KPMG Asesores, S.L.
Pº de la Castellana, 259 C
28046 Madrid

Independent Assurance Report on the Consolidated Non-Financial Information Statement of Laboratorios Farmacéuticos Rovi, S.A. and subsidiaries for 2021

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the Shareholders of Laboratorios Farmacéuticos Rovi, S.A.:

We have been engaged by Laboratorios Farmacéuticos Rovi, S.A. management to perform a limited assurance review of the accompanying Non-Financial Information Statement Consolidated (hereinafter NFIS) of Laboratorios Farmacéuticos Rovi, S.A. (hereinafter, the Parent) and subsidiaries (hereinafter, the Group) for the year ended 31 December 2021, prepared in accordance with the core option of the Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards).

In addition, pursuant to article 49 of the Spanish Code of Commerce, we have performed a limited assurance review to evaluate whether the Consolidated Non-Financial Information Statement (hereinafter NFIS) of the Group for the year ended 31 December 2021, included in the Report which forms part of the Group's consolidated Directors' Report for 2021, has been prepared in accordance with prevailing mercantile legislation.

The NFIS includes additional information to that required by GRI standards in its core option and prevailing mercantile legislation concerning non-financial information, which has not been the subject of our assurance work. In this respect, our work was limited exclusively to providing assurance on the information contained in the "Table of contents GRI" and the "Table of contents Law 11/2018 - GRI" tables of the accompanying NFIS.

Responsibility of the Parent's Directors and Management

Management of the Parent is responsible for the preparation and presentation of the Report in accordance with the GRI Standards, in its core option, in accordance with each subject area in the "Table of contents GRI" table of the NFIS.

The Directors of the Parent are responsible for the content and authorisation for issue of the NFIS included in the Report. The NFIS has been prepared in accordance with prevailing mercantile legislation and selected GRI Standards based on each subject area in the "Table of contents Law 11/2018 - GRI" table of the aforementioned NFIS.

This responsibility also encompasses the design, implementation and maintenance of internal control deemed necessary to ensure that the NFIS is free from material misstatement, whether due to fraud or error.

The Directors of the Parent are also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the NFIS was obtained.

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Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including international independence standards) issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 (ISQC1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The engagement team was comprised of professionals specialised in reviews of non-financial information and, specifically, in information on economic, social and environmental performance.

Our Responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed.

We conducted our review engagement in accordance with the requirements of the Revised International Standard on Assurance Engagements 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" (ISAE 3000 (Revised), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the guidelines for assurance engagements on the Non-Financial Information Statement issued by the Spanish Institute of Registered Auditors (ICJCE).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement, and consequently, the level of assurance provided is also lower.

Our work consisted of making inquiries of management, as well as of the different units and areas of the Parent that participated in the preparation of the NFIS, reviewing the processes for compiling and validating the information presented in the NFIS and applying certain analytical procedures and sample review tests, which are described below:

- Meetings with the Parent's personnel to gain an understanding of the business model, policies and management approaches applied, the principal risks related to these matters and to obtain the information necessary for the external review.
- Analysis of the scope, relevance and completeness of the content of the NFIS based on the materiality analysis performed by the Parent and described in the "Materiality analysis: materiality matrix and principal material aspects" section, considering the content required by prevailing mercantile legislation.
- Analysis of the processes for compiling and validating the data presented in the NFIS for 2021.
- Review of the information relative to the risks, policies and management approaches applied in relation to the material aspects presented in the NFIS for 2021.

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- Corroboration, through sample testing, of the information relative to the content of the NFIS for 2021 and whether it has been adequately compiled based on data provided by the information sources.
- Procurement of a representation letter from the Directors and management.

Conclusion

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that:

a.) The Non-Financial Information Statement Consolidated of Laboratorios Farmacéuticos Rovi, S.A and subsidiaries for the year ended 31 December 2021 has not been prepared, in all material respects, in accordance with the GRI Standards, in its core option, as described in point 102-54 of the "Table of contents GRI" of the NFIS.

b.) The NFIS of Laboratorios Farmacéuticos Rovi, S.A and subsidiaries for the year ended 31 December 2021 has not been prepared, in all material respects, in accordance with prevailing mercantile legislation and selected GRI Standards based on each subject area in the "Table of contents Law 11/2018 - GRI" of the NFIS.

Emphasis of Matter

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment stipulates the obligation to disclose information on how and to what extent the undertaking's activities are associated with economic activities that qualify as environmentally sustainable in relation to climate change mitigation and climate change adaptation. This obligation applies for the first time for the 2021 fiscal year, provided that the Non-Financial Information Statement is published from 1 January 2022 onwards. Consequently, the attached Non-Financial Information Statement Consolidated does not contain comparative information on this matter. Additionally, certain information has been included in respect of which the Directors of the Parent have opted to apply the criteria that, in their opinion, best allow them to comply with the new obligation, and which are those defined in section "EU Taxonomy" in the accompanying NFIS. Our conclusion is not modified in respect of this matter.

Use and Distribution

In relation to the Consolidated NFIS, this report has been prepared in response to the requirement established in prevailing mercantile legislation in Spain, and thus may not be suitable for other purposes and jurisdictions.

KPMG Asesores, S.L.

(Signed on original in Spanish)

Marta Contreras Hernández

22 February 2022

Statement of Non-Financial Information

2021

Laboratorios Farmacéuticos Rovi, S.A. and subsidiaries

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Free translation of the 2021 Statement of Non-Financial Information originally issued in Spanish. In the event of discrepancy, the Spanish version prevails.

1. ABOUT THIS REPORT

1.1. BASES FOR AUTHORISATION OF THIS REPORT

GRI 102-1, GRI 102-50, GRI 102-51, GRI 102-52, GRI 102-53, GRI 102-54, GRI 102-55 & GRI 102-56

The Board of Directors of Laboratorios Farmacéuticos Rovi, S.A. (the "company") authorises the following Statement of Non-Financial Information in accordance with Law 11/2018, which amended the Code of Commerce, the revised text of the Capital Companies Act and the Account Auditing Law in respect of non-financial information and diversity.

This document, which is issued annually, represents the Statement of Non-Financial Information for the year 2021, which includes the information required to comply with the Capital Companies Law. The preceding report issued by the company was prepared in February 2021 and included information on the calendar year 2020. Likewise, this report considers the best corporate transparency practices for the 2021 period.

The report has been drawn up in accordance with the Core option of the Global Reporting Initiative Standards (hereinafter "GRI").

The content of Law 11/2018 and the GRI that ROVI has addressed in this report are set out in sections 7 "Table of Contents Law 11/2018 – GRI" and 8 "Table of Contents GRI".

Likewise, the independent verification report issued by KPMG Auditores S.L. in relation to the compliance review of the content required by Law 11/2018 and its adaptation to the GRI Standards (Core option) mentioned in this Report.

The statements in this document represent ROVI's expectations and beliefs as of the date hereof. ROVI anticipates that subsequent events and developments may cause these expectations and beliefs to change. However, while ROVI may elect to update these forward-looking statements at some point in the future, it specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing ROVI's expectations or beliefs as of any date subsequent to the date hereof.

Queries regarding this report may be addressed to:

Investor Relations

C/ José Isbert, 2
28224, Pozuelo de Alarcón (Madrid)
Tel: +34 91 244 44 22
email: ir@rovi.es

1.2. SCOPE

GRI 102-45, GRI 102-46, GRI 102-47, GRI 102-48, GRI 102-49, GRI 102-50 & GRI 103-1

This Statement of Non-Financial Information for the period 2021 contains information on the company Laboratorios Farmacéuticos Rovi, S.A. and its subsidiaries listed in section 3.3 "Ownership and Structure" (hereinafter the "group" or "ROVI"). It includes significant non-financial information on ROVI in the year 2021. The information provided herein refers to the group overall, except for any information where a different perimeter is specified.

In accordance with Law 11/2018, ROVI has analysed the impacts derived from its business model and considers **the following non-financial aspects to be important**, based on the **materiality matrix** shown below (section 1.3 "Materiality Analysis: Materiality Matrix and Principal Material Aspects") and contained in the 2020 CSR Report published on ROVI's website (www.rovi.es), as well as the **advice** received in 2021 from the external consultant PricewaterhouseCoopers ("PwC") on **sustainability reporting**:

- **General information on the company**: geographical presence, ownership and structure, objectives and strategy, relations with stakeholders, market trends and risk management.

- **Sustainable management in good governance**: our corporate governance model and structure, ethics and integration in our business model and legal compliance.

- **Good governance in labour and employee issues:** ensure the stability of our personnel, promote attracting and retaining talent, ensure health and safety, foment equal opportunities, diversity and inclusion, foster training, development and performance evaluation, ensure the wellbeing of our employees and good workplace relations.

- **Sustainable management in environmental issues:** environmental management system, sustainable use of resources, waste management and circular economy and mitigation of climate change.

- **Sustainable management in respect of society:** our consumers: customers, patients and healthcare professionals, our suppliers, contribution to the environment in which we operate, respect for human rights and tax information.

As a result of the process of analysing the matters that are material for ROVI and its stakeholders and the content of Law 11/2018, it was decided that, given the nature of the activity, issues concerning food waste, biodiversity, light pollution or impact on protected areas **are not considered material**, given the specific features of the industry and the group's activity.

There have been no significant changes in comparison to 2020 regarding the issues covered or material issues and no information has been restated. However, as a process to improve the reporting of ROVI's non-financial information, the information on the material issues identified has been expanded in this report.

1.3. MATERIALITY ANALYSIS: MATERIALITY MATRIX AND PRINCIPAL MATERIAL ASPECTS

GRI 102-47

In order to determine the most important issues for ROVI and its different stakeholder groups in the course of its activity, in 2017, a materiality analysis was drawn up in collaboration with the consultancy firm PricewaterhouseCoopers ("PwC"). The work consisted of an external diagnosis –where four companies in the same sector, 15 reference studies and information that had appeared in general, economic and industry media were analysed– and an internal diagnosis –with self-evaluation of the group's performance and six interviews with members of the management team–. Thus, 20 material issues were identified, grouped into eight categories.:

Good governance and ethical conduct
1. Responsible governance
2. Ethics and Compliance
3. Risks and crisis management

Transparency and dialogue
4. Information transparency
5. Dialogue and relations with stakeholders

Product quality and safety
6. Product quality
7. Pharmacovigilance and product safety

Environment
8. Circular economy
9. Atmospheric emissions
10. Climate change
11. Drug pollution

Relations with customers, patients and healthcare professionals
12. Attention to and relations with customers, patients and healthcare professionals

Work environment
13. Safety and welfare
14. Training and development
15. Attracting and retaining talent
16. Internal dialogue and communication

Supply chain
17. Responsibility in the supply chain

Health and welfare of society
18. Access to medicines
19. Research and development
20. Contribution to the socioeconomic progress of the communities in which ROVI operates

The following materiality matrix shows the degree to which these issues influence ROVI's long-term objectives. Said influence is based on two factors: the influence on the success of the business and the importance for stakeholder groups.

As mentioned in section 1.2 "Scope" of this report, the significant aspects to be included in the 2021 Statement of Non-Financial Information have been identified on the basis of this matrix and the advice of the external consultancy firm PricewaterhousCooopers ("PwC").

2. KEY INDICATORS

In 2021, ROVI obtained a rating of **18.4 points** in the evaluation of the company **Sustainalytics**, a global leading company in evaluating Corporate Social Responsibiity. This places ROVI in **a low risk** position in respect of suffering material financial impacts. The 2021 rating showed an improvement of 3.4 points on the 21.8 points obtained in 2020.

This rating is the **second best** from among the 432 international pharmaceutical companies assessed by Sustainalytics and the 17th of the 896 sector companies that took part (biotechnology companies, healthcare equipment companies and pharmaceutical laboratories).

2.1. CORPORATE GOVERNANCE

	2021	2020	% Variation
Percentage of female directors	16.7%	14.3%	2.4 pp
Percentage of independent directors	50.0%	42.9%	7.1 pp
Percentage of local directors	100%	100%	-

2.2. LABOUR AND EMPLOYEE ISSUES

	2021	2020	% Variation
Number of employees	1,751	1,419	23%
Diversity (women/men)	917/834	747/672	-1%
Employees by geographical region:			
Spain	1,709	1,383	24%
UK	2	1	100%
Germany	26	20	30%
Italy	3	5	-40%
France	5	4	25%
Poland	1	1	0%
Portugal	5	5	0%
Hours of training	49,393	30,824	60%
Turnover	2.89%	1.27%	1.62 pp
Accident rate	1.83%	1.27%	0.56 pp
Absence rate	3.31%	3.34%	-0.03 pp

2.3. ENVIRONMENTAL ISSUES

	2021	2020	% Variation
CO_2 emissions Scopes 1 & 2 (tonnes)	6,231	5,899	6%
Hazardous waste generation (tonnes)	3,017	2,420	25%
Non-hazardous waste generation (tonnes)	3,425	5,335	-36%
kWh electricity consumed	22,992,472	21,250,330	8%
kWh natural gas consumed	28,449,480	26,525,520	7%
Litres of fuel consumed	366,778	338,249	8%
m^3 of water consumed	182,230	150,171	21%

2.4. SOCIAL ACTION

GRI 102-5

	Economic value generated and distributed				
Millions euros	2021	2020	2019	2018	2017
Economic value generated	650.0	421.1	382.5	304.8	277.4
Economic value distributed					
Shareholders	53.6	21.4	9.8	4.5	6.0
Suppliers	329.9	228.6	219.2	172.7	154.7
Society	29.6	11.5	2.6	-1.2	0.3
R&D	27.4	23.8	29.3	32.4	28.3
Employees	89.8	74.4	72.5	70.2	64.0
Capital providers	-1.1	2.1	0.8	0.8	0.9
Amortization & depreciation	21.5	19.6	18.6	12.0	11.5
Reserves	99.3	39.7	29.6	13.4	11.8

3. OUR BUSINESS MODEL

3.1. GROUP PROFILE

ROVI AS A PHARMACEUTICAL GROUP

GRI 102-2

ROVI is a specialised, fully-integrated, Spanish pharmaceutical group engaged in the research, development, contract manufacturing and marketing of small molecules and biological specialties, with two major pillars of growth:

- The **specialty pharmaceutical** area, which contains three divisions:
  - The low-molecular-weight heparin ("LMWH") division, which accounted for 37% of group sales in 2021.
  - The speciality pharmaceutical division in Spain, which has a diversified portfolio of its own and licensed innovative products, protected by patents.
  - The contract manufacturing division, with high-value-added products.

- The **R&D** area, focused on ROVI's proprietary extended-release drug delivery platform, ISM®.

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

3.2. NATIONAL AND INTERNATIONAL PRESENCE

GRI 102-3, GRI 102-4 & GRI 102-6

GEOGRAPHICAL PRESENCE

ROVI has its headquarters in Spain, but its mindset is clearly international. Expansion continues to be one of the strategic goals in both organisational and business terms, with subsidiaries in France, Germany, Italy, United Kingdom and Poland through which it is -or will be- marketing the enoxaparin biosimilar, among other products. It is expected to cover 26 European Union member states over the next few years, as well as other areas (North Africa, Middle East, Asia and South America), as a result of a series of distribution agreements signed. Specifically, ROVI has signed licensing agreements in over 100 countries. Special attention should be drawn to the agreements signed with Hikma, for distribution of the product in 17 countries in the Middle East and northern Africa, and Sandoz, for 14 countries/regions.

ROVI operates directly in the following countries:

- Spain, where it carries on a large part of its marketing operations and all its manufacturing services and research and development activities.

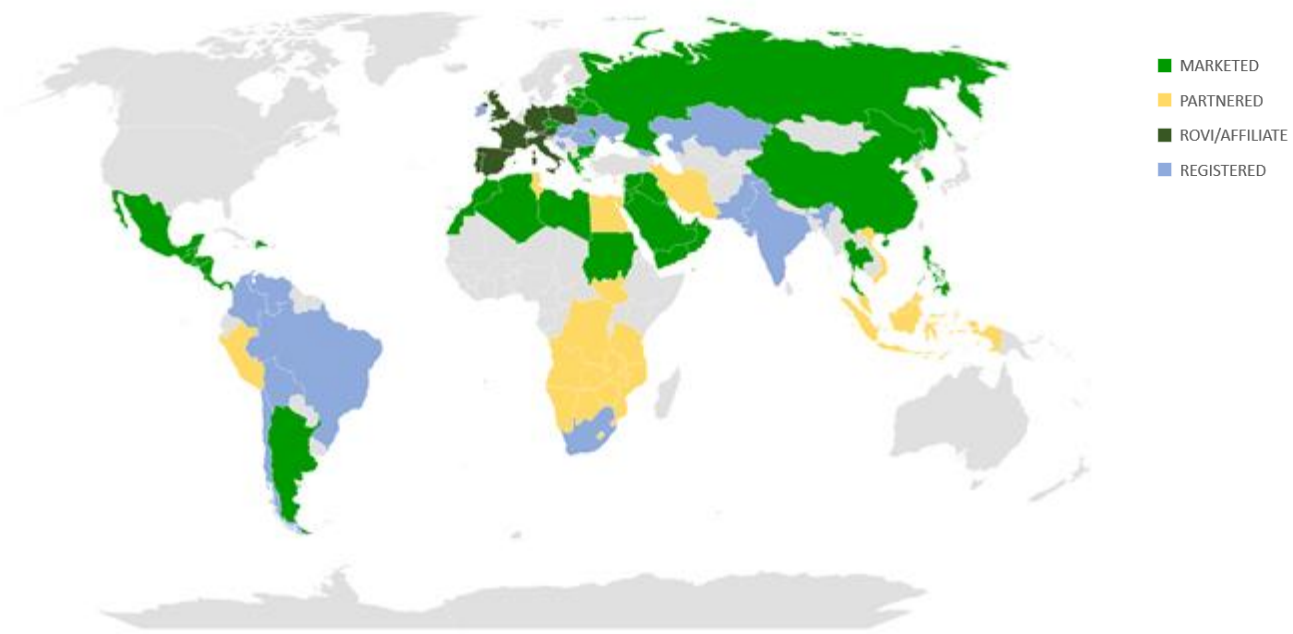
- France
- Portugal
- Italy
- Germany
- United Kingdom
- Poland

In the last six of these countries, ROVI has corporate structures through which it carries on pharmaceutical product marketing activities directly. Additionally, through strategic alliances with international partners, at the end of 2021, ROVI was distributing its main product, Bemiparin, in 89 countries all over the world and the enoxaparin biosimilar in Germany, Austria, Spain, Estonia, France, Italy, Latvia, United Kingdom, Portugal, Poland, Costa Rica, Sweden, Finland, South Africa, Israel, Peru, Netherlands, Panama, the Dominican Republic, Canada, Malaysia, Albania, North Macedonia, Guatemala, El Salvador, Honduras, Georgia, Bahamas, Jamaica, Gabon, Democratic Republic of Congo and Trinidad and Tobago. Likewise, ROVI has three contract manufacturing plants and exports to over 60 countries.

ROVI expects to launch the enoxaparin biosimilar in the following countries over the next two years:

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

GLOBAL PRESENCE OF BEMIPARIN



Presence in 89 countries through strategic alliances:

- Approval obtained in 66 countries.
- Awaiting authorisation in 3 countries.
- Authorisation in progress in 20 countries.

	South and Central America	Europe	Africa	Middle East	Asia
Marketed	• Argentina • Belize • Costa Rica • Dominican Republic • El Salvador • Guatemala • Honduras • Nicaragua • Panama • Mexico	• Austria • Belarus • Bulgaria • Czech Republic • Greece • Estonia • Latvia • Lithuania • Moldavia • Russia • Turkey • Albania	• Libya • Algeria • Morocco • Sudan	• Jordan • Kuwait • Yemen • Bahrain • Syria • Oman • Iraq • Saudi Arabia • Lebanon • Qatar • United Arab Emirates	• South Korea • China • Hong Kong • Philippines • Thailand

	South and Central America	Europe	Africa	Middle East	Asia
Registered	• Brazil • Venezuela • Chile • Bolivia • Colombia	• Georgia • Ireland • Romania • Hungary • Slovakia • Slovenia • Ukraine • Bosnia & Herzegovina	• South Africa		• Kazakhstan • Pakistan • India
With agreement and pending authorisation		• Cyprus	• Tunisia • Egypt • South Sudan • Botswana • Lesotho • Namibia • Swaziland • Mauritius • Democratic Republic of Congo • Angola • Malawi • Seychelles island • Tanzanian Zambia • Zimbabwe • Mozambique	• Iran	• Indonesia
In process of registration					• Malaysia • Vietnam • Singapore

CENTRES AND PLANTS

Corporate Name	Address	Activity
Laboratorios Farmacéuticos Rovi, S.A.	Madrid, C/Julián Camarillo, 35 (Spain)	(1)
Pan Química Farmacéutica, S.A.	Madrid, C/Rufino González, 50 (Spain)	(1)
Gineladius, S.L.	Madrid, C/Rufino González, 50 (Spain)	(2)
Bertex Pharma GmbH	Inselstr.17. 14129 Berlin (Germany)	(3)
Rovi Pharma Industrial Services, S.A.	Alcalá de Henares, Avenida Complutense, 140 Madrid (Spain)	(1)
Rovi Escúzar, S.L.	Madrid, C/Julián Camarillo, 35	(1)
Rovi Biotech Limited	10-18 Union Street, London (United Kingdom)	(1)
Rovi Biotech, S.R.L.	Via Monte Rosa 91, Milan (Italy)	(1)
Rovi GmbH	Ruhlandstr. 5, Bad Tölz (Germany)	(1)
Rovi S.A.S.	Rue du Drac, 24. 38180 Seyssins (France)	(1)
Rovi Biotech sp. z o.o. o Rovi Biotech spółka z o.o.	Mokotów, ul. Rzymowskiego 53, 02-697 Warsaw (Poland)	(1)
Rovi Biotech GmbH	Bahnhofstrasse 10, 6300, Zug (Switzerland)	(1)

(1) Production, marketing and sale of pharmaceutical, healthcare and medicine products.
(2) Import, export, purchase, sale, distribution and marketing of articles related to integral female healthcare.
(3) Development, distribution and marketing of pharmaceutical products related to micro-particle technologies.

3.3. OWNERSHIP AND STRUCTURE

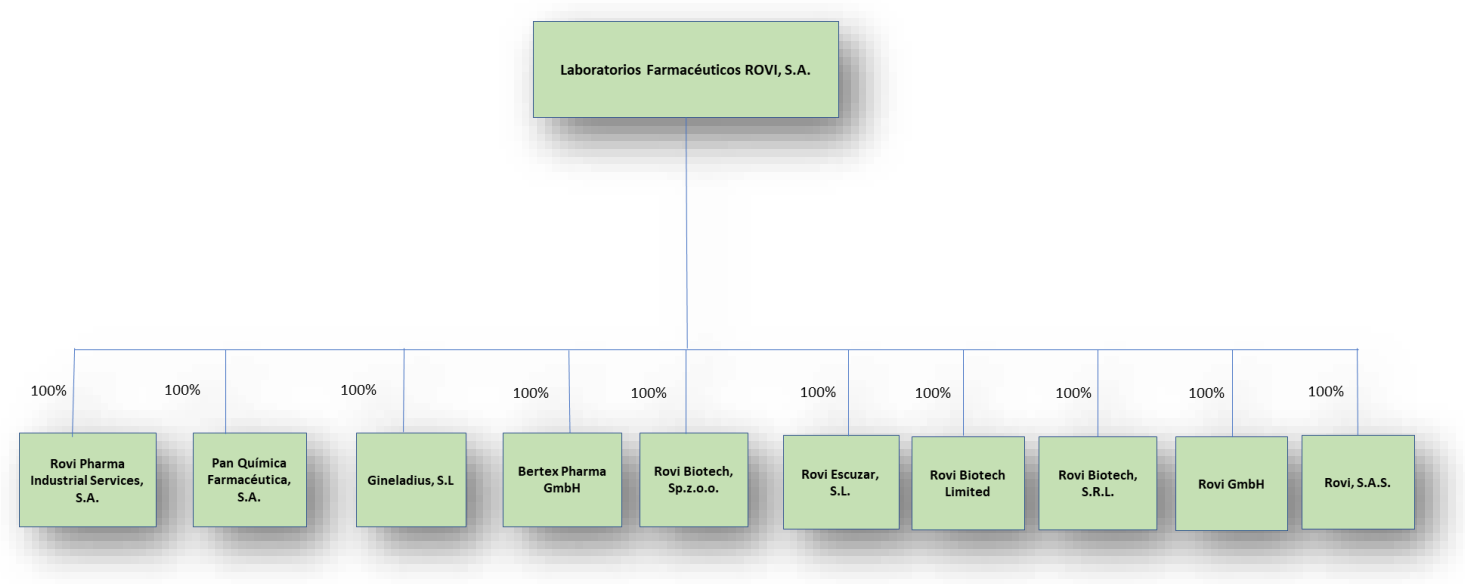
GRI 102-2, GRI 102-3, GRI 102-4, GRI 102-5, GRI 102-7, GRI 102-10 & GRI 102-45

COMPANY INFORMATION

Name:	**Laboratorios Farmacéuticos Rovi, S.A.**
Address:	**Julián Camarillo, 35. 28037 Madrid, Spain**
Telephone:	**0034 91 375 62 30**
Website:	**www.rovi.es**
Share capital:	**3,364,137.90 euros**
Number of shares	**56,068,965**
Par value	**€0.06 share**

Activity:	**Manufacturing and marketing of pharmaceutical products and contract manufacturing services.**
Markets:	**The ROVI group has direct presence in Spain, Portugal, Germany, France, the United Kingdom, Italy and Poland and is listed on the Barcelona, Bilbao, Valencia and Madrid Stock Exchanges.**

CORPORATE STRUCTURE



SHAREHOLDER COMPOSITION

Norbel Inversiones, S.L.	60.17%
Indumenta Pueri, S.L.	5.06%
T. Rowe Price International Funds, Inc	3.01%
Other	31.76%

3.4. BUSINESS UNITS

GRI 102-2, GRI 102-7, GRI 102-9 & GRI 102-10

ROVI is a pan-European company focused on innovative products that enjoys great stability, with a total of 1,751 employees and sales of 648.7 million euros at 31 December, 2021. It has two major pillars of growth: specialty pharmaceuticals and the R&D activity.

The pharmaceutical specialities pillar includes the low-molecular-weight heparin (LMWH), pharmaceutical speciality and contract manufacturing divisions.

Specialty pharmaceuticals			R&D
HBPM	**Speciality pharmaceuticals**	**Contract manufacturing**	**R&D policy**
ROVI aspires to become one of the world leaders in low-molecular-weight heparins (LMWH) due to two products from its own research: Bemiparin and an enoxaparin biosimilar.	Diversified portfolio of its own products and long-term patents.	Specialist in prefilled syringe solutions, vials and solid oral forms.	Sound and low-risk.

Since 2017, the ROVI group has been facing the challenge of expanding its international presence as result of the launch of the enoxaparin biosimilar, mainly through its recently-created subsidiaries. In forthcoming years, another of the pillars will be the development of the ISM® technology patented by ROVI, whose first product, Okedi® (Risperidone ISM®), is already approved in Europe and is undergoing the approval process in the United States, where is expected to obtain its marketing authorisation in 2022. In February 2022, ROVI announced that the European Commission had authorised the marketing of Okedi® to treat schizophrenia in adults for whom the tolerability and effectiveness had been established with oral risperidone.

A sound strategy and clear growth pillars furnish ROVI with a defensive profile that has enabled it to increase its profits year after year. In 2021, this translated into growth of 54%.

LMWH benchmark company Revenue 2021: **234.8 million euros** 2010-2021 CAGR*: 16%	**OPERATING REVENUE 2021:** **€ 648.7 million** 2010-2021 CAGR*: 14%
Leading Spanish pharmaceutical specialty company Revenue 2021: **149.2 million euros** 2010-2021 CAGR*: 6%	
Contract manufacturing of prefilled syringes and solid oral forms Revenue 2021: **264.7 million euros** 2010-2021 CAGR*: 20%	
Sound R&D&I and extensive portfolio of products under development Over 695 patents	

(*)CAGR: Compound annual growth rate

Competitive advantages

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

LMWH benchmark company	Diversified portfolio protected by patents	Infrastructure with operating advantages	Low-risk innovation
Since it was founded in 1946, ROVI has been engaged mainly in the study and development of drugs based on heparin, a fast-acting anticoagulant. Since 1981, it has been focusing on its fractioned derivatives, low-molecular-weight heparins (LMWH). As a result of ROVI's 70 years' experience, its main product, Bemiparin, has positioned itself as one of the principal treatments for venous thromboembolic disease worldwide. Likewise, in 2017, Rovi launched a biosimilar of enoxaparin, the leading molecule on the market, and aspires to become one of the leading companies in the LMWH field. This product is currently present in 28 countries and ROVI has signed	The company has over 40 products on its portfolio, including both its own and licensed products, for most of which there is growing demand and which are virtually unaffected by the reference pricing system in Spain. They are grouped into nine therapeutic areas and are indicated either for treating different complaints or as diagnostic systems: • Cardiovascular • Osteoarticular (women's healthcare) • Respiratory • Anaesthesia – pain relief • Diagnostic imaging contrast agents • Central nervous system • Urology • Endocrinology • Primary healthcare ROVI has launched 14 new products since October 2005.	ROVI is one of the major companies in the contract manufacturing business in the sector and among world leaders in prefilled syringe production. It has one of the largest European plants for manufacturing oral solid forms, exporting to more than 60 countries. Its production plants in Madrid, Alcalá de Henares and San Sebastián de los Reyes are approved by the European and United States regulators –the European Medicines Agency (EMA) and the Food and Drug Administration (FDA), respectively–. International sales account for around 97% of the contract manufacturing business.	ROVI operates with a low-risk strategy, concentrating on diseases with extensive medical requirements. The company allocates a large part of its revenue to research, in order to remain in the vanguard in terms of both products and manufacturing and development systems.

agreements for its distribution in over 100 more countries.			

A. SPECIALTY PHARMACEUTICALS (3 DIVISIONS)

1. Low-molecular-weight heparins

ROVI aspires to become a world leader in low-molecular-weight heparins (LMWHs). To achieve this, it has two products from its own research: bemiparin (Hibor®) and the enoxaparin biosimilar. The low-molecular-weight heparin division accounts for 37% of total group sales.

Hibor®

Hibor (Bemiparin) is a low-molecular-weight heparin (fast-acting anticoagulant) used to prevent and treat venous thromboembolic disease (VTD) in both surgical and medical patients for the acute and long-term treatment of patients who have suffered VTD. VTD is a serious and potentially fatal process, the main characteristic of which is the formation of a fibrin clot, thrombosis, inside the veins of the deep vein system, with the consequences that may result from the evolution of the venous thrombus, which may grow, progress and fragment. In the event of fragmentation, some of the fragments may reach the lung and cause pulmonary embolism.

Over recent years, Bemiparin has become one of the main treatments for this disease worldwide. Having expanded its presence to 41 countries as the result of a strategic alliance network, Bemiparin is currently one of ROVI's principal products and accounts for 17% of the group's operating revenue.

Enoxaparin ROVI

ROVI's enoxaparin sodium biosimilar is an anticoagulant medicine that belongs to the low-molecular-weight heparin group. It is used to treat and prevent deep vein thrombosis and pulmonary embolism. Enoxaparin sales totalled 124.0 million euros in 2021 and already account for 19% of ROVI's operating revenue.

In 2017, the group began the marketing of its enoxaparin biosimilar (low-molecular-weight heparin) in Germany under the brand name "Enoxaparina Rovi" and extended it to the United Kingdom, Italy, Spain, France, Austria, Latvia and Estonia in 2018. In 2019, it started to be marketed in Portugal, Poland, Costa Rica, Sweden and Finland and, in 2020, ROVI launched it in South Africa, Israel, Peru, Netherlands, Panama and the Dominican Republic. In 2021, it was launched in Canada, Malaysia, Albania, North Macedonia, Guatemala, El Salvador, Honduras, Georgia and the Bahamas.

Furthermore, also in 2018, ROVI signed an agreement with Biogaran SAS, the leading French pharmaceutical company in generics and biosimilars and a subsidiary of Laboratorios Servier, to market the enoxaparin biosimilar in France on a semi-exclusive basis.

The enoxaparin market totals more than 2,566 million euros worldwide (according to IQVIA MAT Q1 2020 estimates). The European market accounts for 52% of total enoxaparin sales (1,323 million euros). Around 75% of European sales of the product are concentrated in 7 countries: Germany, France, Spain, United Kingdom, Italy, Portugal and Poland (QuintilesIMS-2015 figures), where ROVI is already –or will be– marketing its product through its subsidiaries. ROVI has obtained approval of the respective national registrations of its enoxaparin biosimilar in all the EU countries where it filed applications. In total, the company has signed marketing agreements for its enoxaparin biosimilar in over 100 countries.

Outside Europe, in 2018, ROVI signed an agreement with Hikma Pharmaceuticals PLC, a listed multinational pharmaceutical group, for the exclusive distribution and marketing of its enoxaparin biosimilar in 17 countries in the Middle East and North Africa: Saudi Arabia, Jordan, Algeria, Egypt, Tunisia, Sudan, Syria, Yemen, Iraq, Oman, United Arab Emirates, Kuwait, Qatar, Bahrain, Libya, Palestine and Lebanon. Furthermore, ROVI signed an agreement with Sandoz, a division of Novartis AG and a world leader in generic and biosimilar medicines, for the distribution and marketing of its enoxaparin biosimilar in 14 countries or regions (Australia, New Zealand, Philippines, Hong Kong, Singapore, Vietnam, Malaysia, Canada, South Africa, Brazil, Colombia, Argentina, Mexico and Central America). Under this agreement, ROVI grants Sandoz an exclusive licence to market the product in three of these countries, Hong Kong, Singapore and Vietnam.

ROVI manufactures and packages its enoxaparin biosimilar in Spain thanks to its four production plants. In 2019, ROVI announced the construction of a second plant for the heparin active substance in Granada, in which it will invest 24 million euros up to 2022. This new plant will double the group's LMWH production capacity and will have an initial workforce of 38 employees.

With the enoxaparin biosimilar, ROVI aspires to become one of the main European and, in the medium- and long-term, world players, thanks to the competitive edge provided by the vertical integration of processes within the group, in a market of approximately 1,300 million euros where there are only three other biosimilars, likewise increasing its presence in emerging markets with a potential of 700 million euros.

2. Specialty pharmaceuticals

The company has over 40 products on its portfolio, including both its own and licensed products, for most of which there is growing demand and which have a defensive profile, since they are virtually unaffected by the reference pricing system in Spain. They

are grouped into nine therapeutic areas and are indicated either for treating different complaints or as diagnostic systems:

- Cardiovascular
- Osteoarticular/ Women's healthcare
- Anaesthesia/ Pain relief
- Diagnostic imaging contrast agents
- Central nervous system
- Urology
- Endocrinology
- Respiratory
- Primary healthcare

ROVI is the preferred partner for international pharmaceutical companies, such as Novartis or MSD, among others, in Spain.

Its forecast growth is guaranteed by long-term patents, one of the largest sales teams, with more than 250 representatives, and an extensive product portfolio, with 14 products launched since October 2005.

ROVI's growth engines are bemiparin, the distribution licence agreements, such as Neparvis® and Volutsa®, the enoxaparin biosimilar, the existing pharmaceutical specialty portfolio, the agreement with Moderna and the new contracts in the contract manufacturing area.

Licensed products

The most important licensed products in terms of their contribution to the group's EBITDA are listed below:

Neparvis®

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

Hirobriz® Breezhaler® and Ulunar® Breezhaler®

In the last quarter of 2014, ROVI began to market Hirobriz® Breezhaler® (indacaterol maleate and glycopyrronium bromide). Both active principles are long-acting bronchodilators indicated for the maintenance treatment of Chronic Obstructive Pulmonary Diseases (COPD) in adult patients and are administered through the Breezhaler® inhaler device. ROVI markets the two products under a licence from Novartis.

Volutsa®

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

Vytorin®, Orvatez® and Absorcol®

Vytorin® (ezetimibe and simvastatin), Orvatez® (ezetimibe and atorvastatin) and Absorcol®, (ezetimibe) are products indicated as adjunctive therapy to diet in patients with hypercholesterolemia. In 2020, the price of Orvatez® dropped by 30% due the entry of hybrid products formulated with exetimibe and atorvastatin.

Medikinet® and Medicebran®

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

Contrast agents for diagnostic imaging and other hospital products

ROVI is one of the market leaders in the marketing of contrast agents, hospital products for imaging diagnosis (computed tomography, magnetic resonance imaging, ultrasound scan, etc.). This area, which accounts for over 5.5% of the company's revenue, comprises a broad product portfolio, including those marketed under licence from Bracco: Iomeron® and Iopamiro® (for computed tomography and intervention), Multihance® y Prohance® (for magnetic resonance imaging), Sonovue® (for ultrasounds), and Bracco Injeenering: EmpowerCTA+®, EmpowerMR® and CT Exprès (contrast injection systems and compatible disposable material).

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

3. Contract manufacturing

ROVI PHIS (ROVI Pharma Industrial Services), a subsidiary of ROVI, has a strategic position that allows it to take advantage of the trend among pharmaceutical companies to outsource their manufacturing processes. The high manufacturing capacity available at its facilities allows it to exploit this business line by providing a wide range of contract manufacturing services with a wide range of pharmaceutical forms, including prefilled syringes, vials, tablets, coated tablets, hard capsules and sachets.

ROVI PHIS is now one of the main companies in the high-value-added contract manufacturing business sector, with exports to over 60 countries, international sales that account for more than 97% of the business and a high degree of technical specialisation in the manufacture of vaccines, biological products and biosimilars, all of which have a recognised therapeutic value.

The Group has three production plants, two of which are devoted to injectable products (vials and syringes), while one specialises in oral solid forms and secondary packaging. A unique profile in this market, as a result of the unification of all the services within a single company, ROVI Pharma Industrial Services, S. A., which is able to offer the customer a wide range of possibilities in accordance with their needs, based on the flexibility furnished by ROVI PHIS's wide range of filling, manufacturing and packaging lines.

The Group combines decades of experience of working to the highest and most demanding quality standards at the Madrid, Alcalá de Henares y San Sebastián de los Reyes plants and is able to offer our customers integral solutions with an annual manufacturing capacity of:

- 300 million syringes
- 80 million vials
- 3,000 million tablets
- 300 million hard capsules
- 30 million sachets

ROVI's contracts with its customers have an average term of between 3 and 5 years, which allows a considerable stable flow of revenue to be generated. Furthermore, the long regulatory process that a pharmaceutical company has to undergo to change its manufacturer makes the contract manufacturing business model generate "lifelong customers", as long as the service provided is optimal to meet the customer's needs.

The contract manufacturing business is divided into:

- Injectables

ROVI PHIS is currently one of the leading prefilled syringe manufacturers in Europe in terms of the number of units manufactured (filled) per year. With a total annual production capacity of 300 million units, there are very few competitors in this market, due to the entry barriers, the biological nature of the medicines manufactured and the aseptic conditions (handling of the product in sterile, microbiologically-controlled rooms) in which the prefilled syringes are filled.

The group has a plant specialised in in the filling and packaging of parenteral solutions in prefilled SCF syringes of from 0.5ml to 20ml (filled from 0.2ml to 20ml) and in vials of from 2ml to 10ml. These syringes and vials are filled in aseptic conditions in sterile rooms

and there is also terminal sterilisation if the product so requires. Additionally, there is the possibility of placing safety devices in the syringes. The annual capacity for vials is 80 million. The plant has been approved by the European and United States regulators. It has also been approved by the authorities of Korea, Brazil and the Gulf States and holds the certifications ISO9001, ISO14001 and OSHAS.

After the agreement signed with Crucell Spain, S.A. and the acquisition of the San Sebastián de los Reyes plant, ROVI PHIS increased its vial and syringe production capacity.

In 2020, this business line took on special importance due to the agreement for the fill-finish of Moderna's COVID-19 vaccine outside the United States. ROVI provides its fill-finish capacity through the acquisition of a new line for filling, automatic visual inspection and labelling to support the production of hundreds of millions of doses of the vaccine to supply markets outside the United States, recruiting the additional personnel necessary to perform the manufacturing and production operations. This new line, together with the already-existing line at ROVI's San Sebastián de los Reyes facility, give a total annual capacity of 600 million doses of vials.

In 2021, ROVI reinforced its collaboration with Moderna:

(i) in the fill-finish of the COVID-19 vaccine by increasing its current capacity for these two activities, and

(ii) for manufacture of the active substance of the vaccine.

In this respect, new industrial investments are being made at ROVI's facilities in Madrid and Granada.

For the fill-finish, the investment consists of the installation of two new production lines and equipment for compounding, filling, automatic visual inspection, labelling and packaging. These lines, located in San Sebastián de los Reyes, will allow the vial fill-finish capacity to more than double at this facility.

Regarding manufacture of the active substance, the investment consists of the installation of a new line to support the production phases of the active substance of the mRNA vaccine, which are previous and additional to the tasks of compounding and fill-finish of the vaccine. This line, located in Granada, will have an annual production capacity equivalent to more than 100 million doses. ROVI will thus expand the activities it performs in the manufacture of the Moderna COVID-19 vaccine: it will take part in the manufacture of the active substance, as well as the compounding, fill-finish and final packaging before it is distributed for administration to patients.

In February 2022, ROVI and Moderna announced long-term collaboration to increase the capacities for the compounding, aseptic filling, inspection and packaging at ROVI's facilities in Madrid, San Sebastián de los Reyes and Alcalá de Henares. This new agreement includes a series of investments that are expected to increase the

manufacturing capacity at ROVI's Madrid facilities. In addition to producing the Moderna COVID-19 vaccines, the ROVI platform could also be used for future Moderna mRNA candidate vaccines.

- Oral solid forms

ROVI has a solid form plant in Alcalá de Henares that has a long tradition in the manufacture of pharmaceutical products and uses the most advanced technology for the manufacture of oral forms (tablets, coated tablets, hard capsules and sachets). The plant, with 83,000 square metres, has a global annual capacity of 3,000 million tablets, 300 million hard capsules and 30 million sachets, using different production lines. Furthermore, it has storage capacity for 9,000 pallets.

This plant has likewise been designated as a centre of packaging excellence, bringing together all the packaging capacities for both solid forms and injectables.

To enable it to supply all markets, this plant is approved by the European and United States authorities. It has also been approved by the Japanese, Mexican, Brazilian, Kenyan and Belarusian authorities and those of the Gulf States.

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

Although ROVI's portfolio of products in the research and development phase has different aspects, it focuses mainly on three areas: drug release systems, glycomics and medical devices. In this respect, the most significant milestones are related to the development of new controlled drug release systems, based on the patented ISM® technology.

Innovative drug-release technology, ISM®

Long-acting injectables (LAIs) are becoming the benchmark drug-release system for the treatment of some complaints, such as schizophrenia, replacing oral medication, as a result of the improvement in patient adherence to treatment, which ensures an improvement in the application of the treatment and the dose.

In this field, ISM® represents a major optimal alternative for treatment of chronic diseases with unmet medical needs. This technology aims to obtain new pharmaceutical products with controlled-release systems that replace the daily administration of drugs to patients for the prolonged treatment of certain chronic pathologies, such as schizophrenia or certain types of cancer.

It is a technological platform for the controlled release of drugs patented by ROVI, based on the formation in situ of biodegradable matrices after administration of a carrier liquid, once it has been injected into the patient's organism. The product is presented in a kit

with two syringes, one of which contains the polymer and active substance in solid form, while the other contains the liquid required for reconstitution, which is prepared at the time of use. The medicine then precipitates in the muscle, giving rise to formation of a solid/semi-solid implant generated by spreading the carrier through the patient's own corporal fluids. The design increases the stability of the composition considerably, avoiding the need for it to be stored in a cool place and allowing clinically significant release profiles to be obtained from the first day after the injection and maintained over time. Likewise, they are reproducible after intramuscular administration, meaning that the treatment does not require any oral supplement or the establishment of initial treatment guidelines.

The ISM® technology is exclusive to ROVI and is protected by patents until 2033. It is designed to overcome most of the disadvantages of oral or prolonged-release injectable formulations and, consequently, has numerous advantages, such as a greater ease of administration, high encapsulation efficacy allowing greater stability of the active substance, and greater control in the initial release of the drug, among others.

At the date of preparing this document, three candidates associated to this technology are under study:

- Monthly Risperidone ISM®. Indicated for the treatment of schizophrenia, at the date of issue of this report, it has just been approved in Europe and is in the approval phase in the United States. In February 2022, ROVI announced that the European Commission had authorised the marketing of Okedi® to treat schizophrenia in adults for whom the tolerability and effectiveness had been established with oral risperidone. ROVI expects to be able to launch the product in Europe in the second quarter of 2022. Regarding the United States, the dossier is being reviewed by the United States health authorities, the U.S. Food and Drug Administration ("FDA").
- Letrozole ISM®. Indicated for the treatment of breast cancer. The development of this product is progressing as planned and Phase I of the clinical development has now concluded. ROVI has commenced talks with the FDA to analyse the Phase I results and to initiate the next steps to continue with the clinical development of this novel prolonged-action injectable aromatase inhibitor.
- Risperidone, three-monthly administration. It is in the pre-clinical development phase.

These projects represent a significant financial effort for the company, which is supported by the award of grants from the Industrial Technological Development Centre (CDTI) and the Technological Corporation of Andalusia (CTA).

Glycomics area

Glycomics is the study and profiling of the sugars that compose a cell, including the glycosaminoglycans (GAG), which, in addition to their role in regulating blood

coagulation, are involved in processes like cell growth, immune response and inflammation. To carry out these functions, the GAGs interact with numerous proteins. Glycomics studies provide very valuable information in this respect, since they allow the receptors that take part in the interaction with each type of GAG to be determined.

The degree of specialisation and knowledge attained in this area, as a result of the in-house development of the low-molecular-weight heparins bemiparin and the enoxaparin biosimilar, allows ROVI to continue working on the expansion of alternative applications, indications and action mechanisms for heparin-derived products and other glycosaminoglycans, based on both anticoagulant and non-anticoagulant activity.

Multilayer technologies for urethral catheters

For a number of years, the company has been working on various lines of development of new devices focused on preventing urethral tract infections, as well as the treatment of ulcers, since, when stents and urethral catheters are used, the high prevalence of bacteria can, in some cases, lead to the appearance of clinical symptoms and complications, including severe sepsis and death. At present, the incidence of urinary tract infection is still very high, as biofilm formation makes it difficult to eradicate microorganisms using antibiotics.

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

4. OUR STRATEGY

4.1. MARKET CONTEXT

GLOBAL MARKET CONTEXT: MAIN TRENDS AFFECTING THE PHARMACEUTICAL INDUSTRY

Medical spending and usage to 2025

The COVID-19 pandemic has been the most important global health crisis in decades and its direct and indirect impacts are still present in the pharmaceutical market. The success of countries all over the world in implementing a worldwide vaccination programme that is unprecedented in terms of speed and scope will be a key factor in the prospects related to the usage of all medicines up to 2025 and beyond. Therefore, the key elements of the outlook for 2025 are the management of the pandemic and how it will affect medical attention and the use of medicines unrelated to COVID-19.

According to IQVIA in its report "Global Medicine Spending and Usage Trends"[1], the global medicine market –using invoice price levels– is expected to grow at 3-6% CAGR through 2025, reaching about $1.600 trillion in total market size in 2025, excluding spending on COVID-19 vaccines. The cumulative total spending on COVID-19 vaccines is projected to be $157 billion, largely concentrated in the first wave of vaccines running from the last quarter of 2020 to the last quarter of 2022. In later years, it is expected that booster vaccines will be required every two years, since the duration of immunity and the continual appearance of viral variants mean that an endemic virus is the most likely outcome of this pandemic.

Global growth in medicine spending will be driven by greater growth in the pharmaceutical market until 2025 and offset by the developed market, where growth will be slower, since the losses of exclusivity of the original brands will exceed the growth of new products. The US market is forecast to grow 0-3% CAGR over the next five years, below the 3% CAGR of the last five years.

Medicine spending in Japan, the third largest world market, will remain flat or decrease as a result of the continuous biennial policy of price reduction, but an increase of the spending on original brands protected be patents is estimated, coinciding with policies to provide incentives to a change to generics for the older medicines.

Spending in Europe is expected to rise by a total of €35 billion in five years to 2025, with a focus on generics and biosimilars. In the pharmaceutical markets, growth will be led by China, which is expected to accelerate post-COVID, driven by greater uptake and use

[1] https://www.iqvia.com/insights/the-iqvia-institute/reports/global-medicine-spending-and-usage-trends-outlook-to-2025

of new original medicines. New brands in developed markets are projected to have absolute spending similar to that of the last five years, continuing with a historically high period of spending on novel medicines. Through 2025, the number of launches of new active substances are forecast to continue at a higher-than-average rate, with an average of 54-63 per year and a total of 290-315 in the five years through 2025. The impact of losses of exclusivity will rise to €166 billion in the next 5 years, principally due to the availability of biosimilar, and cumulative savings on biosimilars will reach an estimated an estimated $285,000 million. In five years' time, medicine spending will be almost 60% on specialized medicines in developed markets and 50% at global level, and the rest will be predominantly on older and more traditional medicines, with a progressively lower cost as time passes.

The two leading global therapy areas (oncology and immunology) are forecast to grow 9-12% CAGR through 2025, lifted by significant increases in new treatments and medicine use. Oncology is projected to add 100 new treatments over 5 years, contributing to an increase in spending of more than $100 billion to a total of more than $260 billion in 2025. Neurology includes a variety of diseases that are expected to see many new therapies, including novel migraine therapies, potential treatments for rare neurological diseases and the potential for therapies for Alzheimer's and Parkinson's.

Notwithstanding, given the uncertainties associated to the evolution of the COVID-19 pandemic (which ROVI will continue to monitor closely), it is not yet possible to evaluate accurately the impact that the pandemic will have on the market and its specific medium- and long-term effects.

A glance at the future of biosimilars

According to the IQVIA report "The Impact of Biosimilar Competition in Europe 2021"[2], even countries with relatively low usage of biological medicines have benefitted from significant savings on their drug budget since the introduction of biosimilars into their markets. This is due to the heavy growth in biosimilar medicines over recent years and their high prices.

Biologic medicines are an increasingly important component of pharmaceutical expenditure, due to their efficacy as treatments for complex conditions. Biologics represent 34% of medicine spending in Europe (at list prices), reaching €8.8 billion in 2021, and growing at a 10.5% compound annual growth rate (CAGR) over the past five years. This compares with a CAGR of 5.1% for the total market comprising small molecules, biologics, and biosimilar competitors. This market segment is increasingly important and continues to grow faster than non-biologic medicines as the dominant market segment for 10+ years. The importance of biologic medicines to healthcare

[2] https://www.iqvia.com/library/white-papers/the-impact-of-biosimilar-competition-in-europe-2021

systems continues, with new biologics accounting for approximately 15% of new active substances approved by the EMA in 2020.

The accessible market (defined as the market accessible to biosimilar competition, either through approved biosimilars or due to loss of exclusivity from the original medicines) is between 10-40% of the total biologics market by country. This has grown as loss of exclusivity for major molecules with high treatment volumes has occurred in recent years.

The impact of COVID-19 on biologic medicines

COVID-19 has not delayed regulatory approval of new biosimilars. 2020 was a particularly challenging year to launch non-COVID innovative prescription medicines. European markets saw restrictions to two key drivers of launch uptake, firstly, new and switch prescriptions, and secondly, face-to-face interactive engagement with healthcare professionals. However, from a regulatory standpoint, the EMA continued to perform well approving innovative medicines and biosimilars alike. A further 9 biosimilars were approved in 2020, and there are a further 8 products under review to add to the 7 already approved in 2021.

However, COVID-19 had a negative impact on biologic medicine prescription. No negative impact has been seen on approvals of biosimilars or new innovative medicines (to date) but, however, the impact on biologic prescribing is clearly visible across Europe at the peak of the COVID-19 pandemic. Comparing the growth rate to the growth year in the previous year, it is possible to see how the volume development of the many therapies has been stunted. Before the pandemic, single-digit growth was present for all therapy areas (excluding: LMWHs, -3%; anti-TNFs, +12%). During the initial lockdown phase across Europe, prescribing dynamics were dramatically changed due to the prioritisation of patients with COVID-19, intensive care, and chronic conditions. This resulted in a reduction in practically all the areas of therapy.

The greatest reductions were in non-urgent segments such as fertility (-40% at peak). It has taken 18 months for a rebound (+65% for fertility treatments in Q2 2021) to counteract the drop. At a country-level, markets saw spikes in demand for other medicines as stockpiling occurred and longer prescriptions were issue to safeguard vulnerable populations. Most concerning is the impact on oncology. As the pandemic has developed, concerns have focussed oncology with delays in surgeries, chemotherapy and fewer diagnoses being conducted. While this segment has returned, the impact on the healthcare system of patients with more advanced cancers will have a knock-on impact on mortality.

Situation and evolution of the pharmaceutical market in Spain

The most recent IQVIA report on this subject (November 2021[3]) at the date of publication of this document shows a photograph in which, although the number of pharmacies is the same, the average billing has dropped by 2.9%, caused not only by the pandemic, but also be a 1.1% reduction in medicine prices and, especially, by the drop of 8.7% in the Consumer Health segment, which represents 29% of a pharmacy's average billing. Nevertheless, the current medicine market is growing in both units (+2.0%) and value (3.6%).

Antidiabetics and antithrombotic agents are the type of medicines with the highest billing and the stabilization of the penetration of generics remains stable at a market share of around 41% in units and 21% in values. The protected market represents 14% of the total medicine market in units and accumulates 38% in list prices. However, if the unprotected market is analysed, the generics share rises to 53% in units and 37% in list prices.

Agreement for Science and Innovation

In the framework of strategic projects for economic recovery and transformation (PERTE), Farmaindustria has submitted a "tractor" project to drive the manufacture of essential medicines in Spain.

This Project responds to the concern, noted during the pandemic, about Europe's excessive dependence on Asian countries for the production of active substances and essential medicines. In most cases, they are mature medicines that have been on the market for many years and are no longer patent-protected, but which continue to be indicated to combat certain symptoms or diseases. The objectives of this project are, first, to increase strategic manufacturing capacities in order for Spain to have greater guarantees of the supply of strategic medicines and, second, to improve the Spanish pharmaceutical industry's competitiveness in production by providing it with knowledge, technology and digitalization.

In this scenario, ROVI has appeared as one of the country's strategic companies due to its manufacturing agreement for the Moderna COVID-19 vaccine. ROVI is playing a leading role, given its vertical integration from the raw material to the finished product. As a result of this agreement, Spain will have one of the countries with the highest capabilities in any pandemic that may occur in the future.

At the General Shareholders' Meeting held in 2021, our Chief Executive Officer and Chairman, Juan López-Belmonte, said that ROVI is now one of the big vaccine manufacturers, not only at national level, but globally, with a capacity of 1.4 billion doses.

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[3] https://www.iqvia.com/es-es/locations/spain/library/publications/evolucion-del-mercado-de-la-farmacia-espanola-con-datos-de-febrero-2021

Due to this, the company will be strategic and will make a predominant contribution to Spain's position in the pharmaceutical market. Thus, with ROVI's contribution, Spain, together with the United States and a few other European countries, will be one of the few countries worldwide with a swift and effective response to future global health crises.

Low-molecular-weight heparin market

REGION (€Mn)	ENOXAPARIN SODIUM	NADROPARIN CALCIUM	DALTEPARIN SODIUM	TINZAPARIN	BEMIPARIN SODIUM	OTHERS	TOTAL
EMA	1,323.3	173.3	145.8	297.5	107.9	62.6	2,110.4
RoW	687.3	176.3	73.7	16.3	23.7	297	1,274.2
USA-CAN	547.5	0.0	68.5	22.0	0.0	0.0	637.9
Japan	8.5	0.0	13.2	0.0	0.0	11.1	32.8
Total	**2,566.5**	**349.7**	**301.2**	**335.8**	**131.6**	**370.6**	**4,055.3**

Source: IQVIA MIDAS 1T 2020

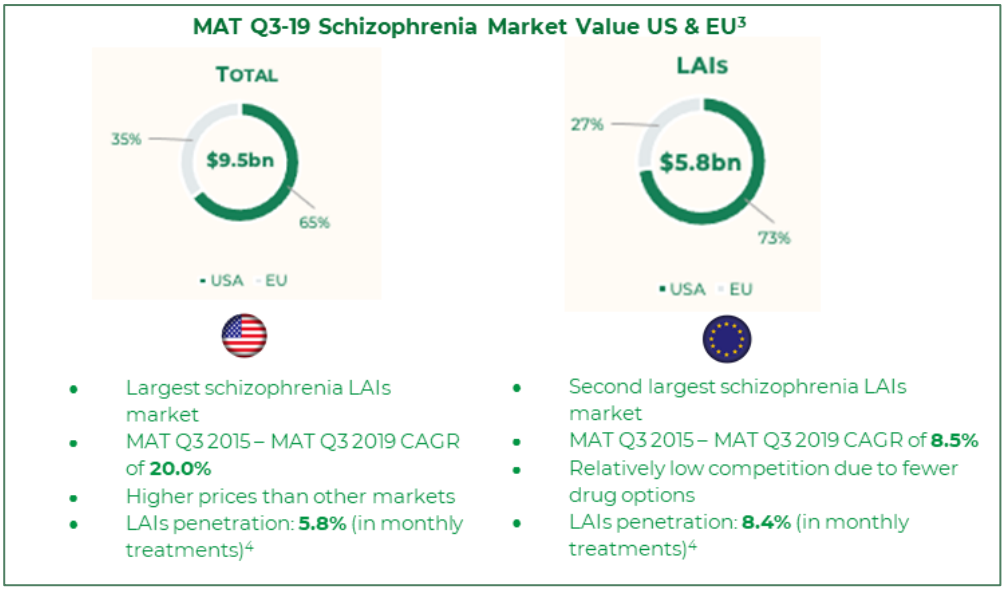
The size of the low-molecular-weight heparin market is over 4 billion euros, where Europe and emerging countries account for 83% of the market.

The most widely-used molecule is enoxaparin, which represents 63% of the market and is also its main catalyst, with average growth of 5.7% in the period between the first quarter of 2018 and the first quarter of 2020, reaching 721 million units in the first quarter of 2020 (TAM).

The global enoxaparin market is 2.6 billion euros Likewise, Bemiparin is the fifth most used molecule in the world, with sales of 132 million euros.

Evolution and outlook of the schizophrenia market

Schizophrenia is a chronic, progressive disorder that affects 21 million8 people worldwide and has an increasingly high lifetime prevalence. Long-acting injectable technologies are becoming increasingly critical in this market and are becoming the option preferred by psychiatrists when tackling some of the essential unmet needs of the schizophrenia market. The most important aspect is that they help improve patient adherence to treatment, which, in turn, lowers the rate at which patients stop taking their medication and, thus, reduces relapses and hospitalisations in cases of schizophrenia. Treatment adherence is extremely important because each relapse leads to progressive and irreversible brain damage. Long-acting injectables also reach therapeutic concentrations in plasma in a much faster and more sustained manner.



With regard to the scale of opportunities in the schizophrenia market and long-acting injectables in the United States and Europe:

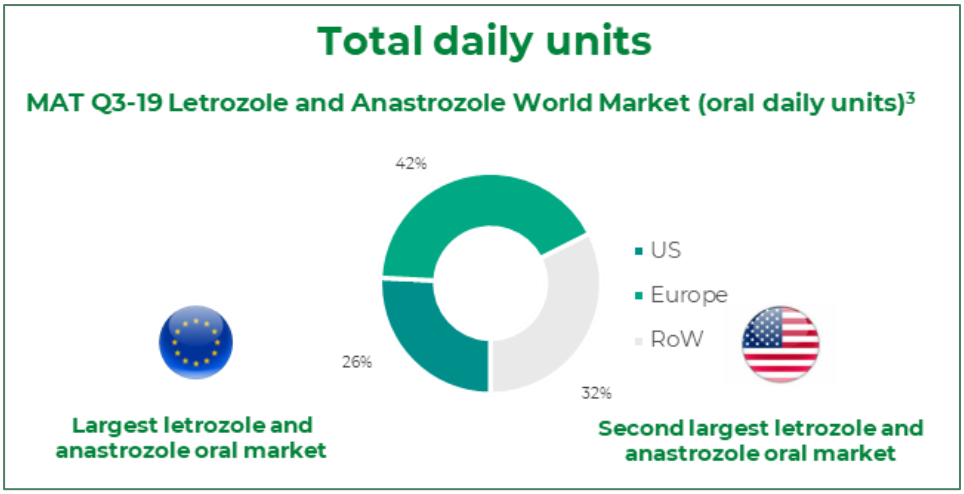
- United States is the main schizophrenia market, with long-acting injectables sales of 4.2[7] billion euros, although penetration is still very low at 5.8%[8] in units. The injectable market for schizophrenia in the United States grew by 20%[7] from 2015 to 2019.
- Europe: penetration of 8.4%[8] in units in a market of 1.6[9] billion euros that grew by 8.5% from 2015 to 2019.

Evolution and outlook of the hormone-dependent breast cancer market

The hormone receptor-positive (HR+) breast cancer market has fairly high lifetime prevalence and is expected to grow significantly over the next ten years. It is forecast that revenue in the United States, Japan and the five most important EU markets will grow by 16.7% between 2015 and 2024[9]. Strict adherence to treatment is required for at least three years to prevent relapses.

LAIs[10] are not present in this market, although the easier dosing system will become the benchmark treatment, given the improved treatment adherence and efficacy. In the graph, the size of the market of oral letrozole and anastrozole, which are aromatase inhibitors, may be seen in units. It is a global market of 1,074 billion units (IQVIA, 3Q 2019 MAT), in which Europe represents the largest market share (42%), with the United States in second place (32%).

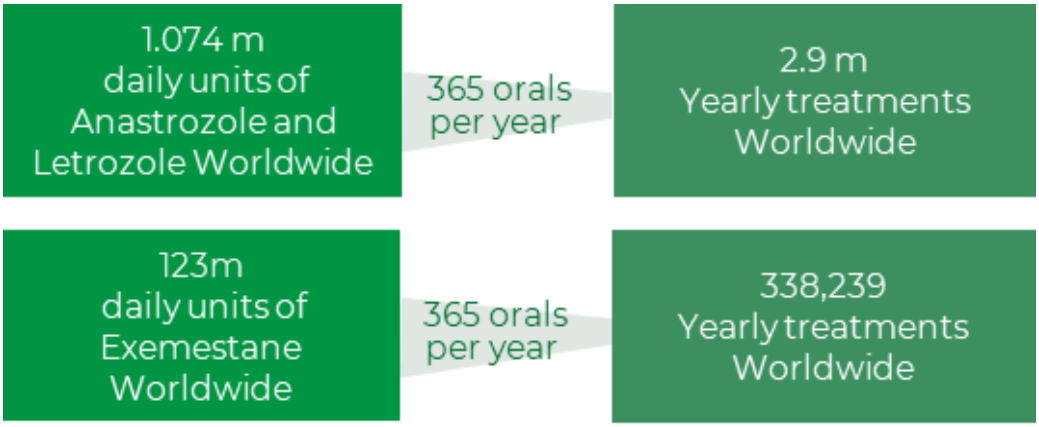
4 Iqvia Midas MAT Q3 2019.
[8] Iqvia Midas MAT Q3 2019 and Rovi's monthly treatments estimates.
9 Comité de vigilancia de datos 2017



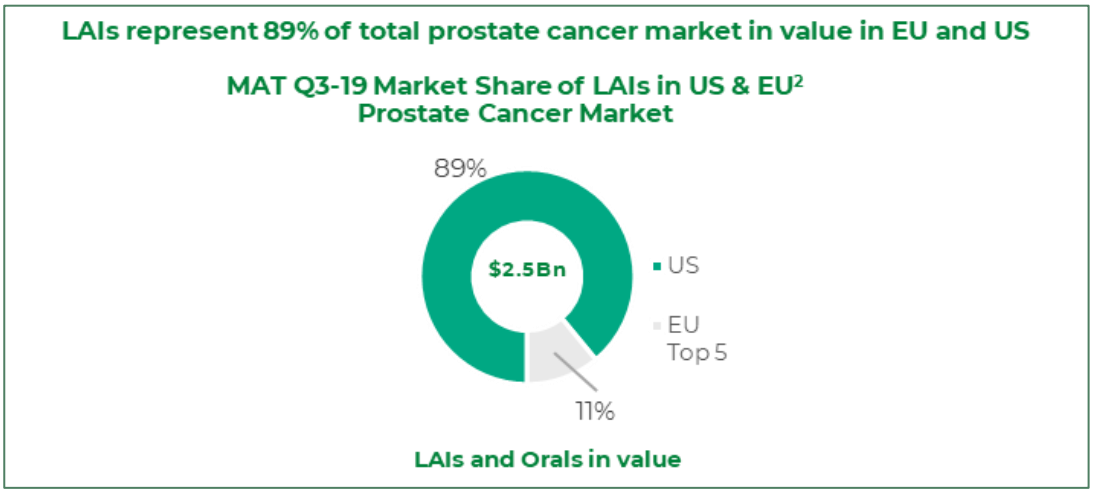
The fact that LAIs do not exist in the market leads one to think that they may be a high rate of change from the oral medicine to the injectable. Likewise, there is a high percentage of the dynamic new treatment market that could use LAIs directly.

Additionally, attention should be drawn to the fact that no new molecules are expected to replace the aromatase inhibitors. New treatments appearing in the market will be additional to hormone suppression treatments, since the risk/benefit profile of the aromatase inhibitors is already sufficiently good. No company is researching in this field. The only company researching in the hormone-dependent breast cancer market is ROVI.

According to IQVIA, the global market of letrozole and anastrozole is 1,074 billion (3Q 2019 MAT). These units refer to daily tablets which, converted into annual treatments, would give a figure of 2.9 million treatments per year. The potential market for Letrozole-ISM® would be 2.9 million annual treatments. The price of a Letrozole-ISM® injection is unknown but, as may be seen above, it is a very important market in which there are currently no players. In addition, there is a third oral molecule, exemestane, also an aromatase inhibitor, that could be another candidate for replacement by LAIs. This molecule sells 123 million units worldwide (3Q 2019 MAT), which represents 338,239 additional annual treatments that could be added to the potential market of oral letrozole and anastrozole.



Since there are no competitors in the breast cancer market, the prostate cancer market is shown below. Breast cancer can be compared to prostate cancer because its behaviour is similar in terms of prevalence. Gosrelin, histrelin, degarelix, leuprorelin and triptorelin are the molecules used to treat prostate cancer. These five molecules had a total market, in values, of 2.5 billion dollars in the United States and Europe in Q3 2019 MAT (source: IQVIA). Unlike breast cancer, LAIs have a very significant presence in prostate cancer, accounting for 89% of the total market of LAIs and oral treatments in the United States and Europe.



4.2. CORPORATE STRATEGY

STRATEGIC PRIORITIES AND OBJECTIVES

GRI 102-14

For **2022**, ROVI has raised its growth forecast for operating revenue from mid-single-digit figures (that is, between 0% and 10%) to a range of between 15% and 20%.

Notwithstanding, give the uncertainties associated to the evolution of the COVID-19 pandemic (which ROVI will continue to monitor closely), it is not yet possible to

accurately evaluate the impact that the pandemic will have on this year as a whole, at the end of the last quarter, and next year.

ROVI expects to continue to grow at a higher rate than the pharmaceutical spending growth rate in Spain in 2021, which was 6.1%, according to the figures published by the Ministry of Health, Consumer Affairs and Social Welfare.

ROVI expects its growth drivers to be bemiparin, the distribution licence agreements, such as Neparvis® & Volutsa®, the enoxaparin biosimilar, the specialty pharmaceutical product portfolio, the launch of Okedi® in Europe, the agreement with Moderna and the new contracts in the contract manufacturing area.

ROVI is at an inflexion point in terms of growth, with a strong opportunity to grow driven by (i) Okedi® and Letrozole ISM®, both of which are candidates that validate our leading-edge drug administration technology; (ii) our enoxaparin biosimilar, which will allow us to transform our European footprint; and (iii) the agreement with Moderna, which will help strengthen our manufacturing division and furnish us with a significant opportunity to grow in this area. These growth levers are strongly supported by very sound recurring business that has developed over the years, based on our leading specialty pharmaceuticals division and our high-value-added contract manufacturing services.

ROVI trusts that it will continue growing in forthcoming years as a result of the potential of the ROVI R&D product portfolio. The potential of the ISM® technology is significant. The first candidate has just received marketing authorisation in Europe and the United States. Likewise, a Phase I trial has concluded with another candidate, also using the ROVI's own ISM® technology, and the company is holding talks with the United States health authorities to determine the next steps in its clinical development. The enoxaparin biosimilar is already being marketed in 32 countries, with sales rising by 22% to 124.0 million euros in 2021. ROVI is in an international expansion phase with the goal of its enoxaparin biosimilar being present in more than 120 countries in the long term.

Attention should also be drawn to the potential of ROVI Pharma Industrial Services, the result of the union of the company's contract manufacturing management units (ROVI Contract Manufacturing and Frosst Ibérica), This division was responsible for developing the important agreement to manufacture the Moderna vaccine to be distributed in 2021. This unit's sales grew by 189% in 2021, totalling 264.7 million dollars, mainly due to the reorientation of contract manufacturing activities toward products with a higher value-added, recognition of the revenue related to the activities carried on under the agreement with Moderna, and recognition of the revenue from the Moderna COVID-19 vaccine.

Long-term growth forecasts

ROVI has reached its long-term goals for 2023 two years earlier than forecast. Thus, in 2021, it more than doubled its revenue in comparison to 2018, which had been the target

fixed for 2023. Likewise, ROVI reached the forecast growth in EBITDA "without R&D) for 2023, which expected this item to by 2.5 times the 2018 figure, in the first nine months of 2021. EBITDA "without R&D" was 158.6 million euros in the first nine months of 2021, exceeding the figure expected for 2023, which was 157.5 million euros.

Million euros	**2021**	**2018**	**Long-term objective 2023**	
Operating revenue	648.7	303.2	X2 - 606.4	Reached in 2021
EBITDA "without I+D"	230.4	63.0	X2.5 - 157.5	Reached in 9M 2021

R&D&i, effort today for success tomorrow

The sound R&D&i project portfolio is the foundation that cements ROVI's potential and future growth. It is the reason for the significant investment effort that, year after year, the group devotes to these activities, which, in 2021, was 27.4 million euros. Its main projects are still related to the ISM® technology, belonging exclusively to ROVI.

Increasingly more studies and research reinforce the idea that long-acting injectables (LAIs) are on the way to becoming a benchmark in the care of schizophrenia, replacing the oral treatment. With its candidates, ROVI is endeavouring to gain a prominent position in the markets for treating this complaint with LAIs in the United States and Europe, which have an estimated total value of 5.8 billion dollars, divided into 4.2 billion dollars for the largest market (North America) and 1.6 billion dollars for the EU (Source: IQVIA).

The schizophrenia market is a very attractive opportunity for new players, given its unique opportunities:

- High treatment change rates. Psychiatrists swiftly change patients whose response is deficient due to side effects or relapses until they find the best drug for the patient.
- There are not many psychiatrists and a new competitor can cover the psychiatrist community with a small sales force.
- The effectivity of LAIs is driving an increasingly early use of them in the treatment protocol, potentially in the early phase or first episode of the disease, rather than only after relapses (for example, at present, they are used after the second relapse when, a few years ago, it was the fourth relapse).

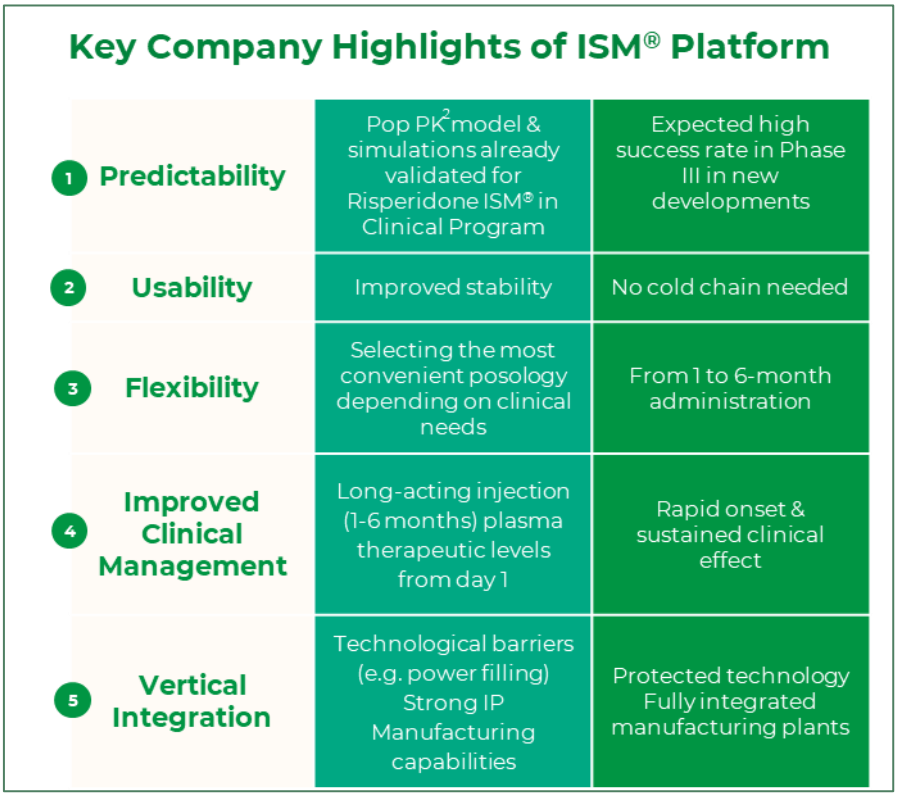
In addition, the company is continuing with the clinical development of Letrozole ISM®, which is the second candidate to use ROVI's ISM® technological platform. This new medicine (in the research phase) is the first long-acting injectable aromatase inhibitor for the treatment of hormone-dependent breast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

The preliminary data of the Phase I clinical trial (the LISA-1 study)[11] confirm that the ISM® formulation provides a prolonged release of letrozole that causes a sustained suppression of the oestrogenic hormones. The Phase I study has been completed and ROVI has commenced talks with the regulatory authorities to analyse its results and initiate the next steps to continue with the development of this novel long-acting aromatase inhibitor injectable.

Finally, attention should be drawn to the advances in the development of a new formulation of Risperidone ISM® for a three-monthly injection, which would complement the present monthly formulation of Okedi® for maintenance treatment in patients with clinically stable schizophrenia.

ISM® technology: the future of ROVI's products and licences

ROVI's ISM® technology, which is patent-protected until 2033, has been developed in order to overcome the disadvantages of the prolonged release that has existed to date by providing injectable formulations that furnish greater simplicity, efficacy and stability. There is great potential for extensive application of ISM® technology to new chronic therapeutic areas, including psychiatry and oncology. The group's vertical integration and experience in manufacturing prefilled syringes place ROVI in a leading position in the market.



[11] *Evaluation of IM Letrozole ISM® Pharmacokinetics, Safety, and Tolerability in Healthy Post-menopausal Women (LISA-1). Clinicaltrials.gov#NCT03401320 [https://clinicaltrials.gov/ct2/show/NCT03401320]. This clinical program has had the support of the Industrial Technological Development Centre ("CDTI").*

4.3. RELATIONS WITH OUR STAKEHOLDERS

PROMOTING ACTIVE COMMUNICATION WITH STAKEHOLDERS

GRI 102-9, GRI 102-10, GRI 102-40, GRI 102-42, GRI 102-43 & GRI 102-44

ROVI considers ESG to be a commitment acquired with society, given the importance of its activity and products in improving people's health and quality of life. In this respect, the company has identified six groups and a series of goals it pursues in relation to each one of them, establishing different channels through which to communicate with these groups.

Employees

Goal	To generate enthusiasm and provide training and motivation.
Channels	Suggestion boxes: these may be found throughout the facilities and are intended to enable employees to submit anonymous communications concerning improvements. Confidential communication mechanisms for irregularities considered illegal, criminal or a breach of the principles of ROVI's Code of Ethics.

Suppliers

Goal	To enable them to find in ROVI a partner for mutual benefit.
Channels	ROVI has implemented the Ecovadis platform to evaluate its suppliers in relation to CSR. This application allows the degree of compliance of the companies with which ROVI works to be monitored in four areas (ethics, workplace practices and human rights, environment and sustainable purchasing). As of 31 December 2021, ROVI had sent a request for evaluation and adhesion to the platform to the 316 suppliers and subcontractors who had billed the highest amounts to ROVI in the period 2019-2020.

Shareholders

Goal	To create more value in a manner that can be sustained in the long term.
Channels	Since the company's IPO, it has reported regularly on all its activities and applies its 'Policy for Communication with Shareholders, Institutional Investors and Proxy Advisors'. Direct investor communication channels:

	- ir@rovi.es - Web form at www.rovi.es/contacto If they so wish, shareholders have the possibility of receiving ROVI's financial information automatically through an e-mail alert system and regular, prompt and relevant information is provided on the company on the company, such as presentations and legal, economic and financial, and corporate governance aspects, which may be consulted on the corporate website www.rovi.es. In 2021, ROVI renewed the "Shareholders and Investors" section of the website, converting it into a more intuitive and visual section and including a new easier and more accessible documentation search system.

Customers/Patients/Professionals

Goal	To offer products based on quality and experience.
Channels	There is a query channel for information requests from both international partners and direct customers, patients and professionals: www.bemimed.com. In the event of a complaint, the company opens an enquiry immediately in order to identify the cause and prevent any repetition.

Society and Environment

Goal	To make an active contribution to social progress and environmental protection.
Channels	The company's environmental policy is based on commitments to continuous improvement, legal compliance and meeting additional voluntary requirements. In relation to environmental queries, ROVI has a corporate procedure (SOPc813 "Communication, Participation and Consultation") through which it manages communications (queries, complaints, etc.) related to the environment and occupational health and safety. On the corporate website (www. rovi.es), the quality, environmental and occupational health and safety certifications held by group companies are available to the public. Finally, ROVI provides constant support to medical research and encourages the prevention and knowledge of certain activities.

Public Administrations

Goal	To create channels for cooperation with the public authorities.
Channels	ROVI follows a policy of transparency and constant communication with the public authorities. Furthermore, on the website www.rovi.es, not only can communications and relevant events published be consulted, but also other types of information, such as press releases, regular economic and financial information and audits.

Dialogue with local communities

As a company, in addition to helping improve the quality of the life and health of society through its products, ROVI is aware of the social impact that its activity implies at all levels of the environment that surrounds it. To this end, it decidedly and continuously supports areas such as medical research and higher education in Spain. Moreover, it acts responsibly, promptly meeting its tax obligations and acting, as an employer and in general, as an agent and catalyst for the economy and social progress of the areas and people it is related to.

At the same time, it makes a great effort in a series of priority local spheres of social action, such as integrating people with disabilities in the workplace, fomenting health, commitment to training and corporate volunteering. Furthermore, it strives to assess and manage non-financial, ethical, reputational, social and environmental risks, committing itself to those initiatives that benefit society.

ROVI in the media

During 2021, 15 press releases were published with specific information on the company regarding its financial results, the commencement of a share buy-back programme, new developments concerning ROVI's research programmes, or the collaboration agreements with Moderna, among other items.

The group appeared in the press -both general and specialised- 4,480 times in 2021, 36.6% up on the number of appearances in 2020. In 2021, ROVI continued to develop its corporate profiles in social media (LinkedIn, Twitter and YouTube), through which it informs on new developments, as a supplementary channel for transmitting information of interest on ROVI.

New developments related to ROVI's collaboration agreement with **Moderna** to manufacture the latter's COVID-19 vaccines, ROVI's results in the **Sustainalytics** sustainability index, and new related to the inclusion of the company in the **IBEX-35** are just some of the topics most widely reported in the press.

Furthermore, in 2021, ROVI hosted a series of meeting with representatives of the national, autonomic and local public authorities to explain the lines of work and projects at its different work centres. Thus:

- In April, the Granada plant, where ROVI concentrates the production of the active substance of low-molecular-weight heparins and where a new manufacturing line for the active substance of the Moderna vaccine came into operation in 2021, received the visit of the President of the autonomous government of Andalusia, Juan Manuel Moreno Bonilla, together with the Regional Health Minister, Jesús Aguirre, and, in May, that of the President of the Spanish government, Pedro Sánchez Castejón, accompanied by the Minister of Health, Carolina Darias.
- In April, the ROVI plant in San Sebastián de los Reyes, where fill-finish activities are carried out for the Moderna COVID-19 vaccines, received the visit of the Regional Health Minister of the Autonomous Community of Madrid, Enrique Ruiz Escudero.
- ROVI's Alcalá de Henares plant, engaged in the manufacture of solid oral forms and a centre of excellence in filling and packaging, was visited by a delegation from the city council, headed by the Mayor, Javier Rodríguez Palacios.

Contribution to the Sustainable Development Goals (SDGs)

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

 Goal: 3.8	**Contribution:** • Co-operation with Fundación Recover, an NGO that works to improve healthcare in Africa.
 Goals: 4.3 & 4.4	**Contribution:** • Co-operation with academic organisations and centres to promote access to education and employability.
 Goals: 8.2, 8.5, 8.6 & 8.8	**Contribution:** • Performing a gender breach study. • Agreements with employment organisations for people with disabilities. • Investment of R&D activities. • Execution of policies for prevention of occupational hazards.
 Goal: 9.5	**Contribution:** • Development of a new low-molecular-weight heparin manufacturing plant in Granada.
 Goal: 12.4	**Contribution:** • Exhaustive control of the consumption indicators at each plant. • Contracting a provider of energy from renewable sources.

4.4. MAIN GROUP POLICIES

BRIEF DESCRIPTION OF THE GROUP'S POLICIES

GRI 103-2

In the context of ROVI's commitment to transparency, a list of the main policies the group applies to non-financial issues is shown below:

Policy	Description
Environmental and Social Sustainability Policy	Includes: ✓ The main principles, commitment, goals and strategy in relation to shareholders, employees, customers, suppliers, social issues, the environment, diversity, taxpayer responsibility, respect for human rights and the prevention of corruption and other illegal conduct. ✓ Methods or systems to monitor policy compliance, the associated risks and the management thereof. ✓ Methods for oversight of non-financial risks, including aspects related to ethics and business conduct. ✓ Communication channels, participation and dialogue with stakeholder groups. Responsible communication practices that avoid manipulation of the news and protect integrity and honour.
Integrated Management Policy	Includes ROVI's commitment to minimize the effects of its activity on the environment, likewise providing all the resources necessary to ensure the safety and health of people.
Policy against Climate Change	Includes ROVI's commitment to take a leading position in the fight against climate change, to promote a social culture oriented at fomenting the awareness of all its stakeholders of the dimensions of this challenge and the benefits associated to tackling a solution thereto, identifying specific actions in the area of mitigation and adaptation to combat climate change.
Risk Control and Management Policy	Includes ROVI's commitment to identifying those risks associated to its activities, evaluating them and providing an appropriate response. Risk Management is the process carried out by Management and the employees chosen to do so to identify, assess and rank the risks that may affect the organization, including tax-related risks, in order to either manage and control them in such a way that the risk is reduced to an acceptable level, or maintain them on the basis of a conscious decision, although reasonable assurance of achieving goals must always be provided.
Compliance Policy	Provides all ROVI employees with a general framework for acting which must be applied in the course of their activities. This policy is put in place with the objective of: ✓ fixing the principles and criteria that must be taken into account in relation to regulatory compliance and the prevention of unlawful conduct.

	✓ establishing a common, homogenous framework for control and management of compliance risks in the business areas. ✓ fomenting a culture of business ethics in the organisation and in the processes of decision-making and shaping the wishes of directors, management and employees.
Policy on composition of the Board of Directors	Intends to favour an appropriate, specific and verifiable composition of the Board of Directors and its committees with the objective of: ✓ ensuring that proposals for the appointment and re-election of company directors are based on a prior analysis of the Board of Directors' needs in relation to size and the balance between the different types of directors that exist at any given moment, and ✓ favouring diversity of knowledge, experience, age and gender on the Board, in such a way that decision-making is enriched and plural viewpoints are brought to the debate on the matters within its competency.
Director Remuneration Policy	Any remuneration received by the directors for performing their duties or the termination of their tenure and for performing executive functions will be in accordance with this Policy. The basic aspects of ROVI's Policy on the remuneration of directors, both in their capacity as such and for performing executive functions, take account of the general principle that director remuneration must be as required to attract, retain and motivate directors with outstanding and appropriate professional profiles to help reach the company's strategic goals.
Related Transaction Policy	Intends to develop the rules that must be observed in which either the company or a group subsidiary is involved with Board Members, Significant Shareholders, members of the company's Senior Management or Related Persons, as defined in the Capital Companies Law and this Policy.
Code of Ethics	The Mission, Vision and Values of ROVI are the company's creed and the Code of Ethics is intended to help employees to comply with ROVI's mission and its principles and values. The Code of Ethics establishes the basic business conduct requirements that we expect of all ROVI's employees and external collaborators and is the foundation of all the group's policies and procedures. Any business conduct related to ROVI must be guided by the principles and rules set out in the Code of Ethics. o.
Code of Ethic for Suppliers	ROVI aspires for the companies and people related to the group and, therefore, its suppliers and other components of the value chain, to respect, not only current legislation, but also the values of the entity's corporate governance system, the principles on environmental and social matters set out in the Sustainability Policy, and a series of rules that are important to the group. This Code is intended to set out these commitments and ROVI expects its suppliers, subcontractors and collaborates to share and respect the action principles it contains.

General Communication Policy for Financial, Non-Financial and Corporate Information	Aimed at adopting measures to foment information transparency and attention to and monitoring of relations with shareholders, institutional investors, proxy advisors, intermediary financial institutions, managers and depositaries of the company's shares, financial analysts, rating agencies and information agencies, among others.
Anti-Bribery and Anti-Corruption Policy	This Policy establishes ROVI's commitment to zero tolerance with corrupt practices and bribery, fixing general prohibitions on all kinds of corruption and influence peddling and placing limits on other activities, such as giving gifts, hospitality and courtesies by its employees, donations and sponsorship, relations with stakeholders, etc.
Quality Policy	ROVI's Quality Policy is the basis of the group's commitment to improving the health of society. In this Policy, ROVI's objective in this respect is defined as maintaining a high reputation with its customers, adopting all the measures within its reach to ensure the safety, quality and efficacy of its products and that they are supplied on a timely basis.

4.5. SHORT-, MEDIUM- AND LONG-TERM MANAGEMENT OF ESG RISKS

RISK MANAGEMENT GOVERNANCE

GRI 102-30 & GRI 103-2

ROVI considers risk control and management as an instrument that helps achieve greater efficiency and efficacy in its transactions and, therefore, has a **Risk Control and Management System** that allows it to identify, classify, assess and respond to possible risks that could affect attainment of the corporate goals.

The Risk Control and Management Policy comprises the basic mechanisms and principles for appropriate management of the key risks that ROVI faces. Applying this Policy, ROVI fixes the level of risk it considers acceptable, identifies the different types of financial and non-financial risks, including tax-related risks, assesses them, determines the measures to tackle these risks and oversees said measures.

ROVI's Risk Control and Management System operates comprehensively and continuously, consolidating the management by area, business unit or activity, subsidiary, geographical region or support area (human resources, financial-tax, marketing, management control, etc.) at corporate level. ROVI's risk management model is based on three lines of defence:

- The **first line of defence** is formed by the group's different operating areas, which, in the course of their day-to-day operations, must identify, classify, assess and monitor the risks, in accordance with the risk level accepted by ROVI.

- The **second line of defence** comprises the risk control and management function. This function is responsible for the implementation of the risk control and management system, cooperating in initially establishing it and, once it is in place, contributing to its enhancement, monitoring its performance and coordinating its development.

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

Responsibility for risk control, monitoring and management

According to the company's Regulations of the Board of Directors, a full Board meeting is responsible for approving the Risk Management and Control Policy, including tax-related risks, as well as the regular monitoring of the internal reporting and control systems. As a result of this duty, ROVI has a Risk Management and Control System, the latest version of which was approved by the Board of Directors in December 2020 and which includes the general mechanisms and principles for proper risk management in ROVI.

According to this Policy, the bodies involved in this management are:

- According to said Regulations, the duties of the **Audit Committee** include oversight of the Risk Management and Control Policy for both financial and non-financial risks that affect attainment of the corporate goals. To this end, the Audit Committee regularly reviews and supervises the internal control and risk management systems and the efficacy thereof, so that the main risks can be appropriately identified, managed and made known. The Audit Committee carries out these duties through Management.

- **Management** identifies, classifies, assesses and monitors the risks, taking the categories of risk and acceptable risk levels fixed by the Audit Committee into account, and applies the measures in place to mitigate the impact in the event that any risks materialise.

- The **Department responsible for the Risk Control and Management System** has the task of implementing the Risk Control and Management System and, once it is in place, contributing to its enhancement, monitoring its performance and coordinating its development. Likewise, it reports to the Audit Committee, each time the latter meets, on the correct operation of the System and/or any risks that may have materialised.

Risk Control and Management Process

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

- **Determination of the level of risk**. The Audit Committee establishes the risk level considered acceptable. The risk level is fixed in the risk assessment scales for the variables of probability of occurrence and impact. These scales are approved annually by the Audit Committee in the process of updating ROVI's risk map.

- **Risk identification and classification**. The different areas of ROVI proceed to identify the internal and external risks that could affect attainment of their objectives. Once identified, risks are classified as follows:

    - **Strategic:** those that affect high-level objectives, directly related to ROVI's strategic plan.
    - **Operational:** those that affect objectives related to the efficiency and efficacy of the operations, including performance- and profitability-related targets.
    - **Reporting:** they affect objectives concerning the reliability of the information provided both internally and externally.
    - **Compliance:** those that affect compliance with the applicable rules and legislation.

- **Risk assessment.** Each one of the risks identified is assessed in accordance with the variables of probability of occurrence and impact on attainment of ROVI's objectives, in accordance with the assessment scales approved by the Audit Committee. The assessment obtained will determine the position of each risk on the corporate risk map, allowing decisions to be adopted on the actions to take in relation to the risk.

  As part of the process, the Audit Committee establishes a risk appetite (the risk level that ROVI is willing to accept to attain its strategic objectives) for each one of the key risks identified and the tolerance (level of variation in the appetite accepted in attaining the objectives), assessing whether the existing risk level exceeds the risk level that ROVI is willing to accept in attaining its strategic objectives, defining response plans when deemed necessary.

- **Determination of the response to a risk.** Once the risk map has been drawn up, measures are put in place to tackle the risks identified as efficiently and economically as possible, reducing exposure to a minimum. At the same time, mechanisms and procedures are put in place to allow Management to supervise implementation of the neutralisation measures and control their efficacy.

- **Risk management monitoring.** All the departments have both periodic and continuous information systems capable of duly capturing any changes that have either already taken place or will be taking place in the future that might prevent attainment of objectives under the forecast conditions, as well as the viability, efficiency, efficacy and sufficiency of the responses established for the risks.

- **Reporting to the Audit Committee.** The Audit Committee is informed regularly on the following aspects of risk management:

- Whether the Risk Control and Management System is operating efficiently or not, taking possible changing conditions, both internal and external, into account.
- Whether Risk Management incidents are detected and solved swiftly.
- Whether the Risk Map has been duly updated with the applicable changes (changes in the risks considered, any applicable new risks, etc.).
- Whether any of the risks included in the Catalogue or any other risk materialised in the preceding period.

ROVI has a risk management tool, "GRC Suite", which collects the assessments that the people responsible for the different areas of the group regularly make of each one of ROVI's risks, as well as the response strategy to these risks. This tool facilitates greater internal control of the risks, since it continuously monitors the group's business processes, allowing safer decision-making.

MAIN ESG RISKS

GRI 102-15

The main ESG risks the group considers it is exposed to are:

- Failure to conclude successfully -or as expected- the Research & Development products that are underway at ROVI.
- Changes in the conditions for the supply of raw materials and other packaging materials necessary for the manufacture of its products.
- Incidents in the clinical trials of medicines, secondary effects of products sold by Rovi or incorrect management of the notifications thereof.
- Failure to adapt human resources policies to the current environment in terms of attracting and retaining employees.
- Failure to comply with the specific regulations on the pharmaceutical industry or their benchmarking codes.
- Risk of criminal offences attributable to ROVI being committed under the 2015 reform of the Criminal Code.
- Failure to comply with environmental regulations or occurrence of events that involve a deterioration of the environment.
- Risk from adaptation to climate change (increase in costs, reputational risk, etc.).

EVENTS TAKING PLACE IN 2021 RELATING TO ESG RISK

GRI 102-15

During 2021, several events, duly notified to the CNMV and Audit Commission, that represented materialization of certain ESG risks included in ROVI's corporate Risk Map took place. Specifically:

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

ROVI requested the European Medicines Agency for a clock stop on day 181 of the authorization process of Risperidone ISM® in order to have the time necessary to repeat the comparative bioavailability study of multiple doses of Risperidone ISM® with oral risperidone, in response to a major observation by the Committee for Medicinal Products for Human Use (CHMP) stating that the study must be made using the European reference product. The dossier of Okedi® already included a bioavailability clinical trial using the oral risperidone medicine marketed in the United States. ROVI expected the trial using the United States product to be valid for Europe, since the two products -the oral risperidone medicine marketed in Europe and the one marketed in the United States- can be considered bioequivalents, according to the in vitro and in vivo studies that ROVI had performed and submitted to the EMA. In fact, the therapeutic indication for schizophrenia for oral risperidone was backed by the same clinical trials of its efficacy in both territories.

In spite of this clock stop to carry out the bioavailability study requested, which meant a delay of several months in the CHMP's positive opinion on Risperidone ISM® to treat schizophrenia, in December 2021, ROVI announced the CHMP's recommendation of the approval of Risperidone ISM® to treat schizophrenia, the European Commission has authorised the marketing of Okedi® (Risperidone ISM®) for the treatment of schizophrenia in adults for whom tolerability and effectiveness has been established with oral risperidone.

Detection of particles in certain vials of the Moderna COVID-19 vaccine distribute in Japan, in whose manufacturing process ROVI took part.

On 26 August, 2021, Takeda, the company responsible for distributing the Moderna COVID-19 vaccine in Japan, in whose manufacturing process ROVI takes part, announced that three lots of the vaccine had been put on hold in Japan after particles had been observed in unused vials of one of these lots. Takeda commenced the recall of these lots from the market on 2 September, 2021.

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

An analysis of the particles observed determined that they were 316 stainless steel, commonly used in food manufacturing and processing, as well as in heart valves, joint prostheses and metallic sutures and staples. According to the report on the investigation carried out by ROVI, the most like origin of the particles identified in said lot was related to the friction between two metal parts installed in the capping module of the production line. The manufacturing problem only affected the three lots that had been blocked.

The investigation conducted by Moderna, Takeda, the Japanese health authorities and ROVI found that the presence of these particles did not represent an undue risk to patient safety or adversely affect the benefit/risk profile of the product. Likewise, there is no evidence that the two tragic deaths in Japan after the COVID-19 vaccine had been administered were in any way related to administration of the vaccine.

As a result of this event, there was no interruption in ROVI's COVID-19 vaccine manufacturing activities or in the vaccination process in Japan.

ROVI has implemented a series of measures aimed to correct and prevent further incidents, including an improvement in the standard operating procedures to replace the production line, a full inspection of the production line, and the establishment of alert limits in the results of the automatic visual inspection, among other.

5. OUR SUSTAINABLE MANAGEMENT

5.1. GOOD GOVERNANCE

GRI 103-2

5.1.1. OUR CORPORATE GOVERNANCE MODEL AND STRUCTURE, CONSIDERING THE RECOMMENDATIONS OF THE CNMV

GRI 102-18, GRI 102-23 & GRI 405-1

ROVI's corporate governance takes the updated recommendations applicable to the company into account. In particular, its internal regulations are adapted to the Good Governance Code of Listed Companies approved by the National Securities Market Commission (CNMV) in February 2015 and revised in June 2020 (the "**Good Governance Code**"). This model helps to promote honest behaviour on the part of the company, which contributes to keeping the trust of stakeholders and ensuring that the interests of all shareholders are defended.

ROVI's governing bodies are the **General Shareholders' Meeting** and the **Board of Directors**. The powers and operation of each of them is regulated in the company's Bylaws and, respectively, in the Regulations of the General Shareholders' Meeting and the Regulations of the Board of Directors, which may be consulted on the company's website (www.rovi.es). The Board of Directors also has two committees: an Audit Committee and a Nomination and Remuneration Commission, reporting and consultative bodies whose respective Regulations are also available on the company's website (www.rovi.es).

In addition to the governing and consultative bodies described above, ROVI has a Management Committee responsible for the day-to-day management of the group, composed by 12 managers and led by the Chief Executive Officer.

GOVERNING BODIES

1. **General Shareholders' Meeting**

The General Shareholders' Meeting is the company's highest decision-making and control body for the matters within its competence. It meets regularly, at least once a year, at the Ordinary General Meeting, held within the first six months of each year to, if appropriate, approve the corporate management and the annual financial statements for the preceding year and adopt a decision on the application of the profit, although it is likewise competent to deliberate and decide on any other item on the Agenda.

Extraordinary General Meetings may also be held and meetings that are not considered ordinary general meetings are deemed to be extraordinary general meetings.

Unlimited right to attend

All shareholders, irrespective of the number of shares they hold, are entitled to attend both ordinary and extraordinary general meetings, provided they hold at least one share and that it is registered in their name in the relevant account entry register five days before the date the general meeting is held.

Additionally, in order to attend a general meeting, each shareholder must identify him/herself and show an attendance card, i.e. the certificate issued by the entity responsible for the relevant account entry register or the document which legally proves their status as a shareholder.

General Shareholders' Meeting 2021

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

1. Approval of the company's individual annual accounts (statement of financial position, income statement, statement of changes in equity, statement of cash flows and the notes thereto) and the consolidated annual accounts of the company and its subsidiaries (consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and the notes thereto), as well as the company's individual management report and the consolidated management report of the company and its subsidiaries, all of which related to the year ended 31 December, 2020.
2. Approval of the statement of non-financial information included in the consolidated management report for the year ended 31 December, 2020.
3. Approval of the proposed application of the individual profit for the year ended 31 December, 2020, which was 71,136,874.98 euros. A resolution was passed to pay a dividend of 0.3812 euros gross per share to each one of the 56,068,965 ordinary shares in issue that was entitled to receive it on the pay-out date (21,373,489.46 euros) and allocate 49,763,385.52 euros to retained earnings.
4. Approval of the management and performance of the Board of Directors in the year ended 31 December, 2020.
5. Approval of the amendment of the following articles of the company's Bylaws:
    5.1. Amendment to article 16 ("Authorised Capital") of Title III of the Bylaws.
    5.2. Amendments to articles 22 ("Corporate Bodies"), 25 ("Notice of General Meetings"), 26 ("Place and time they are held"), 29 ("Right of attendance"), 30 ("Proxy for attending General Meetings"), 31 ("Right to Information"), 32

("Remote Voting"), 34 ("Deliberations on and passing resolutions") and 35 ("Minutes of the General Meeting") of Title V of the Bylaws, in order to adapt them by including mentions of the possibility of holding exclusively electronic general meetings, assuring and guaranteeing the rights of the shareholders and their proxies.

5.3. Inclusion of a new article 25 bis ("Exclusively Electronic General Meeting") in Section I of Title V of the Bylaws, in order to answer the need for the Bylaws to provide for the possibility of holding exclusively electronic general meetings, assuring and guaranteeing the rights of the shareholders and their proxies.

5.4. Amendments to article 36 ("Board of Directors"), 37 ("Composition of the Board of Directors", 38 ("Term of Office") and 42 ("Meetings of the Board of Directors") of Title V, Section II of the Bylaws.

5.5. Amendment to article 45 ("Director Remuneration") of Title V, Section II of the Bylaws.

5.6. Amendment to article 47 ("Audit Committee. Composition, competences and operation") of Title V, Section II of the Bylaws.

5.7. Amendment to article 48 ("Nomination and Remuneration Commission. Composition, competences and operation") of Title V, Section II of the Bylaws.

5.8. Amendment to article 50 ("Corporate Website") of Title VI of the Bylaws.

6. Approval of the amendment of the following articles of the Regulations of the Board of Directors:

6.1. Amendment to article 5 ("Competences of the General Meeting") of Title II of the Regulations of the General Meeting.

6.2. Inclusion of a new article 6 bis ("Exclusively electronic general meeting") in Title III of the Regulations of the General Meeting.

6.3. Amendments to articles 7 ("Notice"), 8 ("Availability of information on the corporate website as of the date of notice) and 9 ("Right to information before the General Meeting") of Title III of the Regulations of the General Meeting.

6.4. Amendments to articles 10 ("Right of attendance"), 11 ("Presence of third parties at the General Meeting"), 12 ("Proxy") and 14 ("Planning, resources and place of the General Meeting") of Title IV, Chapter I of the Regulations of the General Meeting.

6.5. Amendments to articles 18 ("Register of shareholders present at the General Meeting") an d19 ("Drawing up the list of those present") and inclusion of a new article 18 bis ("Electronic Register of shareholders at the General Meeting") in Title IV, Chapter II of the Regulations of the General Meeting.

6.6. Amendments to articles 20 ("Requests to speak"), 22 ("Right to information during the General Meeting") and 23 ("Extension and Suspension of the General Meeting") of Title IV, Chapter III of the Regulations of the General Meeting.

6.7. Amendments to articles 24 (“Remote Voting”), 25 “(“Voting on the motions”), 27 (“Minutes of the General Meeting”) and 28 (“Publishing the resolutions”) of Title IV, Chapter IV of the Regulations of the General Meeting.

6.8. Amendment to article 29 (“Approval”) of the Regulations of the General Meeting.

7. Approval of the composition of the Board of Directors: re-election, if appropriate, of directors for the bylaw-stipulated term of office:

7.1. Re-election, if appropriate, of Mr Juan López-Belmonte López as a proprietary director for the bylaw-stipulated term of office.

7.2. Re-election, if appropriate, of Mr Juan López-Belmonte Encina as an executive director for the bylaw-stipulated term of office.

7.3. Re-election, if appropriate, of Mr Javier López-Belmonte Encina as an executive director for the bylaw-stipulated term of office.

7.4. Re-election, if appropriate, of Mr Iván López-Belmonte Encina as an executive director for the bylaw-stipulated term of office.

8. Approval of the maximum annual remuneration of the members of the Board of Directors in their capacity as such for 2021.

9. Approval of the Director Remuneration Policy for the period 2021-2024.

10. Approval of the Long-Term Incentive Plan (2022-2024) consisting of the award of shares in the company, if appropriate, to its executive directors.

11. Approval of an extraordinary bonus to the executive directors consisting of the award of shares in the company, in the light of their performance and the milestones recently achieved for the group.

12. Approval, if appropriate, of the re-election of the account auditors for the company and its consolidated group for the year 2021.

13. Approval of the authorisation of the Board of Directors for the derivative acquisition of treasury shares by the company and/or its subsidiaries in the terms set out in current legislation.

14. Approval of the delegation to the Board of Directors of the power to increase the share capital under the terms and conditions set out in article 297.1b) of the Capital Companies Act for a maximum period of five years, with attribution of power to exclude preferential subscription rights up to a limit of 20% of the share capital, as set out in article 506 of the Capital Companies Act.

15. Approval of delegation to the Board of Directors of the power to issue bonds, debentures and other debt securities that may be changed and/or converted into shares in the company, as well as warrants or other similar securities that could, directly or indirectly, give the right to subscribe or acquire shares in the company or other companies, whether or not they belong to its group, for a maximum term of 5 years and an overall amount of 500 million euros, as well as, if appropriate, the power to increase the share capital by the necessary amount, with power to exclude preferential subscription rights up to a limit of 20% of the share capital

and authorization for the company to underwrite issues of debt securities by subsidiaries.

16. Approval of the delegation of powers to formalize and register the resolutions passed by the General Meeting and carry out the mandatory filing of the accounts.
17. Consultative approval of the Annual Director Remuneration Report for 2020.

2. Board of Directors

The Board of Directors is the company's highest decision-making, oversight and control body, except in matters reserved to the General Shareholders' Meeting. In the first half of 2021, the Board was composed of seven members. Since the death of the then Chairman of the Board of Directors, Mr Juan López-Belmonte López in July 2021, the Board has had six members: three executive directors and three independent directors. The latter were appointed on the basis of their professional merits, ensuring that the selection process did not contain any implicit bias that could suggest discrimination, in particular, gender-based discrimination.

According to the Bylaws, the Board of Directors must be formed by no less than five and no more than 15 members, pursuant to the recommendations of the Good Governance Code.

As the highest decision-making body, it delegates ordinary business management to the management team and focuses its activities on general supervisory duties. This implies guiding ROVI's policies, controlling management, evaluating the performance of the managers and, in general, adopting the most important decisions on the strategy and running of the company, as well as liaising with shareholders.

In the course of its duties, it strives to ensure the company's regulatory compliance and that it meets its social and ethical duties. Likewise, its functions include ensuring that no one person or small group exercises decision-making power within the company without being submitted to counterweights and controls and that no shareholder is treated more favourably than others.
Its specific responsibilities are set out in article 5 of the Regulations of the Board of Directors and include, specifically, those of preparing the strategic plan and management objectives and approving the annual budget. Likewise, it defines the structure of the company group, establishes the Investment and Financing Policy and approves the dividend, treasury share, corporate governance and social responsibility policies. It also establishes the Risk Control and Management Policy, including tax-related risks, as well as regularly monitoring the internal information and control systems, determining the company's tax strategy, overseeing the preparation of the mandatory financial and non-financial information and approving related transactions in the terms of the law.

In 2021, the Board of Directors met on 13 occasions. The percentage attendance (including proxies granted with precise voting instructions) was 100% of total votes.

The Board of Directors carried out the evaluation of its own performance in 2021 on the basis of a report drawn up for this purpose by the Nomination and Remuneration Commission, in accordance with article 5.7 of the Regulations of the Board of Directors. The evaluation showed the efficiency and proper operation of ROVI's Board of Directors and did not give rise to significant changes in either its internal organisation or the procedures applicable to its activities.

In accordance with article 8.3 of the Regulations of the Board of Directors, the Coordinating Director, Mr Marco Peña Pinto, is entitled to request a Board meeting be called or that new items be included on the agenda of a Board meeting that has already been called, as well as coordinating and meeting with the non-executive directors and, if applicable, organising the periodic evaluation of the Chairman of the Board. Likewise, he is authorised to chair Board meetings in the absence of the Chairman and Deputy Chairmen; voice the concerns of non-executive directors; maintain contacts with investors and shareholders in order to hear their points of view and form an opinion on their concerns, in particular in relation to the company's corporate governance; and coordinate chairman succession planning. In 2021, the Coordinating Director held 18 meetings with the other directors, without any executive director being present or represented by proxy.

ROVI's Board of Directors was composed of the following members at 31 December, 2021:

Name	Position	Type of director	Nomination and Remuneration Commission	Audit Committee
Mr Juan López-Belmonte Encina	Chairman & CEO	Executive		
Mr Javier López-Belmonte Encina	First Deputy Chairman	Executive		
Mr Iván López-Belmonte Encina	Second Deputy Chairman	Executive		
Mr José Fernando de Almansa Moreno-Barreda	Director	Independent	Chair	Member
Mr Marcos Peña Pinto	Coordinating Director	Independent	Member	Chair
Ms Fátima Báñez García	Director	Independent	Member	Member
Mr Gabriel Núñez Fernández	Non-director Secretary			
Mr Ignacio Zarzalejos Toledano	Non-director Deputy Secretary			

At 31 December, 2021, the percentage of independent directors on the Board of Directors was 50% and the percentage of executive directors was 50%. The percentage of female directors on the Board was 16.66%.

ROVI has a Policy on the Composition of the Board of Directors (formerly called the Director Selection Policy), which is intended to help ensure that the proposals for the appointment and re-election of directors of ROVI are based on a prior analysis of the Board's needs, and that the candidate selection process favours diversity of knowledge, experience, age and gender on the Board, in such a way that decision-making is enriched and plural viewpoints are contributed to the debates on the matters that fall within its competencies. This Policy states that, before the end of 2022, the company will strive for female directors to represent at least 40% of total Board members and that, prior to said date, they will represent no less than 30%. In the event that it is proposed to appoint new directors to fill the existing vacancy or any others that may arise or be created in the future, the proposal will be made after the Board of Directors and the Nomination and Remuneration Commission have evaluated the alternatives and candidates to fill said vacancies, giving special consideration to including women, in order to foment gender diversity on the governing body and progress in the process of endeavouring to reach the percentages mentioned above.

In any case, ROVI is committed to putting in place and developing policies that include equal treatment and opportunities for women and men, with no direct or indirect gender-based discrimination, and to drive and foment measures to achieve real equality within the organisation, establishing equal opportunities as a strategic factor of its human resources policy.

When selecting candidates for the position of director, the starting point is an analysis of ROVI's needs, which must be made by the Board of Directors with advice and reports from the Nomination and Remuneration Commission (N&RC). The N&RC will assess the skills, knowledge and experience required of the Board candidates. In this respect, the N&RC will define the functions and abilities required of the candidates to fill each vacancy and will also assess the time and dedication needed to perform their tasks properly, always avoiding any kind of implicit bias that might suggest discrimination and, in particular, that hinders the selection of persons of either gender.

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

Director profiles

- Mr Juan López-Belmonte Encina

Mr Juan López-Belmonte Encina graduated in Economic and Business Sciences from CEU San Pablo, Madrid in 1993. He joined ROVI in 1994, was appointed General Manager in 2001 and, since October 2007, has been the company's CEO, having been re-elected to his position at the General Meetings of 2012, 2017 and 2021. He has been Chairman of the Board of Directors of ROVI since July 2021. He has been Deputy Chairman of the Governing Council and Management Board of Farmaindustria. Likewise, he was Chairman of the R&D&i Committee of the CEOE (Spanish Confederation of Business Organisations) from March 2015 until the end of 2018. In October 2020, he was appointed President of *Asociación Nacional Empresarial de la Industria Farmacéutica establecida en España* (Farmaindustria) (the national trade association of the Spanish-based pharmaceutical industry) and still holds this position. He began his professional career working in different pharmaceutical areas of important international pharmaceutical companies in the United States and United Kingdom. Currently, Mr López-Belmonte Encina is likewise a shareholder of Norbel Inversiones, S.L. (ROVI's controlling shareholder).

- Mr Javier López-Belmonte Encina

Mr Javier López-Belmonte Encina graduated in Economic and Business Sciences from *Colegio Universitario de Estudios Financieros (CUNEF)*, Madrid, specialising in Financing, in 1998. He obtained a joint Executive MBA from the University of Brown and the *Instituto de Empresa* in Madrid in 2017. He joined ROVI in the year 2000 and has been Chief Financial Officer since 2001. He is the First Deputy Chairman of the Board of Directors and was initially appointed as a director of the company on 27 July, 2007, when ROVI was first listed on the securities markets, having been re-elected at the General Meetings of 2012, 2017 and 2021. He has been Vice President of the *CEIM*, a member of its Management Board and Chairman of its Health Commission. Likewise, he has been a member of the Social Council of the *Universidad Autónoma de Madrid* representing *CEIM* and a member of the Board of Trustees of *Fundación Universidad Autónoma de Madrid*, representing the Social Council of the *Universidad Autónoma de Madrid*. He began his professional career in the banking sector in 1998, working for Argentaria, S.A. in the United Kingdom as an analyst, and in the pharmaceutical sector with Medeva Pharma, also in the United Kingdom. At present, Mr López-Belmonte López is likewise a shareholder of Norbel Inversiones, S.L. (ROVI's controlling shareholder).

- Mr Iván López-Belmonte Encina

Mr Iván López-Belmonte Encina graduated in Economic and Business Sciences, specialising in Auditing, from *CEU San Pablo*, Madrid in 1994. From among his postgraduate studies, his Diploma in Advanced Studies, obtained in 2008, which recognised his research proficiency in the Financial Economics and Accounting area,

may be highlighted. He joined ROVI in 1995 and has been Corporate Development Manager since September 2007. He is the Second Deputy Chairman of ROVI's Board of Directors and was initially appointed as a director of the company on 27 July, 2007, when ROVI was first listed on the securities markets, having been re-elected at the General Meetings of 2012, 2017 and 2021. He began his professional career in Germany, working in companies like Amersham, engaged in nuclear medicine, and Hexal AG, specialised in generics. At present, Mr López-Belmonte López is likewise a shareholder of Norbel Inversiones, S.L. (ROVI's controlling shareholder).

- Mr Fernando de Almansa Moreno-Barreda

Mr Almansa is an independent external director of ROVI. He was appointed as an independent director on 9 June, 2015 for the bylaw-stipulated term of four years and was re-elected at the 2019 Ordinary General Meeting. Mr Almansa holds a degree in Law from the University of Deusto (Bilbao). He joined the Diplomatic Service on 2 December, 1974. Between 1976 and 1992 he held different positions: Secretary of the Spanish Embassy in Brussels, Cultural Attaché at the Spanish Embassy in Mexico, Chief Director of the Coordination Section of the Subdirectorate-General for Eastern Europe, Director of Atlantic Affairs at the Directorate-General of Foreign Policy for Europe and Atlantic Affairs, Political Counsellor to the Permanent Representative of Spain on the North Atlantic Council in Brussels, Minister-Counsellor of the Spanish Embassy in the Soviet Union, Secretary General of the National Commission for the Fifth Centenary of the Discovery of America and Subdirector General for Eastern Europe, reporting to the Directorate-General of Foreign Policy for Europe. From 1993 to 2002, H.M. King Juan Carlos, I appointed him as Head of the Royal Household with the rank of minister and he was appointed as a privy councillor of His Majesty King Juan Carlos I. He was a member of the Board of Directors of Telefónica, S.A. from 2003 to 2016, holding the position of chairman of the International Affairs Commission of its Board and forming part of several subsidiaries of Telefónica, S.A. in Latin America as a Board member. Likewise, he has been a Board member of the Mexican bank BBVA BANCOMER and TELEFÓNICA MÓVILES S.A. in Mexico.

- Mr Marcos Peña Pinto

Mr Peña Pinto holds a law degree from the *Universidad Complutense de Madrid* and passed the official examination to become a Technical Labour and Social Security Inspector. From 1984 to 1989, Mr Peña held the position of Labour Attaché at the Spanish Embassy in Italy. Subsequently, from 1991 to 1996, he was the Secretary-General for Health at the Ministry of Health and Consumer Affairs and Secretary General for Employment and Labour Relations at the Ministry of Labour. Between 2005 and 2006, he was appointed an expert member of the Economic and Social Council, which he presided until April 2020. Likewise, Mr Peña Pinto has been a member of the Council of State due to his position as president of the Economic and Social Council. Regarding his other professional activities, special mention should be made of the fact that Mr Marcos Peña is specialised in collective bargaining and has held the position of chairman of the

Bargaining Committee for many collective labour agreements (e.g. Telefónica, RENFE, Repsol, Alcatel, Endesa, Astilleros, etc.). Furthermore, Mr Peña Pinto has been an arbitrator and mediator in various labour conflicts on a nationwide scale and is the author of numerous publications, often publishing articles in the written press. He was appointed as an independent director of the company by co-option, accepting his appointment on 9 May, 2019 and being re-elected at the Ordinary General Shareholders' Meeting of 12 June, 2019.

- Ms Fátima Báñez García

Ms Báñez García holds a degree in Law and Economic and Business Sciences from the *Universidad Pontificia de Comillas* -ICADE E-3- and continued her academic education with a postgraduate degree in Company Administration from the University of Harvard, Boston, MA, likewise completing the Public Management Leadership Programme at the IESE Business School. She was Minister of Employment and Social Security in the Spanish government from December 2011 to June 2018, and provisional Minister of Health, Social Services and Equality from August to November 2016. Also in the public area, she was member of the Spanish Congress of Deputies for Huelva (2009-2019), holding important responsibilities in the economic area of the Popular Parliamentary group, as well as the position of chairperson of the Foreign Affairs Commission of the Lower House (2018-2019). Previously, from November 1997 to June 2000, she was a member of the Board of Directors of *Radio Televisión de Andalucía*. She began her professional life in the private sector as head of Corporate Strategy and Development of her family's company group (1993-1997) and returned to private activity as a business consultant and advisor in November 2019. She has extensive international experience, having represented Spain on the EPSCO Council, at the G-20, at the Ibero-American Summits and at meetings of the OECD and ILO, as well as at international employment forums. Currently, Ms Bañez is a director of Iberdrola México, S.A. and chairperson of the CEOE Foundation. She was appointed as a director of the company by co-option and accepted the position on 20 October, 2019, being re-elected at the Ordinary General Meeting of October 2020.

3. Board committees and internal committees

In order to comply with the applicable legislation and enhance its efficiency in performing its duties, the Board of Directors has created two consultative Board committees: (i) the Nomination and Remuneration Commission, and (ii) the Audit Committee.

- **Nomination and Remuneration Commission**. It is formed by three directors, all of whom are independent. They are appointed on the basis of their knowledge, skills and experience in relation to the tasks they are required to perform. The chairperson is also an independent director and must be replaced every four years, although he or she can be re-elected when one year has elapsed since they left the position. The Commission's main role is to report and submit proposals on the

appointment and dismissal of directors and senior management to the Board of Directors; assess the skills, knowledge and experience necessary on the Board, as well as the time and dedication required from Board members for the proper fulfilment of their duties; prepare and review the criteria that should be followed regarding the composition of the company's management team; and strive to ensure that the remuneration policy for directors and senior management, established by the company is observed and transparent. In 2021, it met on ten occasions, which the company deems sufficient to allow it to carry out its duties correctly.

- **Audit Committee**. It is formed by three Board members, all of whom are independent, appointed on the basis of their knowledge and experience in accounting, auditing or risk management, as well as their knowledge, skills and experience in relation to the Committee's other duties. The chairperson is also an independent director, likewise appointed on the basis of his or her knowledge and experience in accounting, auditing or both, and must be replaced every four years, although he or she can be re-elected when one year has elapsed since they left the position. Among other duties, the Committee supervises the process of preparing the60inanceal reporting on the company and the group, ensuring it is complete; regularly reviews the information and internal control systems and Risk Management Policy; reports on related transactions and ensures the independence of the statutory auditors; and strives to ensure the independence and efficacy of the internal audit service. It meets on a quarterly basis to review the financial information which the company, as a listed company, must publish regularly, as well as the mandatory non-financial information. In 2020, the Committee held eight meetings. Therefore, its meetings were sufficiently frequent to allow it to carry out its duties correctly.

MANAGEMENT COMMITTEE

The Management Committee has 12 members drawn from group senior management who represent ROVI's main organisational areas. Three of them sit on the Board of Directors. The Management Committee, led by the CEO, Mr Juan López-Belmonte Encina, is the body to which the Board of Directors delegates the day-to-day running of the company.

The composition of the Management Committee is as follows:

- Mr Juan López-Belmonte Encina. Chairman of the Board and Chief Executive Officer.
- Mr Javier López-Belmonte Encina. First Deputy Chairman of the Board and Chief Financial Officer.
- Mr Iván López-Belmonte Encina. Second Deputy Chairman of the Board and Corporate Development Manager.
- Mr Francisco Javier Ángulo García. Human Resources Manager.

- Ms Beatriz Ávila Alcalde. Sales Manager. Line B.
- Ms Mercedes Benítez del Castillo Sánchez. Legal Department Manager.
- Mr Pedro Carretero Trillo. Hospital Network Manager.
- Mr Miguel Ángel Castillo San Román. International and Business Development Manager.
- Mr Ibón Gutierro Adúriz. Corporate R&D Manager.
- Mr Fernando Martínez Garijo. Sales Effectiveness Manager.
- Mr Miguel Ángel Ortega Sánchez. Industrial Manager.
- Ms Mª Rosario Perucha Pérez. Marketing Manager.

For the purposes of the annual corporate governance report, the Internal Audit Manager of ROVI, Ms Aránzazu Lozano Pirrongelli, is considered a member of senior management.

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

The composition of the ROVI's senior management (excluding the executive directors) favours diversity of knowledge, experience and gender, with women accounting for 40% of the senior managers.

INTEGRATION OF ESG INTO MANAGEMENT

ROVI integrates ESG into its governance, management and day-to-day activity. ESG decisions are made by the Board of Directors. In particular, the Board is responsible for approving the group's Environmental and Social Sustainability Policy (formerly Corporate Social Responsibility) in accordance with article 5.3 of the Regulations of the Board of Directors.

In addition, both the Audit Committee, according to article 13 of the Board Regulations and article 10.d) of the Regulations of the Audit Committee, and the Nomination and Remuneration Commission (N&RC), according to article 14.2 of the Board Regulations and article 12.d) of the Regulations of the N&RC, are responsible for reviewing the Environmental and Social Responsibility Policy, in order for it to fulfil its mission of promoting corporate interests, taking account, as appropriate, of the legitimate interests of other stakeholder groups and ensuring that it is oriented toward value creation.

In 2021, subsequent to a report from the Nomination and Remuneration Commission, the Board of Directors examined and approved the Corporate Social Responsibility Report for 2020, which had been prepared following recommendation 55 of the Good Governance Code. This report was published on ROVI's website in accordance with

recommendation 6 of the Good Governance Code and is included in the Consolidated Statement of Non-Financial Information.

REMUNERATION POLICY

GRI 102-35

In compliance with article 14 of the Regulations of the company's Board of Directors, which incorporates the provisions of article 529 *quindecies*, of Royal Legislative Decree 1/2010 of 2 July, whereby the revised text of the Capital Companies Act was approved (the "Capital Companies Act"), the Nomination and Remuneration Commission (N&RC) prepared a remuneration policy for the company's **senior management** for 2018, which was submitted to the Board of Directors for approval and has been in force since then.

Likewise, in accordance with article 529 *novodecies* of the Capital Companies Act, at the proposal of the Board of Directors subsequent to a report from the Nomination and Remuneration Commission, the General Shareholders' Meeting of ROVI held on 17 June, 2021 approved the company's **Director Remuneration Policy**, the text of which was made available to shareholders when the General Meeting was called and which replaced the remuneration policy approved at the General Meeting held on 12 June, 2019. This policy was applied in 2021 and will be in force until 2024, unless the General Meeting decides to amend or replace during the term for which it is in force.

Additionally, within the framework of said Director Remuneration Policy, ROVI's General Shareholders' Meeting held on 17 June, 2021 decided to fix a maximum total global remuneration for the members of the Board of Directors in their capacity as such of 1,000,000 euros for 2021. This sum will increase annually in accordance with the Consumer Price Index or any index that may replace it in the future, unless the General Meeting approves a different amount. The General Shareholders' Meeting delegated to the Board of Directors the distribution of this sum among its members, taking account of the functions and responsibilities attributed to each director, whether or not they were members of Board committees and any other objective circumstances that the Board might deem relevant.

In compliance with the disclosure obligations set out in article 226 of the revised text of the Securities Market Act, after the meeting of the Board of Directors held on 22 February, 2022, Laboratorios Farmacéuticos ROVI, S.A. published the Annual Director Remuneration Report for 2021.

The Board of Directors distributed 576 thousand euros among its members as fixed annual remuneration for 2021 for performing their duties as directors. This remuneration was allocated taking account of the duties and responsibilities attributed to each director and their membership of Board committees, based on the prior proposal submitted by the N&RC.

Likewise, the Board decided to distribute fixed annual remuneration of 809 thousand euros among the executive directors for their executive and senior management duties,

in accordance with the terms and conditions agreed between the executive directors and the company in their contracts, taking account of the duties and responsibilities exercised by each director, based on the proposal submitted by the N&RC.

Regarding the short and long term variable incentive for the executive directors, the Board distributed 1,425 thousand euros at the proposal of the N&RC, taking account of the company's results for 2021 and the targets fixed for each director.

Likewise, in addition to applying criteria based on parameters such as the evolution of the ROVI group's operating revenue in accordance with the budgeted targets set out in the Business Plan and meeting the strategic goals determined in said Plan, these sums were allocated to the executive directors in accordance with the targets fixed for each director, the investment operations performed and the attainment of strategic alliances during the year that may have helped the company to strengthen its bases for present and future growth, plus the criteria fixed in the Director Remuneration Policy approved by ROVI's General Shareholders' Meeting in 2019, which the company prepared with the advice of Landwell-PricewaterhouseCoopers Tax & Legal Services, S.L. Furthermore, when fixing the annual variable remuneration of the executive directors for 2021, individual non-financial targets related to social and environmental parameters and compliance with Codes of Ethics and Good Practice applicable to the company and its group were taken into account.

Additionally, on 17 June, 2021, the Ordinary General Shareholders' Meeting of Laboratorios Farmacéuticos Rovi, S.A. approved an extraordinary bonus for the Company's executive directors through the award of treasury shares. The maximum number of shares to be awarded was determined by multiplying by three (i.e. by the number of beneficiaries of the bonus) the amount resulting from dividing 985 thousand euros by the average quoted price of the company shares in the 30 trading days immediately prior to approval of the bonus (54.48 euros), giving a number of 54,240 shares to be taken from the treasury shares. The amount recognised for this bonus under the caption "Employee expenses" was 2,520 thousand euros.

Finally, the total remuneration paid to senior management personnel in 2021 (including the head of the internal audit service and excluding the executive directors, was 1,706 thousand euros (1,688 thousand euros in 2020).

Regarding the **Management Committee**, as described in point 5.2.4 PROMOTING EQUAL OPPORTUNITIES, DIVERSITY AND INCLUSION of this report, the average remuneration of the members of this committee, including fixed and variable remuneration and remuneration in kind, was 267,161 euros for men and 152,563 euros for women. The difference between genders is essentially due to the fact that the men include three executive directors and their salaries reflect part of the additional responsibilities they hold as a result of their positions.

5.1.2. ETHICS AND INTEGRITY IN OUR BUSINESS MODEL

ETHICS FRAMEWORK

GRI 102-16 & GRI 102-17

ROVI has a Code of Conduct, the **Code of Ethics**, the latest version of which was approved by the Board of Directors on 19 February, 2018 and which is the basis of the ethics principles of the company and its group. This Code of Ethics is applicable to all employees. It has been notified to all the employees and has the fundamental objective of providing a framework of guidelines and recommendations that transmits the good practices of ROVI's employees in their day-to-day work to its stakeholders (employees, shareholders, suppliers, customers, patients, professionals, public authorities and society in general), while, at the same time, it provides guidance for making everyday decisions. ROVI considers this Code of Ethics to be an opportunity to put values that identify it as a company into practice, such as mutual respect, the quest for innovation, teamwork, efficiency, or the competitiveness that always results from scientific excellence.

The Code of Ethics is formally signed by all workers when they join the workforce of any ROVI group company.

In 2021, ROVI personnel received training in the Code of Ethics, imparted by the Compliance area, which is responsible for ensuring compliance with the Code. Said training had two main goals:

- To reinforce the idea that all the employees and members of governing bodies of ROVI are subject to the Code and that it is binding on them.
- To provide training on all the action principles contained in the Code of Ethics, with their possible applications and interpretations.

Additionally, ROVI has an **Anti-Bribery and Anti-Corruption Policy**, the latest version of which was approved by the Board of Directors on 10 September, 2020. It expands on one of the principles of the Code of Ethics: rejection of any practice that includes bribery or corruption. The Anti-Bribery and Anti-Corruption Policy is also applicable to all ROVI employees.

The Regulatory Compliance Function is responsible for ensuring compliance with the Code of Ethics. It is formed by a Compliance Committee and a Compliance Department, whose duties and responsibilities are described in section 5.1.3 REGULATORY COMPLIANCE of this report.

Additionally, the Compliance Committee approved the **Code of Ethics for Suppliers** on 7 November 2017. Said Code was modified on 27 July 2020. The main objective of this Code is to ensure that ROVI's suppliers and other components of the value chain respect not only current legislation, but also the values of the ROVI's corporate governance system, the principles set out in its Corporate Social Responsibility Policy and other internal rules of ROVI.

ROVI has **Regulations of the Ethics Channel for Employees and Suppliers**, the latest update of which was approved by the Audit Committee on 6 October 2021. They establish that the management body of ROVI's ethics channels is the **Ethics Channel Management Committee**, which is likewise responsible for ensuring that all complaints submitted through the channel receive attention and are managed appropriately, in full and confidentially. Said body is responsible for analysing cases of non-compliance and proposing corrective actions. Possible sanctions derived from non-compliance are the responsibility of the Human Resources Department.

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

In 2021, ROVI received 8 reports through the Ethics Channel, which were duly processed by its Management Committee. Of which:

- 4 are related to complaints of moral harassment at work: 3 of them have ended without proving the reality of the reported facts, so it was concluded that there was no harassment; one of them was withdrawn by the complainant without there being any indications that would recommend the committee to continue the investigation *ex officio*.
- 1 is related to corruption and bribery: the investigation by the management committee of the ethics channel is finished; having proven a situation of internal fraud. Additionally, the company's management is evaluating the scope of the breaches carried out by those reported, the different responsibilities of Rovi, and the different measures to be adopted.
- The remaining complaints correspond to other matters and all of them have been resolved.

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

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

ROVI also strives to monitor and control of the recommendations of the Unified Good Governance Code of Listed Companies and, in December 2020, the Audit Committee approved the **Regulations of the Audit Committee**, in line with the recommendations of the CNMV Technical Guide 3/2017 on Audit Committees.

Finally, ROVI has **Internal Regulations on Conduct in the Securities Markets**, the latest version of which was approved by the Board of Directors in May 2019. The purpose of these Regulations is to adjust the actions of ROVI, its governing bodies and other persons subject to the rules on conduct to securities market-related legislation.

5.1.3. REGULATORY COMPLIANCE

DESCRIPTION OF THE ROLE, DUTIES AND RESPONSIBILITIES OF THE REGULATORY COMPLIANCE FUNCTION

At ROVI, the Regulatory Compliance Function is defined as a permanent, independent and objective activity carried on continuously and conceived to add value to ROVI.

The Regulatory Compliance Function is exercised through the following bodies:

a) The **Compliance Committee** is an internal permanent collegiate body that reports directly to the Audit Committee and is considered an advisory body to said Committee in compliance matters.

b) The **Regulatory Compliance Department** is the area responsible for coordinating the day-to-day compliance activities, providing support to the Compliance Committee and informing it of any significant matters.

The Regulatory Compliance Function reports to the Audit Committee, which is the body to which the oversight and control functions are assigned in compliance matters and which, furthermore, the Board of Directors appointed as the body responsible to ensure compliance with the Crime Prevention Model.

Likewise, the Regulatory Compliance function is competent on regulatory compliance matters in respect of all the employees and companies that form part of the ROVI group, irrespective of their geographical location. The ROVI group is defined as all the companies controlled by Laboratories Farmacéuticas Rovi, S.A. that form part of the group according to article 42 of the Code of Commerce.

Lastly, mention should be made of the fact that ROVI's compliance function follows a mixed, partially decentralised model, given that there is head of regulatory compliance for the group, but the manufacturing area also has a head of regulatory compliance and quality for the manufacturing area.

OUR CRIME PREVENTION MODEL

ROVI has a Crime Prevention Model (hereinafter, CPM) for all its companies in Spain. This CPM was prepared taking account of the group's two main business activities: (i) the promotion and sale of medicines and (ii) the manufacture of both its own products and those of third parties.

The CPM has all the elements required under article 31 bis of the Criminal Code and, in particular, the structural controls of the model are those described below:

1. **Risk and Control Map:** ROVI has two risk and control maps adapted to the business activities it conducts.

2. **Protocols or procedures that regulate the process of shaping the will of the legal person**: ROVI has procedures that regulate the decision-making processes and explain the mechanisms with which its collegiate bodies operate. Likewise, it has Regulations that regulate the operation of the Board of Directors, the Audit Committee and the Nomination and Remuneration Commission. Likewise, it has a Charter that regulates the operation of the compliance function.
3. **Criminal compliance body**: the Board of Directors appointed ROVI's Audit Committee as the body responsible for monitoring and overseeing the CPM. It conducts its duties helped by a Compliance Committee, that is responsible for the day-to-day management of the compliance tasks defined by the Audit Committee and the Compliance Committee.
4. **Code of Conduct:** as mentioned, ROVI has a Code of Ethics, approved by the Board of Directors, which is applicable to all group employees, irrespective of their geographical location. Likewise, it has a Code of Ethics for the suppliers, partners and third parties with whom it works.
5. **Complaints channel:** ROVI has an ethics channel for employees and other channels for the suppliers, partners and third parties with whom it works. Their operation is regulated in regulations approved by the Board of Directors.
6. **Disciplinary system:** defined in the Collective Agreement of the Chemical Industry and applied by ROVI to all its employees.
7. **Financial resources management system** adapted to prevent crimes from being committed and reviewed by the Internal Audit Department.
8. **Communication and Training Plan** on the Crime Prevention and Detection Model, approved annually by the Compliance Committee.

Lastly, ROVI reviews the model regularly in accordance with regulatory changes, business changes and other circumstances. The review criterion of the Model are submitted for the approval of the Compliance Committee every year. Likewise, occasionally, ROVI engages an independent third party to review the Model and assess whether it is operating correctly.

The initial risk analysis was conducted by an external consultant and approved by the Audit Committee and the Board of Directors. Subsequently, the Compliance Committee and the Compliance Department have updated said risk assessment in accordance with regulatory changes, business changes and changes in the way ROVI's internal organization operates. The methodology for calculating inherent risk is based on a complex formula, the main variables of which are probability of occurrence and impact.

Likewise, ROVI has worked to identify controls for each of the risks detected. The controls are updated as the group progresses and evolves. Those responsible for control are asked to report annually on the operation of the controls and a third party is periodically requested to make an independent assessment.

ANTI-BRIBERY AND ANTI-CORRUPTION MEASURES

GRI 102-13 & GRI 102-17

ROVI has a **zero tolerance** policy, as reflected in its Code of Ethics, towards any activity or practice involving bribery or corruption as a way to obtain a decision favourable to the group's interests and, therefore, practices intended to do business using undue means will in no case be tolerated. This is complemented by the **Anti-Bribery and Anti-Corruption Policy**, which regulates, among other aspects, both giving and accepting

gifts and must be known and observed by all the professionals who work for ROVI, as well as the suppliers with whom the group has relations. In no case may accepting or giving gifts be used as a subterfuge for bribery or the concealment of an unlawful action.

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

In summary, ROVI has the following policies and procedures to detect and prevent the risks of corruption and bribery:

- The **Code of Ethics of ROVI**, which includes ROVI's commitment to combat corruption and bribery. Specifically, the Code of Ethics expressly rejects any practice involving bribery or corruption as a way to obtain a decision favourable to ROVI group companies and any practice intended to do business using undue means is prohibited. Likewise, the Code of Ethics prohibits any ROVI employee from offering a third party any type of benefit that aimed or intended to unlawfully influence the third party's capacity to adopt objective and lawful business decisions. Likewise, ROVI employees are expressly prohibited from accepting any kind of corruption or bribery offered by a third party.

- ROVI has an **Anti-Bribery and Anti-Corruption Policy** that prohibits (i) any form of bribery, (ii) corruption between individuals, and (iii) influence peddling, and includes the action guidelines and precautions that all ROVI group employees should apply to prevent or mitigate the risks related to corruption and bribery. The Policy also includes the rules on courtesies, gifts and hospitality.

  In 2021, ROVI was not involved in any legal proceedings related to corruption or bribery.

- The ROVI group's medicine marketing activity is subject to the **Code of Good Practice for the Pharmaceutical Industry**, which means that all relations with health professionals must apply the content of said Code. Likewise, in compliance with said Code, all transfers of value to health professionals and health organisations are disclosed annually.

In addition to the above policies, ROVI has the following measures in place:

- The company has entrusted the management and supervision of crime risks to the **Audit Committee**, which, in turn, has delegated the ordinary management of said risks to a **Compliance Committee** that advises the group on these matters and the Compliance Department. Both the Compliance Committee and the Compliance Department have a charter that governs their operation and in which their obligations in this respect are described.

- It has a **Deontological Supervision Department** that aims to oversee compliance with the Code. Likewise, the company is audited quarterly in this respect by an independent auditor.
- It has an **Ethics Channel** through which all employees must notify any situation that may represent a breach of i) current legislation; (ii) the standards and codes to which the ROVI group has adhered voluntarily, (iii) internal policies, (iv) the Crime Prevention Model, or (vi) accounting and financial standards. Said Ethics Channel has Regulations that were approved by the Board of Directors on 7 November, 2017 and is managed by a Management Committee. Likewise, the Compliance Department reports periodically to the Compliance Committee, the Audit Committee and the Board of Directors on the communications received through the Ethics Channel.
- The **Crime Prevention Model** is reviewed annually by an external consultant, who verifies its degree of efficacy and suggests recommendations and improvements.
- It has a **Contract Approval Procedure**, which includes, among other items, a review by the following departments: Legal, Intellectual and Industrial Property, and Compliance.
- It has a P**ayment Policy** and a P**olicy on Per Diem Allowances and Other Expenses**.

ANTI-MONEY LAUNDERING MEASURES

ROVI is considered a **non-obligated** entity in the terms of article 2 of Spanish Law 10/2010 on the Prevention of Money Laundering and Terrorist Financing.

However, ROVI has procedures in place to combat money laundering. All of them are listed below:

- The **registration** process for any **new group supplier** requires submission of the following documentation: (i) Spanish tax identification card or tax residency card for foreign suppliers, and (ii) bank account-holder's certificate. Additionally, a supplier registration form must be completed with other information.

- The **registration** of a **new customer** requires submission of the following documentation: (i) completion of the new customer template, in which the following information is requested: corporate name, registered address, contact details and bank details, (ii) copy of tax identification number or equivalent document, (iii) in the case of customers of the medicine marketing area, a copy of the authorisation as a pharmaceutical product distributor is likewise requested.

- All **payments** are processed in **SAP** (ROVI's ERP). No payments are made outside SAP and the customer / supplier is only registered in SAP if the aforementioned documentation has been provided.

- There is a **Supplier Selection Policy** that includes a list of the criteria used to select each type of supplier. It provides for an initial evaluation and another periodic evaluation. It is used to draw up a list of approved suppliers kept by the Quality Department.

- **Supplier Engagement and Payment Policy**: (i) suppliers with an annual volume of over 100,000 euros, always have a duly signed contract, (ii) it regulates how invoices should be sent and recorded, and (iii) the means of payment accepted.

- **Policy for reimbursement of expenses and payment of per diem allowances**: (i) ROVI only reimburses the following expenses: Transport, Accommodation, Food (per diem) and others: Photocopies / Paper / Envelopes / Couriers / Toner / Ink; Books / Publications; Projector Hire; Professional Association Fees; Courses / Training; Exchange Rate Adjustments. The reimbursement of expenses in preceded by the pertinent expense note, which must be accompanied by the documentary support of the expenses (invoices, etc.). Employees must settle the expenses incurred in providing their services preferably with the corporate credit card and must minimise cash payments.

- ROVI accepts the following **means of payment for collections**:
  - Transfers – 81.5%
  - Direct debits - 18.0%
  - Cheques, promissory notes – 0.3%
  - Cash and point-of-sale terminals (only in the business of Panquímica – it represents roughly 9% of the total collections of Panquímica and 0.02% of the group total) – 0.2%.

- ROVI accepts the following means of payment for payments:
  - "Confirming"
  - Bank transfers
  - Direct debits
  - Nominative cheques: only for payments of conferences to health professionals.

5.2. LABOUR AND EMPLOYEE ISSUES

GRI 103-2 & GRI 103-3

INTRODUCTION: HUMAN RESOURCES POLICY, OBJECTIVES AND COMMITMENTS

For ROVI, one of its pillars of action is to be a place where an **appropriate, safe and comfortable working environment** is guaranteed, promoting good relations, good treatment and tolerance among all its employees and collaborators. This favours the development of a workforce with a top-class professional team that, in 2021, increased by 23 %, thus continuing with the **group's growth strategy** in previous years and the need to adapt human resources to the needs defined by the business strategy.

In spite of the rise in the number of employees, ROVI continues to focus on the **creation of high-quality** and mostly permanent **employment** in order to furnish its employees with stability. The balanced use of permanent and temporary contracts is distributed by using the former for the activity's structural needs and the latter for one-off requirements. This is reflected in a distribution of the workforce by contract type in which permanent employment prevails (77% of employees held a permanent contract at 31 December, 2021).

At the same time, ROVI strives to promote the **highest degree of inclusion and access under equitable conditions** for differently-abled candidates, as well as balance and effective equality in the conditions of men and women. This is one of the defining aspects of its business culture, which it continued to develop in 2021 and will continue to apply in the future.

Finally, for ROVI's strategy, it is vital to feed off the talent of new young professionals while, at the same time, taking advantage of the experience of the more veteran professionals.

ROVI encourages the more experienced workers to mentor, in order to guide and develop the technical skills of younger employees. This generates a flow of important knowledge from the group's most senior professionals to the new generation, one of ROVI's most important values and a key factor in both its development to date and continuing growth in the future.

The human talent development policies are the cornerstone that ROVI uses to manage and increase its workforce. Aligned with its goals, these policies are employed to establish personnel needs and talent management plans and programmes. Thus, full integration between the organisation's policies and human resources management and employee management and practices is achieved.

5.2.1. ENSURING THE STABILITY OF OUR WORKFORCE

DISTRIBUTION OF OUR WORKFORCE

GRI 102-7, GRI 102-8, GRI 401-1 & GRI 405-1

The continuing development and growth of ROVI's business meant that the growth trend of the group's workforce continued in 2021. The group's human team was formed by a total of **1,751** employees as of 31 December, representing a 23% increase in the workforce in 2021. A **balance** between male and female professionals was maintained, with a higher percentage of women (52%), which demonstrates the consolidation of a business culture in which a bet on diversity and equal opportunities prevails in all the professional groups and all the countries where ROVI is present.

The following figures show the **indicators** in relation to ROVI's workforce at 31 December, 2021. Mention should be made of the fact that the data do not include scholarship contracts and that ROVI's activity is not strongly marketed by either seasonality or turnover, the latter of which was 2.89% in 2021.

The workforce turnover is calculated as the percentage of people joining and leaving the workforce in relation to the number of employees in the period from 1 January 2021 to 31 December, 2021.

Total number and distribution of employees by:
Gender

	2021	2020	% Variation
Men	834	672	24%
Women	917	747	23%
Total	**1,751**	**1,419**	**23%**

Age and gender

	2021			2020			
	Men	Women	**Total**	Men	Women	**Total**	% Variation
18-30 years	188	251	**439**	101	137	**238**	84%
31-40 years	244	258	**502**	198	216	**414**	21%
41-50 years	252	250	**502**	225	238	**463**	8%
51-60 years	133	136	**269**	125	127	**252**	7%
>60 years	17	22	**39**	23	29	**52**	-25%
Total	**834**	**917**	**1,751**	**672**	**747**	**1,419**	**23%**

Country and gender

	2021			2020			
	Men	Women	**Total**	Men	Women	**Total**	% Variation
Spain	816	893	**1,709**	656	727	**1,383**	24%
UK	1	1	**2**	0	1	**1**	100%
Germany	12	14	**26**	11	9	**20**	30%
Italy	0	3	**3**	1	4	**5**	-40%
France	4	1	**5**	3	1	**4**	25%
Poland	0	1	**1**	0	1	**1**	0%
Portugal	1	4	**5**	1	4	**5**	0%
Total	**834**	**917**	**1,751**	**672**	**747**	**1,419**	**23%**

Professional classification* and gender

	2021			2020			
	Men	Women	**Total**	Men	Women	**Total**	% Variation
1	1	5	**6**	1	5	6	0%
2	62	60	**122**	42	31	73	67%
3	144	151	**295**	85	113	198	49%
4	145	122	**267**	138	111	249	7%
5	287	297	**584**	229	215	444	32%
6	98	128	**226**	84	120	204	11%
7	64	124	**188**	62	126	188	0%
8	3	1	**4**	3	1	4	0%
0	12	5	**17**	12	5	17	0%
Subsidiaries	18	24	**42**	16	20	36	17%
Total	**834**	**917**	**1,751**	**672**	**747**	**1,419**	**23%**

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

As mentioned above, ROVI is committed to **creating high-quality** and mostly **permanent employment** to generate stability among its workforce. This is reflected in a workforce distribution by contract type in which the permanent workforce prevails (77% of contracts), as may be seen below in the employee figures divided by type of employment contract as of 31 December, 2021 as the average for the year:

Total number and distribution contract types by:

Gender

	2021			2020			
	Men	Women	**Total**	Men	Women	**Total**	% Variation
Permanent. full-time	632	669	**1,301**	544	589	1,133	15%
Permanent part-time	1	3	**4**	1	7	8	-50%
Permanent reduced hours	3	36	**39**	0	0	0	0
Total perm.	**636**	**708**	**1,344**	**545**	**596**	**1,141**	**18%**
Temp. specific project or service	1	0	**1**	4	10	14	-93%
Temp. work backlog	135	118	**253**	74	74	148	71%
Temp. substitution contract	6	10	**16**	5	0	5	220%
Training/apprenticeship	47	57	**104**	34	47	81	28%
Temp. part-time	9	24	**33**	10	20	30	10%
Total Temp.	**198**	**209**	**407**	**127**	**151**	**278**	**46%**
Total	**834**	**917**	**1,751**	**672**	**747**	**1,419**	**23%**

Age

	18-30	**31-40**	**41-50**	**51-60**	**>60**	**Total**
Permanent	219	414	449	249	13	**1,344**
Temp. specific project or service	1	0	0	0	0	**1**
Temp. work backlog	116	74	48	15	0	**253**
Temp. substitution contract	4	6	5	1	0	**16**
Training/apprenticeship	97	7	0	0	0	**104**
Temp. part-time	2	1	0	4	26	**33**
Total	**439**	**502**	**502**	**269**	**39**	**1,751**

Professional classification*

	1	2	3	4	5	6	7	8	0	Sub-sids.	Total
Permanent	6	28	206	226	437	191	187	4	17	42	**1,344**
Temp. specific project or service	0	0	0	0	0	1	0	0	0	0	**1**
Temp. work backlog	0	90	64	13	73	13	0	0	0	0	**253**
Temp. substitution contract	0	2	6	0	5	3	0	0	0	0	**16**
Training/apprenticeship	0	0	9	16	61	18	0	0	0	0	**104**
Temp. part-time	0	2	10	12	8	0	1	0	0	0	**33**
Total	**6**	**122**	**295**	**267**	**584**	**226**	**188**	**4**	**17**	**42**	**1,751**

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

Average and distribution contract types by:
Gender

	2021		
	Hombres	Mujeres	**Total**
Permanent full-time	594	605	**1,199**
Permanent part-time	1	5	**6**
Permanent reduced hours	3	37	**40**
Total permanent	**598**	**647**	**1,245**
Temp. specific project or service	3	0	**3**
Temp. work backlog	101	97	**198**
Temp. substitution contract	7	13	**20**
Training/apprenticeship	38	53	**91**
Temporary part-time	10	21	**31**
Total temporary	**159**	**184**	**343**
Total	**757**	**831**	**1,588**

Age

	18-30	31-40	41-50	51-60	>60	Total
Permanent	167	379	435	247	17	**1,245**
Temp. specific project or service	2	1	0	0	0	**3**
Temp. work backlog	75	57	48	16	2	**198**
Temp. substitution contract	4	7	7	2	0	**20**
Training/apprenticeship	83	8	0	0	0	**91**
Temp. part-time	1	1	0	1	28	**31**
Total	**332**	**453**	**490**	**266**	**47**	**1,588**

Professional classification*

	1	2	3	4	5	6	7	8	0	Sub-sids.	Total
Permanent	6	24	169	219	399	179	190	4	17	38	**1,245**
Temp. specific project or service	0	0	0	1	1	1	0	0	0	0	**3**
Temp. work backlog	0	64	63	11	45	12	0	0	0	3	**198**
Temp. substitution contract	0	4	8	1	4	2	1	0	0	0	**20**
Training/apprenticeship	0	0	8	15	49	18	0	0	0	1	**91**
Temp. part-time	0	1	9	12	8	0	1	0	0	0	**31**
Total	**6**	**93**	**257**	**259**	**506**	**212**	**192**	**4**	**17**	**42**	**1,588**

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

In the complicated years of 2020 and 2021, ROVI's turnover was not affected by any temporary redundancy proceedings (ERTE) or similar. It followed the same path as in other years with a similar percentage of employee turnover, both voluntary and due to business needs (2.89%). In this respect, the group guarantees the greatest diligence in safeguarding employee rights, as well as always maintaining the intention of recovering these professionals if business circumstances so permit.

Number of dismissals by: Gender

	2021	2020	% Variation
Men	10	13	-23%
Women	11	5	120%
Total	**21**	**18**	**17%**

Age and gender

	2021			2020			
	Men	Women	**Total**	Men	Women	**Total**	% Variation
18-30 years	3	1	**4**	1	0	**1**	300%
31-40 years	2	2	**4**	3	0	**3**	33%
41-50 years	1	6	**7**	8	3	**11**	-36%
51-60 years	4	2	**6**	1	2	**3**	100%
>60 years	0	0	**0**	0	0	**0**	0%
Total	**10**	**11**	**21**	**13**	**5**	**18**	**17%**

Professional classification* and gender

	2021			2020			
	Men	Women	**Total**	Men	Women	**Total**	% Variation
1	0	0	**0**	0	0	**0**	0%
2	2	1	**3**	0	1	**1**	200%
3	1	0	**1**	5	1	**6**	-83%
4	1	1	**2**	2	1	**3**	-33%
5	5	4	**9**	4	0	**4**	125%
6	1	3	**4**	1	0	**1**	300%
7	0	2	**2**	1	2	**3**	-33%
8	0	0	**0**	0	0	**0**	0%
0	0	0	**0**	0	0	**0**	0%
Subsidiaries	0	0	**0**	0	0	**0**	0%
Total	**10**	**11**	**21**	**13**	**5**	**18**	**17%**

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

5.2.2. PROMOTING THE ATTRACTION AND RETENTION OF TALENT

ATTRACTING AND RETAINING TALENT

GRI 401-1

Attracting the best professionals and helping them to reach their greatest potential is the basis of ROVI's talent management and is the foundation that sustains business growth. The design and management of policies **for training, attracting and retaining the best professionals** are the responsibility of the Human Resources Department, which, at the same time, applies the **recruitment selection policy** established by the company, based on sound principles such as:

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

As a result of these policies and the growth ROVI has experienced, in 2021, there were 549 new recruits who remained with ROVI at 31 December, 2021. Likewise, 26 employees were promoted internally.

5.2.3. ENSURING HEALTH AND SAFETY

GRI 403-1 & 403-4

HEALTH, SAFETY AND OCCUPATIONAL HAZARD MANAGEMENT

Occupational hazard management is the conducted by the **Safety and Environment Department**, which holds exclusive responsibility for aspects related to environmental management, as well as workplace safety and health throughout the group.

ROVI has an Integrated **Environmental and Occupational Hazard Prevention Management Policy**, applicable to the whole group, the objective of which is to protect the lives, physical integrity and health of all workers, both those of the company itself and those of companies that work with it. This Policy is based on a series of corporate **procedures**, as well as local procedures and specific work instructions for each centre.

Likewise, in 2021, all ROVI's industrial plants migrated their hazard prevention management to **ISO 45001:15**, an international standard for occupational health and safety management systems.

Specifically, the ROVI group fixed its goal at an **accident rate** (number of accidents / number of workers * 100) of 1% with sick leave and 2.5% without sick leave. In addition, each plant individually defines specific prevention goals. Examples of these are as follows:

- Decrease in the risk of handling loads manually, overexertion, and unnatural postures in two tasks of Manufacturing Worker and Packaging Worker (from moderate to tolerable).
- Reduction in exposure to chemical agents in Automatic Zone 2 and Plenum to a value acceptable to the Organisation in accordance with the corporate Guide on Chemical Agent Exposure.

The **main occupational hazards** identified by ROVI in accordance with the corporate procedure on hazard identification, risk assessment and determination of controls are principally those inherent to a production plant: contact with and exposure to chemical products, noise exposure, overexertion, etc.

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

The group also has several **Safety and Health Committees** on which all ROVI employees are represented.

Over the last two years, the priority in workplace safety and health management has focused on preventing the impact of the **COVID-19** pandemic by putting in place all the protocols necessary for early detection of cases in ROVI, as well as assessments of close contact, and implementing multiple safety measures to prevent infection in the workplace, such as checking temperatures at the accesses to all our plants, the compulsory use of masks, the determination of safety distances, review of workstations, encouragement of teleworking, increase in disinfections, etc.

ACCIDENT RATE

The following are the indicators relating to workplace accidents in 2021 and 2020 (they include the way to work accidents):

Frequency rate for work-related accidents* by gender

	2021	2020	% Variation
Men	6.872	2.143	221%
Women	7.132	6.769	5%
Total	**7.008**	**4.574**	**53%**

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

Work-related accidents severity rate* by gender

	2021	2020	% Variation
Men	0.228	0.039	486%
Women	0.313	0.29	8%
Total	**0.273**	**0.171**	**59%**

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

Work-related accident incidence rate* by gender

	2021	2020	% Variation
Men	1.799	0.595	202%
Women	1.854	1.874	-1%
Total	**1.828**	**1.268**	**44%**

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

The number of work-related accidents in 2021 and 2020, broken down by gender, are shown below:

Number of work-related accidents* by gender

	2021	2020	% Variation
Men	15	4	275%
Women	17	14	21%
Total	**32**	**18**	**78%**

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

On the way to work accidents represent 13 of the 33 reported cases. On the other hand, there was no sick leave due to occupational diseases among ROVI's employees in 2021. The figures shown above do not include sick leave caused by COVID-19.

ABSENCE RATE

As mentioned above, employee health is a primordial factor in order for ROVI's activity to operate correctly, not only because a healthy payroll allows the activities planned and scheduled to be carried out, but also because the well-being of the workforce benefits the Organisation as a whole, their families and society in general.

Therefore, ROVI prepares and monitors, on a monthly basis, a series of indicators with which absences are **monitored regularly**, monthly and annually, distinguishing between different types in accordance with their causes. The indicators are analysed to determine possible areas where the group can take action to reduce absences. Additionally, the preceding annual period is compared to see the evolution over time.

The indicators show that ROVI's absence level is 2021 was, as in preceding years, **below the level of the sector** in which it carries on its activity.

The following tables show a summary of the absolute absence rates in 2021 and 2020 due to work-related accidents, occupational diseases and common contingencies and, since 2020, information on sick leave due to COVID-19 in Spain. Special attention should be drawn to the fact the figures concerning the latter, which are better than the sector average, were possible partly due to the different prevention measures that ROVI adopted early on, at the beginning of the crisis, and which are still in force today.

ECONOMIC GROUP: 28/12/51 – ROVI GROUP
PERIOD: JANUARY TO DECEMBER 2021
COMP. SECTOR CNAE21 – MANUFACTURE OF PHARMACEUTICAL PRODUCTS

Summary of sick leave rates in the period

	2021		2020		
	ROVI	Sector	ROVI	Sector	% Variation
Total SL rate	3.31%	4.30%	3.34%	4.39%	-1%
SL rate: AW & OD	0.23%	0.39%	0.14%	0.16%	64%
SL rate: CC	2.49%	3.32%	2.42%	3.39%	3%
SL rate: COVID-19	0.60%	0.62%	0.77%	0.83%	-22%

Summary of sick leave rates in the period

	2021	2020	% Variation
Total SL rate	3.31%	3.34%	-1%
SL rate: AW & OD	0.23%	0.14%	64%
SL rate: CC	2.49%	2.42%	3%
SL rate: COVID-19	0.60%	0.77%	-22%

SL: Sick leave
AW: Accident at work
OD: Occupational diseases
CC: Common contingencies

Source: FREMAP Work Accident Mutual. Annual Global Absenteeism Report ROVI GROUP.

	2021				2020			
	Days sick leave	Days worked	Absence rate	Sector absence rate	Days of sick leave	Days worked	Absence rate	Sector absence rate
Total	18,975	573,098	3.31%	4.30%	16,656	499,355	3.34%	4.39%

Days sick leave: days sick leave for AW+OD+CC+COVID-19 recorded.

Notional days worked: days worked by each worker in companies with professional and common cover with a mutual society that collaborates with the Social Security. In the file of movements sent by the General Treasury of the Social Security, the days worked in the company by each worker are calculated and the days of all the workers are added together.

*Total absolute absence rate: percentage ratio between the days of sick leave (AW+OD+CC+COVID-19) and the notional days worked by each worker in companies with professional and common cover with a mutual society that collaborates with the Social Security (Days sick leave AW+OD+CC+COVID-19 / notional days) * 100.*

Sector: Data relating to the group protected by the mutual society that collaborates with the Social Security in the sector and/or region selected.

Fuente: Mutua de Accidentes de Trabajo FREMAP. Informe Anual de Absentismo Global GRUPO ROVI.

From the data shown for accidents at work, occupational diseases and common contingencies, it may be seen that the number of days of absence was 18,975, equivalent to 151,800 working hours lost, representing an absence rate of 3.31%. There were no occupational diseases among ROVI's employees in 2020.

5.2.4. PROMOTING EQUAL OPPORTUNITIES, DIVERSITY AND INCLUSION

EQUAL OPPORTUNITIES

GRI 102-35 & 405-2

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

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

Likewise, ROVI is committed to **non-discrimination** due to gender or any other personnel characteristic in selection, promotion and professional development processes and in the policy of the remuneration of its workers.

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

Equality Plan

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

In 2020 and 2021, the ROVI group worked to implement an Equality Plan in line with the regulatory framework set out in Royal Decree-Law 6/2019. The consultancy firm PwC (PricewaterhouseCoopers) and an Equality Commission formed by the company's main interlocutors took part in preparing said Equality Plan.

However, the surprising publication of Royal Decree 901/2020 of 13 October, which regulated equality plans and the registration thereof and amended Royal Decree 713/2010, led to substantial changes in the methodology for preparing the plan and in the company's obligations. Therefore, the Equality Plan has been updated within the framework of the new legislation and is expected to be published during the first few months of 2022.

To complement this, in 2021, ROVI carried out a **survey on equality**, in order to find out how the employees perceived questions like discrimination in selecting personnel, internal promotion or remuneration, among others. The questionnaire, which was anonymous, received 498 replies. 57.43% of the participants were women and 59.44% were aged 40 and over.

From the replies received, it may be concluded that ROVI employees perceive that the criteria for selecting personnel, internal promotion and remuneration in the group are carried out on the basis of equality. Additionally, a majority of employees are aware of the procedures that ROVI has in place for action in the event of harassment or discrimination.

In addition, as mentioned previously, the proportion of women employed at ROVI at 31 December, 2021 was 52% (917 women in comparison with 834 men).

The percentage of women in management positions at ROVI at 31 December, 2021 was 31% and the proportion of women on the Management Committee was 25%

Code of Ethics

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

Protocol for the Prevention and Handling of Cases of Moral and Sexual Harassment

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

Ethics Channel

Finally, to ensure that any reports that may be received informing of a violation of the aforementioned Protocol, the Code of Ethics or, in general, of any approved policy or procedure are handled properly and receive an appropriate response, ROVI has made an Ethics Channel available to its employees, suppliers, trading partners, agents and external collaborators. The Regulations of the Ethics Channel govern the procedure to follow when handling or processing any reports or notifications received and ensures that, when faced with an action that potentially contravenes the company's principles and values, the organisation is able to react strictly, efficiently and diligently.

Average remuneration

ROVI holds the conviction that the **principle of equal remuneration for work of equal value** should be applied effectively. This is the idea that guides its wage policy, which is applied at the time the employee is recruited and in the successive salary reviews throughout his or her working life. In 2021, the average employee remuneration dropped 4% to 35,475 euros, as shown below. This decrease is explained by the increase in the new workers hired subsequent to the manufacturing agreement for the Moderna COVID-19 vaccines, whose jobs are mainly in professional categories 2 and 3. In 2021, a total of 200 workers joined ROVI. The increase in personnel in the lower-remunerated professional groups meant that the group's average remuneration was lower than in 2020.

Average remuneration* by Gender

	2021	2020	% Variation
Men	36,868 €	38,677 €	-5%
Women	34,082 €	35,410 €	-4%
Total	**35,475 €**	**37,044 €**	**-4%**

Age and gender

	2021			2020			
	Men	Women	**Total**	Men	Women	**Total**	% Variation
18-30 years	23,834 €	25,446 €	**24,755 €**	24,737 €	25,705 €	**24,737 €**	0%
31-40 years	30,369 €	33,647 €	**32,053 €**	30,216 €	34,177 €	**30,216 €**	6%
41-50 years	42,676 €	39,149 €	**40,919 €**	42,890 €	38,655 €	**42,890 €**	-5%
51-60 years	51,848 €	41,689 €	**46,712 €**	51,676 €	42,276 €	**51,676 €**	-10%
>60 years	71,023 €	33,135 €	**49,650 €**	60,862 €	33,752 €	**60,862 €**	-18%

Professional group** and gender

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

** Scholarship remuneration is not included because scholarship-holders do not have a Professional Group.*
***Professional Group according to the XX Collective Agreement of the Chemical Industry.*
**** Wage gap calculated as the difference between the average salary of men versus that of women.*

.

The remuneration figures shown above contain items relating to fixed remuneration and variable remuneration (commissions and bonuses).

ROVI has a **Policy for the Reimbursement of Expenses and Payment of Per Diem Allowances** for a series of stipulated items, in order to prevent the need for employees to incur additional expense when working for the company. The reimbursement of expenses in preceded by the pertinent expense note, which must be accompanied by the documentary support of the expenses (invoices, etc.). To prevent fraud, employees must settle the expenses incurred in providing their services preferably with the corporate credit card and must minimise cash payments.

Average remuneration of management

At 31 December, 2021 and 2020, the Management Committee was formed by 12 members, three of whom were also on the Board of Directors.

The average remuneration accrued by the members of ROVI's Management Committee in 2021, including fixed and variable remuneration and remuneration in kind, was 267,161 euros for men and 152,563 euros for women. The difference is because, in the case of the men, three of them are also Executive Directors and their salaries reflect the additional responsibilities they hold.

A table with details of these figures is shown below:

	2021			2020			
	Men	Women	**Average**	Men	Women	**Average**	% Var
Fixed remuneration	188,455 €	116,954 €	**152,704 €**	188,677 €	116,229 €	**152,453 €**	0%
Variable remuneration	68,055 €	26,667 €	**47,361 €**	63,667 €	28,333 €	**46,000 €**	3%
Remuneration in kind	10,652 €	8,943 €	**9,797 €**	12,272 €	9,151 €	**10,712 €**	-9%
Average total	**267,161 €**	**152,563 €**	**209,862 €**	**264,615 €**	**153,713 €**	**209,164 €**	**0%**

Average director remuneration

The average remuneration of the members of the Board of Directors in 2021 for their work as directors amounts to 82,667 euros in the case of men and 80,000 euros in the case of women. This difference lies in the higher remuneration of the Chairman of the Board of Directors, Mr. Juan López-Belmonte López for his term in 2021.

Wage gap

ROVI is committed to applying the principle of **equal remuneration for work of equal value** effectively and takes this principle as the basis of its wage policy, applying it in its wage-fixing practice upon hiring the employee and in the salary reviews throughout his or her working life.

To guarantee the foregoing, ROVI considers that **regular analysis and monitoring** of the gender wage gap is the tool necessary to ensure application of the principle of wage equality, since a regular evaluation of indicators that show wage differences by job and gender permit any possible differences between genders to be examined and reduced.

In line with the foregoing, in 2018, ROVI engaged the consultancy firm PricewaterhouseCoopers Auditores, S.L. to perform a limited assurance review of the wage gap indicators by professional group in group companies. The indicators were drawn up on the basis of the methodology published in January 2015 by the Ministry of

the Presidency, Parliamentary Relations and Equality in relation to calculating the gender pay gap.

Said indicators made a diagnostic analysis of the group's workforce to find out the differences in the remuneration of men and women in the same jobs. In the analysis of the indicators, it could be seen, in the opinion of the aforementioned auditor, that there was no gender-based wage discrimination, with no differences in remuneration that were not based on personal factors (qualifications, work experience, length of service, etc.) or position (duties, degree of responsibility, working hours, etc.).

In 2019, ROVO updated the data as of 31 December and the indicators led to the same conclusion: there was no gender-based wage discrimination that was not based on personal or job-related factors.

Taking a further step in the continuity of the commitment to equality and the regular monitoring of the wage gap, in 2019, ROVI began to prepare a **new Equality Plan** including the requirements established by Royal Decree Law 6/2019 on Urgent Measures for Equal Treatment and Opportunities for Men and Women in Employment and Occupation. The Plan included a regular review of wages by gender to detect any possible wage gap and, where appropriate, the measures necessary to correct it. The consultancy firm PwC (PricewaterhouseCoopers) and an Equality Committee that included the company's main interlocutors took part in preparing this Equality Plan.

However, as mentioned previously, the surprising publication of Royal Decree 901/2020 of 13 October, which regulated equality plans and the registration thereof and amended Royal Decree 713/2010, as well as Royal Decrees 901/2020 and 902/2020 of October 13, on equal remuneration for men and women, led to substantial changes in the methodology for preparing the plan and in the company's obligations. Therefore, the Equality Plan has been updated within the framework of the new legislation and is expected to be published during the first few months of 2022. The new legislation includes a valuation of jobs and a wage audit allowing any wage gap to be detected, take corrective measures where appropriate, monitor the evolution of wages and avoid any deviation in wage equality.

DIVERSITY OF NATIONALITIES

GRI 405-1

As mentioned, ROVI is committed to **non-discrimination** based on gender or any other personal characteristic in its selection, promotion and professional development processes and the remuneration policy applied to the workers.

ROVI employees in 2021 were mainly Spanish nationals, due to the location of its head offices and production plants. There are also employees of other nationalities, who receive the same treatment in ROVI's selection, promotion, remuneration and training processes.

Number of employees by nationality

	2021
Spanish	1,692
German	26
French	8
Italian	7
Portuguese	7
Romanian	4
Polish	2
British	2
Venezuelan	2
Chilean	1
Total	**1,751**

PROTECTING AND MAINSTREAMING DISABILITY

GRI 405-1

As a socially responsible company, ROVI maintains a commitment to **integrating people with disabilities in the workplace**. Having a job allows both their incorporation into the workplace and a decrease in the risk of social exclusion, with the adverse social and financial consequences that this implies. In addition, the spirit of sacrifice and desire to improve of differently-abled people provides added value to the ROVI and enriches it.

As an expression of its commitment to integrating people with disabilities in the workplace, ROVI fosters their joining its workforce. Thus, in 2021, the number of people with disabilities who formed part of ROVI's direct workforce had **increased in comparison with the preceding year**. At 31 December, 2021, there were 31 employees, in comparison with 26 the previous year. Additionally, in 2021, 6 people were working for the company through a temporary employment company, making a total of 37.

The group holds agreements with the Fundación Prods, the Fundación Manantial and the Associación Síndrome de Down in Granada whereby it conducts supported employment programmes aimed at the workplace inclusion of persons with intellectual disabilities. ROVI firmly believes that, when person with intellectual disabilities receive the training and support necessary, they provide the best of their personal, social and employment abilities and perform high-quality work.

To complement the foregoing, ROVI carries out **actions to foment the social integration of this group** in two spheres. First, within its activities related to Corporate Social Responsibility, it provides economic cooperation to various non-profit entities that carry on their activities in the area of help for the social inclusion of persons with intellectual and/or physical disabilities by organising leisure and sports activities, which are difficult for these people to access. Likewise, Special Employment Centres are its service providers in several different areas of the company's activity (*to consult these*

two spheres of action in detail, please see section 5.4.3 CONTRIBUTION OT THE ENVIRONMENT IN WHICH WE OPERATE).

Universal accessibility

Full social and workplace integration of persons with disabilities is hindered, firstly, by the physical obstacles to access to the work environment. In addition, the difficulty in using tools, objects and products irrespective of the person's technical, cognitive or physical skills is a further hurdle. ROVI believes that full and complete integration requires both types of barriers to be overcome.

To **overcome the physical barriers**, ROVI is endeavouring for the work centres where it carries on its activities to be accessible for everyone safely, comfortably and independently. For this to materialise, the new plans for remodelling works on work centre accesses include accessibility for persons with disabilities as one of the design premises.

To make the products marketed easier to use, they are labelled in Braille, so that the visually impaired can use them autonomously. Thus, the purpose for which they were designed is fully attained. Likewise, ROVI adapts the workstation and the work tools to the needs of the employees who are going to use them.

For ROVI, it is also important for its employees to be sensitised to the difficulties of persons with disabilities. Therefore, at the same time as the actions to favour accessibility, ROVI fosters **sensitisation** as the primary tool to combat the barriers that exist for people with disabilities. In this respect, it carries out corporate volunteering activities with non-profit entities engaged in the social integration of persons with mental and intellectual disabilities.

This allows employees to obtain first-hand knowledge of the main barriers that people with disabilities have to overcome in their everyday life. These activities are broadcast on the organisation's internal television channel and included in the periodic internal publications. Thus, the group's commitment to accessibility and inclusion is shared with the employees, in order to raise disability awareness and combat the discrimination suffered by this group of people.

5.2.5. DRIVING TRAINING, DEVELOPMENT AND PERFORMANCE EVALUATION

GRI 404-1

Training

The group knows that making training a priority is a long-term investment so that ROVI's talent is well prepared and develops its highest potential.

For this reason, ROVI strives for the employees to have the necessary training to cover, not only the requirements of their present job, but also to tackle future needs derived from the use of new technologies, equipment, instruments, etc. or the need to take on greater responsibilities or more important projects.

To draw up the annual training plans, the training needs in each area are identified, a process in which the Human Resources Department, group Management and Middle Management are involved.

ROVI's annual plan is aligned with the strategic and business objectives. Through training, it is sought to efficiently help people to contribute and add value to the attainment and achievement of ROVI's strategic objectives. Likewise, ROVI has individual development plans. Depending on the specific needs identified, different alternatives and training plans are put into place in order to promote the career plans of specific employees.

ROVI works with a training model that foments **self-responsibility and commitment**. Thus, 40% of development and learning takes place through training actions in the classroom or in virtual or e-learning format and 20% takes place through feed-back, observation or with the support of mentors, coaches, professional associations, spaces for reflection, conversations with other people, leaders, etc. Lastly 40% of development and learning takes the form of job experience, applying new learning in real situations, problem-solving, participating in projects and new challenges, rotating through different departments, etc., always taking the professional profile and the needs of each area into account.

In 2021, ROVI implemented a new **training platform** called Campus ROVI to manage and record the training of its employees. The platform, which came into operation in June 2021, allowed 31 trainings to be introduced, including courses on ROVI's Anti-Corruption and Anti-Bribery Policy and on the Social Responsibility Standard SA8000, aimed at all group employees, as well as course addressed to specific areas of ROVI and its subsidiaries, such as the Sales Network, Customer Service or Quality.

Basic principles of the ROVI group's training programmes/actions

- Training programmes will contain aspects related to respect for human rights and will foster an ethical culture.
- No discrimination on the grounds of gender, age or origin. Professionals with equal positions and professional development have the same training opportunities.
- Training actions will respect the current regulatory framework and demands of the work and business environment. ROVI will provide training in new legislation, so that workers know and comply with current laws.
- The use of different training tools is favoured (classroom, on-line, platforms, etc.).
- Sharing the knowledge that exists in ROVI, continuing learning and cultural exchange is encouraged.

The total number of hours of training distributed by professional group are shown below:

Total hours of training by professional group*

1	2	3	4	5	6	7	8	0	Subs.	Total 2021	Total 2020	% Var.
66	3,063	9,033	8,133	17,760	5,662	4,700	100	204	672	**49,393**	**30,824**	**60%**

**Professional Group in accordance with the XX Chemical Industry Collective Agreement.*

The number of hours shown refers to training actions recorded either in the quality system or with the State Foundation for Training in Employment. In addition to the aforementioned, numerous training actions are carried out as part of normal job dynamics.

Additionally, 100% of ROVI's employees received some kind of training in 2021 and the average hours of training per employee was 28.2. In 2020, it was 16.6.

Scholarship policy

For the ROVI group, cooperation with universities and professional training centres is of key importance in recruiting new, young talent for its teams. This is why the group holds more than 20 agreements with Spanish universities at national level, so that undergraduates in their last year and students studying for a Master's degree or doctorate can carry out their practical training in different areas of the group, while professional training students can obtain their practical training credits with ROVI.

89% of the people who have a scholarship at ROVI finally join the group with a contract. The possibility for talented young people to train and ROVI's investment in this training is indispensable in order to have a good reserve of talent for the future.

- 90% of the ROVI group's scholarships are remunerated.
- 90% of the scholarships are full time.
- 90% of the scholarships last for 6+6 months.

In 2021, there were a total of 104 training contracts at ROVI and an average of 52 scholarships.

5.2.6. ACHIEVING THE WELL-BEING OF OUR EMPLOYEES

ORGANISATION AND WORK-LIFE BALANCE

The global health crisis that affected us for much of 2020 and continued throughout 2021 led to the need to adapt the way in which all ROVI's employees worked to this unusual situation. This has had consequences in practically all areas of the employment relationship, including the place of work for a large part of the employees, the way of

recording the hours worked, or the organisation of working time. It also affected the absence rate, as well as employee remuneration. Thus, during the worst moments of the crisis, from mid-March to June 2020, ROVI group employees who were physically present at work received financial recognition equivalent to 20% of their salary for the period.

Disconnection from work

Before Royal Decree-Law 8/2019 of 8 March on Urgent Measures for Social Protection and the Fight against Job Insecurity in the Workplace (the "Royal Decree") was promulgated. ROVI already aimed for its employees to be able to enjoy their time off effectively and conserve their personal and family privacy. To do this, ROVI has encouraged practices aligned with disconnection from work, avoiding communication with employees through any channel (telephone, e-mail or any other) outside working hours unless there is an urgent, unforeseen need that cannot be met otherwise. Likewise, meetings in the later part of the working day are avoided, in order to prevent overstepping working hours at the end of the day and thus affecting the work-life balance.

When the aforementioned Royal Decree-Law 8/2019 was promulgated, ROVI included a Digital Disconnection Protocol in its Agreements with the Workers' Representatives and its Working Day Register Policies. This regulates ROVI's commitment not to require its employees to connect to the company's digital systems, e-mail or telephone once the working day fixed for each worker has concluded.

Working day register

Royal Decree-Law 8/2019 of 8 March on Urgent Measures for Social Protection and the Fight against Job Insecurity in the Workplace amended article 34.9 of the Workers' Statute by requiring a working day register, which must include the specific starting and finishing times of the working day of each worker. The foregoing falls within the framework of the public authorities' intention, which ROVI shares, to ensure compliance with the limits on working hours, create a framework of legal certainty, protect workers against abuse of their working time, avoid fraud in providing and paying social security contributions on overtime and favour the work-life balance.

The working day register has never been the cause of any conflict in the organisation, since it was introduced into the group decades ago. Likewise, office workers and those holding positions of responsibility have always worked on a flexible basis in an environment of mutual trust.

In this context, ROVI has adapted the working hours system to the new requirement of the Royal Decree by developing rules on time checks that are a continuation of the policy that has been implemented in the organisation for decades, likewise including the specific features of certain jobs for which these checks are more complicated, putting guidelines in place to ensure legal certainty and the rights of both the workers and the organisation.

The COVID-19 health crisis brought a generalised use of teleworking to all the jobs where physical presence at the work centre is not indispensable and which permit remote working. The ease of implementing it and efficiency in the work performed have been

variable in different jobs, but, however, prevention measures, the employees' health and public health were given priority over any other criterion. During this crisis, all the office staff who did not necessarily need to be present at the work centre worked from home. The percentage of teleworking varied between 100% and 10%, depending on the severity of the different waves of the crisis, the need for a work-life balance and the health of each employee.

The foregoing has led to the adaptation of the already existing working hours registration system, where people clocked in physically on the company's premises, and the implementation of a clocking-in system better adapted to **teleworking**.

Organisation of working hours

ROVI carries on its economic activities in **three different environments**: the industrial production area, the sales area and the industrial structure/offices area. The activity of each one of them has different dynamics, requiring different working hours and ways of organising working time. In all of them, ROVI foments criteria for organising working time and time off to facilitate the best work-life balance possible, as well as enabling ROVI employees to exercise motherhood and fatherhood responsibly.

The **industrial** environment, which includes the employees working at the pharmaceutical product production plants, makes it necessary for employees who are engaged in manufacturing tasks or work directly related thereto to have working hours that coincide with the times of activity of the production processes. This means that this group of people works, in general, under a shift system. Since ROVI is aware that shift work is more arduous, it is used when there is no other possible alternative that is compatible with the viability of the activity and the demand for the product manufactured and we strive to reduce the inconvenience of the shift dynamics as much as possible. The holiday period in the industrial area is also subject to the volume of activity and must, in general, be arranged on fixed dates for the whole workforce. At any event, we endeavour to ensure that it is always in summer and ROVI undertakes that at least half the holidays will be enjoyed in the summer period. Additionally, the time off scheduled to adjust the work calendar of this group of employees is fixed to coincide with school holidays, so that the employees can enjoy it with the rest of their families.

The health crisis has also had an effect on the organisation of the work of shift workers who use the plants' changing rooms. COVID-19 has led to the need to disinfect the changing rooms at each change of shift for appropriate prevention and workplace safety. Additionally, there have been other changes. Thus, some shifts and lines have had to end their working day earlier, while others have had to extend it to avoid stopping production, with the damage this would cause. In cases where the working day has had to end early, no penalty has been applied to the workers' salaries and, when the working day has had to be extended, the workers have been compensated either economically or with time off.

Employees in the **sales area** carry on their activity in daytime working hours, coinciding with those of the customers to whom they market ROVI's products. Given the nature of their activity, they have a high degree of independence in planning their work, which allows them to reconcile their work with any needs that may arise in their family life.

Employees in this area have also suffered changes in the organisation of their work due to of the health crisis. This has been because of the generalised restrictions on in-person medical visits that the health authorities have established to a greater or lesser degree in each wave of the crisis. In general terms, the change has entailed replacing in-person visits by digital interactions, videoconferences, virtual medical visits and other actions adapted to the aforementioned restrictions.

In the **industrial structure and office area**, time is organised through flexible working hours. This allows employees to start and end their working day with a margin of choice, depending on their needs or preferences.

In the last two groups mentioned, holidays are preferably taken in summer and, additionally, time off is arranged during school holidays.

Work-life balance and encouraging co-responsibility

ROVI endeavours to create an environment in the organisation that enables its employees to attain a higher quality of life, with a balance between their personal and family life and progress in their professional careers. To do this, a set of work-life balance measures are in place, with options adapted to different personal and family situations.

ROVI's employees apply the work-life balance measures contained in current legislation and the enhancements introduced by the **Collective Agreement of the Chemical Industry**, as well as other measures, such as flexible working hours, exchanging shifts or flexibility in the calendars for time off. As we say above in the section on Organisation of Work, ROVI has a flexible starting and finishing times for the working day of office employees and structure employees in the industrial area. Likewise, it allows exchanges of shift or days between co-workers in the industrial area and shorter working days adapted to the needs of each person, also offering flexibility in holiday calendars, provided that this is compatible with the activity of area in which the employee works

ROVI also supports the **work-life balance** through advantages in the remuneration of its workforce. Thus, it ensures that maternity does not represent any decrease in the usual income of the pregnant woman or the father. In this respect, as an improvement on the government benefits, pays a wage supplement that completes the benefit received from the Social Security to 100% of the employee's salary. It also offers salary options, with the availability of nursery school vouchers, restaurant vouchers and health insurance. Furthermore, ROVI offers all its permanent employees cover by the life insurance policy paid by the company.

In order to prevent avoidable travel and trips, ROVI provides all the personnel who so require with a laptop computer with connectivity to the ROVI network and encourages the use of videoconferences and on-line meetings. Likewise, in cases where the confidentiality obligations associated to the work documentation so permits, teleworking is organised during the last weeks of pregnancy. Additionally, at work centres where street parking is difficult, parking spaces are made available to pregnant women.

Due to the crisis caused by COVID-19, ROVI has prioritised this factor when organising its employees' work from home. Thus, in those cases where employees included in the **teleworking** system had difficulties in working the shifts where their in-person

presence was required, they were excused from attending and allowed to work 100% of their working hours from home.

INTERNAL COMMUNICATION CHANNELS

GRI 402-1

ROVI strives to keep its employees informed of all aspects that are important to the group. To do this, it uses different channels that are implemented and available to the entire workforce to inform on matters of general interest, company milestones, agreements and/or organizational changes, using the best technological advances to reach both the workers with access to office IT in the course of their work and those who do not use it.

Therefore, it uses resources like the internal television channel, notice boards and e-mails but, since it was implemented in 2019, has encouraged the use of the **mobile application Rovi Rocks**, which, in recent years, with the situation caused by COVI, has shown itself to be one of the most efficient resources. This application, which is for internal use by ROVI employees, allows people to be up-to-date on new developments in the group, in addition to including very useful information, such as an employee directory with their contact phone numbers, the confidential consultation channel Ethics Channel, or the section Ideas ROVI, through which employees may submit improvement proposals for the group. Additionally, the application allows the employee to enter an area of discounts and groups that are exclusive to ROVI employees and also includes a virtual library section (called Roviteca), where they can access a catalogue of more than 2,000 titles of all kinds: novels, educational, magazines, children's books, classics, etc.

In relation to environmental and occupational safety and health consultations, ROVI has a corporate procedure for communication, participation and consultation, through which communications (queries, complaints, etc.) related to the environment and occupational safety and health are managed.

5.2.7. LABOUR RELATIONS

GRI 102-41 & GRI 403-4

ROVI is convinced that labour relations with the workers' representatives must be based on an environment that allows for a constructive and trusting relationship. To do this, it bases its labour relations on transparency, strict compliance with the law and constant respect for and dialogue with its social partners, the workers' representatives.

Dialogue with the workers takes place with **smooth communication** using all the resources available, especially meetings, both regular, in accordance with a scheduled calendar, and specific, at the request of either the company or the workers' representatives. This allows the status of agreements to be monitored and any incidents arising from the company's day-to-day activity to be solved swiftly.

In 2021, labour relations ran as normal without any conflictive incidents. During the year, numerous meetings were held for negotiations or information and consultation on a number of matters, such as the preventive measures applied by ROVI in relation to the pandemic, the extension of working hours in critical areas of the manufacturing process for the same reason, the application of the antigen test to employees in the industrial area, the work calendar or the application of measures in the work shifts aimed to improve the shift cycles.

We should highlight the fact that **all ROVI's employees in Spain** work under the employment conditions regulated in the **Collective Agreement of the Chemical Industry**. The employees of the subsidiaries in the rest of Europe also work under the relevant collective agreements, except in those cases where local legislation states that general labour law is applicable because the subsidiary has very few employees.

An important aspect of the group's **Works Councils** is that they are highly representative and participate in the Safety and Occupational Health Committees. On these committees, on a regular basis, the group's actions in these areas are consulted, debated and proposed, as well as any incidents that have arisen and proposals for corrective measures.

The main matters discussed on these committees, where the company and the workers have equal representation, are: the assessment and valuation of occupational hazards, the provision of personal protection equipment, the protection facilities, information and training on occupational hazards, among other issues. Through these joint bodies, ROVI's employees are represented in these matters at the highest level.

5.3. ENVIRONMENTAL ISSUES

GRI 103-2

INTRODUCTION: ENVIRONMENTAL POLICY, OBJECTIVES AND COMMITMENTS

GRI 102-11

ROVI's commitment to environmental protection is firm and constant and forms part of its day-to-day activity. Together with the principles of quality and occupational safety for protection of ROVI's employees, the group assumes care of the environment as an indispensable foundation for its actions.

In this respect, ROVI carries on its activity with the firm commitment of contributing to sustainability from an environmental standpoint, which materialises through pollution prevention, efficient resource management and fomenting responsibility in respect of the environment in accordance with the group's **Integrated Management Policy for the Environment and the Prevention of Occupational Hazards.**

By defining environmental **objectives and goals**, ROVI undertakes to improve day by day, upholding a firm vision of a more sustainable future in which to develop. The main goals that ROVI has defined in relation to the environment are:

- Attaining **efficient energy management**, rationalizing the use of natural resources.
- Promoting the best guidelines for **risk and waste management**, including the principles of risk prevention, waste minimization and, whenever possible, recycling in its activities.
- Obtaining **certifications** of the environmental management systems. At present, the environmental management systems of the two main group companies, Rovi Pharma Industrial Services, S.A.U. and Laboratorios Farmacéuticos ROVI S.A., are certified under the standard ISO14001:2015.

Within its project of environmental management and workplace health and safety, ROVI assumes not only compliance with current legal requirements and the different third-party requirements that it meets voluntarily, but also the concept of sustainable development. ROVI's vocation is to be a business project that is sustainable in environmental terms and committed to the prevention of any damage to or deterioration in people's health.

Additionally, ROVI undertakes to make a joint effort with its suppliers and contractors to minimise the impact of their activities on the environment and the risks derived for both their own safety and health and those of their workers.

Virtually all the industrial centres fix annual environmental goals. To reach these goals, each plant has a multidisciplinary team that defines, implements and monitors the actions identified as necessary to reach them. Goals are also fixed at corporate level.

5.3.1. ENVIRONMENTAL MANAGEMENT SYSTEM

One of the key management tools of environmental aspects is the introduction of an environmental management system based on the criteria established by the international standard **ISO 14001:2015**. These certifications recognise the quality of ROVI's environmental management system and assure its commitment to the environment in terms that go beyond current national legislation. Currently, the environmental management systems of the two main group companies, Rovi Pharma Industrial Services, S.A.U. and Laboratorios Farmacéuticos ROVI S.A., are certified under the standard ISO14001:2015. All the environmental certifications held by ROVI companies are available to any interested party on the corporate website (www.rovi.es).

The group also has an **Integrated Management Policy for the Environment and the Prevention of Occupational Hazards**, which governs ROVI's activity in environmental issues and was last updated in January 2021. It guides the sustainable management of all the group's activities and sets out the lines of action of the department that is exclusively in charge of aspects related to environmental impact, in addition to those concerning health and safety at work and legal and regulatory requirements.

The **Safety and Environment Department** is formed by nine people and managed a budget of 1.6 million euros in 2021, used for different actions to maintain, among other things, the work and commitment regarding continuing improvement, compliance with legal requirements and other additional voluntary environmental requirements, such as the implementation of energy efficiency solutions at the plants, responsible natural resource management and the recycling of the waste generated, as well as tasks

to promote the best practices in the area among suppliers and contractors, in order to minimise the environmental impact of their activities and the risks derived for both their own safety and health and those of their workers.

For the Environment area, ROVI has a **Corporate Risk and Opportunity Management Procedure**, intended to define the work method that allows environmental hazards and opportunities to be identified and assessed, with an action plan to tackle them, as well as the planning and review of the resulting action plans, taking account of the context of the organization and the parties involved. This procedure is applied to all the activities carried on by any of the group's plants or companies, including both internal and external factors that may affect or influence the manufacture of the product, provision of the service or operational control.

In accordance with the **Corporate Risk and Opportunity Management Procedure**, ROVI identifies risks and opportunities related to:

- Environmental aspects.
- Legal and regulatory requirements.
- Other issues and requirements related to the organisation and its context and the needs and expectations of the parties involved.

Among the **main risks** related to environmental activity, apart from those inherent thereto, are those concerning access to and verification of environmental regulations in different areas in which ROVI operates, as well as possible administrative restrictions due to location, specifically the following:

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

Additionally, a **Corporate Procedure for Identification and Assessment of Environmental Aspects** has been put in place and is applicable in identifying, communicating and quantifying the main environmental hazards related to the company's activity, as well as those concerning access to and verification of regulations and possible administrative restrictions in different locations. Furthermore, there is the **Procedure for Identification and Assessment of Legal Aspects and the Management Procedure for Non-conformities, Preventive and Corrective Actions**, which establishes the mechanisms for identifying deviations (in quality or work procedures), the implementation of actions to correct any such deviations and the procedures to prevent them (preventive actions).

Specific control of environmental hazards is determined by, among other mechanisms, the Environmental Management System that the aforementioned group companies possess, certified under the standard ISO14001:2015, and all the tools that form it. It has specific operating procedures to manage waste, noise and effluents, which are intended to establish the methodology to be followed to control waste, external noise and effluents generated at ROVI's production plants.

In addition, ROVI manages indirect environmental aspects resulting from trading relations, products or services that may have adverse effects in the environmental area. For each production plant, an analysis is made of the life cycle of the process or product, where all direct and indirect aspects involved (coming from suppliers) are identified bidirectionally. Once identified, following the Corporate Procedure for Identification and Assessment of Environmental Aspects, control is exercised over those indirect aspects where there is the capacity to act.

Likewise, ROVI holds **environmental liability insurance**, which is renewed annually. Attention should be drawn to the fact that this insurance has been taken out voluntarily since, after making the relevant risk analysis for the ROVI group plants, it is not compulsory to set up a financial guarantee. Even so, ROVI has taken out **environmental liability insurance** with an upper limit per claim of one million euros. It includes environmental liability, pollution liability, prevention and avoidance costs, transport-derived pollution, cleaning costs and the subsidiary liability of subcontractors, among other items.

In relation to environmental queries, ROVI has a corporate procedure on Communication, Participation and Consultation through which it manages communications (queries, complaints, etc.) related to the environment and occupational health and safety.

The result of the policies and procedures applied by ROVI in environmental issues is, year after year, a **favourable assessment** of the group's environmental management system, both internally and externally by the certifying firms. Additionally**, the whole system is periodically reviewed** with the management of the different centres and the points on which these reviews are based include any improvement opportunities and significant changes that may affect the system and/or environmental management.

5.3.2. SUSTAINABLE USE OF RESOURCES

GRI 302-4

Regarding energy, at all ROVI's product plants, water, electricity and gas **indicators are checked and reported on a monthly basis**, analysing any possible deviations. Likewise, at all the production plants and the ROVI's main offices and subsidiaries, the energy has been contracted with a **provider of 100% renewable energ**y.

Attention should be drawn to the fact that, with regard to sustainability in resource consumption, ROVI includes this point in the new projects undertaken at its industrial plants.

A further point to also consider is the energy-saving actions that are taken. Annually, practically all the industrial centres fix **energy saving** targets. Each plant has a multidisciplinary team that defines, implements and monitors the actions identified as necessary to reach said targets. The following are included among the actions defined for 2021 at some of the plants:

- Monitoring and analysis of electricity and gas consumption figures through the energy monitoring platform.
- Optimisation of air-conditioning control in various packaging and staging rooms at the Alcalá de Henares plant.
- Photovoltaic installation at the Alcalá de Henares plant, brought into operation in April.
- Execution of photovoltaic installation at the Granada plant, brought into operation in March
- Execution of Project to recover steam condensates in a pressurized tank in the boiler room at the Alcalá de Henares plant, brought into operation in September.
- Change of LED luminaries in the cold store in Alcalá de Henares.
- Replacement of LED luminaries in the warehouse of Building C and the canteen of Building A at the Madrid plant.
- Installation of several meters (electricity and steam) to increase monitoring in order to check and make proposals for possible improvements at the Madrid and San Sebastián de los Reyes plants.
- Review of maintenance routines in order to optimize the efficiency of the facilities, such as, for example, at the Madrid plant, boiler control was optimized, O_2 levels were reduced to 3% at the boiler flue outlet and damaged purgers were replaced/repaired.

The following are the main environmental **indicators**. The data have been divided between different production plants and the distribution business to enable comparisons between them, since the units produced are measured in different units for each company / business. Specifically:

- Own products manufacturing plant of Laboratorios Farmacéuticos Rovi, S.A. located in Granada: this is the plant in which bemiparin and enoxaparin are produced, the active substances of ROVI's main research products. In this case, the units produced are measured in MIU (millions of international units), i.e. the activity of the active substance produced.

- Injectables production plants of Rovi Pharma Industrial Services, S.A.U. (plants located in San Sebastián de los Reyes, Madrid and Alcalá de Henares). In the case of San Sebastián de los Reyes and Madrid, the units produced are expressed in individual packaged units. For the form production plant in Alcalá de Henares, the finished packs of oral solid forms (tablets, coated tablets, hard capsules and sachets) are used as the production unit.
- Distribution business of Laboratorios Farmacéuticos Rovi, S.A. and subsidiaries: in this case, the units distributed are used.

ENERGY CONSUMPTION

GRI 302-1

	2021						2020						% Variation					
	Granada	Madrid	SSRR	Alcalá de Henares	Distrib-ution	TOTAL / AVERAGE	Granada	Madrid	SSRR	Alcalá de Henares	Distrib-ution	TOTAL / AVERAGE	Gr.	Mad.	SSRR	AH	Dist.	TOTAL /AVER
kWh electricity consumed	3,707,332	4,593,953	5,188,822	8,867,576	634,789	**22,992,472**	3,848,018	4,059,508	3,031,601	9,673,660	637,543	**21,250,330**	-4%	13%	71%	-8%	0%	**8%**
kWh electricity / million units	8	37,548	69,737	136,424	36,540	**56,051**	8	35,101	63,332	179,142	26,089	**60,734**	6%	7%	10%	-24%	40%	**-8%**
kWh natural gas consumed	4,325,551	4,085,211	5,078,398	14,960,320	0	**28,449,480**	4,405,540	4,187,642	3,382,910	14,549,428	0	**26,525,520**	-2%	-2%	50%	3%	0%	**7%**
kWh natural gas / million units	10	33,390	68,253	230,159	0	**66,362**	8,9	36,209	70,672	269,434	0	**75,265**	8%	-8%	-3%	-15%	0%	**-12%**
Litres fuel consumed	1,000	0	0	5,164	360,614	**366,778**	1,000	1,000	39,498	5,231	291,520	**338,249**	0%	-100%	-100%	-1%	24%	**8%**

Not1 I: Some of the figures for the last month of 2021 are an estimate made on the information from previous periods.
Note II: The TOTAL/AVERAGE column relates, in the case of consumption, to the total of each plant and business unit and, in the case of ratios, to consumption per million units produced or distributed, with the average of all the plants and business units.
Note III: There may be discrepancies between the totals or averages due to rounding up or down.

The increase of fuel consumption in the Distribution area in 2021 in comparison with 2020 is due to the increase in the movements of the vehicle fleet in 2021, after the limitations on movement in the first few months of the COVID-19 pandemic. In addition, the decrease in the figures for the Madrid and San Sebastián de los Reyes plants is because, in 2021, no orders were placed for diesel oil to fill the machines that need it. Since the consumption of these machines is very low, they are usually filled up every two years.

Mention should be made of the fact that the evolution of most of the indicators shows an improvement on 2021 in terms of the ratios per units produced or distributed.

WATER CONSUMPTION

GRI 303-2 & GRI 303-5

	2021						2020						% Variation					
	Granada	Madrid	SSRR	Alcalá de Henares	Distrib-ution	TOTAL / AVERAGE	Granada	Madrid	SSRR	Alcalá de Henares	Distrib-ution	TOTAL / AVERAGE	Gr.	Mad.	SSRR	AH	Dist.	TOTAL/ AVER
m^3 water consumed	27,509	38,431	50,128	56,547	9,616	**182,230**	28,555	36,451	18,918	58,641	7,606	**150,171**	-4%	5%	165%	-4%	26%	**21%**
m^3 water / million units	0.1	314.1	673.7	870.0	553.5	**482.3**	0.1	315.2	395.2	1,085.9	311.2	**421.5**	6%	0%	70%	-20%	78%	**14%**

Note I: Some of the figures for the last month of 2021 are an estimate made on the information from previous periods.
Note II: There may be discrepancies between the totals or averages due to rounding up or down.

In addition to the figure reported, in 2021, 1,468 m3 of well water was consumed for watering at the Alcalá de Henares plant. 100% of the rest of the water supply from the mains.

Mention should be made that the San Sebastián de los Reyes plant reuses the water discharged by the vial washing machines for watering, thus eliminating mains water consumption for this purpose.

The increase in water consumption at the San Sebastián de los Reyes plant is due to the increase in its production in 2021 as a result of, among other items, the manufacture of the Moderna COVID-19 vaccine.

RAW MATERIAL CONSUMPTION

GRI 301-1

	2021					2020					% Variation				
	Granada	Madrid	SSRR	Alcalá de Henares	TOTAL	Granada	Madrid	SSRR	Alcalá de Henares	TOTAL	Granada	Madrid	SS RR	Alcalá de Henares	TOTAL
Tn of raw materials consumed	996	114	53	430	**1,593**	1,169	316	10	446	**1,941**	-15%	-64%	430%	-4%	**-18%**

5.3.3. WASTE MANAGEMENT AND CIRCULAR ECONOMY

WASTE MANAGEMENT, TREATMENT AND RECYCLING

GRI 306-2

Waste generation is inherent to the group's activity. Precisely for this reason, the treatment and reduction of waste form an essential part of the ROVI's commitment to prevent pollution. The processes related to waste treatment are intended mainly to **minimise it in the production processes** and, once it has been produced, **to manage it correctly** to favour using and recovering it whenever possible.

In addition, through the waste managers it works with, ROVI always seeks for **the waste it generates to be recycled recovered, rather than destroyed**. Thus, during 2021, the medicine waste at our Alcalá de Henares and San Sebastián de los Reyes plants was recovered rather than destroyed, reducing its impact on the environment.

In addition, attention should be drawn the fact that 56% of the non-toxic waste generated in 2021 was recycled or recovered.

	2021						2020						% Variation					
	Granada	Madrid	SS RR	Alcalá de Henares	Distrib-ution	TOTAL / AVERAGE	Granada	Madrid	SS RR	Alcalá de Henares	Distrib-ution	TOTAL / AVERAGE	Gr.	Mad.	SSRR	AH	Dist.	TOTAL / AVER.
Tonnes of hazardous waste generated	2,355	111	426	117	8.6	**3,017**	2,054	141	203	13	8.9	**2,420**	15%	-22%	109%	834%	-3%	**25%**
Tonnes of non-hazardous waste generated	1,341	207	1,019	853	4.5	**3,425**	2,335	384	2,050	565	0.3	**5,335**	-43%	-46%	-50%	51%	1,647%	**-36%**
Total waste	**3,695**	**318**	**1,445**	**970**	**13.2**	**6,441**	**4,390**	**526**	**2,253**	**578**	**9.1**	**7,755**	**-16%**	**-40%**	**-36%**	**68%**	**44%**	**-17%**
Tonnes hazardous waste/million units	0.005	0.9	5.7	1.8	0.5	**1.8**	0.004	1.2	4.3	0.2	0.4	**1.2**	26%	-26%	35%	676%	37%	**47%**
Tonnes non-hazardous waste/million units	0.003	1.7	13.7	13.1	0.3	**5.8**	0.005	3.3	42.8	10.5	0.01	**11.3**	-37%	-49%	-68%	25%	2,357%	**-49%**
Tonnes waste/million units	**0.008**	**2.6**	**19.4**	**14.9**	**0.8**	**7.5**	**0.009**	**4.5**	**47.1**	**10.7**	0.4	**12.5**	**-7%**	**-43%**	**-59%**	**40%**	**103%**	**-40%**

Note I: There may be discrepancies between the totals or averages due to rounding up or down.

5.3.4. CLIMATE CHANGE MITIGATION

GRI 305-1, GRI 305-2 & GRI 305-5

INTRODUCTION: CLIMATE CHANGE POLICY AND OBJECTIVES

Climate change is one of the most important challenges which humanity will face in the 21st century. The use of fossil fuels has caused a considerable increase in greenhouse gas emissions, which have accelerated global warning. In this context, ROVI recognizes the severity of the problem and the need for governments, multilateral bodies, the private sector and society overall to tackle this challenge.

In this respect, as set out in the **Climate Change Polity** adopted by ROVI in 2020, the group undertakes to assume a leading position in the fight against climate change, to promote a social culture oriented towards fomenting the sensitisation of all its stakeholder groups to the dimensions of this challenges and the benefits of undertaking a solution, identifying specific actions in the areas of mitigating and adapting to climate change.

As a contribution to the fight against climate change, not only is electricity consumption taken into account, but also the CO_2 emissions caused by the consumption of natural gas and diesel fuel, derived from electricity and automobiles, are measured, as well as other substances that act to destroy the ozone layer, i.e. Scope 1 emissions, in calculating the carbon footprint.

In 2021, ROVI has undertaken, among other actions, **the compensation of all the CO_2 emissions** generated, with the following initiatives:

- Obtaining 100% of the electricity used at the industrial plants from renewable sources, which avoids part of the tones of Scope 2 CO_2 emitted.
- Compensating the Scope 1 tonnes emitted in VER programmes (Voluntary Reduction of Emissions). Specifically:
    - Reforestation projects in Burgos and Orense by offsetting against official MITECO credits.
    - La Burgalesa project. Planting of Pinus pinea, Quercus faginea, Quercus ilex, Pinus halepensis, Crataegus monogyna and Juniperus thurifera in a deforested area with high risk of desertification. The project seeks to revitalize the area, eliminating risks of erosion, increasing biodiversity and improve the structure and organic material of the land.
    - Arzádegos Project. Planting Pinus pinaster and Castanea sativa on forest land that has been burnt. It is an area that suffered an extensive fire in 2005 and the aim is to regain the tree cover it had previously. Together with the municipal councils, the project seeks to revitalise the area in terms of both the environment and tourism.
    - International projects in India (Jangi 91.8 MW wind farm in Gujarat) based on using a renewable energy source to generate electricity which would otherwise be generated using conventional energy based on fossil fuels.

With the foregoing, a total of 6,000 tonnes of CO_2 has been offset.

Additionally, the ROVI group, when implementing its industrial projects, always takes account of the environment component, seeking to generate the least impact possible or employ the best available technique established in the market. An example of this is the introduction of a thermal oxidiser at the Granada plant. This is considered the best alternative technique available to ensure compliance with the Volatile Organic Compound (VOC) emission limits. It is the treatment with the highest percentage reduction in VOC emissions, between 95% and 99%, also reducing the TOC by between 1-4 mg/Nm3. This project has represented a total investment of 1,140,000 euros. In 2021, the group followed the same philosophy and acquired the same equipment for the plant that ROVI is building in Escúzar (Granada).

COMMITMENT TO REDUCE EMISSIONS

Among ROVI's **basic action principles** included in the Policy against Climate Change are the following:

- Reduction in greenhouse gas emissions.
- Reduction in non-greenhouse gas emissions, improving the air quality.
- Carbon neutrality, reducing emissions and offsetting those that cannot be avoided.
- Use of renewable energies, increasing the consumption thereof until the total energy consumed comes from renewable sources.

In 2021, ROVI established the following **targets to decrease indirect CO_2 emissions** through energy consumption:

- Alcalá de Henares plant: to reduce electricity consumption by 2% in 2021 in comparison with 2020. Finally, the electricity consumption billed in 2021 dropped approximately 8% in comparison with 2020, mainly due to lower consumption of the new cooler that replaced the previous one at the end of 2020 and the generation of electricity (photovoltaic) for self-consumption after the installation was brought into operation in April 2021.

- Julián Camarillo (Madrid) plant: to reduce the energy consumption of gas by 4% in comparison with 2020. A reduction of 2% in consumption was achieved and the consumption per million units dropped by 8%. Although the total consumption target was not reached, gas consumption is considered to have been contained in spite of the increase in manufacturing.

- Granada plant: generation of 200,000 kWh of energy for self-consumption (photovoltaic) in respect of the total energy needs forecast for 2021. Finally, 161,000 kWh of electricity (photovoltaic) was generated for self-consumption after the installation came into operation at the end of March 2021.

CO_2 emissions into the atmosphere

	2021						2020						% Variation					
	Granada	Madrid	SS RR	Alcalá de Henares	Distrib-ution	TOTAL / AVERAGE	Granada	Madrid	SS RR	Alcalá de Henares	Distrib-ution	TOTAL / AVERAGE	Gr.	Mad.	SSRR	AH	Dist.	TOTAL / AVER.
Tonnes of Scope 1 CO_2 emitted	790	744	924	2,738	1,034	**6,230**	805	765	729	2,663	836	**5,798**	-2%	-3%	27%	3%	24%	**7%**
Tonnes of Scope 2 CO_2 emitted	0	0	0	0	1.4	**1.4**	0	0	0	0	102	**102**	-	-	-	-	-99%	**-99%**
Tonnes of Scope 2 CO_2 avoided (*)	927	1,148	1,297	2,217	157	**5,746**	1,193	1,258	940	2,999	96	**6,486**	-22%	-9%	38%	-26%	64%	**-11%**
Tonnes $CO_{2/}$ / million units.	0.002	6	12	42	60	**24**	0.002	7	15	49	38	**22**	8%	-8%	-18%	-15%	55%	**10%**

Note I: To calculate the tonnes of CO_2 emitted into the atmosphere, the emission factors provided by the Ministry for the Ecological Transition and the Demographic Challenge for electricity, natural gas and diesel fuel were applied.
Note II: There may be discrepancies between the totals or averages due to rounding up or down.

(*) Given that all ROVI's production plants, the subsidiaries and the main offices have a 100% renewable energy supply certificate, the emission of the tonnes of CO_2 indicated are avoided. The Scope 2 emissions avoided were reported for the first time in 2020 in order to reflect the group's investment in clean energy.

5.4. SOCIETY

GRI 103-2

5.4.1. OUR CONSUMERS: CUSTOMERS, PATIENTS AND HEALTHCARE PROFESSIONALS

INTRODUCTION: POLICY AND OBJECTIVES

Given their nature, products intended to improve patient health, medicines and healthcare products, require the instructions of a healthcare professional for their administration or final use. The healthcare professional determines the best therapeutic approach for a specific patient. Thus, prescription medicines and healthcare products are those that reach patients on the instructions of a doctor, using a prescription, irrespective of whether they are dispensed in a pharmacy or administered at health centres. There is, furthermore, a third category: non-prescription pharmaceuticals (OTC), which do not need a medical prescription but are obtained through pharmacies on the recommendation of the pharmacist.

Most of ROVI's medicines and health products fall within the category of **prescription products**, which means they reach the patients because they have been prescribed by a healthcare professional. Therefore, ROVI's "**consumers**" can be divided into three broad groups:

- **Customers**, mainly wholesalers, who then distribute to pharmacies, but to whom service must be given.
- **Patients.**
- **Healthcare professionals**: doctors, nursing staff or pharmacists.

ROVI has a Quality Policy that includes the commitment to improving the health of society, as well as a continuing improvement in service to customers, patients and healthcare professionals, in maintaining the efficacy of the system and looking after the environment and workplace safety and health.

To meet these commitments, a number of quality goals are approved annually and are reviewed regularly to ensure that are attained.

Access to medicines

During the pandemic, ROVI acquired the firm commitment to guarantee the supply of low-molecular-weight heparins, since the World Health Organisation recommended them as essential medicines for treating COVID-19.

Likewise, in 2021, ROVI played an important role in the solution to the COVID-19 pandemic through the manufacturing agreement reached with Moderna for the manufacture of its vaccine. ROVI has manufactured hundreds of thousands of doses of the Moderna vaccine, thus contributing to the solution of this pandemic that is affecting

all of us. Its proven experience and capabilities as a high-technological-value contract manufacturer of injectables has allowed it to provide broader support to Moderna in the large-scale supply of its vaccine.

PRODUCT QUALITY AND SAFETY

Customers, including potential customers, healthcare professionals and patients, are the basis of the business and, therefore, ROVI assumes the following commitments:

a) To bet on innovative drugs as a growth engine for ROVI.
b) To place special importance on the protection of the health and safety of customers and patients throughout the products' life cycles through strict compliance with the applicable legislation.
c) To observe due confidentiality in processing their data.
d) To manage and solve their queries and complaints in the shortest period possible.
e) To monitor the customer's experience through surveys that measure their satisfaction and other means and systems that allow us to actively and permanently listen to the customer in all the processes and operations in which the latter interacts with ROVI.
f) To have appropriate and efficient communication channels, using the most suitable means to do so.
g) To observe and comply with the rules that govern communication and marketing activities and accept the voluntary codes that ensure the transparency and veracity of such actions.

Guaranteeing the quality, safety and efficacy of the products that the group places in the market is the main goal of ROVI and all the people who form part of it. In this respect, all the group companies have **procedures** in place that define the verifications performed in all phases of the processes, including product research and development, the receipt of raw materials and packaging materials, production, storage and distribution, until the products are consumed by the customers.

The standards in place fully meet the company's internal requirements and also the external requirements imposed by the regulatory bodies for the different products on ROVI's portfolio.

In order to assess compliance with these procedures, **internal audits** are performed periodically at all the group's facilities. Furthermore, there are annual management reviews, which analyse the main points where our organisations have room for improvement.

In addition, the **quality audits by external entities** show the commitment to continuing improvement and maintaining high quality standards.

Moreover, with the frequency stipulated in the legislation applicable to the products, all group companies, both in Spain and in the countries to which our products are exported, are **inspected by** both the Spanish **health authorities** and those of the countries to which the products are exported. The exceptional situation created by the pandemic has forced the adoption of new formulas for conducting both the internal and external audits, as well as the inspections by the health authorities, in 2020 and 2021. In many cases remote audits (held by teleconferencing) were chosen, restricting in-person presence at ROVI's work centres to the indispensable minimum, meeting the highest guarantees of safety and protection against COVID-19 infections.

ROVI likewise has a **Pharmacovigilance System** in place, which allows any possible adverse reactions (any harmful and unintended response to a medicine) that arise to ROVI's medicines and healthcare products to be detected. If an adverse reaction is notified, the Pharmacovigilance Department analyses whether it could be due to a quality and/or safety problem, thus initiating the process of sign detection that ROVI has implemented, which allows any change in the benefit/risk balance of ROVI's medicines to be detected.

The Pharmacovigilance System allows constant monitoring of the safety of the medicines, evaluating the safety information received through different channels, such as, for example, spontaneous notifications from patients and health professionals, health authorities, or scientific studies or publications.

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

DATA PRIVACY

ROVI is under the obligation to protect the personal information of customers, patients and professionals. This commitment has materialised in the adoption of a number of measures and the implementation of different procedures intended to ensure the integrity, confidentiality and availability of the data that are processed, as well as safeguarding people's rights and freedoms.

Within the framework of this process of adapting to European regulations, ROVI, determined to comply with the principles on data processing and the new regulatory obligations, has appointed a **Data Protection Officer**, whose functions include advising the group on compliance with the new regulatory framework.

In relation to patient information, the ROVI group has specific procedures that regulate **personal data processing in both the pharmacovigilance area and the area of clinical processes.** The procedures in place range from how to comply with information obligations, taking account of the recommendations of the Spanish Medicines Agency

set out in the “Guide for correct preparation of a patient information sheet and informed consent form”, to the exercise of data subject rights and the response thereto. Furthermore, the personal data processing procedure in pharmacovigilance includes the case where the notifier of an adverse reaction to a medicine is a healthcare professional or a person other than the patient, in order to ensure the proper processing of the personal data of any data subject; and the data processing procedure for clinical processes regulates not only the processing of the data of the patients participating in clinical trials, but the processing of the data of all data subjects, including the trial personnel.

In relation to professionals, ROVI has carried out an in-depth revision and updating of its privacy policies to ensure fair, transparent and lawful processing of personal information in its inter-relations with them, in order to foster an improvement in attention to patients, correctly establishing the lawful bases of the processes and the mechanisms necessary to obtain the consent on which the data processing is based.

In relation to customers, since almost all of them are legal persons and, therefore, their data are excluded from the scope of application of personal data protection legislation, ROVI applies current legislation to ensure the security of the data of its employees and other third parties whose data must be processed in order to implement the contractual relationship and avoid any alteration, loss, or unauthorised processing or access to said data.

CUSTOMER COMPLAINTS AND QUERIES

When any customer or healthcare professional contacts ROVI to notify a claim or complaint, ROVI immediately opens an enquiry in order to identify the cause and prevent any repetition. These enquiries may involve several departments and may also include suppliers and/or subcontractors. The efficacy of these actions is analysed annually in the review that ROVI management conducts of the system.

Any request for information made by a customer/health professional and/or customer is considered a query. Depending on its content, it is handled by one department or another (Quality, Pharmacovigilance or Medical Science Liaison), both in Spain and in the subsidiaries.

In the event that, while a complaint is being studied, a possible risk for the patient and/or healthcare professional is observed, the Quality Department informs Pharmacovigilance, so that the case can be handled correctly (see previous section).

Data on complaints and queries made by customers to ROVI companies in 2021 are as follows:

		Customer complaints		Customer queries – Quality and Therapeutic*	
		No. customer complaints	Complaint / million units	No. customer queries	Queries / million unit
Laboratorios Farmacéuticos Rovi, S.A.		132	10.09	73	5.58
Rovi Pharma Industrial Services, S.A.	Madrid	146	1.16	0	0.00
	San Sebastián de los Reyes	308	4.69	0	0.00
	Alcalá de Henares	793	12.30	0	0.00
Pan Química Farmacéutica, S.A.		7	187.17	0	0.00
Laboratorios Farmacéuticos Rovi, S.A. est. Pte. Portugal		26	39.53	7	10.64
Rovi Biotech, GmbH (German)		94	84.12	155	138.71
Rovi Biotech, Limited (United Kingdom)		1	6.98	24	167.60
Rovi Biotech, S.R.L (Italy)		17	8.38	0	0.00
Rovi S.A.S (France)		2	6.62	9	29.81
TOTAL		**1,526**	**5.58**	**268**	**0.98**

(*) Quality queries are those where the patient or healthcare professional asks about the conditions concerning storage, allergens, formula composition or similar. Therapeutic queries are defined as those relating to any scientific information and/or the uses of a product.

As a comparison, the 2020 data are shown below

		Customer complaints		Customer queries – Quality and Therapeutic*	
		No. customer complaints	Complaint / million units	No. customer queries	Queries / million unit
Laboratorios Farmacéuticos Rovi, S.A.		117	5.68	75	3.64
Rovi Pharma Industrial Services, S.A.	Madrid	249	2.42	0	0.00
	San Sebastián de los Reyes	28	0.58	0	0.00
	Alcalá de Henares	860	13.98	0	0.00
Pan Química Farmacéutica, S.A.		0	0.00	0	0.00
Laboratorios Farmacéuticos Rovi, S.A. est. Pte. Portugal		12	15.41	4	5.14
Rovi Biotech, GmbH (Germany)		125	136.26	243	264.89
Rovi Biotech, Limited (United Kingdom)		3	30.29	17	171.62
Rovi Biotech, S.R.L (Italy)		7	4.10	0	0.00
Rovi S.A.S (France)		1	3.46	23	79.47
TOTAL		**1,402**	**5.92**	**362**	**1.53**

5.4.2. COMMITMENT WITH OUR SUPPLIERS

INTRODUCTION: PURCHASING POLICY, OBJECTIVES AND COMMITMENTS

Establishing alliances with **solvent and committed** partners who are **aligned** with ROVI's principles and values is vital to attain the objectives set by the group each year. Suppliers, therefore, are a strategic stakeholder group for ROVI, since they are an

essential factor in reinforcing the sustainability and competitive advantage of the whole value chain of both the products manufactured by ROVI and those that ROVI distributes.

Both inside and outside the Spanish borders, the **Supplier Engagement and Payment Policy** is applied, in order to establish a framework for relations with suppliers and creditors that is shared by the whole group. It sets out the need for suppliers with whom ROVI has an annual transaction volume of over 100,000 euros to have a duly signed contract. Furthermore, it regulates how invoices should be sent and recorded, and the means of payment accepted. This element guarantees full efficiency in accounting for invoices, an appropriate payment policy and greater homogeneousness in negotiations.

Smooth and constant communication

ROVI's relations with its suppliers are based on sound and exhaustive selection criteria and transparent information.

None of this would be possible if, at the same time, regular and habitual communication were not conducted through suitable channels. With a constant spirit of improvement, in 2021, ROVI, as in previous years, imparted internal training to company employees who deal with local and foreign suppliers. This training is intended to reinforce some key points, such as the procedures for improvement implemented to optimise and accelerate both the recognition of invoices in the accounts and the payment thereof.

At the same time, the Communication and Transparency Policy in relation to suppliers means that this group is kept promptly updated and, to continue with the previous example, communications were sent informing and reminding of the procedure for sending supplier invoices, giving details of the requirements, the process for managing incidents, and procedures intended to optimise and accelerate both invoice recognition and the payment process. This communication was sent to all new suppliers and to some of the existing ones when felt advisable.

In addition, due to the continual revision and improvement of ROVI's tax policies regarding tax evasion and the prevention of money laundering, the internal procedure concerning **double taxation** continues to be updated and distributed. In 2021, internal training was given to company employees who deal with local and foreign suppliers, in order to inform them on the importance of a current residency certificate in order to apply the Double Taxation Treaty and avoid any tax risks.

CODE OF ETHICS FOR SUPPLIERS

GRI 102-9

ROVI's firm commitment to CSR is not only observed internally. Ensuring a supply chain that respects the group's principles of sustainability and corporate social responsibility is another of the group's objectives and, to this end, it strives to promote the values related to this area among its suppliers and subcontractors of goods and services.

This is set out in a document, ROVI's Code of Ethics for Suppliers, which is **binding** on all service providers who work with the group. This Code urges suppliers to observe the protection of internationally-recognised human and labour rights. It explicitly requires that the principles of elimination of child labour, respect for the right of association and collective bargaining, and equal opportunities and non-discrimination be followed. Furthermore, the supplier must provide a fair work environment, free of any type of violence, while, at the same time, strictly observing current legislation on working hours and remuneration.

ROVI invites all its suppliers to guarantee, as the group itself does, factors such as equal opportunities, workplace safety and care of the environment and to declare their commitment to basic principles of ethics and professional conduct. At the same time, it tries to involve suppliers and subcontractors in the adoption of the best corporate social responsibility practices to regulate their activities in accordance with the standards included in the certifications SA-8000, SGE-21 or similar.

One of the aspects on which special emphasis is placed is environmental issues, where the company is committed to make a combined effort with its suppliers and subcontractors to minimise the impact of the activities of the entire supply chain, from start to finish, on the environment, as well as to mitigate the risks derived for the health and safety of both the workers and society overall.

AUDITS AND ASSESSED SUPPLIERS

The group's Social and Environmental Sustainability Policy establishes a principle whereby its suppliers should find in ROVI an **ally** to obtain a mutual benefit. For ROVI, It is indispensable to ensure a supply chain that respects the principles of corporate social responsibility assumed by the ROVI group. For this reason, ROVI undertakes to promote CSR-related values among its suppliers and subcontractors of goods and services.

Suppliers are a stakeholder group of strategic interest in relation to the group's activities. For this reason, ROVI has put in place a series of specific action principles aligned with the ROVI's principles and values and intended to reinforce the sustainability and competitive edge of the value chain.

Furthermore, ROVI has several mechanisms in place to encourage and ensure the adoption of the best CSR practices in its supply chain, such as **on-site audits**, which check that suppliers operate in accordance with national and local regulations, there are no breaches in respect of workplace safety and there are no practices that violate the workers' rights. Among other aspects, the auditors ensure that a safe working environment is provided, environmental legislation is respected and employees are not subject to abuse or discrimination.

Additionally, in 2020, ROVI adhered to the **EcoVadis** platform, a tool that allows **assessments of the corporate social responsibility** of group suppliers to be conducted and areas for improvement to be identified, proposing, if necessary, corrective actions in the value chain.

The EcoVadis platform assesses the performance of ROVI's suppliers through a questionnaire in which evidence of compliance with the content is included in the following four areas:

- Environment
- Workplace practices and human rights
- Ethics
- Sustainable purchasing

As of 31 December, 2021, ROVI had sent a request for evaluation and adhesion to the platform to the 316 suppliers and subcontractors who had billed the highest amounts to ROVI in the period 2019-2020. At the date of this report, a total of 107 replies had been received, with 12 suppliers declining to be assessed in accordance with these requirements.

KEY SUPPLIER FIGURES

GRI 308-1, GRI 414-1 & GRI 204-1

In 2021, ROVI worked with close to 2,400 suppliers from 40 countries. The weight of **Spanish suppliers billing** for the company should be highlighted, since they account for **75**% of the worldwide total and 84% of the European total, while more than 89% operate in countries belonging to the European Union. The effect of opening new subsidiaries in the main European markets has stimulated the engagement of local suppliers to provide services. ROVI now has, therefore, a large number of service providers in Germany, Portugal, France, United Kingdom, Italy and Poland.

The **average payment period to suppliers** of the ROVI group in 2021 was 57 days, having been 55 days in 2020, in accordance with the maximum legal periods established in Law 17/2010, amended by Law 11/2013. This figure was calculated in accordance with the criteria set out in the Sole Additional Provision of the Resolution of the Accounting and Account Auditing Institute dated 29 January, 2016.

As mentioned above, at 31 December, 2021, ESG assessments through the **EcoVadis** platform had been requested from the 316 suppliers and subcontractors who had billed the highest amounts to ROVI in the period 2019-2020. At the date of this report, a total of 107 replies had been received.

5.4.3. CONTRIBUTION TO THE ENVIRONMENT IN WHICH WE OPERATE

GRI 413-1

COMMITMENT TO SUSTAINABLE DEVELOPMENT

ROVI carries on its activity at different work centres located in Madrid, Alcalá de Henares, Pozuelo de Alarcón and San Sebastián de los Reyes in the Autonomous Community of Madrid and Granada in Andalusia. It also has an extensive sales network deployed throughout Spanish territory and composed of more than 250 people and has subsidiaries in Germany, France, Italy, Poland, Portugal and the United Kingdom. From these establishments, ROVI contributes to **local development by creating and maintaining stable, high-quality employment**, where 60% of its employees hold a university degree. In 2021, ROVI's growth continued along an upward path in terms of employment, as may be seen from the employee data shown in Section 5.2 "Labour and Employee Issues" of this report. Many of the new workers hired were for the production area, both to carry out the COVID-19 vaccine manufacturing project for Moderna in order to supply the whole world except the United States, and to increase the manufacturing capacity for low-molecular-weight heparin (LMWH), which are included as treatment for COVID-19 and classified as essential medicines during the pandemic by both the Ministry of Health and the World Health Organisation (WHO).

As a sample of ROVI's commitment to transparency, the group voluntarily submitted itself to an assessment by **Sustainalytics**, a leading global company in rating corporate social responsibility. On the basis of analysing criteria such as corporate governance, business ethics, product handling and access to the services, bribery and corruption, and human capital, a rating of companies is established based on their ESG (Environment, Social and Governance) rating. ROVI obtained a rating of 18.4 points in 2021, an improvement of 3.4 points on the 21.8 points obtained in 2020, placing ROVI in a **low risk** position in respect of suffering material financial impacts. This rating is the second best from among the 432 international pharmaceutical companies assessed by Sustainalytics and the 30th of the 896 sector companies that took part (biotechnology companies, healthcare equipment companies and pharmaceutical laboratories).

Aware of the need to contribute, as a company, to the economic and social development of the areas where it is present, ROVI carries out a **large variety of activities locally**, seeking the general goals of actively contributing to social progress, promoting health, fomenting research, a commitment to training and environmental protection. Some of the actions taken in 2021 are listed below:

Integration of people with disabilities

- Fundación Manantial, with which ROVI has an employment programme for people with mental illnesses. It began in 2019 when the first people joined the Alcalá de Henares production plan and was extended to the Julián Camarillo plant (Madrid) in 2020. In 2021, it was extended to the San Sebastián de los Reyes plant.

- Down Granada works helping young people in Granada with Down's Syndrome to enter the labour market in local companies and has co-operated with ROVI in training one of its young women to perform administrative tasks at the plant in the Health Technology Park (Granada).
- Fundación Prodis, with which ROVI has an employment program for young people with intellectual disabilities at the Pozuelo and Julián Camarillo offices (Madrid). Additionally, the Special Employment Centre has printed corporate material, such as training brochures or T-shirts, for activities organised by ROVI's CSR area.
- ISS Facility Services (Gelim), which provides cleaning services at ROVI's offices. With the outbreak of the pandemic, ROVI intensified the usual cleaning services, including new daily routines with disinfections using virucides at the work centres (office workstations, changing rooms, common areas, etc).
- Ilunion, which provides laundry services for plant clothing.
- Fundación A la par, engaged in the social and workplace integration of people with intellectual disabilities, which cleans the pallets used at the plants of Rovi Pharma Industrial Services.
- Fundación Deporte y Desafío, a non-profit organisation dedicated to mainstreaming disability sport. In 2021, ROVI strengthened the co-operation agreement with this association to conduct adapted skiing courses at the Madrid Xanadú shopping centre.
- Fundación También. This non-profit organisation works to include people with disabilities in sport. As it does each year, ROVI collaborated in acquiring adapted skiing material for the association.

Social protection

- Red Cross Granada, with which ROVI has resumed its collaboration with Flag Day, a day of activities focused on raising awareness regarding environmental sustainability.
- Fundación Cofares organises activities every year, such as the Charity Golf Tournament or the Charity Christmas Concert, with which ROVI collaborates. The sums collected through these charitable activities were used for various solidarity initiatives in collaboration with other non-profit entities, such has the project "Journey towards Life", which provides healthcare in Spain to African minors with serious pathologies, or "Aid against COVID-19", aimed to provide preventive healthcare and hygiene material to vulnerable families throughout Spain.

CORPORATE VOLUNTEERING

In 2021, the number of activities with active participation of ROVI employees was affected by the restrictions applied to in-person group activities because of the pandemic. Notwithstanding, the following list of activities was organised from the CSR area:

- V 100 Km Race for Africa, of Fundación Recover. In June, a group of 45 employees and members of their families took part in the challenge of completing 100 Km of this virtual race, the funds from which were used to combat COVID-19 in Africa.

- 10th Madrid También Solidario Race of Fundación También. Held with in-person presence on 7 October, a group of 33 employees and members of their families took part in one of the three versions of this charity race: 1, 5 and 10 kilometres.
- Run for Children Race of the Granada Red Cross. On this occasion, a group of 24 employees and their families took part in the charity race, which collected fund to organise activities and obtain resources for vulnerable children.
- Company Race, which was held with both in-person and remote participation, in which 19 ROVI employees took part.

SPONSORSHIP, PATRONAGE AND DONATIONS

In addition to the sponsorship and patronage activities mentioned above, in 2021, ROVI continued with the work of the **Donations Committee**, which channels the requests for co-operation that ROVI receives from healthcare organisations and social or humanitarian entities. Its mission is to review each application and check that it complies with current legislation, the Code of Good Practice for the Pharmaceutical Industry, ROVI's Code of Ethics, and the Social and Environmental Sustainability Policy. From among the social and humanitarian proposals approved by the Donations Committee in 2020, the following may be highlighted:

International co-operation:

- Fundación Recover, cooperating with its programmes to improve healthcare in Africa.
- Fundación para el Desarrollo Integral de los Pueblos, with which ROVI co-operates in the acquisition of teaching and educational material for schools in Callao (Peru).

Social protection:

- Fundación Prodis. Donation to the Workplace Inclusion Programme: Supported Employment, whereby Fundación Prodis works as an intermediary and accompanies young people with disabilities to facilitate their social and workplace integration in companies.

During 2021, a total of 149,419 euros was contributed to foundations and non-profit entities as donations (58,400 euros), co-operation agreements (47,918 euros) and patronage (43,101 euros).

COVID-19 contribution

When the pandemic began in Spain in 2020, ROVI initiated a line of donations to hospitals of healthcare equipment considered especially useful for healthcare workers during the pandemic.

This line of donations continued in 2021. Specifically, 171 ultrasounds were donated to 130 hospitals.

ECONOMIC VALUE GENERATED AND DISTRIBUTED

GRI 102-7 & GRI 201-1

(million euros)	2021	2020	2019	2018	2017	2016
Economic value generated	650.0	421.1	382.5	304.8	277.4	270.8
Economic value distributed						
Shareholders	53.6	21.4	9.8	4.5	6.0	9.1
Operating costs	329.9	228.6	219.2	172.7	154.7	153.5
Society	29.6	11.5	2.6	-1.2	0.3	1.8
R&D	27.4	23.8	29.3	32.4	28.3	17.5
Employees	89.8	74.4	72.5	70.2	64.0	60.5
Providers of capital	-1.1	2.1	0.8	0.8	0.9	0.5
Amortisation and depreciation	21.5	19.6	18.6	12.0	11.5	11

COMMITMENT TO RESEARCH

In order to remain in the vanguard in terms of both products and manufacturing and development methods, ROVI maintains its commitment and continues to bet on allocating a significant part of its revenue to its research work. Its strategy follows low-risk principles, focusing on chronic diseases with extensive medical requirements, and setting up international strategic alliances.

Research and development are strategic factors in competing in the market and differentiating the company from other companies in the sector. At the same time, they are the tools that ROVI uses to remain in the vanguard, with a cautious attitude to protect know-how.

As a result of the system of patents and the protection of business secrets and R&D&I results. ROVI has a well-protected portfolio composed of 695 patent dossiers, 507 of which are patents that have already been granted, while 188 are in the examination and evaluation phase.

Research and development (R&D) expenses in 2021, mainly related to the ISM® technology platform, rose to 27.4 million euros, 15% higher than the 23.8 million euros of 2020. These expenses are principally associated to (i) the repetition of the compared bioavailability study of multiple doses of Risperidone ISM® in respect of oral risperidone, in response to the major observation of the Committee for Medicinal Products for Human Use (CHMP); (ii) development of Phase I of Letrozole ISM®; and (iii) development of the formulation of Risperidone ISM® for a three-monthly injection.

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

ROVI coordinates all its research activity in Spain, distributing it over the Madrid and Granada centres, with three R&D&I centres and two pilot plants for the manufacture of injectable medicines on which research is in progress. Furthermore, it is present in the creation of large strategic national research consortia. Since 2006, it has been a partner in the activities of different consortia within the CENIT programme, the Nanofarma Consortium (2006), the Melius Consortium (2007) and the CeyeC Consortium (2009) and, since 2011, has been actively leading research consortia, such as the SNC_Integra Consortium, the ADELIS Consortium (2013), the BIOMAP Consortium (2015) and the BLUESPE Consortium (2017), within the framework of the FEDER Programme for Andalusia, co-financed by European Union Structural Funds.

Moreover, ROVI is very much involved in driving and supporting both academic research and research within the national business fabric through small and medium-sized companies. It holds agreements with several universities to combine efforts and reinforce scientific, technological, educational and knowledge-sharing activities in Spain, constantly co-operating with the University of Granada in research activities and the training of scientific personnel through projects within the framework of the incentives awarded by the Technological Corporation of Andalusia.

ROVI receives the support of the Ministry of Economy, Industry and Competitiveness for its research and development work through the Torres Quevedo Programme. This programme promotes the recruitment of doctors to carry out industrial research and experimental development programmes or prior viability studies, in order to favour the professional careers of the researchers, stimulate private-sector demand for personnel who are sufficiently qualified to undertake R&D plans and projects, and help consolidate technological companies. As a result of the financing received, the company's workforce has been reinforced by the recruitment of 2 doctors to carry out R&D&i activities within the framework of the following projects:

Project to improve the purification process in low-molecular-weight heparins. Ref.: PTQ-2019-010712

Finally, ROVI also receives support from leading entities such as the Industrial Technological Development Centre and the Technological Corporation of Andalusia. In 2021, as in previous years, it received funding for its main research line: the development of new controlled-release systems based on ISM® technology, through the following projects:

IDI -20190622 - "Development of the active substance in order to obtain a prolonged-release injectable system for letrozole". (2019-2021)
IDI-20170717 - "Phase I clinical trial, with single increasing doses of letrozole using a prolonged-release injectable system" (2017-2021).
IDI-20200346 – "Development of a new three-monthly formulation of risperidone". (2019 – 2022)

IDI-20210292 – "Definition of the profile of the physicochemical properties of the Letrozole ISM® formulation". (2020 – 2023). Project led from the Granada R&D Centre, co-financed with FEDER funds.
IDI- 20210941 – "Development of an innovative process to obtain a new low-molecular-weight heparin biosimilar (2021 – 2023).

5.4.4. RESPECT FOR HUMAN RIGHTS

COMMITMENTS ACQUIRED

GRI 102-12 & GRI 102-13

As may be seen from the Code of Ethics, ROVI is committed to **actively supporting the Universal Declaration of Human Rights** and requires its employees to comply with the principles thereof in the course of the group's day-to-day activity. ROVI combats practices contrary to human dignity and workplace discrimination.

ROVI, as a member of the **United Nations Global Compact**, supports, through its adoption and dissemination, the integration of the principles of said Compact, as well as other international instruments, especially in the areas of human rights, labor practices, the environment environment and the fight against corruption.

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

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

ROVI applies the **Collective Agreement of the Chemical Industry** in all its business in Spain, likewise complying with the labour legislation in force at any given moment in all the territories where it operates.

Additionally, with regard to human rights it has the following procedures and measures in place, which are mentioned in several sections of this report:

- ROVI has an **Ethics Channel** through which all employees must communicate any situation that may represent a breach of (i) current legislation; (ii) the standards and codes to which the ROVI group has adhered voluntarily, (iii) the group's internal policies, (iv) the Crime Prevention Model, or (v) accounting and financial standards.

Said Ethics Channel has Regulations that were approved by the Board of Directors on 7 November, 2017 and is managed by a Management Committee. Likewise, the Compliance Department reports periodically to the Compliance Committee, the Audit Committee and the Board of Directors on the communications received through the Ethics Channel.

- ROVI's **Ethics Channel** is also open to suppliers. This is so much the case that (i) the Code of Ethics for Suppliers establishes the obligation for the suppliers to notify the same breaches and (ii) obliges our suppliers to inform their employees and subcontractors of the existence of this Channel. Likewise, in ROVI's general contracting conditions, the same obligations are passed on to our suppliers.
- **Protocol on Moral and Sexual Harassment**
- The **workers have legal representatives** at the Julián Camarillo, San Sebastián de los Reyes and Alcalá de Henares work centres.
- Likewise, the ROVI group has commenced a project intended to provide a **due diligence procedure for suppliers (Ecovadis)**. This procedure will be executed by an external service provider and will furnish information on the following aspects: (i) environmental performance, (ii) social performance and (iii) ethics performance, all aspects related to respect for workers' rights and human rights being included within the assessment.

NUMBER OF REPORTS OF HUMAN RIGHTS VIOLATIONS

It may be deduced from the solutions given to the complaints lodged through the Ethics Channel in 2021 that none of the cases reported entailed a human rights violation.

5.4.5. TAX INFORMATION

GRI 207-1

TAX POLICY

Tax risk is a risk inherent to ROVI, given the companies' activities and the size and complexity of the group. As a framework to mitigate this risk, ROVI has a **Corporate Tax Strategy** that sets out the following guiding principles that govern tax matters at ROVI:

- **Compliance:** with all tax obligations and the payment of all taxes and duties accrued as a result of its activity.
- **Ethics and responsibility:** the tax strategy ensures that compliance with tax obligations is conducted through ethical and responsible practices, in accordance with the action criteria established by the company.
- **Value creation:** the tax strategy is fully oriented toward achieving ROVI's business goals and is integrated with the corporate management model.

MECHANISMS AGAINST TAX FRAUD

The main implications of applying the guiding principles set out in ROVI's tax strategy are the following:

- **Application of tax regulations** in accordance with the criteria for interpreting them established and published by the competent tax authorities.
- Use of **transparent structures**.
- **Obligatory analysis of especially complex transactions or those of special tax importance** and information from the Audit Committee to the Board of Directors on these analyses before the transactions are carried out.
- **Evaluation of related-party transactions**, including transactions between ROVI group companies.
- **Compliance with tax obligations** (payment of taxes and provision of tax information).
- **Interaction with tax authorities** in cases where collaboration is required to solve any issues that may arise as a result of compliance with ROVI's own tax obligations or those of third parties.
- **Preparation of financial information** on taxes.
- Establishment of **policies, procedures and control mechanisms** in tax processes.
- **Appropriate composition of the Financial Department** for the correct execution of all the processes included in the tax function.
- **External tax advisors** who keep ROVI updated on new tax developments and provide advise on any possible doubts. Additionally, they review the preparation and presentation of the different taxes and the company's decision-making on tax issues.
- **Ethics Channel**, through which any issue relating to accounting and financial issues may be reported.

TAX INFORMATION

In general, ROVI pays special attention to compliance with the tax obligations that are applicable in accordance with the territory in which it is operating. Specifically, the following information on the company's taxation in 2021 is presented:

Tax information for 2021 by company (thousand euros)

	Country	Profit before tax	Income tax	Public subsidies received
Laboratorios Farmacéuticos Rovi, S.A.	Spain	58,366	6,161	1,326
Laboratorios Farmacéuticos Rovi, S.A. permanent establishment Portugal	Portugal	357	(3)	-
Laboratorios Farmacéuticos Rovi, S.A. permanente establishment Poland	Poland	(68)	-	-
Laboratorios Farmacéuticos Rovi, S.A. permanent establishment Germany	Germany	872	-	-
Rovi Biotech GmbH	Switzer-land	(16)	-	
Rovi Pharma Industrial Services, S.A. (*)	Spain	146,891	(35,469)	4
Pan Química Farmacéutica, S.A. (*)	Spain	91	(23)	-
Gineladius, S.L. (*)	Spain	(34)	9	-
Rovi Escúzar, S.L.(*)	Spain	(392)	98	-
Bertex Pharma GmbH	Germany	(15)	-	-
Rovi Biotech, Limited	United Kingdom	91	-	-
Rovi Biotech, S.R.L.	Italy	533	(98)	-
Rovi, GmbH	Germany	747	(196)	4
Rovi S.A.S.	France	27	-	-
Rovi Biotech spółka z o.o	Poland	(155)	(4)	-
Totales		**207,295**	**(29,525)**	**1,334**

(*) These companies for part of tax group 362/07, the parent of which is Laboratorios Farmacéuticos Rovi, S.A..
Note: There may be discrepancies in the totals due to rounding up or down.

Tax information for 2020 by company (thousand euros)

	Country	Profit before tax	Income tax	Public subsidies received
Laboratorios Farmacéuticos Rovi, S.A.	Spain	72,119	(3,877)	1,146
Laboratorios Farmacéuticos Rovi, S.A. permanent establishment Portugal	Portugal	707	(202)	-
Laboratorios Farmacéuticos Rovi, S.A. permanente establishment Poland	Poland	(154)	-	-
Laboratorios Farmacéuticos Rovi, S.A. permanent establishment Germany	Germany	2,544	-	-
Rovi Pharma Industrial Services, S.A. (*)	Spain	33,374	(8,701)	-
Pan Química Farmacéutica, S.A. (*)	Spain	387	(97)	-
Gineladius, S.L. (*)	Spain	(37)	9	-
Rovi Escúzar, S.L.(*)	Spain	(74)	23	-
Bertex Pharma GmbH	Germany	-	-	-
Rovi Biotech, Limited	United Kingdom	10	-	11
Rovi Biotech, S.R.L.	Italy	409	(112)	-
Rovi, GmbH	Germany	623	(164)	-
Rovi S.A.S.	France	9	-	-
Rovi Biotech spółka z o.o	Poland	(4)	(2)	-
Totales		**109,913**	**(13,123)**	**1,157**

(*) These companies for part of tax group 362/07, the parent of which is Laboratorios Farmacéuticos Rovi, S.A..
Note: There may be discrepancies in the totals due to rounding up or down.

6. OTHER RELEVANT ISSUES

6.1. EU TAXONOMY

BACKGROUND

The European Commission adopted an ambitious package of measures to help improve the flow of money towards sustainable activities across the European Union. By allowing investments to be redirected towards more sustainable technologies and businesses, these measures will help make Europe climate neutral by 2050.

One of these measures is the Taxonomy Regulation, Regulation (EU) 2020/852, a classification system for sustainable economic activities that defines what is sustainable and what is not, based on objective criteria. It provides a common language for investors and businesses to channel investments into more sustainable technologies and businesses that have a significant positive impact on the climate and the environment, and to promote compliance with the EU's climate targets, the Paris Agreement and the UN Sustainable Development Goals.

The taxonomy provides for two levels:

- **Eligibility**: an activity is eligible if it is one of the activities listed in the regulation itself.
- **Alignment**: subset of eligible activities that are not only listed but also meet the criteria of a significant positive contribution to the climate criteria (mitigation and adaptation) and do not cause significant negative harm to the other criteria (water protection, circular economy, pollution prevention and biodiversity).

The regulation stipulates that three economic indicators must be reported: the percentage of eligible or adapted activities in the company's total turnover, Capex and OpEx.

Fort the financial year 2021 the mandatory reporting will refer only to the scope of eligibility.

ELEGIBILITY ANALYSIS

The analysis of the eligibility of the activities has been carried out considering the information provided by different departments of ROVI, located in the different areas of the business but with special relevance in the manufacturing business.

According to the Delegated Regulation (EU) 2020/852, the eligible activities within ROVI's portfolio are the following:

- Electricity generation using solar photovoltaic technology.
- Renewal of waste water collection and treatment.
- Collection and transport of non-hazardous waste in source segregated fractions.
- Installation, maintenance and repair of energy efficiency equipment.
- Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings).
- Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings.
- Installation, maintenance and repair of renewable energy technologies.
- Professional services related to energy performance of buildings.

ROVI does not consider the activity "Acquisition and ownership of buildings" to be eligible, as these buildings are not linked to any of the eligible activities reported on.

Most of these activities are linked to the business of manufacturing own products and for third parties.

METHOD OF CALCULATION OF THE MAIN INDICATORS

Calculation of turnover %

The proportion of turnover referred to in Article 8(2)(a) of Regulation (EU) 2020/852 shall be calculated as the share of net turnover derived from products or services, including intangibles, associated with economic activities that comply with the taxonomy (numerator), divided by net turnover (denominator) as defined in Article 2(5) of Directive 2013/34/EU. Turnover shall include revenue recognised in accordance with International Accounting Standard (IAS) 1, paragraph 82(a), adopted by Commission Regulation (EC) No. 1126/2008.

None of the eligible activities has generated income for ROVI. In the event that there had been, ROVI would have included in the numerator the turnover (registered in the accounting accounts of group 70 of the General Accounting Plan) of the eligible activities. The denominator would have corresponded to the consolidated turnover of ROVI Group.

Calculation of CapEx %

The proportion of Capex referred to in Article 8(2)(b) of Regulation (EU) 2020/852 shall be calculated as the numerator divided by the denominator; the denominator being the additions to tangible and intangible assets during the relevant financial year before depreciation, amortisation and any new valuations, including those resulting from revaluations and impairments, for the relevant financial year, excluding changes in fair value. The denominator will also include additions to tangible and intangible assets resulting from business combinations.

For non-financial companies applying International Financial Reporting Standards (IFRS) as adopted by Regulation (EC) No. 1126/2008, Capex will cover costs that are accounted for in accordance with:

a. IAS 16 Property, plant and equipment, paragraph 73 (e) (i) and (iii);
b. IAS 38 Intangible Assets, paragraph 118 (e) (i);
c. IAS 40 Investment Property, paragraph 76 (a) and (b) (for the fair value model);
d. IAS 40 Investment Property, paragraph 79, (d), (i) and (ii), (for the cost model);
e. IAS 41 Agriculture, paragraph 50 (b) and (e);
f. IFRS 16 Leases, paragraph 53, (h).

For non-financial companies applying national generally accepted accounting principles (GAAP), Capex will integrate costs accounted for under applicable GAAP that correspond to costs included in capital expenditures by nonfinancial companies applying IFRS.

Leases that do not result in the recognition of a right to use the asset are not accounted for as Capex.

On the other hand, the numerator will be equal to the portion of fixed asset investments included in the denominator which:

a. is related to assets or processes that are associated with economic activities that conform to the taxonomy;
b. is part of a plan to expand the economic activities that conform to the taxonomy or to allow economic activities eligible under the taxonomy to conform to the taxonomy ("Capex plan") under the conditions specified in the second paragraph of this section 1.1.2.2 (on the "Capex plan");
c. is related to the purchase of production from economic activities that comply with the taxonomy and individual measures that enable the targeted activities to become low-carbon or lead to greenhouse gas reductions, in particular the activities listed in sections 7.3 to 7.6 of Annex I of the delegated act on climate, as well as other economic activities listed in delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) and 15(2) of Regulation (EU) 2020/852, and provided that those measures are implemented and operational within eighteen months.

ROVI includes the CaPex aggregation of the eligible activities as numerator. The denominator corresponds to the Group's total CaPex, which includes investments in property, plant and equipment, in intangible assets and in usage rights.

Calculation of OpEx %

The OpEx ratio referred to in Article 8(2)(b) of Regulation (EU) 2020/852 shall be calculated as the numerator divided by the denominator; including the latter to direct non-capitalised costs related to research and development, building renovation measures, short-term leases, maintenance and repairs, as well as other direct expenses related to the daily maintenance of property, plant and equipment by the company or

a third party to whom activities are outsourced and which are necessary to ensure the continued effective operation of such assets.

Additionally, non-financial companies that apply national GAAP and do not capitalise right-of-use assets will include leasing costs in OpEx.

On the other hand, the numerator will include the portion of operating expenses included in the denominator that:

a. relates to assets or processes associated with economic activities that conform to the taxonomy, including training and other human resource adaptation needs, and direct non-capitalised costs representing research and development;
b. the Capex plan shall form part of the CaPex plan to expand the economic activities that conform to the taxonomy or to allow taxonomy-eligible economic activities to conform to the taxonomy within a predefined time frame, as set forth in the second paragraph of this section 1.1.3.2 (on the "CaPex plan");
c. is related to the purchase of production from economic activities that comply with the taxonomy and individual measures that enable the targeted activities to become low-carbon or lead to greenhouse gas reductions, as well as individual building renovation measures, as identified in delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852, and provided that those measures are implemented and operational within eighteen months.

In ROVI, the OpEx indicator only considers non-capitalised direct costs related to research and development, short-term leases and maintenance and repairs. Costs related to building renovation measures as well as other direct expenses related to the daily maintenance of property, plant and equipment by the company or a third party to whom activities are outsourced and which are necessary to ensure the continued effective operation of such assets, have not been considered as OpEx by ROVI.

Thus, the denominator will include the expenditure of these three OpEx items for the entire ROVI Group, while the numerator will be made up of the same items, but only for the activities recognised as eligible.

RESULTS

The proportion of eligible and ineligible activities according to the EU Taxonomy is shown below.

Bearing in mind that ROVI does not have any activity included in the Taxonomy among its income-generating activities, the Turnover indicator shows 0% eligibility, the CapEx indicator 2.35% (1,060 thousand euros) and OpEx amounts to 0.22% (55 thousand euros) of eligibility.

If we consider non-eligibility, the Turnover indicator for non-eligible activities would be 100% (648,677 thousand euros), CapEx 97.65% (43,957 thousand euros) and OpEx 99.78% (24,832 thousand euros).

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The **key risks** related to these issues linked to the group's activity, among them, when relevant and proportionate, its trading relations, goods or services that may have adverse effects in these areas, and how the group manages said risks, explaining the **procedures used to detect and assess them**, in accordance with the national, European or international frameworks used as a reference for each subject. Information on **impacts** observed should be included, providing a breakdown thereof, in particular, of the **key short-, medium- and long-term risks.**	102-15 Key impacts, risks and opportunities	70-95
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