations, goals 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 job.

  - **Risk:** it assesses the risks to which each position is exposed (physical or mental), as well as the degree of exposure.

  The IPE system currently evaluates 568 Group positions in more than 25 countries. Based on the results of the job evaluation and market

compensation surveys by 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 pay increases. This ensures that all Group employees are placed in pay ranges that group together positions with similar levels of contribution, thereby ensuring that the criteria for pay decisions eliminate gender discrimination.

- **Annual Performance Review.** Finally, in 2017, People Management promoted the implementation of a common annual performance review process for the entire Group, so that, based on the business goals, all employees set individual and team goals for the year with their supervisors. In order to boost performance and professional growth, we strongly believe that the process should ensure a good conversation at the beginning of the year between the manager and his or her employee on what is expected of each person in terms of key objectives and competencies (i.e. what objectives are to be achieved and how).

  The annual performance review outcomes enable people management decisions such as promotions, salary reviews, approval of annual bonuses, training and development plans to be made based on the objectives achieved, values and competencies demonstrated by each individual.

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

  In support of 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 in this initiative succeeded in integrating all the countries where we operate within twelve months, which substantially improved the ability to track key people management indicators.

  In this way, HR2O became the central information platform that allows us to identify our internal talent, develop development plans and share management criteria across our organisation. As the basis for the digitisation of human resources management and the reinforcement of our analytical capabilities, this platform is essential to support our global integration efforts as a Group, with the following objectives:

  - To contribute to improving the productivity of our employees and enhancing their experience by using technology that improves the connection between employees and managers, ongoing assessment and team alignment across the Group.

  - To support the Group's digital transformation which is a key element of 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.

- In year 2019, a significant 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 were put into service, which substantially improved management capacity, enhanced efficiency and strengthened the overall scope of work of the Corporate People Division.

- In year 2021, we have continued to improve the tool by integrating the HR2O platform with the payroll system, implementing the Employee Central Payroll functionality. By integrating the HR2O platform with the payroll system, we have improved the quality of the data and taken a first step towards consolidating the data that make up the global profile of each employee.

- To continue with the Group's strategy and mission established by Group management in the global people management model, HR2O intends to provide business managers with a tool that allows them to keep track of personnel movements and minimise the time spent on management reporting activities.

3.2. Employment

3.2.1. Number of employees by country (GRI 102-8)

COUNTRY	Nª EMPLOYEES 2021 *(31/12/21) (Mabxience not included)*	Nª EMPLOYEES 2022 *(31/12/22) (Mabxience not included)*
Germany	84	85
Austria	13	11
Belgium	8	8
Brasil	120	138
CENAM	223	218
Chile	71	81
China	23	23
Colombia	52	45
Ecuador	14	22
United Arab Emirates	21	25
Eslovaquia	21	21
Spain	2.688	2.808
US	147	157
Phillipines	60	59
France	39	45
Hungary	26	28
India	882	849
Indonesia	324	333
Italy	388	400
México	370	434
Perú	15	19
Polonia	46	61
Portugal	11	11
United Kindom	0	13
Check Republic	26	28
Sweden	23	34
Switzerland	0	10
Tailand	54	56
Turkey	302	294
Vietnam	35	35
TOTAL	***6.086***	***6.351***

** Non-FTE active employees.*

3.2.2. Total number and distribution of employees by gender, age and occupational classification; Total number and distribution of employment contracts; Average annual number of permanent, temporary 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) Workforce Variation

Month	N° EMPLOYEES 2021	N° EMPLEADOS 2022
January	5.412	5.192
February	5.451	5.357
March	5.487	5.459
April	5.561	5.577
May	5.627	5.689
June	5.724	5.810
July	5.743	5.898
August	5.774	5.971
September	5.768	6.055
October	5.787	6.179
November	5.856	6.296
December	5.872	6.351
ANNUAL AVERAGE	**5.672**	**5.820**
Variaton Annual Average vs December	*3,41%*	*8,79%*

There are no seasonal or rotational periods in the company's business, except for the hiring campaigns carried out in the production plants to cover holiday periods for operators and quality analysts.

Consequently, the information reported in this report is calculated at the end of the financial year (31 December 2022).

b) Employee numbers and distribution

AGE RANGE	Nº EMPLOYEES 2021	Nº EMPLOYEES 2022
Under 25	160	181
Between 25 and 40	2.662	3.179
Above 40	3.050	2.991
TOTAL	*5.872*	*6.351*

SEX	Nº EMPLOYEES 2021	Nº EMPLOYEES 2022
Men	3.317	3.561
Women	2.555	2.790
TOTAL	*5.872*	*6.351*

PROFESSIONAL CATEGORY	Nº EMPLOYEES 2021	Nº EMPLOYEES 2022
CORPORATE/MANAGING DIRECTOR	5	5
DIRECTOR	53	70
MANAGER/ASSOCIATE DIRECTOR	215	254
TEAM LEADER/LINE MANG./SUPERV./COORD./SPECIALIST	799	847
TECHNICIAN/SCIENTIST	2.293	2.526
SUPPORT/OPERATOR/ASSISTANT/ANALYST	2.507	2.649
TOTAL	*5.872*	*6.351*

c) Contract Modality and Distribution

	TYPE OF AGREEMENT2021				TYPE OF AGREEMENT2022			
SEX	Permanent Full Time	Permanent Part Time	Temporary Full Time	Temporary Part Time	Permanent Full Time	Permanent Part Time	Temporary Full Time	Temporary Part Time
Men	3.051	14	252	0	3.424	10	126	1
Women	2.172	82	297	4	2.531	88	168	3
TOTAL	*5.223*	*96*	*549*	*4*	*5.955*	*98*	*294*	*4*

	TYPE OF AGREEMENT2021				TYPE OF AGREEMENT2022			
AGE RANGE	Permanent Full Time	Permanent Part Time	Temporary Full Time	Temporary Part Time	Permanent Full Time	Permanent Part Time	Temporary Full Time	Temporary Part Time
Under 25	109	1	50	0	151	2	28	0
Between 25 and 40	2.688	40	319	3	2.965	38	174	2
Above 40	2.426	55	180	1	2.839	58	92	2
TOTAL	*5.223*	*96*	*549*	*4*	*5.955*	*98*	*294*	*4*

PROFESSIONAL CATEGORY	TYPE OF AGREEMENT2021				TYPE OF AGREEMENT2022			
	Permanent Full Time	Permanent Part Time	Temporary Full Time	Temporary Part Time	Permanent Full Time	Permanent Part Time	Temporary Full Time	Temporary Part Time
CORPORATE/MANAGING DIRECTOR	5	0	0	0	5	0	0	0
DIRECTOR	53	0	0	0	69	0	1	0
MANAGER/ASSOCIATE DIRECTOR	207	3	5	0	249	2	3	0
TEAM LEADER/LINE MANG./SUPERV./COORD./SPECIALIST	765	17	16	1	812	19	16	0
TECHNICIAN/SCIENTIST	2.143	38	112	0	2.382	41	103	0
SUPPORT/OPERATOR/ASSISTANT/ANALYST	2.050	38	416	3	2.438	36	171	4
TOTAL	*5.223*	*96*	*549*	*4*	*5.955*	*98*	*294*	*4*

d) Number of dismissals and distribution

SEX	TIME OFF WORK 2021 (REASONS)			TIME OFF WORK 2022 (REASONS)		
	INVOLUNTARY	VOLUNTARY	OTHERS	INVOLUNTARY	VOLUNTARY	OTHERS
Men	307	283	81	371	375	35
Women	86	191	58	331	269	5
TOTAL	*393*	*474*	*139*	*702*	*644*	*40*

AGE RANGE	TIME OFF WORK 2021 (REASONS)			TIME OFF WORK 2022 (REASONS)		
	INVOLUNTARY	VOLUNTARY	OTHERS	INVOLUNTARY	VOLUNTARY	OTHERS
Under 25	19	15	9	50	37	3
Between 25 and 40	218	311	73	322	421	21
Above 40	156	148	57	330	186	16
TOTAL	*393*	*474*	*139*	*702*	*644*	*40*

PROFESSIONAL CATEGORY	TIME OFF WORK 2021 (REASONS)			TIME OFF WORK 2022 (REASONS)		
	INVOLUNTARY	VOLUNTARY	OTHERS	INVOLUNTARY	VOLUNTARY	OTHERS
CORPORATE/MANAGING DIRECTOR	0	0	0	0	0	0
DIRECTOR	0	8	1	10	10	3
MANAGER/ASSOCIATE DIRECTOR	9	19	1	15	10	2
TEAM LEADER/LINE MANG./SUPERV./COORD./SPECIALIST	32	55	7	47	76	5
TECHNICIAN/SCIENTIST	133	196	13	153	237	4
SUPPORT/OPERATOR/ASSISTANT/ANALYST	219	196	117	477	311	26
TOTAL	*393*	*474*	*139*	*702*	*644*	*40*

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

3.2.3 Average earnings and their evolution disaggregated by gender, age and occupational classification or equal value (GRI 405-2).

SEX	AVERAGE SALARY (€) *(31/12/21)*	AVERAGE SALARY (€) *(31/12/22)*
Men	26.955	28.588
Women	29.712	32.270

AGE RANGE	AVERAGE SALARY (€) *(31/12/21)*	AVERAGE SALARY (€) *(31/12/22)*
Under 25	13.736	15.225
Between 25 and 40	21.987	23.125
Above 40	36.105	38.638

PROFESSIONAL CATEGORY	AVERAGE SALARY (€) *(31/12/21)*	AVERAGE SALARY (€) *(31/12/22)*
DIRECTOR	190.577	177.748
MANAGER/ASSOCIATE DIRECTOR	93.345	91.346
TEAM LEADER/LINE MANG./SUPERV./COORD./SPECIALIST	46.152	49.621
TECHNICIAN/SCIENTIST	23.413	25.938
SUPPORT/OPERATOR/ASSISTANT/ANALYST	17.734	17.730

3.2.4. Wage gap, the remuneration of equal or median jobs in the company (GRI 405-2)

The Wage Gap data shown below has been calculated as the difference in average pay per Job Role between women and men, expressed as a percentage of the average pay of men. Thus the positive gap will indicate the percentage by which women's average pay is lower than men's, and the negative gap will indicate the percentage by which women's average pay is higher than men's average pay.

In contrast to last year, we do not show the gap analysis for the professional role of Corporate / Managing Director as there are no women in this role this year.

Given the wide geographical spread of the workforce and the local pay trends in each country, we present below two alternatives in the gap analysis:

a) Pay gap analysis including the Group's total workforce.

PROFESSIONAL CATEGORY	SEX	2022 (Mabxience not included) Nº Employees	Seniority (Years)	Annual Base Salary (€)	Salary GAP
DIRECTOR	Men	54	6,04	191.304	31,0%
	Women	16	8,03	131.997	
MANAGER / ASSOCIATE DIRECTOR	Men	150	6,45	87.717	-10,1%
	Women	104	7,32	96.580	
TEAM LEADER/LINE MANAG. /SUPERV. /COORD./SPECIALIST	Men	425	6,76	48.341	-5,3%
	Women	422	5,48	50.892	
TECHNICIAN/SCIENTIST	Men	1178	5,38	22.158	-32,1%
	Women	1348	4,90	29.279	
SUPPORT/ OPERATOR/ ASSISTANT/ ANALYST	Men	1752	5,67	17.223	-8,7%
	Women	897	6,59	18.719	

Formula used: (Male Salary-Female Salary) / Male Salary

Only the Technician / Scientist role exceeds the 25% gap.

It is important to point out the results shown in the table above for the lower roles, which show a very significant difference in favour of women's pay: these results, taken as they are, are misleading because the total sample includes the Indian workforce, which is predominantly male (men represent 95% of the workforce) and with comparatively low pay levels compared to other countries with a much higher number of women in these roles, which weighs down the average pay levels of men for these professional categories. Therefore, we believe that for a more accurate pay gap analysis, it is advisable to remove the bias introduced by the Indian workforce.

b) Analysis of the pay gap excluding Indian staff.

ROL PROFESIONAL	Sexo	2022 (Mabxience not included) Nº	Antigüeda	Salario Base	Brecha
DIRECTOR	Men	52	6,04	188.959	30,1%
	Women	16	8,03	131.997	
MANAGER / ASSOCIATE DIRECTOR	Men	144	6,45	87.560	-10,3%
	Women	104	7,32	96.580	
TEAM LEADER/LINE MANAG. /SUPERV. /COORD./SPECIALIST	Men	335	6,76	55.226	6,7%
	Women	417	5,48	51.527	
TECHNICIAN/SCIENTIST	Men	978	5,38	24.672	-19,6%
	Women	1333	4,90	29.498	
SUPPORT/ OPERATOR/ ASSISTANT/ ANALYST	Men	1278	5,67	22.158	11,1%
	Women	840	6,59	19.706	

Despite the geographical dispersion of the Group, this table shows that none of the Professional Roles exceeds the 25% gap, a figure established as a limit for understanding the significant gender pay gap and as an element to be analysed in the Group's pay policy.

Pursuant to the obligations derived from Royal Decree 902/2020 of 13 October on Equal Remuneration between men and women, the Group is carrying out the pertinent

remuneration analyses for the different Spanish companies following the indications and procedures established by law.

3.2.5. The average remuneration of directors and executives, including variable remuneration, allowances, indemnities, payments to long-term savings schemes and any other payments disaggregated by gender (GRI 405-2).

Employees with the Professional Role of Corporate / Managing Directors are included in the category of Executives. This role is assigned to Corporate Function Managers and Business Unit Managers reporting directly to the CEO of the Company and members of the Management Committee.

For privacy reasons, we provide the salary information of the Company's executives without segmenting between men and women, as the minimum criteria set out in this Report (more than two persons in each category) are not met.

PROFESSIONAL CATEGORY	AVERAGE BONUS 2021	AVERAGE BONUS 2022
CORPORATE/MANAGING DIRECTOR	75.569	109.977

ROL PROFESIONAL	AVERAGE SALARY 2021	AVERAGE SALARY 2022
CORPORATE/MANAGING DIRECTOR	306.877	335.153

PROFESSIONAL CATEGORY	LIFE INSURANCE	COVERAGE
CORPORATE/MANAGING DIRECTOR	FALLECIMIENTO	500.000
	INCAPACIDAD	500.000

Life Insurance coverage is same for all Corporate and Business Directors, with no distinction based on salary or position.

Average Directors' remuneration

In year 2022, the Directors of the Company received remuneration for their position, an average remuneration of 800,000 euros (in year 2021 they did not receive remuneration). No advances or loans have been granted to them and no obligations have been assumed on their behalf by way of guarantee.

3.2.6. Implementation of work disengagement policies (GRI 103-2)

The Group meets the laws and regulations in force in each country in relation to the rights to time off work and rest time.

3.2.7. Number of employees with disabilities (GRI 405-1)

COUNTRY	Nº Employees with Disabilities 2021 (Mabxience not included)		Nº Employees with Disabilities 2022 (Mabxience not included)	
	Hombres	Mujeres	Hombres	Mujeres
Germany	0	1	2	3
Austria	0	1	0	1
Brasil	1	0	1	0
China	0	0	0	0
Spain	10	2	12	4
India	1	0	2	0
Italy	9	6	8	4
Turkey	9	3	7	2
TOTAL	*30*	*13*	*32*	*14*

The remaining countries in which the Group has operations and which are not listed in the above table do not have disabled staff.

In Spain there are certificates of exceptional performance for 6 of the 8 Spanish companies. In this respect, as well as complying with Spanish labour legislation, the Group is committed to achieving, as far as possible, the social goal of integrating people with difficulties into the world of work. Therefore, it does not only comply with the statutory minimum contribution requirement, but also invests in foundations and companies with disabled staff.

3.3. Work organisation

3.3.1. Description of the organisation of working time (shifts, overtime management, flexible working hours, etc.) (GRI 103-2).

The companies comprising the Group comply with the **labour regulations** in force for their territory, and the longest working day worldwide is 40 hours / week from Monday to Friday. Having said that, there are some countries, mainly in Latin America (Chile, Mexico and Argentina) and Asia (India) where the working week exceeds 40 hours, always in accordance with the applicable legislation.

In general terms, there are no **working shifts** for office staff. In the production plants, working shifts are established according to the production needs of each centre, the most common practice being the establishment of three shifts both on weekdays and weekends.

Regarding the **flexibility of the working day,** each country also applies its own criteria in accordance with legal regulations and local labour market practices, in an attempt to respond to the needs of the workforce.

Most workplaces (offices) have flexible start and finish times of between 1 and 2 hours. Northern European countries (Finland and Sweden) are noteworthy in this regard, with full flexibility being applied. The most common is still that full flexibility is applied for sales staff. There are few countries with no flexibility scheme at all, and in some cases this model is justified in the case of production plants outside the city centre with a company-provided transport service that transports employees at set times.

In the event of **working overtime,** office and sales staff are usually compensated with equivalent time off, while in production plants it is usual to compensate them financially in accordance with the legislation in force in each country in this regard.

In certain European countries, such as the Czech Republic, Slovakia, Germany, Austria, Hungary and Germany, a general tendency to compensate overtime with time off. In the case of Italy, there is a mixed scheme of time and financial compensation.

Lastly, there are countries with a practice of financial compensation for overtime. In this regard, there are, as we have already mentioned, production employees (Guatemala, Turkey, India, Indonesia and Argentina) and other countries, such as Brazil, Chile and Ecuador.

Each centre complies with the legislation in force in its territory with regard to the **limit on the number of overtime hours** that may be worked during the year.

3.3.2. Description of measures aimed at facilitating the enjoyment of work-life balance and encouraging the co-responsible exercise of work-life balance by both parents (GRI 103-2).

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

As regards specific practices to promote work-life balance in offices and work centres, the most prevalent measure among the Group's companies is to allow occasional teleworking or a certain degree of flexibility when the employee needs it for family reasons. Also common are local practices such as:

- Hours off to accompany children on the first day of school, birthdays, family celebrations, etc.
- Possibility of reduced working hours.
- Nursery and breastfeeding rooms in the offices.

In addition to the foregoing, the Group organises and promotes cultural and leisure activities that facilitate reconciliation and family enjoyment.

3.3.3. Number of absenteeism hours [GRI 403-9 (Version 2018)].

COUNTRY	ABSENCE HOURS 2021		ABSENCE HOURS 2022	
	Men	Women	Men	Women
Germany	0	360	140	280
Argentina	NA	NA	NA	NA
Austria	0	360	0	423
Belgium	0	0	0	0
Brasil	376	344	176	960
CENAM	35	49	410	676
Chile	0	0	0	0
China	0	0	0	0
Colombia	336	5.440	459	2.212
Ecuador	70	74	40	40
United Arab Emirates	48	232	64	168
Slovakia	321	2.077	212	1.759
Spain	165.338	164.132	57.628	33.561
Estados Unidos	200	3.352	1.064	2.780
Philippines	0	0	0	0
Finland	0	0	0	0
France	0	0	0	0
Hungary	0	0	0	0
India	7.820	247	6.860	616
Indonesia	0	0	0	0
Italy	14.776	7.140	24.039	9.361
México	112	32	27	45
Norway	--	--	0	0
Perú	360	224	0	0
Polonia	872	5.184	0	0
Portugal	0	16	1	6
Reino Unido	--	--	0	15
Czech Republic	24	664	40	658
Sweden	0	0	0	0
Switzerland	0	0	0	0
Tailand	0	0	0	0
Turkey	6.637	8.500	9.783	7.585
Vietnam	88	536	672	1.344
TOTAL	***197.413***	***198.963***	***101.615***	***62.489***

Absenteeism includes time not worked due to short-term temporary incapacity, leaves of absence, medical consultations, union hours and unjustified absences.

3.4. Health and safety

3.4.1. Description of occupational health and safety conditions [GRI 403-1 to GRI 403-7 (Version 2018)].

The different Group companies are particularly careful to ensure compliance with the commitments undertaken in the area of occupational health and safety, both by virtue of collective agreements and the different applicable regulations.

By way of an example of good practice, for occupational safety management in Spain, the organisation has its own resources, Senior Occupational Risk Prevention Technicians, having set up its own Prevention Services at the Química Sintética plant, the Liconsa plant and the León Farma plant, and contracting External Prevention Services at the rest of the centres and as support for the company's own Prevention Services.

The Occupational Risk Assessments of work stations and workplaces are carried out on a regular basis by the External Prevention Services and the Own Prevention Services in the centres that have them, and, based on the results of these assessments, the preventive activity is planned.

In addition, specific assessments are performed 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. Furthermore, 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, in view of the large size of their workforces, which requires it. However, this Committee has not been set up at the remaining centres, due to the size of their workforces, but there are prevention officers at some centres and at others there are people appointed to work in safety. The INSUD PHARMA Group is aware of the obligation to give 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 the other concurrent companies in the workplaces through the ASEM platform at the Química Sintética plant.

In addition to the provisions of each collective bargaining agreement or legislation applicable in each country, the Group's practice in relation to health and safety is to offer its employees a health and safety service:

- Private medical insurance.
- Life and accident insurance.

- Annual medical check-ups.
- Training sessions on safety and protection at work.

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 (Version 2018)].

In the following, the accident frequency and severity rates, as well as the number of days lost due to occupational diseases are presented for those countries that have reported any incidence in this regard in year 2022. The remaining countries in which the Group has operations have reported the absence of occupational accidents and diseases in year 2022, so, for simplicity of information, they are not reflected in the table.

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

$$\text{Men frequency rate} = \frac{\text{Nº Accidents Men}}{\text{Nº work hours men}} \times 10^6$$

$$\text{Women frequency rate} = \frac{\text{Nº Accidents Women}}{\text{Nº work hours Women}} \times 10^6$$

COUNTRY	ACCIDENTALITY RATE	Men	Women
Alemania	Frequency accidenta rate	0,00	9,76
	Severity Rate	0,00	0,15
	Nº Accidents with sick leave (ex. in itinere)	0	1
	Nº Days lost due to professional illness	0	0
	Nº of Deaths due to accidents or professional illness	0	0
Colombia	Frequency accidenta rate	40,06	0,00
	Severity Rate	1,20	0,00
	Nº Accidents with sick leave (ex. in itinere)	1	0
	Nº Days lost due to professional illness	0	0
	Nº of Deaths due to accidents or professional illness	0	0
España	Frequency accidenta rate	23,08	12,89
	Severity Rate	4,14	2,74
	Nº Accidents with sick leave (ex. in itinere)	52	28
	Nº Days lost due to professional illness	0	0
	Nº of Deaths due to accidents or professional illness	0	0
Francia	Frequency accidenta rate	0,00	16,38
	Severity Rate	0,00	0,20
	Nº Accidents with sick leave (ex. in itinere)	0	1
	Nº Days lost due to professional illness	0	0
	Nº of Deaths due to accidents or professional illness	0	0

COUNTRY	ACCIDENTALITY RATE	Men	Women
Portugal	Frequency accidenta rate	163,08	285,39
	Severity Rate	0,82	1,43
	Nº Accidents with sick leave (ex. in itinere)	2	2
	Nº Days lost due to professional illness	0	0
	Nº of Deaths due to accidents or professional illness	0	0
Turkey	Frequency accidenta rate	2,67	14,43
	Severity Rate	0,01	0,20
	Nº Accidents with sick leave (ex. in itinere)	1	3
	Nº Days lost due to professional illness	0	0
	Nº of Deaths due to accidents or professional illness	0	0

Besides the data for each country, the aggregate data on accident frequency and severity rates and days lost due to occupational diseases are shown, considering for their calculation both the countries that have reported incidents in this sense and those that have reported the absence of such incidents.

The following formulas have been used to calculate the aggregate rates:

$$\text{Indice agregado de frecuencia hombres} = \frac{\text{Nº total accidentes hombres}}{\text{Media ponderada de horas trabajadas hombres*Nº total hombres}} \times 10^6$$

$$\text{Indice agregado de frecuencia mujeres} = \frac{\text{Nº accidentes mujeres}}{\text{Media ponderada de horas trabajadas mujeres*Nº total mujeres}} \times 10^6$$

$$\text{Indice agregado de gravedad hombres} = \frac{\text{Nº días de baja hombres}}{\text{Media ponderada de horas trabajadas hombres*Nº total hombres}} \times 10^3$$

$$\text{Indice agregado de gravedad mujeres} = \frac{\text{Nº días de baja mujeres}}{\text{Media ponderada de horas trabajadas mujeres*Nº total mujeres}} \times 10^3$$

Accident Rate		Men	Women
TOTAL	Indicent Frequency Rate	12,36	14,42
	Severity Rate	1,86	2,41
	Nº Day Loss due to professional illness	4,113	2,682

3.5. Social relations

3.5.1. Description of the organisation of social dialogue, including procedures for informing, consulting and negotiating with employees (GRI 103-2).

The Group has no global Legal Workers' Representation (LWR), but in certain companies and specific sites there is such an LWR.

The Corporate Human Resources Department sets basic frameworks for action and ensures the autonomy of business managers to adapt human resources policies to

the needs of the company in each territory, local practices and customs, as well as the determining factors of each labour market. The Group has, therefore, implemented the means of control to verify compliance with the labour regulations in force in each territory, with 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 social dialogue and procedures for informing, consulting and negotiating with employees in each country are organised in accordance with the applicable regulations and local customs and practices.

All employees in Spain are covered by the General Chemical Industry Agreement and communication is ongoing with the workers' representatives at the work centres.

Therefore, there is Legal Representation of Employees in five Group companies in Spain. There are Works Committees at four sites in four companies: Química Sintética, S.A. based in Alcalá de Henares in Madrid (with 13 members and 2 union representatives), Laboratorios Liconsa, S.A. based in Azuqueca de Henares in Guadalajara (with 17 members and 4 union representatives), Universal Farma, S.L. based in Azuqueca de Henares (with 9 members) and Laboratorios León Farma, S.A. based in Villaquilambre (León) (with 13 members and 2 union representatives). There are also 2 staff officers at Laboratorios Farmalán, S.A. at its centre in Villaquilambre (León). Negotiations with this LWR are carried out through a system of regular or ad hoc meetings, applying the required regulations on trade union matters. At Airpharm, there is legal employee representation at all 5 workplaces; Barcelona, San Fernando de Henares, Azuqueca de Henares, Leon and Valencia.

In the remaining Group centres and companies in Spain, individual discussions are held with each employee. If the company has to take measures with collective effects at these centres, all employees are notified or briefed, depending on the importance of the measure or how well it is understood by the staff.

In the remaining countries, practices follow the regulations in force in each case and labour relations may be regulated by national labour codes, sectoral collective agreements and internal regulations.

Having said that, there is an open and flexible social dialogue in the organisation, which enables fluid communication of relevant aspects or specific problems through practices such as:

- Regular meetings of employees with managers and executives of the subsidiary.
- Individual meetings between employees and managers.
- Regular sending of e-mails and circulars with relevant information for the workforce.
- Escalation system in cases where no agreement is reached at the first level of consultation (employee-manager direct).

3.5.2. Description of the balance of collective agreements, in particular in the occupational health and safety field [GRI 403-4 (Version 2018)].

The different Group companies are particularly careful to ensure compliance with the commitments undertaken in the area of occupational health and safety, both by virtue of collective agreements and the different applicable regulations.

3.5.3. Percentage of employees covered by collective bargaining agreements by country (GRI 102-41)

COUNTRY	Collective Agreements	% employees included in collective agreements in 2022
Germany	NO	0%
Austria	SI	100%
Belgium	SI	100%
Brasil	SI	100%
CENAM	NO	0%
Chile	NO	0%
China	SI	100%
Colombia	NO	0%
Ecuador	NO	0%
United Arab Emirates	NO	0%
Slovakia	NO	0%
Spain	SI	100%
US	NO	0%
Philippines	NO	0%
Finlandia	NO	0%
France	SI	100%
Hungary	NO	0%
India	SI	Less than 2%
Indonesia	NO	0%
Italy	SI	100%
México	SI	100%
Norway	NO	0%
Perú	NO	0%
Polonia	SI	100%
Portugal	SI	100%
United Kingdom	NO	0%
Czech Republic	NO	0%
Sweden	NO	0%
Switzerland	YES	100%
Tailand	NO	0%
Turkey	NO	0%
Vietnam	NO	0%

3.6. Training

3.6.1. Description of policies implemented in the field of training (GRI 103-2; GRI 404-2)

In year 2022, the efforts to improve the technical and leadership skills of our professionals have continued. As a result of Covid-19, we consolidated our strategy of digital transformation of corporate training, updating programmes on

our virtual campus, My Learn Space, as well as incorporating new contents to meet the company's needs in times of pandemic.

The training plans prepared by the Corporate People Department contain specific actions for the different groups in the Company:

- **For all Insud Pharma employees:** As part of the digital transformation of training and taking into account the pandemic situation that persisted globally, we continued to dynamize and enrich the content of the global platforms launched in 2019/2020: LinkedIn Learning, Language Academy, Campus Gamelearn, Speak Up Programme (aimed at managers to learn how to give feedback to their teams), all in a free and flexible format so that employees could consume the content on demand.
  In addition, we managed all the technical training "on the job" needed to perform well in the workplace.
  We provided continuity to the compulsory trainings according to our Industry and Spanish legislation.

- **Directors, Managers, Supervisors and Top Potential:** ***Corporate Leadership Programme, Leading@ All levels*** whose main objective is to strengthen the leadership skills of our leaders and to start training the leaders of the future. The programme is structured by organisational roles:

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

  - ***Managing@InsudPharma:*** a 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 boosting their capabilities to meet Insud Pharma's current and future needs. The programme's approach is operational.

  - ***Preparing4Leading@InsudPharma:*** a programme aimed at high-potential individual employees with the objective of improving their skills to become more effective contributors and boosting their capabilities to address Insud Pharma's current and future needs.

  - In year 2022, this programme was deployed in classroom format in Spain and 104 employees in Spain from different areas went through it.

- Technical and operations staff: as well as 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 Practices (GMP) and other key areas of knowledge in the pharmaceutical industry.

- Equality Plan: In accordance with Spanish labour legislation, we are required to provide training in Equality to the staff of the León Farma plant, in this case 49 people (134 hours) passed through the classrooms.

The number of **training hours delivered in year 2022** at Insud Pharma totalled **250,809.**

In addition to the training actions tailored to Insud Pharma's particular needs, the Corporate Human Resources Department shared the following training and development initiatives with the entire Group:

- **WAYL Platform.** In order to continue caring for employees and responding to their need to improve their Wellbeing, we launched the WAYL Global Platform in year 2021. This platform includes the three basic aspects of Wellbeing: Physical, Emotional, Social and Economic. It is a living platform, offering courses related to the three dimensions of Wellbeing, competitions and networking actions with employees from all countries. In year 2022, we have included in WAYL the Corporate Recognition Programme as a response to the Climate Survey (Insud Pharma Cares) that we launched in May 2022.

- **MyLearnSpace,** our multilingual virtual campus with worldwide coverage, is structured by levels: Regulatory, Business and Skills. Thus, training is open and democratised and it is the employee who decides what content and when to consume it. The employee is the master of his or her own learning path. This training includes the completion of the regulatory and mandatory courses of the Company and of the Spanish/Argentine legislation, such as Compliance, Corporate Defence, Cybersecurity, Pharmacovigilance, Occupational Risk Prevention, Data Protection, Health and Safety, as well as mandatory courses in each country. The Skills levels includes Office 365 courses, training pills through LinkedIn Learning, Language Academy as a language platform where they can perfect up to 3 languages in parallel, Gamelearn Campus to strengthen skills in a gamified format and access to external platforms of top business schools such as Coursera, MIT, HBS, IESE, etc.
  My Learn Space creates a dashboard to track mandatory courses and ensure compliance.

  In year 2022, the data on the consumption of training resources in MLS are as follows:

- ✓ **Gamelearn**: 114 participants and 48 courses completed (167.45 hours). The most requested courses are: Chai (Stress Management), Triskelion (Time Management), Exit (Teamwork), Pacific (Leadership).

- ✓ **Language Academy**: 688 students and 415.75 hours of language training. Mainly English.

- ✓ **LinkedIn Learning**: 141 people 165.8 hours of training.

- ✓ **My Learn Space**: 25,795 enrolled students (in the number of enrolled students it should be taken into account that the same employee can be enrolled in several courses) took the mandatory courses through MLS, amounting to 24,963.50 hours of training (in the number of training hours passed, it should also be taken into account that the same employee could have passed several courses).
  Courses on PRL, Quality, Cybersecurity, Pharmacovigilance, Compliance, Data Protection...

- **The IESE Executive Leadership Program** is a Management Development Program promoted by Grupo Insud and IESE, a school of recognised international prestige. This is a 3-week programme and participants come from all Insud Pharma Group countries. In year 2022, we started the 4th Edition with the participation of 41 employees (60 hours / person) from the Quality, Commercial, Supply Chain, R&D, Legal and Finance areas from 13 different countries.

- In Spain, 9 **Teambuilding activities** were arranged in order to help managers manage their teams, connecting them with the purpose of the Business and Department and aligning them with the company's strategy. They were held for the R&D, Registration and Commercial Departments.

- As a result of the **Climate Survey (Insud Pharma Cares)** launched in July 2022, we focused on designing and deploying action plans to improve key areas. A key area was related to the lack of development conversations that Managers and Directors were having with their teams. The first action plan was the implementation of **3 "Effective Conversations" webinars** for Country Managers, Directors and Managers throughout the Insud Pharma Group.
  They were conducted by Miquel Lladó, professor at IESE, in Spanish and English and reached an average capacity of 80 employees per webinar. This marked the kick-off of the *Conversa Programme,* which will be rolled out in 2023 with the aim of training all the Group's team managers in how to hold effective conversations on feedback, career development and crucial conversations.

- As from year 2019, and for Spain, **e-Library** will be available to employees. A digital library with more than 3,000 publications in Spanish and English, aimed at employees and their families. It includes children's literature, best sellers, scientific magazines, audio books, etc. This initiative is only available in Spain.

- **Corporate Training Bonus** (FUNDAE). In year 2022, and both for the Madrid offices and for the 5 plants in Spain, the credit allocated was 380,454.32 euros, and 58% was subsidised. A significant increase compared to years 2020 and 2021 where 5% and 22% respectively were achieved as a result of the impact of the Covid-19 pandemic.

3.6.2. Total number of training hours per professional category (GRI 404-1)

COUNTRY	PROFESSIONAL CATEGORY					2022 TOTAL TRAINING HOURS
	CORPORATE/ MANAGING DIRECTOR & DIRECTOR	MANAGER/ ASSOCIATE DIRECTOR	TEAM LEADER/LINE MANG./SUPERV./ COORD./SPECIALIST	TECHNICIAN/ SCIENTIST SALES REPS	SUPPORT/ OPERATOR /ANALYST	
Germany	3	172	40	766	288	**1.269**
Austria	80	16	0	41	0	**137**
Belgium	0	0	0	0	0	**0**
Brasil	49	268	0	572	55	**944**
Chemo India	4.537	14.523	45.361	30.168	0	**94.589**
Chemo Italia	0	208	1.198	1.074	3.431	**5.911**
Chile	0	2	184	2.503	20	**2.709**
China	5	42	47	0	0	**93**
Colombia	0	0	0	0	0	**0**
Costa Rica	241	0	241	753	0	**1.235**
Ecuador	0	27	114	676	0	**817**
El Salvador	0	0	490	1.412	0	**1.902**
United Arab Emirates	4	4	16	52	0	**76**
Slovakia	6	0	54	292	0	**352**
Spain	522	2.661	5.304	6.021	5.767	**20.275**
US	0	0	0	0	0	**0**
Exeltis Spain	1	121	322	4.569	568	**5.580**
Exeltis India	0	640	2.770	11.243	499	**15.152**
Exeltis Italy	0	154	0	787	40	**981**
Philippines	0	0	24	24	16	**64**
Finlandia	0	0	0	0	0	**0**
France	2	8	0	317	32	**359**
Guatemala	260	33	505	2.220	21	**3.039**
Honduras	250	0	490	1.488	0	**2.228**
Hungary	4	0	12	264	4	**284**
Indonesia	0	71	61	425	680	**1.236**
México	169	5.879	118	39.570	374	**46.110**
Nicaragua	244	0	0	768	0	**1.012**
Panamá	242	0	0	887	0	**1.129**
Perú	0	0	106	591	0	**697**
Polonia	32	217	264	120	92	**725**
Portugal	87	0	0	396	0	**483**
United Kingdom	0	0	0	0	0	**0**
Chezch Republic	0	7	8	140	0	**155**
Dominican Republic	240	0	0	1.052	0	**1.292**
Sweden	0	7	0	0	24	**31**
Tailand	100	500	500	6.500	0	**7.600**
Turkey	46	510	1.890	2.519	101	**5.066**
Vietnam	0	0	0	16	0	**16**
Gamelearn	0	0	0	0	0	**0**
IESE	360	840	0	0	0	**1.200**
Language Academy (Go Fluent)	0	0	0	0	0	**416**
Linkedin Learning	0	0	0	0	0	**166**
My Learn Space	0	0	0	0	0	**24.964**
Gamelearn	0	0	0	0	0	**518**
TOTAL	**7.483**	**26.909**	**60.118**	**118.225**	**12.011**	**250.809**

3.7. Accessibility

3.7.1. Description of measures taken to ensure universal accessibility for persons with disabilities (GRI 103-2).

The Group companies comply with the regulations in force in all the countries in which we operate regarding the integration and universal accessibility of people with disabilities.

In general terms, the subsidiaries:

- Promote the participation of disabled people in selection processes as long as the candidates meet the requirements of the position.

- They have facilities adapted to the requirements of disabled people and eliminate architectural barriers to guarantee their accessibility and comfort in the workplace.

In Spain, and specifically for the Group's companies in which we are required by law to cover 2% of the workforce with certified disabled personnel, vacancies are advertised. People holding this certification 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. Should there be no candidates, the companies also comply with the regulations and obtain the corresponding certificate of exceptionality from the Employment Councils and contract services with Special Employment Centres (CEE) that have almost 100% of their staff made up of disabled people.

3.8. Equality

1. **Description of measures taken to promote equal treatment and opportunities for women and men (GRI 103-2).**
2. **Description of equality plans, measures taken to promote employment, protocols against sexual and gender-based harassment, integration and universal accessibility of persons with disabilities (GRI 103-2).**

3. **Description of the anti-discrimination and, where applicable, diversity management policy (GRI 103-2).**

The Group companies are firmly committed to complying with the regulations in force in each country where we operate in terms of equal treatment, protocols against

sexual and gender-based harassment, as well as with policies against all types of discrimination and, where applicable, diversity management.

As well as local legislation and regulations, the Group has a Code of Ethics of Conduct which is rigorously applied in each centre, and which establishes discrimination and sexual harassment as a serious and intolerable violation of workers' rights. The different Group companies work to ensure a safe working environment and investigate any complaints made in this regard and apply the sanctions established in each case.

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

- The publication of vacancies without conditions related to gender.
- The setting of salaries and benefits by virtue of qualification and experience criteria, also without conditions linked to gender.
- The implementation of promotion and career development plans based on employees' skills.
  The active pursuit of gender-balanced workforces.
- The active search for parity between men and women in the workforce.

In Spain, we currently have eight companies that implement an Equality Plan, which are reviewed in each case after the corresponding annual or biannual analyses. Since October 2020, following the publication of Royal Decree 901/2020 of 13 October, companies required to have an Equality Plan are now obliged to update and revise their existing plans in accordance with the new regulations, with a maximum period of one year from the start of the negotiation procedure, which begins with the constitution of the Negotiating Committee, for which reason the plans are being reviewed.

The establishment of the Equality Plan in Spanish companies is based on a strict diagnosis of the workforce broken down between men and women, 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.
- Types of hiring.
- Distribution by Professional Groups and job positions.
- Salaries by Professional Groups.
- Conciliation measures applied.
- Training plans provided.

Following the diagnosis, the strategy to be implemented is proposed and is reflected in the subsequent Equality Plan. A follow-up commission is set up to analyse the implementation feasibility of the proposed improvement measures.

The following are some of the measures included in the Equality Plans:

- Non-application of discriminatory criteria from the recruitment stage onwards, 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 staff and factory operators based on objective attitude and aptitude tests.

- Salaries based on the Collective Bargaining Agreement tables for core staff.

- Annual pay gap studies based on job assessments according to the aforementioned Mercer classification system for technical and senior positions, to ensure equal pay without gender bias.

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

In addition, with the implementation of the Equality Plan, the Harassment Protocol has been drawn up, which reflects the provisions of the Collective Bargaining Agreement, making reference 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 staff. Thus, among our values and principles it states, among others:

- DIVERSITY is enrichment. It is inter-action, not only of cultures, but also of points of view, languages or beliefs. Therefore, in the Group we like diversity and we promote it. This is because we live and work for a global and diverse society, in which we all have a place, in which we all have a contribution to make.

- WE RESPECT our staff, partners and patients. The INSUD PHARMA Group's key principle is the respect for everything and everyone. And especially to those working with us. We therefore promote diversity as a way of mutual enrichment. We promote equal opportunities, integration and freedom of belief. We like to create motivating, innovative environments in which our professionals can feel comfortable and cooperate. We are multicultural and treat others the same way we want to be treated, always respecting the confidentiality and privacy of clients, partners, employees and patients.

- WORKING ENVIRONMENT. DIVERSITY. We believe that creating a work

environment that enables us to attract, retain and fully engage diverse talent 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 employees and qualified 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 company performance by valuing and understanding differences.

- NO HARASSMENT. We respect the dignity of all people and 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 working environment in our facilities around the world. In general, harassment involves offensive conduct that is severe 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, sex, colour, sexual orientation, religion, national origin, ethnicity, citizenship, age, marital status, disability, or veteran status. Harassment includes a wide range of behaviours, from direct requests for sexual favours to situations where offensive behaviour (e.g. insults, offensive jokes or slurs, offensive material in the workplace), to verbal or non-verbal threats, abuse or ridicule, assaults or blocking of free movement, result in a hostile work environment. We should 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.

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

This policy and principles are thus conveyed 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 details the Group's commitment to ethics and compliance, with integrity and transparency as core principles. *Horizon* is driven by the team, which allows us to move forward with actions that represent the values of the organisation (integrity, transparency, passion, innovation, diversity and entrepreneurship). In addition, the code also covers the International Labour Organisation's core conventions on global anti-corruption regulations, such as the FCPA and Spain's anti-corruption legislation.

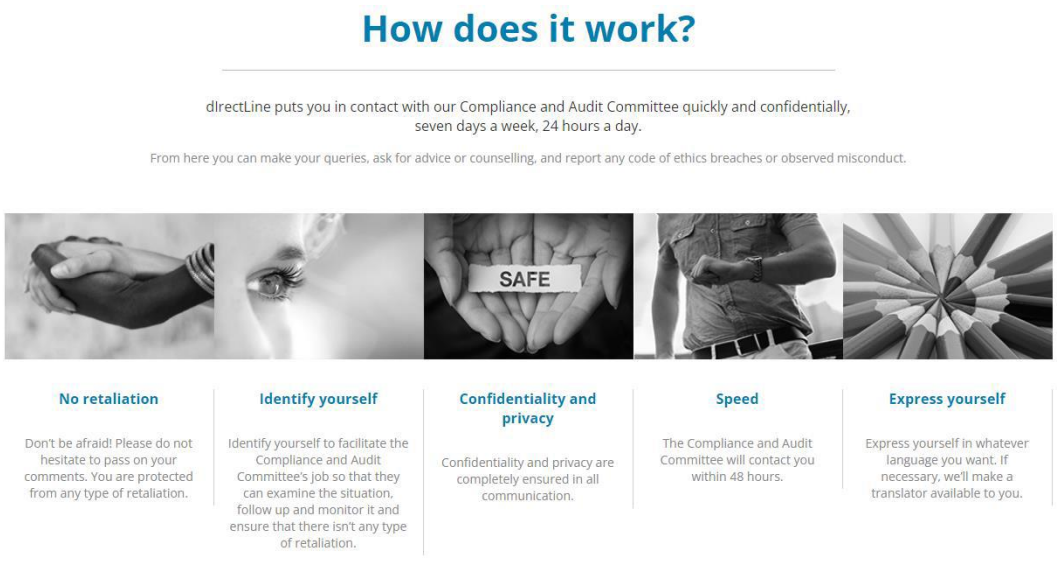
The INSUD PHARMA Group ensures that the standards are applied throughout the Group and in each subsidiary. The code of conduct has been approved by the Compliance and Audit Committee, a group consisting of the Chief Executive Officer, the General Counsel, the Chief Compliance Officer, the Director of Internal Audit, the Director of Quality, the Director of Human Resources and the Compliance and Data Protection Specialist.

All employees are trained in this area, either in person or online, when they join the Group. In addition, we have recurrent "refresher" courses to keep us up to date.

Human rights standards apply to any supplier engaging with the organisation. They are required to comply with the Supplier Standards. These cover the following areas:

- Prohibition of child abuse and forced labour.
- Working hours and wage compliance with local laws.
- Freedom of expression and equal opportunity.
- Protection of workers' health and safety.
- Environmental protection.
- Business integrity.

The Group also has an Open Reporting process through the Direct line system. This channel enables employees to connect directly with the Compliance Committee and submit incidents, which are reviewed in full confidentiality and without retaliation.



In year 2022, 7 complaints were received through the direct line channel:

- Related to improper behaviour 70% ; Not related to Compliance 30%.

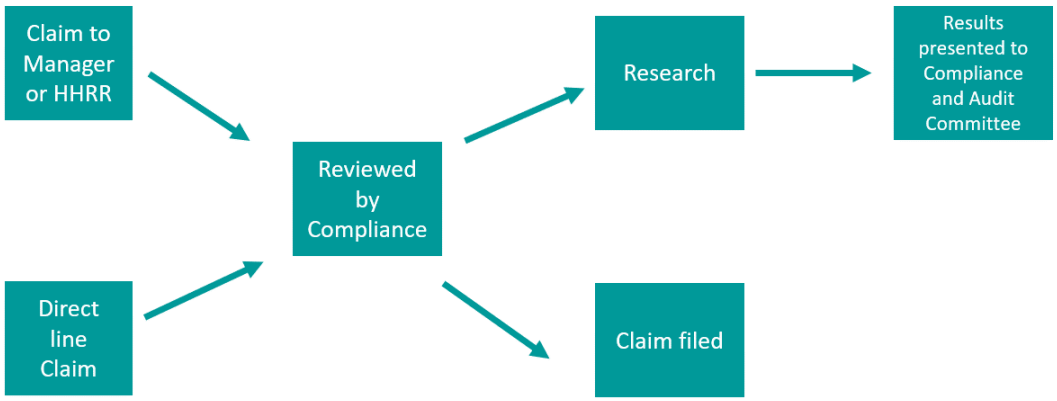
**The term workplace harassment is covered by the International Labour Organisation's definition of a human rights violation.*

Complaints are sent through the website *http://www.insudpharmadirectline.com/*, or received through managers or the People (human resources) department.

Over the period from 2022, the total number of complaints received has been dealt with, and 100% of these complaints have been closed:

- 70% closed, were due to a lack of evidence and proof; and
- 30% were followed up, actions taken and reports made or were not complaints relating to the compliance department, but were referred to the departments concerned, which managed and concluded the same, in an appropriate manner.

General Process:



The matter is handled by the Compliance Department, which initiates an investigation and submits the case to the Audit and Compliance Committee. The Compliance Director may also include other departments in the investigation, as he / she deems appropriate. Complaints not involving a breach of the Code of Conduct are closed.

At Airpharm, the Compliance Unit deals with the investigation and processing of reports of corruption, fraud and potentially harmful behaviour that may affect Airpharm.

Contact with the Regulatory Compliance Unit shall be made through the following e-mail address:

buzon_etico@airpharmlogistics.com

104 conducts have been analysed, among which we have defined 15 as high level risk, representing 14.4%.

5. Corruption and bribery

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

Therefore, the Group's anti-corruption guide and mandatory practices are based on global and local standards. The ABC Book is part of the Horizon Code of Ethics. This document covers everything related to corruption, bribery and money laundering, describing appropriate conduct and how to avoid malpractice. In addition, the most exposed departments have procedures in place to ensure compliance by all those involved in each process. In this sense, the Control Matrix of the Prevention and Criminal Risks Manual included in the Corporate Defence reflects the controls implemented in the departments and periodically audited by the Internal Audit Department.

Within the Code of Conduct, an appendix called "ABC Book - Anti-Bribery and Anti-Corruption" covers a wide range of business practices and related activities. This manual is regularly reviewed and kept up to date and specifically addresses anti-bribery and anti-corruption measures to be respected by all Group professionals.

The following are expressly prohibited:

- Active bribery: offering / delivering bribes;
- Passive bribery: soliciting / receiving bribes;
- Public bribery: bribery committed in the public sector; and
- Private-to-private bribery: bribes committed in the private sector.

These specifications also transfer to any business partner with whom you have a relationship.

For business partners that fall within the high-risk classification, a due diligence analysis is conducted before starting business activities to cover the risks of violation of the internal anti-bribery and corruption guidance or any applicable local laws.

The code of conduct also has requirements that address:

- Anti-money laundering guidance.
- Relationships with business partners.
- Donations, grants and sponsorships.

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

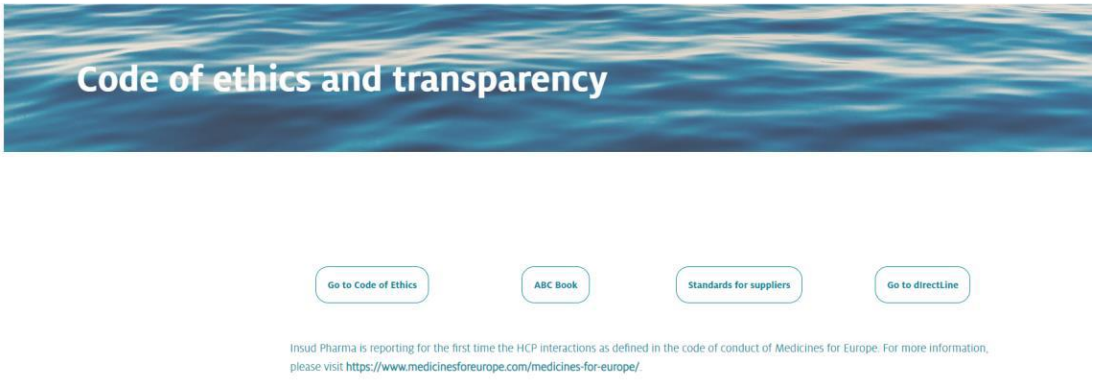
- We do not bribe or pay bribes to government officials, business partners, healthcare professionals or any other external parties;
- When providing gifts, meals, travel and accommodation, events and sponsorships, we comply with our Code of Ethics and Conduct, the ABC Book, applicable laws and local and international industry standards
- We substantially increase our level of standards and care when dealing with the healthcare community; and
- We want to be transparent with information about transfers of value to organisations and healthcare professionals, and are open to public disclosure when required by local regulations or industry codes.
- Throughout 2022, the Group has not had any reported cases of corruption or bribery. Should corruption occur, the issue would be dealt with by the Compliance and Internal Audit Committee, to escalate it to the appropriate levels for prompt, proactive and proper management. This Committee includes members of the Board of Directors.

Furthermore, in order to increase measures against possible bribery, influence peddling and other offences under the criminal code, we have a form to be completed for new sponsorships or donations.

5.1. Commitment to transparency

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

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



All transactions with European healthcare professionals are available, covering all consulting agreements, payments to Medical Institutions and invitations of healthcare professionals to events.

In the US, the Sunshine Act also requires reporting of transactions with Healthcare Professionals and Medical Institutions, which the Group completes on an annual basis.

The lists are available on the U.S. government website: https://openpaymentsdata.cms.gov/

6. Company

As a Group operating in the field of healthcare, patients and healthcare professionals are at the heart of the INSUD PHARMA Group's activities. Therefore, all processes are subject to the highest standards of quality and safety. Likewise, the participation and involvement of the INSUD team in supporting local communities has been very relevant.

6.1. The organisation's commitment to sustainable development

The INSUD PHARMA Group is committed to 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 jobs, internships and scholarships, through which they continue their training and allow us to have a talented workforce ready for our businesses.

We are committed to the relationship with local study centres and universities. For example, we collaborate with the University of Alcalá de Henares, Francisco de Vitoria University and the Autonomous University Additionally, we collaborate with the Instituto Teófilo, CESIF and ESAME.

We have signed collaboration agreements with these and other centres to integrate students with scholarships; we participate in employment forums and meetings with students to help them focus on their professional opportunities and we open our work centres to organise meetings and visits for them.

Insud Pharma is committed to complying with Spanish labour legislation and, on the other hand, to the INSUD PHARMA Group's own commitment to work for and with people and, in this sense, to come as close as possible to the social goal of integrating people with difficulties into the world of work, contributing to equality.

In terms of **supporting women and girls in technology,** our group is part of STEM Talent Girl. A reference project in Spain to develop STEM (Science, Technology, Engineering and Mathematics) talent in female population organised by the ASTI Foundation and the Regional Government of Castile and Leon. (Contribution of 8,100 euros). We are also a member of ASELE, the association of women entrepreneurs and managers (1,324 euros).

Internationally, there are several countries that support women in different areas of training and empowerment, such as our Exeltis brand in Asia with its Never Surrender campaigns, collaborations with associations against abuse, book loans or support and sponsorship for women scientists in several European countries such as Slovakia, Poland and Germany.

In terms of training, our brand Exeltis, through its Chair, offers research grants on Insomnia in the area of the Central Nervous System, for which it has awarded a grant through the Spanish Sleep Society.

The Society is also a member of the following pharmaceutical industry associations, having contributed the following amounts (excluding VAT) in year 2022:

Name	Scope of action
AESEG	Spain (11,087 euros)
Asebio	10,000 euros
Medicines for Europe	Europe (38,500 euros)
IGB	25,000 euros

The Group also focuses its commitment to society through its foundation "Mundo Sano Foundation", whose origins can be traced back to the Group's family history.

Mundo Sano is a family foundation aimed at transforming the lives of people affected by neglected diseases, which are those that affect the most vulnerable population, with serious consequences for the health of those who suffer from them.

From the beginning, it has been seeking cooperation between the private sector and the state with the aim of contributing to public health. Their daily activity is work in the field. Both at their own headquarters and in other places, where they implement programmes that seek to efficiently resolve the barriers that hinder people's access to health, generating useful evidence for public policies.

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

It should be noted here the access to the drug (Benznidazole) to treat Chagas disease in Spain, a joint effort between the Group and the Foundation, which has enabled the creation of a public-private partnership, where more than 10% of the people estimated to suffer from this disease in our country are already being treated. This is highly significant, as no other country in the world currently reaches this figure.

In addition, the Foundation is engaged in a wide range of ways with communities in Spain through various health initiatives focused on improving care and access to medication for Chagas disease.

a) "Mothers Committed to Chagas Disease" programme

The "Mothers Committed to Chagas Disease" programme is aimed at training immigrant women from Latin America, affected by Chagas disease, as health agents. For this purpose, Mundo Sano has designed this training programme that includes general aspects of maternal and child health, Chagas disease, the Spanish health system, mediation, counselling and communication tools. Mothers engaged in the programme play a key role in their communities: they spread the word about the importance of diagnosis and treatment of Chagas disease and organise community information and awareness-raising activities, both in Spain and in their countries of origin. In year 2022, their training has continued via the two virtual platforms that are helping to follow up more than 60 people, women and men, in Valencia, Galicia and Murcia.

b) Screening and support for patients with Chagas disease

We have continued to support on a regular basis Chagas screening programmes in different parts of Spain, mainly among the Latin American population, organised by different public and private organisations The model has been extended and scaled up to the actors in the public health system who carry it out. These are free tests, which by means of a blood test detect possible sufferers of the disease so that they can be treated. These actions are currently being carried out in the hospitals of Vall d'Hebron in Barcelona and the Hospital Central Universitario Virgen de la Arrixaca (HCUVA) in Murcia.

In Murcia, a public-private alliance has been established among all the stakeholders involved in the task of interrupting mother-to-child transmission of Chagas disease; from the World Health Organisation (WHO), the community's health department, the two patient associations: Illimani and AsapechaMur, the HCUVA and the Mundo Sano Foundation.

In addition, we are currently conducting this work with patient follow-up, with a view to extending it to the health system, as we are already doing with the Hospital de La Paz, in Madrid, thanks to the programme we have started with community health workers called "Accompanying Chagas: a qualitative study".

c) "No Baby with Chagas Disease" Ibero-American Initiative

The Foundation remains involved in the dissemination of its campaign "No Baby with Chagas" presented in March 2019 in Spain at the SEGIB (Ibero-American General Secretariat). The Foundation is committed to raising awareness of this unjust disease and ensuring that all babies born with Chagas disease, contracted through transmission during pregnancy from an infected mother, and all women of childbearing age have access to diagnosis and treatment. The "No baby with Chagas disease" campaign is aimed at making it a reality that by 2030 no baby will be born infected. In year 2022, the Foundation continues to collaborate with SEGIB, supporting the Ibero-American programme related to the campaign called "No baby with Chagas: the road to new generations free of Chagas", which is particularly important for Spain as it is the country from outside the Americas region (non-endemic) that has most dealt with the disease and can share and document its good practices.

d) National Network of Microbiology Laboratories to improve diagnosis of Chagas disease

By strengthening the National Network of Microbiologists that Mundo Sano has been promoting at a national level, together with the National Microbiology Centre - Carlos III Health Institute, to raise the visibility of the disease from the laboratory in health centres throughout the country. We are currently working with 28 centres across the country, with which we carry out multicentre inter-comparability studies to guarantee greater quality and homogeneity in the Chagas diagnosis protocols carried out throughout the country.

e) Agreement between the Community of Madrid, through the Regional Ministry of Health, the Madrid Health Service and the Mundo Sano España Foundation for the development of the programme to accompany patients with Chagas disease in the health centres of the Madrid Health Service.

This agreement is aimed at enhancing the care of patients with Chagas disease through the "programme of accompaniment for patients with Chagas disease", and includes the following actions:

- Information, accompaniment and intercultural mediation with the target population during the process of detection, treatment and monitoring of Chagas disease.
- Counselling and emotional support for patients and their families after the diagnosis of Chagas disease.

- Support and guidance activities to establish appropriate communication between health professionals and patients to facilitate the health care process.

f) UBA Postgraduate Course

In year 2022, we launched the International Postgraduate Course on Chagas Disease "Motivating Action" together with the Faculty of Pharmacy and Biochemistry of the University of Buenos Aires. The course "Motivating Action", with a highly specialised teaching staff, enables participants to learn about the different models for the diagnosis and treatment of Chagas disease and to have strategic tools to be able to implement the actions required to break down the barriers to access to care services that still persist in our societies. The course's main objectives are: a) To update knowledge about the different facets of Chagas disease from an eminently practical approach so that students can apply it immediately in their place of action; b) To disseminate the different models of approach for the diagnosis and treatment of Chagas disease and the strategic tools for the implementation of the necessary actions to promote access to care services; c) To promote the exchange of experiences among course participants and teachers in order to improve daily practice.

Publications

In year 2022, we published 14 scientific articles in Mundo Sano.

Finally, it should be mentioned that Mundo Sano Foundation also develops projects and activities in Ethiopia, always working in coordination with the Ethiopian authorities, both federal and regional.

The main projects are:

- Control of intestinal parasites with the WHO.

An agreement with the World Health Organization (WHO) seeks to evaluate the impact of an intestinal parasite control programme with the inclusion of Ivermectin for the control of Strongyloides stercoralis in schools in an endemic district of Ethiopia.

-Prevention and control of intestinal parasites in Bahir Dar - Amhara

In cooperation with the health authorities we promote and support the integration of the control of neglected diseases in primary health care. At the same time we will support the doctoral training of professionals linked to the University of Bahir Dar.

6.2. Subcontracting and suppliers

The quality of our drugs is guaranteed from the origin with the manufacture and acquisition of raw materials and starting materials to the distribution of the drug to the patient, including all production and control activities carried out by our Plants and by third parties to whom we subcontract the performance of activities with GxP impact.

Therefore, our suppliers of critical production materials, contract manufacturing or analytical services, suppliers of other services or any other outsourced GxP activity are all appropriately qualified: i.e. screened and approved prior to use, and periodically assessed on the basis of the risks posed by the materials or services supplied The responsible quality unit shall assess the quality status of the material or service supplier.

Our global quality audit team performs both approval and assessment audits as part of the supplier and service provider qualification process. These audits are planned based on a risk analysis where the quality status of the supplier, the supply chain and the associated risks are assessed.

Should observations be identified during the audit that impact the quality of the product or service, the supplier will be assessed for disqualification or a remediation plan will be put in place and its implementation will be reassessed.

In year 2022, 192 suppliers were audited worldwide (in year 2021: 223). In 5 of these suppliers (in year 2021: 9) observations were detected showing deficiencies in compliance with applicable regulatory standards. The outcome of these 5 audits was "Not Acceptable".

The number of audits in year 2022 has been kept at comparable levels compared to year 2021, in accordance with the capacity of our audit team and the priorities set out in the annual Audit Plan.

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

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

Additionally, the Group has Quality Agreements with critical suppliers and requires all suppliers to sign a Statement of Acceptance of our ethical and compliance standards contained in the Horizon Code of Ethics in relation to social, equality and environmental issues (see Human Rights section above), unless they have their own written standards, which may supersede those in Horizon provided they meet the Group's expectations and principles and are incorporated into a written agreement.

There are four annexes within Horizon for assessing a supplier's risk. The employees managing these agreements have access to these documents for the proper assessment of our business partners. Thus, in advance, we look at the various risks and consider whether there are sufficient means to mitigate or avoid them, which in turn influences the decision whether or not to enter into an agreement with a third party.

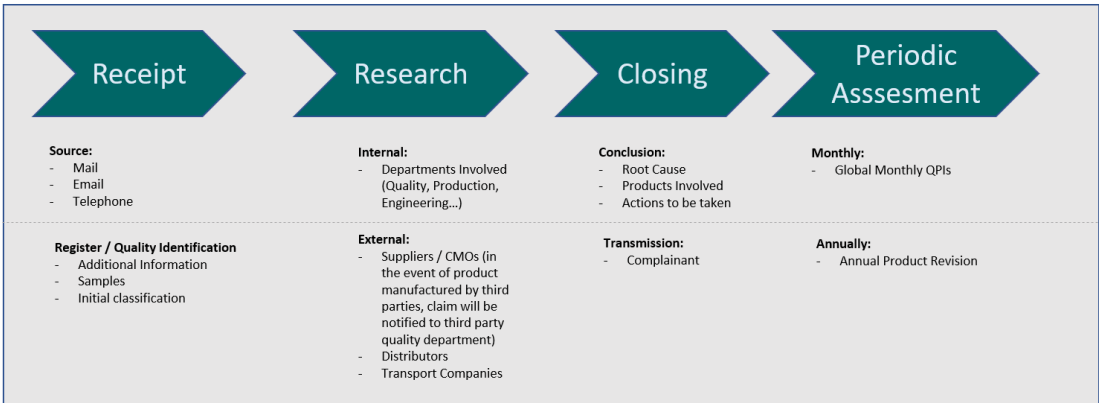
At Airpharm, all logistics providers subcontracted by AIRPHARM and who have contact with the goods must comply with AEO standards and sign the AEO Security Declaration.

6.3. Complaint handling, recall and pharmacovigilance

Our commitment to patients and healthcare professionals is essential. Therefore, we have a comprehensive programme for receiving, investigating and responding to **complaints**. This ensures that any product issues are properly documented, investigated and addressed. In addition, corrective and preventive actions are undertaken to address the underlying causes in order to avoid such complaints in the future.

Finally, regular assessments are conducted at both manufacturing plant and corporate levels to identify recurrences and / or trends and propose action plans, if appropriate.

An outline of the Complaints system is included below:



In year 2022, a total of 2319 complaints have been opened (2487 in year 2021) related to alleged product quality defects at the group's manufacturing plants. All of them have been received and followed the complaint management procedures corresponding to each business unit. A total of 2325 complaints have been closed during this period (2395 in year 2021).

There is a small gap between open and closed complaints in this period, due to the closure in year 2022 of complaints received in the previous year and the time required for sample receipt, investigation and closure.

The table below shows the indicator of the number of claims received per million packs of finished product sold by the two main Business Units (BUs):

B.U.	Claims (2022) / million packs sold	Claims (2021) / million packs sold
Chemo	8	10
Exeltis / Xiromed	1	0

In year 2022, a 26% reduction in the Chemo indicator is noted and the indicator for Exeltis / Xiromed remains at very low levels although it has increased by 1 point per million.

Following investigation, the 2,325 closed complaints have been classified as either: confirmed with the manufacturing process or unconfirmed.

The breakdown of closed complaints related to product quality defects from the Group's manufacturing plants (substantiated) and those not related (unsubstantiated) is shown below:

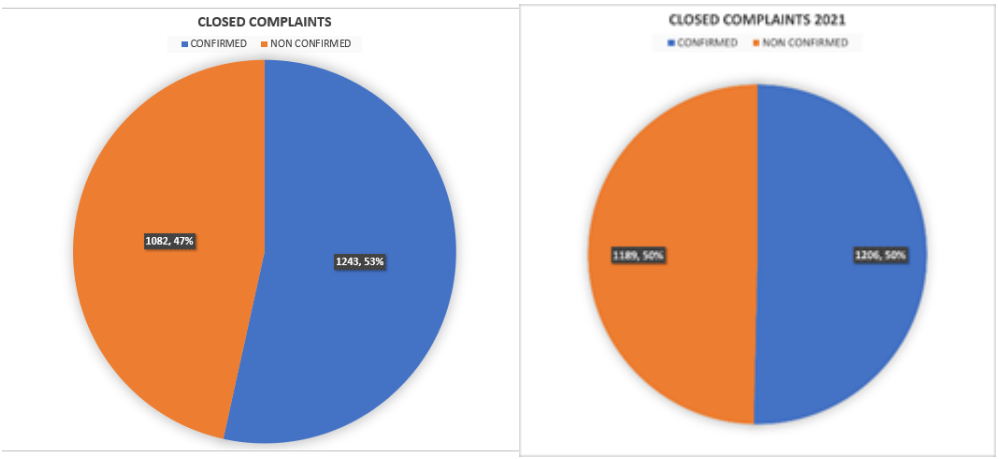


Figure 4. Ratio of claims related (blue) / not related (orange) to the production process for the years 2022 (left) and 2021 (right).

The ratio of upheld claims in year 2022 has increased slightly compared to year 2021; from 50% to 53%.

Should a confirmed critical defect in the quality or safety of our distributed products be identified, the Group has a recall system in place. The effectiveness of this process is regularly verified and reviewed to ensure that the process described in the working procedures remains strong and effective.

The total number of recalls in year 2022 was 2 (3 in year 2021). There were no consumer health and safety-related sanctions in year 2022.

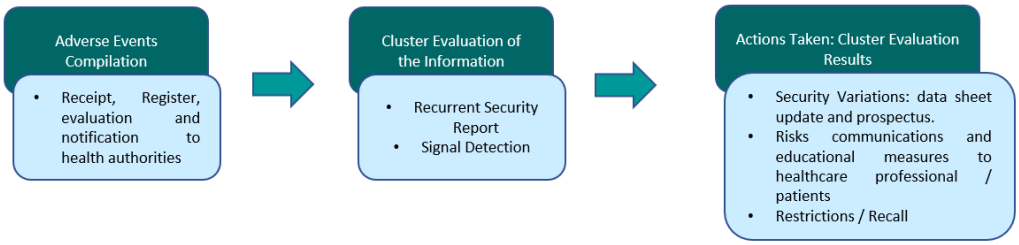
Pharmacovigilance: Our commitment to the safety of our patients' health.

In line with our commitment to improve the health and quality of life of patients and to ensure their safety, each of the Group's business units, Chemo and Exeltis, in compliance with the regulations in force in the countries in which it operates, establishes a channel for reporting possible adverse reactions to medicines and / or medical devices, in order to guarantee the safety of our products and inform the competent health authorities and adopt the appropriate measures regarding their marketing.

Pharmacovigilance is a public health activity aimed at detecting, assessing and preventing possible adverse reactions to marketed products. Any undesirable effect that occurs after the administration of a medicinal product and / or medical device is considered to be an adverse reaction.

In order to achieve this objective, it is necessary for the different agents involved in the use of the medicinal product (pharmaceutical laboratories, healthcare professionals, authorities and patients) to work closely together.

Outline of the Group's Pharmacovigilance System



The following milestones achieved in year 2022 are considered relevant in the area of digitalisation of the Pharmacovigilance uni
- Incorporation of Xiromed EU in ARGUS (global VF database).
- Incorporation of the VF Group in TWD (Quality Process Management System).

Airpharm manages all quality claims through the BMPS computer system. This system is validated in accordance with the life cycle set out in its Validation Plan and has been managed from a risk management perspective to ensure that at the end of the validation process, the use of the system does not present material risks.

7. Taxation in year 2022

7.1. Tax contribution

The INSUD PHARMA Group remains committed to contributing to economic, social and industrial development through compliance with the tax laws of the countries in which it operates and the OECD Guidelines for Multinational Enterprises.

The INSUD PHARMA Group's direct corporate income tax contribution for the financial year 2022 amounted to approximately 28.40 million euros.

This figure includes, as reported by the Group in the Country-by-Country Report, the cash inflows and outflows for income tax that have occurred in the current year, whether corresponding to income tax for the current year (2022) or for previous years.

7.2. Contribution by geographical area

The INSUD PHARMA Group is taxed on the profits generated in the territories where each activity is carried out. Below is the breakdown of taxes paid in year 2022 (in thousands of euros) by geographical area:

Region*	Profit**	Tax Paid***
Europe	**189,736.40**	**49,948.38**
Spain	149,015.06	46,439.86
Germany	7,716.18	491.55
France	1,403.76	-577.59
Czech Republic	198.40	306.26
Slovakia	226.55	346.76
Poland	699.43	35.67
Belgium	29.20	97.21
Italy	22,570.80	848.37
Portugal	62.13	34.62
Hungary	1,825.92	291.04
Lithuania	60.05	6.30
Sweden	3,616.55	642.06
Netherlands	3,444.12	542.06
Switzerland	297.56	99.87
Austria	151.06	17.63
Russia	32.85	4.34
Turkey	2,193.83	322.37
UK	225.92	0.00
Finland	354.71	0.00
Latam	**17,219.71**	**11,484.66**

Mexico	14,764.50	9,358.88
Chile	1,563.78	1,209.40
Peru	72.18	7.21
Colombia	983.19	188.22
Argentina	2,600.82	97.30
Brazil	839.77	205.03
Uruguay	236.93	3.60
Guatemala	226.74	305.19
Panama	4,070.71	62.43
Ecuador	100.81	47.40
USA	**3,487.60**	**302.12**
Asia	**-2,254.74**	**1,408.55**
Malaysia	80.75	0.00
Thailand	2,231.77	677.15
Cambodia	0.79	0.00
Indonesia	259.20	67.17
Philippines	55.35	318.15
China	-5,108.73	3.76
India	850.04	342.32
Mianmar	6.77	0.00
MENA (Middle East and Africa)	**-1,865.00**	**840.66**
United Arab Emirates	-2,700.25	0.00
Morocco	883.61	840.66
Nigeria	48.35	0.00
Total	**206,323.97**	**63,984,36**

** As reported in the Country-by-Country Report, only those companies that are fully consolidated have been considered.*
*** Profit before tax of all the Group companies considered at individual level, excluding only the amount corresponding to intra-group dividends and capital gains on the transfer of shareholdings.*
**** Cash inflows and outflows that have occurred in the current year, whether they correspond to income tax for the year (2022) or for previous years.*

7.3. Grants

Grants received:

Thousands of Euros	**Capital grants**
Spain	3,164.10
Total	**3,179.50***

Thousands of Euros	**Operating grants**
Spain	11.45
Italy	2,554.22
Turkey	164.77
Total	**2,730.43***

** Total subsidies as at 31.12.2022*

Notes:

The exchange rate used to convert amounts from local currency to Euro is the average exchange rate for the year 2022.

8. Table of contents required by Law 11/2018.

Table of contents required by Law 11/2018			
Information requested by Law 11/2018	**Materiality**	**Page or section of the report on which the response is given**	**Reporting criteria: Selected GRIs** (latest version unless otherwise stated)
GENERAL INFORMATION			
A brief description of the business model including its business environment, its organisation and structure	Material	5-18	GRI 2-6 (2021)
Markets in which it operates	Material	5-6	GRI 2-1 (2021) GRI 2-6 (2021)
Goals and strategies of the organisation	Material	19-20	GRI 2-1 (2021)
Major factors and trends that may affect its future evolution	Material	16-19	GRI 3-3 (2021)
Reporting framework used	Material	1	GRI 1 (2021)
Principle of materiality	Material	15	GRI 3-1 (2021) GRI 3-2 (2021)
ENVIRONMENTAL ISSUES			
Management approach: description and results of the policies relating to these issues, as well as the main risks related to these issues associated with the group's activities.	Material	7-12	GRI 3-3 (2021)
Detailed general information			
Detailed information on the current and foreseeable effects of the company's activities on the environment and, where appropriate, on health and safety.	Material	20-29	GRI 3-3 (2021)
Environmental assessment or certification procedures	Material	21-22	GRI 3-3 (2021)
Resources dedicated to the prevention of environmental risks	Material	21-29	GRI 3-3 (2021)
Application of the precautionary principle	Material	21-22	GRI 2-23 (2021)
Amount of provisions and safeguards for environmental risks	Material	22-29	GRI 3-3 (2021)

Table of contents required by Law 11/2018			
Information requested by Law 11/2018	**Materiality**	**Page or section of the report on which the response is given**	**Reporting criteria: Selected GRIs** (latest version unless otherwise stated)
Pollution			
Measures to prevent, reduce or remedy emissions that significantly affect the environment; taking into account any form of activity-specific air pollution, including noise and light pollution.	Material	40-44	GRI 3-3 (2021)
Circular economy and waste prevention and management			
Measures for prevention, recycling, reuse, other forms of recovery and disposal of waste	Material	44-60	GRI 306-1 GRI 306-2 GRI 306-3 to 306-5
Actions to combat food waste	No material	-	GRI 3-3 (2021) GRI 306-4
Sustainable use of resources			
Water consumption and water supply in accordance with local constraints	Material	36-39	GRI 303-1 to 303-3 GRI 303-5
Consumption of raw materials and measures taken to improve the efficiency of their use	Material	29-32	GRI 301-1
Direct and indirect energy consumption	Material	36	GRI 302-1
Measures taken to improve energy efficiency	Material	32-35	GRI 3-3 (2021) GRI 201-2
Use of renewable energy	Material	32-35	GRI 302-1
Climate change			
Greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces.	Material	39-44	GRI 305-1 GRI 305-2
Measures taken to adapt to the consequences of climate change	Material	40-44	GRI 3-3 (2021) GRI 201-2
Voluntary reduction targets established in the medium and long term to reduce greenhouse gas emissions and the means implemented to this end.	Material	40-44	GRI 3-3 (2021)
Biodiversity protection			

Table of contents required by Law 11/2018			
Information requested by Law 11/2018	**Materiality**	**Page or section of the report on which the response is given**	**Reporting criteria: Selected GRIs** (latest version unless otherwise stated)
Measures taken to preserve or restore biodiversity	No material	38-39	GRI 3-3 (2021)
Impacts caused by activities or operations in protected areas	No material	38-39	GRI 3-3 (2021)
SOCIAL AND PERSONNEL ISSUES			
Management approach: description and results of the policies relating to these issues, as well as the main risks related to these issues associated with the group's activities	Material	60-63	GRI 3-3 (2021)
Employment			
Total number and distribution of employees by country, gender, age and occupational classification	Material	64-66	GRI 405-1
Total number and distribution of employment contracts and average annual number of permanent contracts, temporary contracts and part-time contracts by gender, age and occupational classification	Material	66-67	GRI 2-7 (2021)
Number of dismissals by sex, age and occupational classification	Material	67	GRI 3-3 (2021)
Average earnings and their evolution disaggregated by gender, age and occupational classification or equal value	Material	67-68	GRI 3-3 (2021)
Wage gap, the remuneration of equal or median jobs in the company	Material	68-70	GRI 3-3 (2021)
Average remuneration of directors and executives, including variable remuneration, allowances, indemnities, payments to long-term savings schemes and any other payments disaggregated by gender.	Material	70-71	GRI 3-3 (2021)
Implementation of work disengagement policies	Material	71	GRI 3-3 (2021)
Number of employees with disabilities	Material	71	GRI 3-3 (2021)
Work organisation			
Organisation of working time	Material	72-74	GRI 3-3 (2021)

Table of contents required by Law 11/2018			
Information requested by Law 11/2018	**Materiality**	**Page or section of the report on which the response is given**	**Reporting criteria: Selected GRIs** (latest version unless otherwise stated)
Number of absenteeism hours	Material	74	GRI 3-3 (2021)
Measures aimed at facilitating the enjoyment of work-life balance and encouraging the co-responsible exercise of work-life balance by both parents	Material	72-73	GRI 3-3 (2021) GRI 403-3
Health and safety			
Health and safety conditions at work	Material	74-75	GRI 3-3 (2021) GRI 403-1, 403-2, 403-3 and 403-5
Occupational accidents, in particular their frequency and severity, as well as occupational diseases; disaggregated by gender	Material	75-78	GRI 403-9 GRI 403-10
Social relations			
Description of the organisation of social dialogue, including procedures for informing, consulting and negotiating with employees	Material	78-80	GRI 3-3 (2021)
Mechanisms and procedures that the company has in place to promote the involvement of workers in the management of the company, in terms of information, consultation and participation.	Material	78-80	GRI 3-3 (2021)
Percentage of employees covered by collective bargaining agreements by country	Material	80	GRI 2-30 (2021)
Description of the balance of collective agreements, in particular in the occupational health and safety field	Material	80	GRI 3-3 (2021)
Training			
Description of policies implemented in the field of training	Material	80-86	GRI 404-2
Total number of training hours per professional category	Material	85-86	GRI 3-3 (2021)
Universal accessibility			
Universal accessibility for people with disabilities	Material	87	GRI 3-3 (2021)
Equality			

Table of contents required by Law 11/2018			
Information requested by Law 11/2018	**Materiality**	**Page or section of the report on which the response is given**	**Reporting criteria: Selected GRIs** (latest version unless otherwise stated)
Description of measures taken to promote equal treatment and opportunities for women and men	Material	87-91	GRI 3-3 (2021)
Equality plans, measures taken to promote employment, protocols against sexual and gender-based harassment	Material	87-91	GRI 3-3 (2021)
Description of the anti-discrimination and, where applicable, diversity management policy	Material	87-91	GRI 3-3 (2021)
RESPECT FOR HUMAN RIGHTS			
Management approach: description and results of the policies relating to these issues, as well as the main risks related to these issues associated with the group's activities	Material	7 -19 , 91 -94	GRI 3-3 (2021)
Implementation of due diligence procedures			
Implementation of human rights due diligence procedures and prevention of risks of human rights abuses and, where appropriate, measures to mitigate, manage and redress possible abuses committed	Material	94 – 96	GRI 2-23 (2021) GRI 2-26 (2021)
Complaints of human rights violations	Material	91-94	GRI 3-3 (2021) GRI 406-1 (2016)
Measures implemented for the promotion and enforcement of the provisions of the ILO core conventions related to respect for freedom of association and the right to collective bargaining; the elimination of discrimination in respect of employment and occupation; the elimination of forced or compulsory labour; the effective abolition of child labour.	Material	91-94	GRI 3-3 (2021)
FIGHT AGAINST CORRUPTION AND BRIBERY			
Management approach: description and results of the policies relating to these issues, as well as the main risks related to these issues associated with the group's activities	Material	7 -19 , 94-95	GRI 3-3 (2021)

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Contributions to foundations and non-profit organisations	Material	98-101	GRI 2-28 (2021)
INFORMATION ABOUT THE COMPANY			
Management approach: description and results of the policies relating to these issues, as well as the main risks related to these issues associated with the group's activities	Material	7-19	GRI 3-3 (2021)
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Consumer health and safety measures	Material	103-106	GRI 3-3 (2021) GRI 416-2
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