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(Translation of a report originally issued in Spanish. In the event of discrepancy, the Spanish language version prevails)

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1. Business Model

1.1. Introduction to the company

Almirall is a global biopharmaceutical company focused on skin health that collaborates with scientists and healthcare professionals to address patients' needs through science in order to improve their lives. Its Noble Purpose guides the company's work: "Transform the patients' world by helping them realize their hopes and dreams for a healthy *life*".

The company researches and invests in treatments that address unmet patient needs, which can also entail a significant emotional burden. Based on its experience, Almirall provides effective, real-world solutions that work across all phases of clinical development, including trials, approvals, launches, and physician and patient care.

One of its differentiating factors is its focus on patients' well-being and its ability to understand and meet their needs. To this end, Almirall makes all its scientific knowledge available to others and continuously invests in R&D to ensure a balanced portfolio that helps patients and also reinforces its leadership in dermatology. Almirall's commitment to patients, however, goes beyond the dermatological area. The company successfully produces and markets treatments in other strategic areas such as the central nervous system, the cardiovascular system and the gastrointestinal tract, among others.

Part of the company's success lies in the active relationship it has with both patients and key partners. Activities with partners such as healthcare professionals (HCPs), patient organisations (POs), patient advocacy groups (PAGs), and healthcare organisations and medical societies (HCOs) provide Almirall with a valuable opportunity to listen, understand and share. For this reason, the company has taken an active role in significant congresses and conferences such as those of the European Academy of Dermatology and Venereology (EADV) and the American Academy of Dermatology (AAD).

Almirall is listed on the Spanish Stock Exchange and has become a relevant source of value creation for society.

Through its R&D efforts and agreements and partnerships with third parties, Almirall's operations cover the entire drug value chain, making it a specialist company, which enables it to achieve its goal of bringing the most innovative products to wherever they are needed.

1.2. Corporate Governance

Corporate governance at Almirall is guided by the Group's Noble Purpose (see section 3.1 for further details), which reflects the *raison d'être* and permanent essence of the company. The aim is to ensure that the management model and the decisions taken by the Board of Directors and its committees uphold the long-term interests of the different stakeholders and guarantee the company's sustainability.

The critical elements are authority, transparency, shareholder protection and clear accountability.

The Noble Purpose and the company's corporate values are guaranteed not only through the systems established to comply with existing laws and regulations applicable to Almirall but also by leading with levels of transparency that allow us to gain the trust of patients and healthcare professionals, as well as other stakeholders, shareholders, investors, regulatory authorities, the sector as a whole and the media, etc.

In this regard, during 2022, the Board of Directors approved and published a new policy on Human Rights, which means that 19 policies are now in existence as of 31 December 2022 (available on the Group's corporate website: www.almirall.com/board-policies) which, together with the internal Global Corporate Standards (Global Corporate Policies and their Standard Operating Procedures), determine the regulation regarding the essential guidelines of Almirall's corporate governance.

1.2.1. Board of Directors

The Board of Directors carries out its duties with unity of purpose and independence, treating Almirall's shareholders equally and always guided by the interests of the company, with an absolute commitment to maintaining and protecting its value. It also ensures full compliance with laws and regulations, as well as compliance in good faith with its obligations and contracts, fully respecting the good practices of the sectors and territories where Almirall operates, and always complying with the principles of sustainability and social responsibility that the company has voluntarily integrated into its strategic objectives.

At 31 December 2022 nine directors (six independent directors, two proprietary directors and one external director), the non-director Secretary (Daniel Ripley) and the non-director Vice-Secretary (Joan Figueras Carreras) made up the Board of Directors of the company.

The directors are: Carlos Gallardo Piqué (President, Proprietary Director and Chief Executive Officer), Tom McKillop (First Vice President and External Director), Karin Louise Dorrepaal (Independent Director), Seth J. Orlow (Independent Director), Enrique De Leyva Pérez (Independent Director), Alexa B. Kimball (Independent Director), Eva-Lotta Coulter (Independent Director), Ruud Dobber (Independent Director) and Antonio Gallardo Torredededia (Proprietary Director).

Director Carlos Gallardo Piqué was appointed President on 6 May 2022, upon the resignation of former President Jorge Gallardo Ballart, and Chief Executive Officer on 2 November 2022, upon the resignation of former Chief Executive Officer Gianfranco Nazzi.

The Annual Corporate Governance Report and the Annual Report on Directors' Remuneration (Appendices II and III respectively of the Consolidated Management Report) contain additional details regarding Almirall's Board of Directors.

Board Committees

There are three Board Committees: the Audit Committee, the Appointments and Remuneration Committee, and the Dermatology Committee. Each of them operates with clear and defined roles, and their activity is regularly reviewed to ensure that the proposed objectives are achieved.

The committees meet at least quarterly and report their activities to the Board of Directors at each meeting.

1.2.2. Audit Committee

The Audit Committee is responsible for reviewing the company's regularly published financial and non-financial information, ensuring compliance with all legal requirements and the correct application of current accounting standards. It also supervises the internal audit system, internal control systems and activities related to risk control and management, in addition to constant interaction with the external auditors.

The Audit Committee and, in particular, its President assume the functions related to oversight of all matters relating to sustainability and ESG.

Almirall implements both an internal audit function and an annual external audit process to ensure the integrity and accuracy of all the information it publishes. Similarly, an important function of the Committee is management of the company's risks, which it does by supervising a management project that has been in place for many years, on the basis of which all operational risks are assessed and other risks, such as reputational, sustainability and information security risks, are duly managed.

The Audit Committee is composed of three directors, all of whom are non-executive directors, two of whom are independent directors and one of whom is an external proprietary director. The Committee President is elected from among the independent directors. This director must be replaced every four years and may be re-elected after a period of one (1) year has elapsed since leaving office. The Secretary is appointed by the Committee members. The Committee normally meets on a quarterly basis to review the periodic financial information to be submitted to stock market authorities and the information the Board of Directors must approve and include in its annual public documentation. It also meets at the request of any of its members and whenever convened by its President, who must do so whenever the Board or its President requests the issuance of a report or the adoption of proposals and, in any case, whenever it is appropriate for the proper performance of its functions.

In addition to the foregoing, the functions of the Audit Committee include:

- Giving an account of its activities and reporting on its work to the first plenary session of the Board of Directors following its meetings.
- Taking minutes of its meetings, copies of which it must send to all the members of the Board.
- Preparing an annual report on its activities, highlighting any relevant incidents that may have arisen in relation to its duties. In addition, when it deems it appropriate, it includes in this report proposals for improving the company's governance rules.
- Calling on, or even ordering, any of the members of the Company's management team or staff to appear without the presence of any other manager. Likewise, it may require the attendance of the auditors at its meetings.
- Seeking the advice of external experts when it deems it necessary for the proper performance of its duties.

- Supervising compliance with the company's corporate governance rules and internal codes of conduct, and ensuring that the corporate culture is aligned with its purpose and values: in particular, establishing and supervising a mechanism that allows employees to report, confidentially and, if possible and deemed appropriate, anonymously, any potentially significant irregularities, especially those related to criminal, financial and accounting matters, that they become aware of within the Company (see section 1.6 "Prevention of and fight against corruption and money laundering" for further details).

In 2022, the Committee, among other matters, reviewed the company's periodic financial information, the most relevant operations, sought the opinion of external auditors, continuously monitored the company's main risks, reviewed and validated the ESG goals with regard to each of the corresponding initiatives, after submitting them to the Board of Directors for approval, verified the degree of progress of the planned actions in information security, supervised the results of the ICFR tests and the criminal risk prevention and management model, and reviewed the observations and recommendations derived from the internal audit reports as well as compliance with its activity plan.

1.2.3. Appointments and Remuneration Committee

The Appointments and Remuneration Committee oversees the selection process and the remuneration policy for members of the Board of Directors and senior management of the company and its subsidiaries, in addition to supervising and coordinating the global strategic activities of Almirall's Human Resources area.

The Appointments and Remuneration Committee is responsible for formulating and reviewing the criteria to be followed regarding the composition of the management team of the company and its subsidiaries. Its responsibilities also include selection of candidates and evaluation of their skills and knowledge and of the experience required for the members of the Board of Directors and the company's management team, ensuring compliance with the remuneration policy established in this respect, as well as the review of potential conflicts of interest.

The Appointments and Remuneration Committee is made up of four external directors, three of whom are independent. The members of the Appointments and Remuneration Committee are appointed taking into account their knowledge, skills and experience, as well as the duties of the Committee. The President of the Appointments and Remuneration Committee is an independent director elected from among these external directors. The Secretary of the Committee is appointed by its members. The Appointments and Remuneration Committee meets quarterly (normally). It also meets whenever convened by its President, who must do so whenever the Board or its President requests the issuance of a report or the adoption of proposals and, in any case, whenever it is advisable for the proper performance of its duties. The Committee must report on its activities and be accountable for its work to the first plenary session of the Board of Directors following its meetings. The Committee must take minutes of its meetings, copies of which it must send to all the members of the Board. The Committee must consult with the President and chief executive of the Company, especially on matters relating to executive directors and senior executives. The Appointments and Remuneration Committee may seek the advice of external experts when it deems it necessary for the proper performance of its duties.

Notwithstanding other duties that may be assigned to it by the Board of Directors, the Appointments and Remuneration Committee has the following basic responsibilities:

- Formulating and reviewing the criteria to be followed for the composition of the management team of the Company and its subsidiaries, as well as for selection of candidates.
- Reporting and submitting to the Board of Directors the proposed appointments of directors, senior executives and managers so that the Board may proceed with their appointment.
- Reporting to the Board regarding issues of gender diversity and director qualifications.
- Proposing to the Board of Directors the remuneration policy for directors and general managers or for those who perform their senior management duties under the direct supervision of the Board, executive committees or managing directors, as well as the individual remuneration and other contractual conditions for executive directors, ensuring that they are complied with.

Among other matters, during the 2022 financial year, the Committee debated and approved the reports evaluating the President of the Board and Chief Executive and the functioning of the Appointments and Remuneration Committee to be submitted to the Board of Directors of the company for the corresponding purposes. The Committee also discussed the updating of the human resources plan, the composition of the Board and the re-election of directors. In addition, the SEUS evaluation and the proposal for 2022 were discussed.

1.2.4. Dermatology Committee

The Dermatology Committee verifies and discusses Almirall's medical dermatology strategy and oversees activities related to implementation of this strategy, as well as relevant R&D and business development projects before the Board of Directors decides on them.

The Dermatology Committee usually meets quarterly. It must also meet whenever convened by its President, who must do so whenever the Board or its President requests the issuance of a report or the adoption of proposals and, in any case, whenever it is advisable for the proper performance of its duties. The Committee must take minutes of its meetings, copies of which it must send to all the members of the Board. The Board of Directors deliberates on the proposals and reports submitted to it by the Committee. The Dermatology Committee may seek the advice of external experts when it deems it necessary for the proper performance of its duties.

Its most important activities during the 2022 financial year were related to the review of potential business development operations, as well as the evaluation of R&D projects, always in the area of dermatology.

1.2.5. Corporate Governance Committee

The Corporate Governance Committee is an internal committee chaired by the President of the Board, and its functional scope includes corporate governance, corporate defence, risk management and internal auditing, as well as oversight in matters of compliance and sustainability.

The Committee comprises Almirall's President and Chief Executive Officer (who also chairs the Committee), the Executive Vice President Finance CFO, the Senior Vice President Human Resources, the Senior Internal Audit Director, the General Counsel and the Executive Director Corporate Governance, who also acts as Secretary of the Committee.

1.2.6. Management Board

Almirall's Management Board is the internal committee that leads the company's executive management, led in turn by the Chief Executive Officer, and it represents the most important areas of the organisation, defining the company's long-term objectives and strategies, establishing the principles and approving the contents of the various Almirall internal corporate policies.

The mission of the Management Board encompasses the following responsibilities:

- Directing all strategy and strategic decisions of the company not expressly reserved for the Board of Directors, in accordance with the general responsibilities and guidelines established by the Board of Directors or delegated by it to the Chief Executive Officer;
- Taking all extraordinary organisational decisions not expressly reserved for the Board of Directors or delegated to another committee, body or person;
- Managing the organisation in accordance with the general responsibilities and guidelines established by the Board of Directors or delegated by it to the Chief Executive Officer;
- Taking all day-to-day management decisions for the organisation not expressly reserved for the Board of Directors or delegated to another committee, body or individual; and
- Maximising the strategic value of Almirall's personnel management policies and working environment.

The members of the Management Committee are the Chief Executive Officer, who chairs the Committee, the Executive Vice President Finance CFO, the Executive Vice President Research and Development Chief Scientific Officer, the Senior Vice President Industrial Operations, the General Counsel, the Senior Vice President Human Resources, the Chief Medical Officer, the Chief Commercial Officer Europe & International, the President and General Manager, Almirall USA, the VP Corporate Strategy and the Executive Director Corporate Governance, who also acts as Secretary of the Committee.

Other internal committees also report to the Management Committee, among which the following are noteworthy:

- The R&D Portfolio Committee is responsible for (i) overseeing and approving the overall R&D strategy within the economic limits established by the Management Committee, and under the guidance of the Board of Directors and the approved R&D Innovation Roadmap; (ii) overseeing the approval and prioritization of internal and external R&D projects; and (iii) monitoring and managing the progression of R&D projects and/or their completion from inception to launch.

- The Tax Committee is responsible for (i) discussing tax matters, proposing measures, guiding and overseeing the tax policies submitted to the Committee, with a view to establishing a long-term tax strategy in line with the business structure and corporate strategy, with emphasis on the correct alignment of these tax proposals with current tax regulations, monitoring good tax practices, improving legal certainty and reasonably minimizing tax risks; and (ii) reviewing corporate transactions (acquisitions and licensing agreements) that are reviewed by the Investment Appraisal Committee. See section 4.4.1 “Almirall’s tax policy” for more details.
- The Drug Safety Committee oversees the pharmacovigilance and clinical safety activities of all Almirall’s investigational and authorized drugs to ensure compliance with regulatory requirements, business needs and appropriate benefit/risk assessment throughout the product life cycle with the ultimate goal of protecting patient health. See section 4.5 “Quality Systems and Pharmacovigilance as tools to ensure product quality, health and consumer safety” for more details.

1.2.7. ESG Committee

The ESG Committee is an internal committee reporting to the company’s Management Committee, chaired by the Vice President of Human Resources and its Secretary, the Head of Corporate Social Responsibility. In addition, it has Directors who are responsible for the different areas of the company. Its objectives are:

- To manage and lead the periodic action plans, programmes, projects and relevant initiatives related to the ESG strategy approved by the Board of Directors.
- To ensure the implementation, maintenance and monitoring of an effective Health, Safety and Environment management system, to guarantee its alignment with legal regulations and international standards to which Group voluntarily subscribes.

The mission of the ESG Committee encompasses the following responsibilities:

- To put forward the Company’s ESG strategy and programme for presentation by the Chief Executive Officer to the Board of Directors, and promote them throughout the organization.
- To maintain and promote an inventory of ongoing and completed corporate social responsibility and ESG initiatives, ensuring their impact both internally and externally.
- To support key initiatives across all functions of the organization and follow up to ensure execution.
- To support internal and external corporate social responsibility and ESG communication plans.
- To ensure compliance with the increasing requirements for sustainability, corporate social responsibility and ESG audits and reporting from different stakeholders (authorities, partners, voluntary schemes, etc.).
- To review and approve the HSE Manual, multi-year strategic plans, annual reports and other HSE issues; as well as monitor the entire management system.

1.3. **Objectives and strategy**

The company’s strategic focus is on (i) driving growth in dermatology while optimising the value of its current portfolio; (ii) expanding the portfolio and pipeline in priority therapeutic areas through an effective combination of R&D and corporate development; (iii) achieving selective expansion in key countries; (iv) increasing the company’s competitiveness through greater proximity to Almirall’s patients; and (v) promoting an organisation with a culture based on the company’s corporate values.

1.3.1. Noble Purpose and Corporate Values

“Transform patients worlds by helping them realise their hopes and dreams for a healthy life”

Almirall’s Noble Purpose is patient-centred and guides the Group’s strategy, leadership, culture and mentality. It focuses on creating a unique patient experience, with solutions that offer the greatest possible benefit to the patient. The emphasis is on the patient’s well-being, and therefore every effort is made to offer effective solutions. There is also active engagement with patients and the medical community to better understand their needs. Almirall’s operating model, from scientific innovation to clinical development and marketing, is based on understanding the patient’s environment in order to add value.

The millions of patients who use Almirall’s treatments around the world place their trust in the company and expect it to be able to provide them with medical solutions that improve their well-being and quality of life.

The company offers medical solutions based on science. It undertakes research and invests in order to provide innovative treatments to the healthcare professionals who address their needs in the field of dermatology. Above all else Almirall cares about quality of life, and this gives it a better understanding and social awareness of diseases that cause people emotional distress, such as psoriasis.

Relationships with patients and other stakeholders depend to a large extent on awareness of the disease, and thus all of Almirall's activities are aligned with the strategy of raising awareness of these diseases, their symptoms and consequences, and of possible solutions.

Almirall is focused on delivering innovative, patient-centred solutions through science.

The entire organisation is committed to continuing to be a leader, and to being transparent and true to our Noble Purpose and sharing our values:

- *“Care”*: We listen and we empathise, we help each other to succeed, and we value diversity of perspective and experience
- *“Courage”*: We challenge the status quo, we take full responsibility and we learn from our successes and failures.
- *“Innovation”*: We place the patient and the customer at the centre, we create innovative solutions and we promote an entrepreneurial mindset
- *“Simplicity”*: We act decisively, without getting lost in excessive analyses, we are agile and we simplify and before we do anything, we understand why we are doing it.

1.3.2. Research and Development

One of the key factors of Almirall's business model is the research and development (R&D) of new treatments for patients suffering from dermatological diseases with the aim of improving their health and quality of life. Almirall's R&D objective is the discovery and further development of innovative state-of-the-art drugs based on new chemical entities (NCEs) and biologics (NBEs). Almirall R&D focuses on those diseases where a more significant contribution can be made, such as immuno-inflammatory diseases (atopic dermatitis, psoriasis, vitiligo), non-melanocytic skin carcinoma (actinic keratosis, basal cell carcinoma) and rare diseases (autoimmune bullous diseases, epidermolysis bullosa, palmoplantar pustulosis, ichthyosis).

Almirall carries out its R&D activities at its facilities in Sant Feliu de Llobregat (Barcelona), which opened in 2006. With a surface area of approximately 12,000 m², the facilities are equipped with the most advanced technology and have highly qualified professionals in all the disciplines involved in the process of discovering and developing new drugs, covering the entire R&D value chain. In addition to these facilities, Almirall also has a chemical plant in Sant Celoni and another in Sant Andreu de la Barca (both in the Barcelona area), which provide the active ingredients necessary for toxicological, preclinical and clinical studies.

To build a portfolio of R&D projects of sufficient size to ensure the registration and approval of new drugs, Almirall benefits from agreements, strategic alliances and partnerships in both the public and private sectors with biotechnology companies from all over the world, academic centres of reference in the sector, academic institutions, hospitals and scientific societies, among others. This network of collaborations enables an exchange of knowledge in innovation and academic research for the benefit of society, thus increasing knowledge about diseases of interest to the company. It also allows access to ground-breaking innovation in the sector and the generation of new research programmes. In addition, access to new technologies speeds up the process of identifying new drugs and maximizes drug development to produce transformative treatments.

As part of the importance of science at Almirall, the company organizes and sponsors courses, conferences and medical meetings in each of the main therapeutic areas and publishes articles and the results of clinical trials in international scientific journals.

1.3.3. Digital Transformation

Like many other industries, the pharmaceutical industry is undergoing a major transformation. For this reason, and in order to remain a competitive industry over the long term, Almirall must include innovation in all the processes in its value chain and establish new approaches and strategies for launching new products and optimising current ones.

In addition, the company is increasingly incorporating digital resources into its activities to establish more efficient processes and to increase the reliability and speed of diagnosis of skin conditions, enabling it to develop solutions that go beyond medication. Almirall is harnessing the great potential of digitalisation and technology with the aim of transforming medicine, research and the way it interacts with its patients in a way that brings them value.

The company is pursuing this digital transformation as a driver of innovation to implement new business approaches in all areas of the organization:

- Digital innovation: opening Almirall's doors to digital innovation and technology-enabled solutions by equipping global teams and countries with capabilities and an understanding of their needs.

- New business models: designed to enrich the Group's portfolio and scope by introducing new capabilities into the organization. Enabling brands and countries to expand their access, product line and overall performance.
- Data-driven business: Strengthening the data mindset and accountability, leveraging advanced analytics to make smarter decisions at all levels of the organization.

Almirall has a mentoring programme for start-ups and entrepreneurs in the healthcare sector called Digital Garden (<https://almiralldigitalgarden.com>). Digital Garden is Almirall's digital healthcare business accelerator for dermatology, and its aim is to help start-ups focused on developing innovative technology-based services and solutions across the lengthy patient journey in dermatology to grow. Another of its aims is to equip the organization with the innovation capabilities it needs to accelerate the company's digital transformation, while embedding a culture of experimentation in which there is freedom to try and fail, through exposure to and collaboration with young, risk-taking start-ups. Digital transformation at Almirall is about much more than technology, data or new business, it has more to do with our people's mindsets in terms of evolving the way we run the business.

1.4. Sustainability and ESG

1.4.1. Context

In 2020, given its commitment to increasing its contribution to society, Almirall approved a new Sustainability/ESG strategy, continuing with the integration of environmental, social and ethical issues in the decision-making process. ESG (environmental, social and governance) criteria are present in Almirall's day-to-day activities and at all levels of the company, from the Board of Directors, its Committees and the Management Board to its professional teams and including all its relationships with stakeholders.

This new sustainability strategy meets a number of objectives, of which the most important are to (i) maximise value creation for patients and various stakeholders, (ii) promote ethical behaviour by increasing corporate transparency and strengthening the company's reputation, and (iii) identify and mitigate any risks caused by the company's activities. Almirall's Chief Executive Officer is responsible for internal oversight of all sustainability-related activities and for establishing control and management measures, as well as for reviewing ESG initiatives and programmes, the internal committee for which reports directly to him. The Audit Committee and, in particular, its President assume the functions related to oversight of all matters relating to sustainability and ESG.

In addition, integrity and transparency are fundamental pieces in the sustainability of the company and are integrated into all its processes and activities. In keeping with its commitment to transparency, Almirall gathers, builds and provides, clearly and consistently, factual, complete and accessible information to all its stakeholders in order to generate trust in the company and credibility. Furthermore, the company and all its European subsidiaries adhere to the Code of Practice of the European Federation of Pharmaceutical Industries and Associations (EFPIA), as well as those of the corresponding local associations in the European countries where Almirall operates, such as Farmaindustria in Spain, always complying rigorously with the applicable legislation in force in each country. In this regard, the company publishes information on payments and value transfers to healthcare professionals or organisations for activities such as consultancy, meetings and advice, in accordance with the corresponding legal provisions. This information is available on the Group's corporate website (www.almirall.com) in the Transparency section.

1.4.2. Sustainability Policy

In February 2020, Almirall's Board of Directors approved a modification of the Corporate Social Responsibility Policy (hereinafter CSR), renaming it the Sustainability Policy and assigning responsibility for internal oversight in this area to the Chief Executive Officer. In accordance with this approval, a new Corporate ESG Committee was formed in 2020, reporting to the Management Board, with the mission of managing and leading the plans, programmes, projects and initiatives related to the ESG strategy approved by the Board of Directors.

Almirall understands Sustainability as the company's responsible management and its impact on society and the environment. To fulfil this responsibility, Almirall is committed to integrating ethical, social and environmental concerns into its business and operational strategy in close collaboration with its stakeholders in order to (i) maximise the creation of shared value for its shareholders and other stakeholders and for society in general; (ii) foster a culture of ethical conduct that increases corporate transparency; (iii) strengthen the company's reputation and external recognition, and (iv) identify, prevent and mitigate possible adverse effects caused by its activity.

In order to achieve the aforementioned objectives, Almirall adopts the following general principles:

- Align its conduct with the principles contained in the Code of Ethics and the other Corporate Governance Rules, which regulate the conduct expected of Almirall employees in the performance of their activities.

- Foster communication and dialogue with its main stakeholders through various communication channels, promoting relationships based on mutual trust.
- Promote transparency in the information released regarding Almirall's actions and activities, and adopt responsible communication practices to prevent manipulation of information and protect the integrity of Almirall's reputation.
- Proactively manage non-financial risks and opportunities arising from the markets and the context of business transactions.
- Ensure the creation of shared value for shareholders and other stakeholders over the long term.
- Reduce the environmental impact of its activities in the areas where it operates.
- Strictly comply with the applicable laws and regulations in the countries where it operates

1.4.3. ESG strategy

In 2020, Almirall carried out an internal and external ESG diagnosis, as well as a materiality analysis of the different aspects analysed, identifying which were the most important for the different stakeholders. The result of this exercise led to the formulation and confirmation by the Board of Directors of a new ESG Strategy.

The internal diagnosis was carried out through:

- i. review and assessment of all existing internal ESG documentation by a specialised consulting firm; and
- ii. direct consultation with Almirall's Senior Management through structured interviews.

In contrast, the external diagnosis was carried out through:

- i. benchmarking with leading companies in the sector and with companies similar to Almirall;
- ii. consultation of public information from different sectoral opinion leaders;
- iii. consultation of public information from different ESG opinion leaders; and
- iv. direct consultation through structured interviews with representatives of the most relevant stakeholders.

Thirty-nine ESG aspects were identified for evaluation, both internally and externally, and their prioritisation is reflected in the corresponding materiality matrix.

As a summary of the materiality analysis carried out, the following 22 aspects were identified as material: Research, development and innovation, Compliance and anti-corruption, Business model and strategy, Product quality, Employee health and safety, Corporate governance, Risk and opportunity management, Pharmacovigilance, Patient-centred care, Talent development and retention, Strategic alliances, Responsible supply chain, Employee well-being, Customer relations, Corporate information availability, Talent attraction, Financial performance, Product safety, Efficient energy management, Inclusion and diversity, Human rights, and Climate action.

In 2022, Almirall pushed forward the development and implementation of the ESG Strategy, which is structured through 15 working areas grouped into four top-level strategic lines, as shown below:

Environment

- (1) Continue to develop the strategy for combating climate change.
- (2) Detail the calculation and improvement of the carbon footprint.
- (3) Increase energy efficiency management.

Social

- (4) Increase the visibility of social actions by establishing a corporate framework.
- (5) Continue with deployment of the supplier risk management model.
- (6) Increase the detail of the patient engagement plan in alignment with the Noble Purpose.
- (7) Update and extend the equality and diversity programme to include all types of diversity.
- (8) Involve employees in social impact initiatives.
- (9) Develop a holistic approach to occupational health and safety through an employee wellness programme.

Governance

- (10) Develop and implement an anti-corruption and anti-bribery policy.
- (11) Detailed revision of the Code of Ethics and the whistleblowing channels, extending them to all stakeholders.
- (12) Expand the breadth and quantification of ESG risks, in the medium to long term, on the company's risk map.

Management and communication

- (13) Extend the definition of the governance model, performance objectives and scorecard of the ESG Policy.
- (14) Expand adherence to external initiatives aligned with ESG priorities and evaluation by ESG indices.
- (15) Accelerate and improve internal and external communication on ESG.

The ESG Strategy, and its working areas and initiatives, are aligned with the Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda, as summarised below:

- **Environment:** Good health and well-being, Affordable and clean energy, Climate action.
- **Social:** Good health and well-being, Gender equality, Decent work and economic growth.
- **Governance:** Good health and well-being, Reduced inequalities, Peace, justice and strong institutions, Partnerships for the goals.
- **Management and communication:** Decent work and economic growth, Peace, justice and strong institutions, Partnerships for the goals.

In 2022, Almirall formally joined the United Nations Global Compact, the world's largest corporate sustainability initiative, and formally endorsed its commitment to a responsible development model aligned with the principles and objectives of the United Nations 2030 Agenda for Sustainable Development.

Finally, in anticipation of the new CSRD (Corporate Sustainability Reporting Directive), which is expected to come into force in 2025 based on information from 2024, the Group plans to conduct a study of the impacts of the Group's activities during the first half of 2023, to be able to report on issues that reflect the significant impacts that the company makes on the economy, the environment and people. This new directive on the reporting of non-financial information will require, among other things, that organizations report information based on the concept of "Dual Materiality". Dual materiality refers to the totality of both financial materiality and impact materiality (not the intersection), i.e., companies will need to assess not only what is material to the company (from the outside in), but also how the company materially impacts people and the planet (from the inside out).

The remaining sections of this report detail information on achievements and progress in the different working areas of the ESG Strategy during 2022.

1.4.4. Sustainability and ESG Aims

ESG targets linked to the variable remuneration of all members of Almirall's Management Board were defined in 2022. This objective is detailed below, together with an assessment of its level of achievement at the end of the year:

What	How	Assessment
To promote in all areas of the company the internalisation and execution of the principles and initiatives of the ESG Programme approved by the Board of Directors.	<ul style="list-style-type: none"> • To take organisational and strategic decisions regarding Sustainability and ESG that are not expressly reserved for the Board of Directors. With particular reference to 2022, review corporate ESG responsibilities, strengthening its global leadership. To ensure that a strong ESG Committee is adequately empowered. • To ensure that short-, medium- and long-term targets are defined and implemented for the most important ESG KPIs, which are primarily those related to our decarbonisation strategy, to the HR/Social dimension and to the SRM/Sustainable Procurement programme. The proposal shall be submitted for the approval of the Audit Committee and/or the Board of Directors by the third quarter of 2022. • Follow-up of the implementation of the approved ESG Programme 2021-2023. With particular reference to 2022, projects related to the alignment of the Task Force on Climate-related Financial Disclosures (TCFD) and the definition of the NetZero strategy are of major importance. <p><u>KPIs</u></p> <ul style="list-style-type: none"> • Improve our Sustainability ESG risk rating (2021: 27.8 – Medium risk). • Maintain at least a Gold Medal in the EcoVadis CSR score (2021: Platinum medal). • Maintain at least a B rating from CDP for Almirall's Climate Change performance (2021: B rating). 	<ul style="list-style-type: none"> • ESG Dashboard 2025-2030-2050 validated by the Management Committee, the Corporate Governance Committee and the Audit Committee, and approved on 22 November by the Board of Directors. • Implementation of the ESG Programme 2021-2023 as planned. • NetZero Strategy defined as per the Science Based Targets Initiative (SBTi) and included in the ESG Dashboard. • TCFD Project: phase I (qualitative) implemented in Q1 2022; phase II (quantitative) began in Q4 2022 and is due to end in Q2 2023. <p><u>KPIs</u></p> <ul style="list-style-type: none"> • Sustainability: in 2022, Almirall improved its ESG risk rating by 23% (21.5 vs 27.8). • EcoVadis: in 2022, Almirall improved its ESG scoring by 7% (79/100 vs 74/100). We retained the Platinum Medal. • CDP: in 2022, Almirall improved its CDP rating from B (Management) to A- (Leadership).

In 2022, the ESG Committee has led the definition of an ESG Dashboard, with a set of established indicators and aims that take into account: i) the priorities established in the ESG Strategy; ii) the most reported indicators in the

sector; and iii) the most relevant aspects for the main stakeholders. This ESG Dashboard has been validated by the Management Committee and the Audit Committee, and approved by the Board of Directors.

The following tables show the approved ESG Dashboard for the different objectives:

Environment

Ref.	Indicator	2021	2022	2025	2030
E1	% reduction in carbon footprint scopes 1 and 2	3%	-9%	≥ 20%	≥ 46%
E2	% reduction in energy consumption	25%	26%	≥ 31%	≥ 35%
E3	% renewable electricity consumption	100%	100%	100%	
E4	% reduction of carbon footprint in natural gas consumption	2%	5%	≥ 20%	≥ 50%
E5	% self-generated renewable electricity	6%	7%	≥ 14%	≥ 18%
E6	% reduction in carbon footprint of internal fleet vehicles	-11%	-1%	≥ 19%	≥ 56%
E7	% reduction in carbon footprint scope 3	10%	11%	≥ 15%	≥ 28%
E8	% reduction of carbon footprint in the purchase of goods and services	7%	10%	≥ 15%	≥ 28%
E9	% reduction of carbon footprint in fuel and energy-related activities	-0.4%	4%	≥ 20%	≥ 46%
E10	% reduction of carbon footprint in upstream transport and distribution	4%	12%	≥ 50%	≥ 90%
E11	% carbon footprint reduction in business travel	78%	42%	≥ 14%	≥ 25%
E12	% reduction in carbon footprint of employee commuting	4%	9%	≥ 16%	≥ 30%

E1: % reduction in carbon footprint scopes 1 and 2: % reduction in carbon footprint in scopes 1 and 2 vs 2019 baseline.

E2: % reduction in energy consumption: % electricity and gas consumption vs 2011 baseline.

E3: % renewable electricity consumption: % renewable electricity consumption vs total electricity consumption.

E4: % reduction of carbon footprint in natural gas consumption: % reduction in carbon footprint of fossil fuel natural gas consumption vs 2019 baseline.

E5: % self-generated renewable electricity: % self-generated renewable electricity vs total electricity consumption.

E6: % reduction in carbon footprint of internal fleet vehicles: % reduction in carbon footprint of internal fleet vehicles vs 2019 baseline.

E7: % reduction in carbon footprint scope 3: reduction in carbon footprint scope 3 vs 2019 baseline.

E8: % reduction of carbon footprint in the purchase of goods and services: % reduction in carbon footprint of purchases of goods and services vs 2019 baseline.

E9: % reduction of carbon footprint in fuel and energy-related activities: % reduction in carbon footprint of fuel and energy-related activities vs 2019 baseline.

E10: % carbon footprint reduction in upstream transport and distribution: % reduction in carbon footprint in upstream transportation and distribution vs 2019 baseline.

E11: % carbon footprint reduction in business travel: % carbon footprint reduction in business travel (including events) vs 2019 baseline.

E12: % reduction in carbon footprint of employee commuting: % reduction in carbon footprint of employee commuting vs 2019 baseline.

Social

Ref.	Indicator	2021	2022	2025	2030
S1	‰ occupational accident incidents rate	5‰	7‰	≤ 10‰	
S2	% women in senior leadership	25%	36%	≥ 35%	≥ 40%
S3	% women in internal promotions	63%	60%	≥ 40%	P.D.
S4	% gender pay gap	-	-4%	≥ -5%	
S5	% absenteeism	4%	4%	≤ 4	
S6	% turnover	12%	12%	≤ 10%	≤ 9%
S7	# hours of training per employee	11	15	≥ 20	≥ 30
S8	% permanent contracts	98%	98%	≥ 95%	

S1: ‰ occupational accident incidence rate: number of work-related accidents resulting in sick leave per 1,000 workers.

S2: % women in senior leadership: % number of women in grade 11+ (at end of year) vs total number of women and men in grade 11+ (at end of year).

S3: % women in internal promotions: % annual number of women promoted (vertical and horizontal movements) vs total annual number of women and men promoted.

S4: % reduction in gender pay gap: weighted average per country taking into account the distribution of Equal grades and the weighted average number of workers per country.

S5: % absenteeism: % annual number of hours lost (accidents, illness) vs annual number of hours worked by all workers.

S6: % turnover: % annual number of persons leaving vs average annual number of workers.

S7: # hours of training per employee: annual number of training hours vs average number of employees.

S8: % permanent contracts: % number of permanent contracts (at year-end) vs total number of workers (at year-end).

Governance

Ref.	Indicator	2021	2022	2025	2030
G1	% independent directors on the Board of Directors	62%	67%	≥ 50%	
G2	% women on the Board of Directors	31%	33%	≥ 40%	
G3	% spending with ESG audited suppliers	46%	58%	≥ 60%	≥ 75%
G4	% spending with suppliers that have accepted the Code of Conduct	36%	41%	≥ 60%	≥ 75%
G5	% employees trained in the Code of Ethics	38%	85%	100%	

G1: % independent directors on the Board of Directors: % number of independent directors on the Board of Directors vs total number of members.
 G2: % women on the Board of Directors: % number of women on the Board of Directors vs total number of members.
 G3: % spending with ESG audited suppliers: % spending with suppliers for which we have ESG audit results.
 G4: % spending with suppliers that have accepted the Code of Conduct: % spending with suppliers that have accepted Almirall's Supplier Code of Conduct.
 G5: % employees trained in the Code of Ethics: % of Almirall workers trained in year n-2 + % of Almirall workers trained in year n-1 + % of Almirall workers trained in year n.

Projects and initiatives

The following tables summarize the main projects and initiatives linked to each of the ESG Dashboard KPIs.

Environment

Ref.	Indicator	Main projects and initiatives
E1	% reduction in carbon footprint scopes 1 and 2	<ul style="list-style-type: none"> Global coordination of the Net Zero strategy. 
E2	% reduction in energy consumption	<ul style="list-style-type: none"> Replacement of chillers. Replacement of HVAC units. Other energy efficiency projects. 
E3	% renewable electricity consumption	<ul style="list-style-type: none"> Purchase of renewable electricity with guarantee of origin. Long-term power purchase agreements (PPAs). 
E4	% reduction of carbon footprint in natural gas consumption	<ul style="list-style-type: none"> Materialize proposals for gas elimination, reduction and/or substitution in the different work centres. Purchase of renewable gas with guarantee of origin. 
E5	% self-generated renewable electricity	<ul style="list-style-type: none"> New solar panels at Headquarters and RBK centre. Expansion and/or upgrade of existing solar panels at SAB and SCE centres. Explore other initiatives, beyond our properties (on-site PPAs, energy communities). 
E6	% reduction in carbon footprint of internal fleet vehicles	<ul style="list-style-type: none"> New benefit vehicle policy 2025-2030. New sales network vehicle policy 2025-2030. Electrical charging points at work centres. Subsidies for employees. 
E7	% reduction in carbon footprint scope 3	<ul style="list-style-type: none"> Global coordination of the Net Zero strategy. 
E8	% reduction of carbon footprint in the purchase of goods and services	<ul style="list-style-type: none"> Supplier participation programme (phase 1). Include mandatory "low emissions" clauses in new supplier contracts (phase 2). 

E9	% reduction of carbon footprint in fuel and energy-related activities	<ul style="list-style-type: none"> • Related to scope 1 emission reductions. 	
E10	% reduction of carbon footprint in upstream transport and distribution	<ul style="list-style-type: none"> • Air freight: reduce and eliminate where possible. • Road transportation: supplier participation (phase 1), • Preferred low-emission transportation (phase 2), • Mandatory low-emission transport (phase 3- 2030). 	
E11	% carbon footprint reduction in business travel	<ul style="list-style-type: none"> • Revision of the travel policy • Rationalize and reduce business travel, especially air travel. • Carbon offset programme. 	
E12	% reduction in carbon footprint of employee commuting	<ul style="list-style-type: none"> • Turn it flex: remote work. • Subsidies for low-emission personal vehicles. • Promote and encourage carpooling and other sustainable means of transportation. 	

Social

Ref.	Indicator	Main projects and initiatives	
S1	‰ occupational accident incidents rate	<ul style="list-style-type: none"> • Health and Safety Management System according to ISO 45001:2018. • Ongoing improvement programmes. 	
S2	% women in senior leadership	<ul style="list-style-type: none"> • People and Culture Strategy • Talent attraction and development programmes. 	
S3	% women in internal promotions	<ul style="list-style-type: none"> • People and Culture Strategy • Talent attraction and development programmes. 	
S4	% gender pay gap	<ul style="list-style-type: none"> • People and Culture Strategy • Equal project and programme. 	
S5	% absenteeism	<ul style="list-style-type: none"> • People and Culture Strategy • Absenteeism control programs. 	
S6	% turnover	<ul style="list-style-type: none"> • People and Culture Strategy • Talent retention and development programmes. 	
S7	# hours of training per employee	<ul style="list-style-type: none"> • People and Culture Strategy • Talent development programmes. 	
S8	% permanent contracts	<ul style="list-style-type: none"> • People and Culture Strategy • Talent attraction and development programmes. 	

Governance

Ref.	Indicator	Main projects and initiatives	
G1	% independent directors on the Board of Directors	<ul style="list-style-type: none"> Regulations of the Board of Directors of Almirall. 	
G2	% women on the Board of Directors	<ul style="list-style-type: none"> Regulations of the Board of Directors of Almirall. 	
G3	% spending with ESG audited suppliers	<ul style="list-style-type: none"> Supplier risk management strategy. Sustainable Purchasing Programme. 	
G4	% spending with suppliers that have accepted the Code of Conduct	<ul style="list-style-type: none"> Supplier risk management strategy. Sustainable Purchasing Programme. 	
G5	% employees trained in the Code of Ethics	<ul style="list-style-type: none"> Global programme and global strategy. Training programmes. 	

1.4.5. Sustainability and ESG assessments and ratings



In 2022, Almirall received the results of the Sustainability and ESG assessment carried out by EcoVadis, having obtained a score of 79/100, which represents an improvement of 5% over the previous year, maintaining the Platinum Medal. Compared to the 2021 results, in which Almirall obtained an overall score of 74/100, in 2022 there has been considerable improvement in the areas of the Environment and Sustainable Procurement.

EcoVadis is a universal provider of sustainability and ESG ratings, having assessed over 90 companies in over 200 business sectors in more than 160 countries. With regard to the companies assessed by EcoVadis in the 'Manufacture of basic pharmaceutical products and pharmaceutical preparations' sector, it should be noted that Almirall is in the top 1% of the companies assessed.

Likewise, in 2022, Almirall's overall ESG management and performance was assessed and rated by other ESG rating agencies and entities. For example, Sustainalytics conducted an assessment of Almirall's environmental, social and governance aspects, awarding an ESG Risk Rating of 21.5, within the Medium Risk category. This result considerably improves the result obtained in 2021, reducing our ESG risk rating by 23%. In addition, Almirall is in the Top 7% of companies in the "Pharmaceuticals" activity sector best valued by Sustainalytics.



Sustainalytics, a Morningstar company, provides high-quality environmental, social and corporate governance (ESG) analytical research, ratings and data for institutional investors and companies. Sustainalytics ESG scorecards provide detailed information on environmental, social and ethical risks in 172 countries, having assessed more than 20,000 companies worldwide.

Apart from these overall ESG ratings, other specific ratings on specific aspects of ESG are detailed in this document, e.g. ISO 14001:2015 certification for environmental management, ISO 50001:2018 certification for energy management, ISO 45001:2018 certification for occupational health and safety management, 'Top Employer' certification, CDP rating on climate change, etc.

1.5. Risks and future trends

Almirall's Risk Management System is based on the existence of an annual Risk Map, which prioritises the most significant risks on the company's global risk map. This system, coordinated by Internal Auditing, is based on consolidation of the analysis and assessment of events, risks, controls and action plans to mitigate them, carried out by the business and support units that make up the different company areas. For risks related to taxation, there is also a Tax Committee for controlling, managing and minimising them.

Preparation and implementation of the Risk Management System is the responsibility of the company's Senior Management, and the function of overseeing its effectiveness is carried out by the Audit Committee and by the Corporate Governance Committee, which is functionally linked to the President's Office, given that it refers directly to an essential responsibility of the Board of Directors itself.

The company operates in a sector characterised by great uncertainty about the outcome of R&D expenditures and in a highly competitive market in the therapeutic areas on which it is focused. The pharmaceutical industry is an industry subject to the decisions of health authorities for both approval of products and determination of marketing conditions, as well as being a highly regulated industry in terms of the environment and aspects related to pharmacovigilance, quality and codes of good practice in promotional activities.

These factors result in a nature of risks that are addressed by taking a conservative stance, being very selective in resource allocation and establishing very rigorous and effective processes and controls in operations.

All risks that could have a significant impact on the achievement of company objectives are assessed. Risk factors to which Almirall is subject include:

- Regulatory risks, arising from regulatory changes established by the various regulators, or from changes in social, environmental or tax regulations. Examples include price reductions or volume limitations for existing products and difficulties in obtaining requested prices or reimbursement conditions for new launches due to decisions by health authorities, with the concomitant impact on sales forecasts.
- Market risks, related to the exposure of Almirall's earnings and equity to changes in prices and other market variables, such as exchange rates, interest rates, commodity prices, financial asset prices and others.
- Credit risk, in the event that a counterparty does not comply with its contractual obligations and produces an economic or financial loss for the company.
- Business risks, established as the uncertainty as to the behaviour of the variables inherent to Almirall's business, such as the characteristics of demand, the supply of raw materials and the appearance of new products. Examples include revenue erosion and loss of market share due to the progressive entry of generics, deterioration of intangible assets due to a lower-than-expected net revenue stream in some businesses or an R&D pipeline that is not sufficiently balanced and differentiated in its different phases to nourish the product portfolio.
- Operational risks, referring to direct or indirect economic losses caused by inadequate internal processes, technological failures, human error or as a consequence of certain external events. Operational risks also include legal and fraud risks and ones associated with information technology and cybersecurity (cyber-attacks or security incidents that allow access to confidential information or disrupt business activities).
- Reputational risks, which include the potential negative impact associated with changes in the perception of Almirall by its different stakeholders.

The company also takes into account sustainability risks, including environmental, social and governance (ESG) risks, and pays close attention to those associated with climate change, human resources and talent recruitment, among others:

- Environmental risks: Almirall's environmental policy aims, among other things, to minimise the environmental impact of new products and developments, ensure compliance with applicable legal requirements and other principles to which the organisation subscribes, and apply pollution prevention techniques. Section 2, "Environmental management", describes the main actions taken in relation to the environment.
- Risks to society: With respect to potential risks with social impact, Almirall's quality system covers the entire production process, from procurement of raw materials to the release of the finished product, in order to minimise the risk of releasing a product onto the market with compromised quality, efficacy or safety. The company has a complaint control and pharmacovigilance system for rapid detection of possible problems of product quality, efficacy or safety and the adoption of corrective measures. In addition, product traceability control systems would enable a quick and effective recall of any batch of product from the market. Section 4.5, 'Quality Systems and Pharmacovigilance as tools to ensure product quality, health and consumer safety', discusses these aspects in greater detail. Employee safety standards are more rigorous than required by law and thoroughly documented. Product liabilities and potential incidents at facilities are covered by global risk management policies and insurance programmes.
- Governance risk: The company has policies established for corporate social responsibility, communication with financial markets and compliance with good practices in tax matters.

In November 2020, the company's Board of Directors approved a Risk Management Policy that confirms the guidelines and framework for Almirall's entire risk management system, the only change in 2022 being the elimination of the Risk Management Committee and the assumption of its functions by the Corporate Governance Committee.

1.6. Prevention of and fight against corruption and money laundering

In pursuing its activities, Almirall is governed by a strong sense of corporate responsibility, integrity and transparency, as well as by strict and faithful compliance with current legislation.

For this reason, the company, in addition to the various policies approved by the Board of Directors and published on the Almirall corporate website (including a specific one on Anti-bribery and Anti-corruption), has a series of ethical principles and values that govern the actions of all its employees and executives. All these principles, values and behavioural guidelines are reflected in Almirall's "Code of Ethics", in the "Supplier Code of Conduct" and in Almirall's Corporate Integrity Guide. These ethical principles are developed by the Company's Global Corporate Standards, contained in the Global Corporate Policies and its Standard Operating Procedures.

In October 2021, a revamped version of the Code of Ethics was published. More user-friendly and more accessible to Group employees as well as internal and external customers, it is available on the Group's corporate website in several languages.

In December 2021, the new whistleblowing channel (internally called "SpeakUp!") was launched to help Almirall employees to confidentially and securely report any concerns they may have in relation to their job that may be indicative of malpractice. This allows us to work together to address possible bribery, corruption, fraud, abuse and other behaviours that are not aligned with the Code of Ethics. This channel has been implemented globally in several languages and can be used by all internal employees and external collaborators of Almirall. SpeakUp! guarantees the privacy of employee data in accordance with EU guidelines.

This channel allows the communication of complaints, anonymously or confidentially, through a third party and is managed and analysed by the Human Resources and Global Compliance & Privacy teams.

Almirall's whistleblowing channel (¡SpeakUp!) allows any Almirall employee, external individual or interested party acting in good faith to confidentially report any breaches of the company's Code of Ethics or any other of its policies. The process by which complaints are handled and analysed is confidential and information is only disclosed to those who are strictly necessary in the investigation and resolution process. To date, we have not received any complaints regarding human rights violations, forced or compulsory labour, or child labour.

Fiscal year 2022 was the first full year during which this global tool has been operational. Of the cases reported, 10 were substantiated, 3 were unsubstantiated and in one case no information was provided to allow a decision to be made. Of the 10 substantiated cases, 1 was related to bribery and corruption.

Specific information on cases other than corruption and money laundering is available at 4.1 "Respect for human rights".

In addition, each year Almirall publishes all value transfers made to healthcare professionals, healthcare organizations and patient associations, in accordance with the EFPIA Transparency Code. This information is available on the Group's corporate website.

Almirall has Corporate Risk Control and Risk Management Policies with a threefold purpose:

- i. Prevent potential risks that may entail legal liability both for the company and its administrators, attorneys-in-fact and/or legal representatives;
- ii. anticipate the management of such risks; and
- iii. Verify compliance with the corresponding regulatory framework applicable to the company, both internal and external.

A "Criminal Risk Prevention and Management Model" has been approved by Almirall's Board of Directors, which determines the system used to organise, prevent, manage and control the criminal risks of Almirall and its subsidiaries.

This model develops a plan for prevention of the commission of crimes by the company, and compiles the procedures and controls that currently exist for effective prevention and mitigation of criminal risks, based on a detailed analysis of those that could hypothetically arise in Almirall's different areas, taking into account, on the one hand, the policies and controls already in place, and on the other, the sensitivity to criminal risks detected in the specific processes, depending on the sector and the activities that Almirall engages in.

2. Environmental management

2.1. Management approach

In addition, we are fully committed to promoting sustainable development, efficient management of natural resources and pollution prevention.

Achieving its goals is as important to the company as how this is accomplished. Accordingly, its commitment to society goes beyond offering scientific solutions to patients and compliance with environmental legislation and regulations. It is also based on developing its own environmental policy that guarantees the responsible use of resources, thereby working towards a more sustainable planet.

Almirall has a Global Corporate Prevention and Environment Policy, which establishes that one of the priority and strategic objectives that drive the daily activity of the organisation is occupational health and safety and environmental protection, which includes energy performance. To this end, the following basic principles, among others, are established:

- A commitment to environmental protection by promoting its integration into the company's daily work processes.
- Efficient and sustainable management of resources, use of renewable energies, and commitment to mitigating and adapting to climate change through programmes to reduce greenhouse gas emissions.
- A commitment to support the procurement of energy efficiency products and services that impact energy performance, as well as support for design activities that consider energy performance improvement.
- A commitment to continuous improvement of Almirall's environmental management to improve its performance, complying with the applicable legal requirements and other requirements to which Almirall voluntarily subscribes.
- Establishment of periodic programmes, with objectives and targets in line with the applicable regulations, with the Global Corporate Prevention and Environment Policy itself, and with the risks and opportunities identified in terms of environmental protection.
- Training, involvement and participation of Almirall's staff and partner companies in the application of the principles contained in the Global Corporate Prevention and Environment Policy.
- A commitment to consultation and participation of workers and, where they exist, workers' representatives.
- To ensure the availability of the necessary information and resources, and proper planning for their use.
- Respect for the environment is an objective of the company as a whole, and therefore responsibility for its achievement is shared by all Almirall's employees, regardless of their level or role.

Efforts in this area extend through the entire product life cycle, from design in R&D to manufacturing, and also encompass procurement of raw materials and the end of life of the product.

The scope of the data reported in the sections 2.4 "Air, noise and light pollution", 2.5 "Sustainable use of resources" and 2.6 "Waste management, eco-design and biodiversity" includes the environmental information of Almirall's production centres, the R&D centre in Sant Feliu, the headquarters in Barcelona and commercial offices in Germany, excluding the rest of the international commercial subsidiaries. The excluded scope corresponds to environmental aspects related to the activity in rented premises where Almirall has no operational control over them and whose environmental impact is considered insignificant with respect to the rest of Almirall's activity.

Almirall has an integrated occupational health and safety, environmental and energy management system. In 2022, Almirall successfully passed the TÜV Rheinland certification audit of the integrated management system, in accordance with international standards ISO 45001:2018, ISO 14001:2015 and ISO 50001:2018, at all its centres in Spain and Germany. The result has been very positive, with no major non-conformities, and only 1 minor non-conformity related to the ISO 14001:2015 standard (environmental management), and 1 minor non-conformity related to the ISO 50001:2018 standard (energy management).

Almirall has held ISO 14001 certification since 2004 and obtained the certification according to the most recent version of the standard (ISO 14001:2015) in 2018.

Likewise, in relation to energy management, after becoming, in 2013, one of the first pharmaceutical laboratories to obtain ISO 50001:2011 certification, in 2019 the system was adapted and certified in accordance with the new ISO 50001:2018 standard, revalidating the effectiveness of the system put in place.



The scope of the prevention and environmental management system, including energy performance, is as shown on the table below:

Country	Type of centre	Centre	Activity	ISO 45001	ISO 14001	ISO 50001
Spain	Offices	Headquarters	R&D activities, manufacture of active ingredients, manufacture and marketing of pharmaceutical specialities	X	X	X
		Sales network	Marketing of pharmaceutical specialities	X		
	R&D Centre	Sant Feliu	R&D activities	X	X	X
	Chemical Plant	Sant Celoni	Manufacture of active ingredients	X	X	X
	Chemical Plant	Sant Andreu	Manufacture of active ingredients	X	X	X
	Pharmaceutical Plant	Sant Andreu	Manufacture of pharmaceutical specialities	X	X	X
Germany	Mixed (Offices, Pharma, R&D, Sales)	Reinbek	Manufacture and marketing of pharmaceutical specialities	X	X	X

Table 1 – Scope of the system for prevention and environmental management, including energy management

Almirall has a series of established and implemented due diligence processes and procedures, which it continuously updates, to ensure that the prevention and environmental management system is appropriate, adequate and effective. The most relevant ones in relation to environmental management are listed below:

- Prevention and Environment Manual.
- Risks and opportunities in prevention and environment.
- Evaluation of environmental aspects.
- Energy review.
- Legal and other requirements.
- Training in prevention and environment.
- Communication, participation and consultation in prevention and environment.
- Management of prevention and environmental documentation.
- Change control in prevention and environment.
- Industrial safety in equipment and installations.
- Monitoring of work with special risks.
- Monitoring of suppliers of works and services.
- Monitoring of wastewater discharges.
- Monitoring of air emissions.
- Waste management.
- Monitoring of noise pollution.
- Road transport of hazardous goods.
- Emergency plans.
- Prevention and environmental audits.
- Management review of the prevention and environmental system.
- Incidents, non-conformities, opportunities for improvement and corrective actions.

In addition to the ISO certifications, Almirall's Barcelona headquarters has achieved LEED certification for Operation and Maintenance (O+M) of existing buildings in the Gold category. This certification values energy and water savings, the minimization of greenhouse gases, the use of environmentally friendly materials and resources, the environmental quality of the interior spaces, as well as the use of sustainable means of transportation by the occupants. In these same offices, the canteen service has been certified as a sustainable restaurant. The standards necessary to obtain this certificate include seven essential requirements: local purchasing and logistics with low environmental impact, nutritional control of food, waste recycling and revaluation, responsible consumption of resources, reduction of food waste, training and awareness of stakeholders, and corporate social responsibility.

At the corporate level, Almirall has an Environmental Team, which reports to the Head of Corporate Social Responsibility, who, in turn, reports to the Vice President of Human Resources. This team has two full-time staff members and is complemented in the different areas and work centres by the participation of other collaborators with specific functions assigned to environmental management on with part-time basis.

Almirall currently has a non-mandatory environmental risk insurance policy for its sites in Spain, with a cover of 10 million euros.

Almirall was not subject to any fines or sanctions for non-compliance with environmental regulations in 2022.

2.2. European Taxonomy

The European Commission has established a specific classification system to identify environmentally sustainable economic activities, acting as an important facilitator to support sustainable investment and to implement the European Green Deal.

By providing appropriate definitions of economic activities that can be considered environmentally sustainable, it aims to create certainty and transparency for investors, protect private investors from greenwashing, help companies plan the transition, mitigate market fragmentation, and ultimately bridge the sustainable investment gap.

The European taxonomy established six environmental objectives to identify environmentally sustainable economic activities:

- i. Climate change mitigation.
- ii. Adaptation to climate change.
- iii. Sustainable use and protection of water and marine resources.
- iv. Transition to a circular economy.
- v. Pollution prevention and control.
- vi. Protection and restoration of biodiversity and ecosystems.

In July 2018, the European Commission set up a Technical Expert Group (TEG) on sustainable finance to develop recommendations on technical selection criteria for economic activities that can make a substantial contribution to climate change mitigation or adaptation while avoiding significant damage to the other four environmental objectives.

Based on input from the TEG and a wide range of stakeholders and institutions, the taxonomy regulation was published in the Official Journal of the European Union on 22 June 2020 and entered into force on 12 July 2020 (Regulation (EU) 2020/852).

The taxonomy regulation also gives the European Commission the power to adopt delegated acts and acts to specify how competent authorities and market operators are to comply with the obligations arising from the regulation. The first delegated act on sustainable activities for climate change adaptation and mitigation objectives was published on 21 April 2021. In addition, on 6 July 2021, the European Commission issued a delegated act (supplementing Article 8 of the taxonomy regulation) to indicate to companies subject to the non-financial disclosure directive how to report and to what extent their activities are in line with those considered environmentally sustainable.

As far as the other four environmental objectives are concerned, the Commission is expected to publish the respective delegated acts for entry into force for years starting 1 January 2024 (Sustainable Finance Platform Recommendation Reports are currently available)

From January 2022 (for the 2021 reference period), companies subject to the obligation to publish a non-financial disclosure (NDF) were required to disclose the portion of their turnover, capital expenditure and recurring operating expenses that are classified as environmentally sustainable.

As of January 2023 (for the 2022 reference period), subject companies must disclose the degree of eligibility and alignment of their activities with respect to climate objectives.

First, the eligibility of economic activities along the entire value chain must be determined according to the following criteria:

- **Eligible:** economic activity that fulfils both of the following conditions
 - i. has been explicitly included in the European taxonomy regulation because it contributes substantially to climate change mitigation or adaptation;
 - ii. meets the criteria set out in the European taxonomy regulation for the two environmental objectives.
- **Ineligible:** economic activity that fulfils both of the following conditions
 - i. has been explicitly included in the European taxonomy regulation because it contributes substantially to climate change mitigation or adaptation;
 - ii. does not meet the criteria set out in the European taxonomy regulation for the two environmental objectives.
- **Not covered:** economic activity that was not included in the European taxonomy regulation because it does not substantially contribute to climate change mitigation or adaptation, and therefore no specific technical criteria have been developed. The European Commission considers that this type of activity may not have a significant impact on climate change mitigation/adaptation or could be integrated into the European taxonomy regulation at a later stage.

Second, an economic activity is defined as alienated from the EU taxonomy when the following conditions are met:

- a. it contributes substantially to at least one of the six environmental objectives;
- b. it does not cause significant harm (DNSH) to the other five environmental objectives;
- c. it complies with the minimum safeguards.

Within this regulation, several critical sectors were identified that need to be decarbonised in order to achieve the EU's climate targets by 2050 (as they account for more than 90% of direct greenhouse gas emissions in the EU), such as the energy sector, transport and water supply, among others. Almirall operates in the pharmaceutical sector that does not correspond to any of these sectors, so it does not have to report information on net turnover, but it does have to report information on CAPEX and OPEX KPIs. More specifically:

In relation to the CAPEX KPIs, investments in fixed assets have been identified that:

- Relate to assets or processes that are associated with eligible activities/aligned with the Taxonomy,
- Are part of a fixed asset investment plan to expand eligible activities/aligned with the Taxonomy,
- Are related to the purchase of products from eligible/aligned activities.

In relation to the OPEX KPIs, operating expenses have been identified that:

- Are related to assets or processes associated with eligible activities/aligned with the Taxonomy,
- Are part of a plan to expand activities aligned with the Taxonomy or to convert eligible activities into aligned ones,
- Are related to the purchase of products from eligible/aligned activities.

2.2.1. Almirall's adoption of the European taxonomy

As mentioned in the previous section, Almirall does not form part of any of the eligible sectors included in the European regulation, so the scope of the analysis has been adapted to this circumstance. In general, we have identified those activities corresponding to climate change mitigation and adaptation on which the Group may have direct action (through its own operations) and indirect action (through the operations of its customers or suppliers, as well as, to a lesser extent, its employees).

In addition, the technical selection criteria defined in the appendix of the first delegated act on sustainable activities for climate change adaptation and mitigation objectives have been reviewed to verify that the three conditions to ensure alignment are met. For the purposes of the reported KPIs, the eligible activities have been considered not to be aligned, as although the substantial contribution and minimum social guarantees criteria are being met, it has not been possible to verify the criterion of insignificant impairment to the other objectives, given that when the investments were made, the regulations were not yet in force and certain required technical studies were not available. Nevertheless, for the purposes of future investments in this activity or in other activities that may arise in the future, the Group is working to identify those key aspects that will ensure that eligible activities can also be considered aligned.

In particular, the analysis focused on the investments and activities carried out at the Group's various work centres and production sites, as described to a large extent in the section 2 'Environmental management' of this report and in Note 29 of the Group's consolidated annual report. On the other hand, all activities derived from the Group's

activity that meet the criteria for climate change mitigation in accordance with the European taxonomy regulation have been reviewed, and no activity related to climate change adaptation has been identified.

As a result of the analysis carried out by the Almirall's management, the following eligible activity has been identified in accordance with the two environmental objectives approved to date:

- Electricity generation using photovoltaic solar technology.

As far as OPEX is concerned, the expenses associated with the activities defined above have been taken into account in relation to the taxonomic OPEX (which is defined as "R&D activities", "Repairs and maintenance" and "Transport", all of which are included under the heading "Other operating expenses" in the notes to the consolidated financial statements). Taking this into account, in 2022, 2% of our OPEX was generated by business activities that meet the eligibility criteria for climate change mitigation (2% in 2021), although in terms of alignment the % is zero as mentioned above.

In terms of CAPEX, the Group has considered the weight of investments related to the aforementioned activities in relation to total additions for the year, whether intangible assets (Note 9 to the consolidated notes), right-of-use assets (Note 10 to the consolidated notes) or property, plant and equipment (Note 11 to the consolidated notes). Taking this into account, in 2022, 3% of our investments were generated by business activities that meet the eligibility criteria for climate change mitigation (5% in 2021), although in terms of alignment the % is zero as mentioned above.

These results vary in relation to those published the previous year, due to the fact that with all the new information that has been published in reference to the Taxonomy throughout the year, a detailed analysis has been carried out and new results have been concluded, and the KPIs for 2021 have been reformulated.

2.3. Climate change and greenhouse gas emissions

In 2021, Almirall analysed its management of climate change and specifically its risks and opportunities against the standard recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The following sections summarise how Almirall aligns with the TCFD guidelines on climate change risk management and strategy according to its four areas: governance, strategy, risk management and metrics and targets.

2.3.1. Governance

The active role of corporate governance is key to advancing Almirall's climate strategy and fulfilling the company's responsibilities to all its stakeholders. Almirall has formally established the integration of sustainability and social responsibility principles into its strategic objectives, reflecting its strong commitment to leadership at both senior management and Board level.

The responsibilities of corporate governance in the area of sustainability, including climate change management, are detailed in 1.2 'Corporate Governance' of this report.

2.3.2. Strategy

In line with the TCFD recommendations, Almirall has analysed the climate risks and opportunities associated with its activities through a Climate Change Risk Analysis to assess the main risks and opportunities for the company, taking into account different time horizons and different climate scenarios.

This assessment consisted of a qualitative mapping (screening) to identify the risks and opportunities related to climate change that could affect Almirall's business.

The climate risk analysis focuses on two main risk categories according to the TCFD recommendations:

- Transition risks associated with the shift to a low-carbon economy, including regulatory, technological and reputational risks.
- Physical risks of climate change, which can be either severe events occurring in a short period of time (acute) or changes in long-term weather patterns (chronic).

The following time frames have been determined:

- Transition risks and opportunities: 2025-2030 as the short-medium term, 2040 as the long term. These time horizons are based on the fact that, in the current context, transition risks are more likely to have a significant impact on the company's business in the short to medium term.
- Physical risks: 2030 as the medium term, 2040 as the long term. These longer time horizons have been selected to assess climate-related inertia while maintaining a time horizon that is still relevant for Almirall in terms of both existing assets and future investments.

Almirall has started a quantitative risk analysis in 2022 (complementary to the qualitative one conducted in 2021) using the scenario analysis methodology. For the physical scenarios, Almirall has considered the so-called Representative Concentration Trajectories (RCP) 4.5 and RCP 8.5 to explore physical risks such as floods, water shortages, extreme weather events or temperature increases. To measure transition risks, Almirall has considered adopting two scenarios; a scenario aligned with current global SPS commitments (between 2.7 and 3.3°C) and a low-carbon scenario, namely the SDS sustainable development scenario (1.5°C). As a result of the qualitative analysis carried out, the following risks and opportunities have been identified as the most relevant:

Transition risks and opportunities

- **Regulatory risks:** Almirall may be directly or indirectly exposed to risks arising from new carbon taxes or the tightening of existing legislation in relation to energy production. Considering the importance of energy in pharmaceutical production processes, this situation could result in increased operating costs (e.g. fuel costs) for Almirall in the short to medium term.
- **Regulatory opportunities:** As part of the process of building a decarbonisation strategy for the company, Almirall recognises the opportunity to optimise energy use in production process and in its R&D centres and offices by implementing energy efficiency actions, which may require the identification of innovative technological solutions.
The new regulations related to energy consumption and savings also represent an opportunity for Almirall to increase self-generation of renewable energy by reducing energy costs at its sites.
- **Market and technological risks:** The green transition to a low-carbon economy will affect the transport sector. This will require adaptation efforts by Almirall in the short and medium term. In particular, the company must implement decarbonisation strategies in the company's fleet and engage with suppliers to adopt more sustainable logistics and procurement practices and processes.
- **Reputational risks:** Failure to provide climate change management information demonstrating improved performance and KPIs (in particular to financial stakeholders) could affect the company's reputation in the short to medium term, with potential repercussions on sales and difficulty in accessing capital.
- **Reputational opportunities:** Almirall is aware of the increasing pressures (e.g. from investors and shareholders) in relation to the company's sustainability performance, in particular its climate change performance, and recognises this as a long-term opportunity to reinforce its brand reputation by implementing actions to reduce its greenhouse gas emissions, enhancing the environmental protection culture of its employees.

Physical risks

- The increase in the number of river floods as well as the increase in severity and duration of heavy rainfall events could cause disruptions in manufacturing and damage to production facilities. In addition, droughts could lead to water and energy shortages and increased costs for the purchase of water and raw materials at Almirall's facilities and its CMOs. The most critical region for Almirall's sites in terms of water stress risk is Spain. Specifically, for the towns of Barcelona and Sant Celoni, a worsening of the long-term scenario is expected.
- Finally, changes in temperature as a result of climate change may affect the production process and increase energy and water supply costs, both at Almirall's facilities and at its CMOs, in order to maintain adequate production conditions.

2.3.3. Risk management

Almirall integrates climate change risks and opportunities into its corporate risk management process. Almirall is committed to identifying, assessing and monitoring risks and opportunities related to climate change, and has developed an integrated, multidisciplinary risk management process within the company.

Identification of risks and opportunities

Almirall's different business areas are responsible for identifying risks in aspects related to sustainability, including climate change, in their respective departments. This process is coordinated by the Senior Internal Audit Director. Risks and opportunities are identified based on internal interviews touching on all categories recommended by the TCFD: regulatory changes, market changes, technological developments and innovation, patients, changes in consumer behaviour towards more sustainable products, reputational damage and extreme physical events.

Prioritisation, financial implications and risk mitigation

Once risks have been identified, they are qualitatively assessed using a risk materiality matrix based on the likelihood of occurrence and severity of impact. This assessment measures both inherent risk and residual risk after risk mitigation plans (action plans) have been implemented. Almirall uses this methodology to select and

prioritise the company's most material risks. Since 2020, the risk of climate change has been included in the above-mentioned group of significant risks. The Risk Management Committee is responsible for the supervision and control of the risk management system, as well as for the control and monitoring of the implementation of action plans to mitigate risk. This committee reports the relevant risks of the company through the Senior Internal Audit Director to the Audits Committee and the Board of Directors. The company's risk map is updated at least annually. The CEO and the members of the management committee are responsible for the execution and implementation of the annual risk map as well as the risk mitigation action plans.

Almirall is undertaking a more in-depth assessment of the most significant risks and opportunities of climate change by conducting a quantitative analysis in order to estimate the potential financial implications associated with Almirall's business.

2.3.4. Metrics and targets

Emission reduction targets

Following a GHG emissions reduction in the 2014-2021 period of 39% for Scope 1 and 2 emissions, Almirall has worked during 2022 to set ambitious GHG emissions reduction targets aligned to the Paris Agreement commitments. To be able to set reduction targets, in 2022 Almirall has calculated its greenhouse gas emissions from its entire value chain (scope 3) for the years 2019 (base year) and 2021. Following the calculation, science-based short- and long-term targets (SBT) aligned with a 1.5°C scenario have been defined, as well as a roadmap by which to achieve the targets set.

In November 2022, Almirall's Board of Directors approved the following short- and long-term science-based targets pending validation by the *Science Based Target initiative* in February 2023.

Short-term target: 2030

- Scope 1 and 2: 46% reduction in GHG emissions compared to 2019.
- Scope 3: 28% reduction in GHG emissions compared to 2019. Includes category 1 Purchases of goods and services, category 3 Fuel and energy related activities (not included in scope 1 or scope 2), category 4 Transportation and distribution (Upstream), category 6 Business travel, and category 7 Worker mobility to/from work, which all add up to 97% of total 2019 scope 3 emissions.

For the short-term targets with a time horizon of 2030, an intermediate target has been set to 2025, as indicated in the approved ESG Dashboard for the environment. To achieve the targets, a road map and the main strategic lines to be followed have been defined (see section 1.4.4)

Almirall's long-term target is to have zero net emissions by 2050.

To add transparency and credibility to the declared GHG emissions inventory and ensure a robust calculation methodology to measure the progress of Almirall's targets, in 2022 the scope 1,2 and 3 emissions of 2021 were verified against base year 2019 by a third party verifier, AENOR.

Justification of exclusions from the GHG emissions calculation

The calculation of Almirall's greenhouse gas emissions includes all emissions generated by the Almirall Group. However, Scope 1 and 2 emissions resulting from premises leased for the activity carried out by Almirall's international subsidiaries are excluded from the calculation due to the difficulty of obtaining quality data and because of their low representativeness in the total emissions, less than 1% of Almirall's total emissions. The emissions associated with this activity have been estimated based on the consumption of the Barcelona headquarters.

Similarly, Scope 3 emissions from category 4 upstream transport and distribution associated with the transport of raw material, whose emissions in category 1 have been calculated using the primary data in kg, have also been excluded from the calculation. The estimate of these emissions made for 2019 and 2021 represents less than 1% of the Almirall Group's total carbon footprint.

Greenhouse gas emissions scope 1 and 2

The greenhouse gas (GHG) inventory was conducted following the Greenhouse Gas (GHG) Protocol guidelines for Scope 1 and 2 greenhouse gas emissions, produced by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI).

Table 2 shows the evolution of GHG emissions for scope 1 and scope 2 according to the country's energy mix (location-based) and scope 2 taking into account the purchase of green energy (market-based), where emissions are zero thanks to the purchase of green electricity.

Due to the verification process carried out in 2022 and the establishment of targets with base year 2019, some adjustments have been made in scope 1 and 2 data with respect to previous years, incorporating the emission factors that correspond to them in the declared year (normally the calculation is made at the beginning of the year and the emission factor of the declared year is not usually available until the second quarter of the year) and small adjustments have been made to the calculation method.

In 2022, Scope 1 and 2 emissions have not been reduced compared to 2019, rather they have increased by 9% compared to the base year. The cause of the increase in emissions is mainly due to leaks of HFCs (refrigerant gases and fire extinguishing gases) following several incidents at different company sites which had a major impact on this value. It should be noted that the main Scope 1 emission reduction levers are not for immediate implementation as they necessarily involve a change in the fuel used in their facilities, primarily natural gas, and the reduction in the emissions of the vehicle fleet which is scheduled to change in line with the contract renewals scheduled for 2024. In relation to HFCs, although the value was very high in 2022, the trend is to reduce these emissions by progressively replacing these gases in new equipment or refilling existing equipment with gases with a lower global warming potential and by improving leakage control.

CO ₂ (t)	2019 (base year)	2021	2022
Scope 1	6,864	6,676	7,487
Emissions from natural gas consumption	4,062	3,983	3,842
Emissions due to fuel and/or energy consumption by the vehicle fleet	1,959	2,165	1,979
Other emission sources (Leakage of refrigerant gases, HFCs, process emissions or other small emission sources)	843	528	1,666
Scope 2 (market-based)	0	0	0
Scope 2 (location-based)	6,305	4,476	4,543
Total 1+2 (market-based)	6,864	6,676	7,487

Table 2 – Almirall's scope 1 and 2 GHG emissions

(*) The origin of the emission factors used for the calculation of Scope 1 and 2 emissions is as follows:

- Gas Natural España: "Guide to Calculating Greenhouse Gas Emissions" (GGE)" of June 2021, published by the OCCC (Oficina de Canvi Climàtic de Catalunya).
- Electricity location-based Spain: "Report on the Guarantees and Labelling of Electricity" of April 2021, published by the CNMC (Comisión Nacional del Mercado y la Competencia)
- Natural Gas and Electricity location-based Germany: "Entwicklung der spezifischen Kohlendioxid-Emissionen des deutschen Strommix in den Jahren" of May 2021, published by the GFOE (German Federal Office for the Environment)
- Global Warming Potential of refrigerant gases: Intergovernmental Panel on Climate Change (IPCC) fifth Assessment report (2014)
- Vehicle fleet emission factors provided by leasing companies.

Scope 3 greenhouse gas emissions

The Scope 3 greenhouse gas inventory was conducted in accordance with the GHG protocol (GHG Protocol Scope 3 Emissions) of the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI). The categories are calculated according to the "GHG Protocol Corporate Value Chain (Scope 3) Standard". This protocol categorizes Scope 3 emissions into 15 subcategories.

Of the 15 scope 3 categories, it has been substantiated that the following categories do not need to be calculated:

- Category 11, Use of sold products: Based on the magnitude of GHG emissions, it has been estimated that the impact of the use phase of Almirall's products is negligible because, by their nature, they do not represent an active source of emissions during their use, and they also have a very low average useful life.
- Category 13. (Downstream) leased assets: This does not apply to the organization because Almirall has no downstream leased assets
- Category 14 Franchises: This does not apply to the organization because Almirall does not have franchises.
- Category 15 Investments: Investments associated with buildings and machinery are included in category 2 and no other type of un contemplated investment is made.

Emissions have been calculated for 2022, 2021 and 2019, the last of these being the base year for setting reduction targets, following the recommendations of the Science-Based Target initiative to select the most recent year with verifiable data and representative of a typical GHG emissions profile for the company. GHG emissions for 2019 and 2021 are calculated on a calendar year basis (from 1 January to 31 December) and have been verified by AENOR. Beginning in 2022, it is calculated from the last quarter of the previous year to the end of the third quarter

of the reported year, i.e., the 2022 data covers 1 October 2021 to 30 September 2022. It is done in this way because it is not feasible to perform the calculation in sufficient time for this report due to the complexity of the calculation.

Table 2.1 shows the evolution of GHG emissions for Almirall's scope 3 for the period 2019-2022. The calculation method for each category is specific to the availability of data. Most of the categories use a hybrid method of calculation, where priority is given in this order: data supplied by suppliers; if not available, the calculation is based on primary data, and if this is not possible, it is based on economic expenditure.

Scope 3 Categories (**) - CO ₂ (t)		2019 (base year)	2021	2022
Upstream Emissions	1 Purchased goods and services	146,940	136,245	132,746
	2 Capital goods	826	1,158	1,370
	3 Fuel and energy-related activities (not included in Scope 1 or Scope 2)	2,294	2,302	2,206
	4 Upstream transportation and distribution	1,988	1,901	1,753
	5 Waste generated in operations	1,711	1,343	1,140
	6 Business travel	6,298	1,408	3,681
	7 Employee commuting	788	757	715
	8 Upstream leased assets	109	95	63
Downstream Emissions	9 Downstream transportation and distribution	113	178	159
	10 Processing of sold products	389	341	330
	12 End-of-life treatment of sold products	1,382	1,301	1,246
TOTAL		162,838	147,029	145,409

Table 2.1 – Almirall's scope 3 GHG emissions

(**) The origin of the emission factors used for the calculation of Scope 3 emissions is as follows:

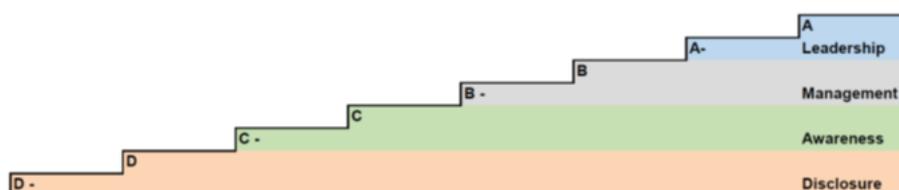
- Bilan Carbone™ from the French Agency for Environment and Energy Management (ADEME) for calculations based on expenditure (€) in Category 1 and 2 of purchased goods and services and capital goods and category 8 of leased assets.
- Greenhouse gas reporting: conversion factors, published by the UK Government's Department for Business, Energy & Industrial Strategy for calculations based on a category 1 weight basis, for category 4 transport and distribution, category 6 business travel and category 7 employee mobility, and to a lesser extent for other categories.
- Ecoinvent and an internal study conducted by Cyclus Vitae Solutions, for calculations based on weight (kg) Category 1 of goods and services purchased.
- CEDA factors from Vitalmetrics Group for category 6 business travel for calculations based on expenditure.
- "Study on actual GHG data for diesel, petrol, kerosene and natural gas" of July 2015, published by Directorate General for Energy of the European Commission (DG ENER) for category 3 Fuel and energy related activities.
- "Guia de càlcul d'emissions de gasos amb efecte hivernacle (GEH)" published by the OCCC (Oficina de Canviàtic Climàtic de Catalunya) for category 5 Waste generated in operations, and to a lesser extent for other categories.
- Own factors calculated from the Life Cycle Assessment of Almirall's product packaging carried out with COMPASS for category 12.

In 2022, there has been an 11% reduction in Scope 3 emissions compared to 2019, which means that we have achieved 39% of the target to be achieved by 2030. Category 1 purchased goods and services is the category that has the greatest weight in emissions reductions. Almirall's main strategy to address this category is to work with suppliers so that they provide the emissions of the goods and services purchased by Almirall and to set GHG emission reduction targets aligned with the Paris Agreement.

The main actions of the emissions reduction roadmap are listed in section 1.4.4.

2.3.5. CDP Disclosure

As an exercise in transparency, since 2014, Almirall has reported its environmental performance on climate change to CDP. CDP evaluates climate change performance through a form and classifies it into four levels, from the most basic Disclosure D to the highest Leadership A level. Each level is also broken down into two sub-levels, with a '-' indicating the lowest category (as shown in the following image):



In 2022, Almirall achieved an A- rating in Leadership. Compared to the previous year, the rating has improved by one tier from B in 2021. Of the various dimensions assessed by CDP to obtain our overall rating, Almirall's management of "Governance" and "Risk Management Processes" stand out at the Leadership level; as does our undertaking to establish SBT targets that are to be validated in February 2023, while the dimension with the greatest opportunity for improvement is "Emissions reduction initiatives", which is expected to improve as and when all the actions on our roadmap towards zero net emissions are developed and implemented.

Almirall	2014	...	2019	2020	2021	2022
CDP score	60 D		B	A	B	A-

Table 3 – Evolution of Almirall's CDP score

2.4. Air, noise and light pollution

2.4.1. Volatile Organic Compound Emissions (VOCs)

At Almirall, the most significant impact on air pollution is the diffuse emission of volatile organic compounds (VOCs) from its industrial sites. Almirall has been working for over 15 years to reduce these emissions through plans to eliminate the use of solvents in all industrial processes, where possible, with special attention to solvents that pose a risk to people and the environment, and the installation of technologies to mitigate the emission of these compounds.

Since 2007, eight production processes have been modified in order to reduce solvent consumption during manufacturing, including reducing the use of methylene chloride, a solvent with a H351 hazard label. A new regulatory change was approved in 2022 for the manufacture of Ebastine without methylene chloride for China, which means that methylene chloride is now only used in the manufacture of Almotriptan - whose phase-out study did not yield a positive result.

The table of diffuse emissions shows variations in the 2020-22 period due to significant differences in the annual production mix at the two chemical plants and documentary aspects that substantiate the balance sheet data. Nevertheless, a significant decrease in diffuse emissions compared to 2008 can be observed: 69% in 2022.

Diffuse emissions (t)	2008	...	2020	2021	2022
VOCs	207.5		41.6	79.2	64.4

2.4.2. SOx, NOx and Particulate Emissions

The remaining emissions of air pollutants (particles, NOx, SOx and hydrochloric acid) are considered non-material for Almirall, as emissions are well below the legal limits.

Specifically, no SOx emissions are produced in any Almirall process.

NOx emissions are only produced in the boiler combustion processes of the different centres and in the regenerative thermal oxidiser for the treatment of VOCs. In the 2018-- 20 period, new boilers were installed at the Sant Andreu pharmaceutical plant and the Sant Celoni chemical plant, replacing the previous ones with technology that certifies NOx emissions of less than 100 mg/Nm3.

Emission sources with potential particulate emissions are equipped with high-efficiency HEPA filters, aqueous scrubbers or both systems in combination to abate emissions.

Potential hydrochloric acid emissions are abated with a basic aqueous rinsing system.

2.4.3. Noise and light pollution

Almirall's centres are located in industrial or urban areas, so noise and light pollution impacts are considered non-material.

2.5. Sustainable use of resources

2.5.1. Power consumption

Energy efficiency is part of the company's environmental strategy. By 2013, Almirall was already a pioneer in the chemical-pharmaceutical industry for having implemented and certified its energy management system in accordance with the international standard ISO 50001:2011. In 2019, it adapted to the revision of the ISO50001:2018 standard.

Almirall has developed an “efficiency plan 2012-2030” that aims to reduce energy consumption by 35% in 2030 compared to 2011, with an intermediate target of 31% reduction by 2025. This year, Almirall has already achieved a 26% reduction in its total energy consumption. This milestone for the company has been possible thanks to the implementation of energy improvement actions aimed at contributing to climate change mitigation.

Almirall’s energy efficiency model is based on an iterative search for projects and new technologies, which have been applied progressively according to the needs of each of the centres.

Accordingly, the company has successfully implemented the latest technologies, such as magnetic levitation and humidification by high-pressure water misting, which make it possible to reduce energy consumption in compressors of refrigeration equipment and in traditional resistance vaporisation and/or electrolysis systems, respectively, or photovoltaic panels for the self-generation of renewable electricity. Since 2011, more than 230 energy efficiency actions have been implemented.

Energy consumption and reduction targets

Almirall’s main sources of energy consumption are electricity (56%) and gas (44%). With regard to electricity consumption, 100% of the electricity consumed in the Spanish and German centres comes from renewable sources with Guarantee of Origin. Almirall is committed not only to purchasing green energy with a Guarantee of Origin, but also to purchasing renewable electricity through a long-term renewable energy purchase agreement (PPA) as of 2023 and onsite solar self-generation (as of 2018).

The company installed solar panels at its Sant Celoni and Sant Andreu de la Barca centres in 2017 and 2019, respectively. In 2022, two new photovoltaic plants were commissioned, one at the company’s headquarters and the other at the R&D centre in Sant Feliu de Llobregat. Taking all Almirall’s photovoltaic installations as a whole, in 2022 the dependence on the company’s electricity grid supply has been reduced by 1,721 MWh, 7% of our total electricity consumption.

In addition, the company plans to build a PV plant at the Reinbek site in 2023 and to expand some of the existing PV plants. This will help us to achieve the self-generation targets of 14% and 18% by 2025 and 2030, respectively.

The consumption of natural gas in 2022 has decreased by 3% compared to the previous year, 2021, while electricity consumption has increased by 1%. In 2022, more than 22 energy efficiency projects were implemented, including the installation of a magnetic levitation chiller plant at the Sant Feliu R&D centre, the replacement of more efficient air-conditioning units at the Head Office featuring adiabatic humidification and heat recovery.

Energy consumption (MWh)	2020	2021	2022
Natural gas	21,315	21,318	20,579
Utility-supplied electricity	25,859	24,560	24,495
Renewable electricity produced	1,524	1,437	1,721
Total energy	48,698	47,315	46,795
% renewable energy	56%	55%	56%

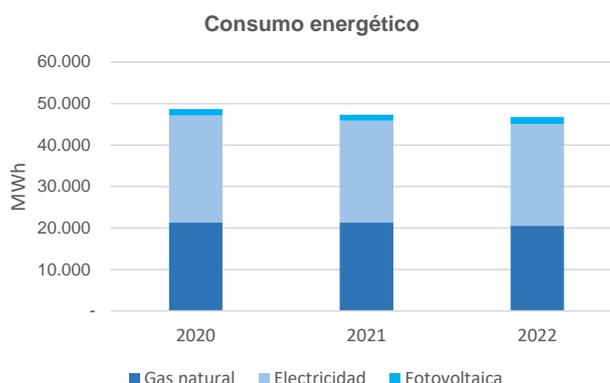


Table 4 – Almirall’s energy consumption

2.5.2. Water consumption and wastewater discharges

At production centres, industrial processes are designed to comply with Good Manufacturing Practices (GMP) and contribute to minimising water consumption.

In the period 2020-22, consumption of both well water and company water has decreased by a total percentage of 19%. The increase in water consumption, specifically well water consumption in 2022 compared to 2021, is due on the one hand to increased production at the Sant Andreu pharmaceutical plant, which produced 28% more units than in 2021, and a leak in an underground pipe at the same plant. Despite the significant increase in production at Sant Andreu de la Barca, there was an overall decrease in company water consumption thanks to the 7,113 m³ reduction at the Reinbek pharmaceutical plant and the Sant Celoni chemical plant with respect to 2021.

Table 5 details water extraction at Almirall according to the source of supply:

Water extraction (m3)	2020	2021	2022
Utility-supplied water	70,917	62,208	58,639
Well water	57,912	58,368	69,030
Total Water Extraction	128,829	120,576	127,669

Table 5 – Water extraction at Almirall

Water reuse

Since 2020, several water reuse actions have been implemented at Almirall's centres. Specifically, at the Sant Andreu pharmaceutical plant, the rejection from the osmosis treatment is reused in the production of purified water that is introduced into the industrial water production circuit. An estimated 7,770 m³ of reject water was reused in 2022. The Sant Feliu R&D centre also reuses the reject water from the osmosis treatment for the production of purified water for irrigation and fire-fighting, with an estimated saving of 1,300 m³ per year. In total, a reuse rate of 7% is estimated.

Water reuse rate (*)	2020	2021	2022
Water reused/Total water extraction	9%	6%	7%

Table 5.1 – Water reuse rate at Almirall

Wastewater discharges

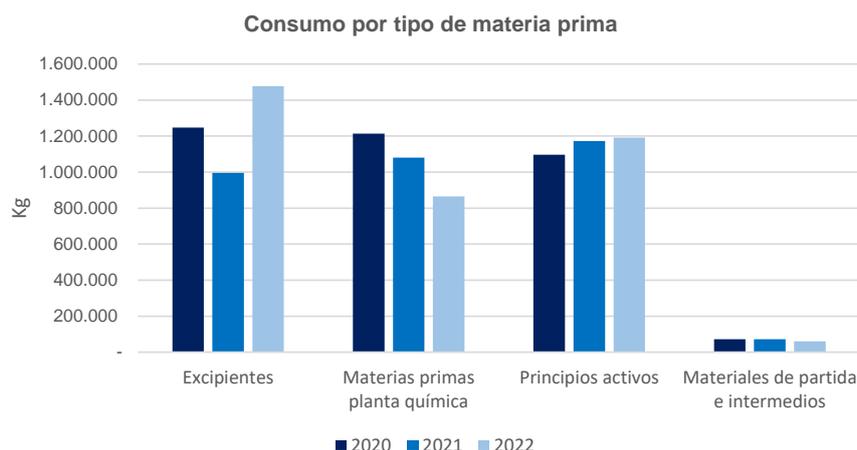
Reducing the flow and pollutant load of liquid discharges entails acting on the pollutants generated in the processes themselves. Accordingly, Almirall's operating centres have wastewater treatment facilities, and the chemical plants in particular have physical-chemical and biological wastewater treatment plants. At all its centres, the average of the parameters is, at least, below 70% of the legal limit.

2.5.3. Consumption of starting materials

Almirall uses software to control the acquisition and consumption of raw materials in relation to a defined standard for each production process. Deviations from established standards are investigated and corrective actions are implemented to ensure efficiency in production processes.

For information purposes, the 2020, 2021 and 2022 consumption in physical unit (kgs) of raw materials is shown below:

Type of raw material (kg)	2020	2021	2022
Excipients	1,246,807	995,734	1,476,576
Chemical plant raw materials	1,214,070	1,081,100	864,788
Active substance	1,096,436	1,173,270	1,191,913
Starting and intermediate materials	72,363	71,899	60,395
Total	3,629,676	3,322,003	3,593,672



2.6. Waste management, eco-design and biodiversity

2.6.1. Waste management

Almirall manages its waste responsibly, prioritising minimisation and the most sustainable and safe treatment for each type. In the following tables, waste is broken down by type (hazardous/non-hazardous) and treatment (recoverable/non-recoverable).

Hazardous waste corresponds mainly to solvent waste at chemical plants, chemical waste and cleaning water at pharmaceutical plants, and laboratory waste at research and development centres. Non-hazardous waste consists basically of waste similar to urban waste and packaging waste from pharmaceutical plants. Recoverable waste is waste that can be recycled, reused, etc., and non-recoverable waste is waste that must be disposed of and/or eliminated.

Tables 6 to 8 show the evolution of waste for the 2020-22 period for Almirall and the breakdown by country. Almirall's waste generation decreased significantly by 14%, mainly due to the reduction of recoverable hazardous waste in Spain and, as a result, temporarily lower production in all our chemical plants as a whole. There has also been an 18% reduction in waste in Germany, mainly production cleaning water. In this case, despite the increased production, longer production campaigns made it possible to make fewer line changes and reduce the amount of cleaning and waste generated.

At the end of 2022, we managed to reinstate certain environmental improvements in waste reduction that had to be reversed in 2020 due to the pandemic, for example the use of individual 0.5-litre water bottles in the cafeterias of the Almirall work centres in Spain instead of the fountains dispensing water in reusable glass bottles.

Total Almirall Group Waste (t)	2020	2021	2022
Hazardous waste	2,191.7	1,955.9	1,608.9
Recoverable	2,003.5	1,801.3	1,259.6
Non-recoverable	188.2	154.6	349.3
Non-hazardous waste	3,419.3	3,434.2	3,239.2
Recoverable	555.3	559.8	553.4
Non-recoverable	2,864.0	2,874.4	2,685.8
Total waste	5,611.0	5,390.1	4,848.1
% Hazardous	39%	36%	33%
% Recoverable	46%	44%	37%

Table 6 – Almirall Group Waste

Waste in Spain (t)	2020	2021	2022
Hazardous waste	2,145.2	1,925.9	1,577.1
Recoverable	1,981.9	1,782.6	1,244.9
Non-recoverable	163.3	143.3	332.2
Non-hazardous waste	1,020.8	1,226.4	1,258.8
Recoverable	440.6	414.8	424.5
Non-recoverable	580.2	811.6	834.3
Total waste	3,166.0	3,152.3	2,835.9
% Hazardous	68%	61%	56%
% Recoverable	77%	70%	59%

Table 7 – Almirall Spain Waste

Waste in Germany (t)	2020	2021	2022
Hazardous waste	46.5	30.0	31.8
Recoverable	21.6	18.7	14.7
Non-recoverable	24.9	11.3	17.1
Non-hazardous waste	2,398.5	2,207.8	1,980.4
Recoverable	114.7	145.0	128.9
Non-recoverable	2,283.8	2,062.8	1,851.5
Total waste	2,445.0	2,237.8	2,012.2
% Hazardous	2%	1%	2%
% Recoverable	6%	7%	7%

Table 8 – Almirall Germany Waste

Actions for improvement

Noteworthy improvement actions in 2022 include the continuation of two studies for the treatment of production wastewater at the Sant Andreu de la Barca and Reinbek pharmaceutical plants aimed at minimising the volume of wastewater managed as waste and, in the specific case of Reinbek, also eliminating APIs (Active Pharmaceutical Ingredients) in wastewater.

At the Sant Andreu pharmaceutical plant, the study carried out in 2021 did not come up with a definitive proposal, and in 2022, an additional study concluded that the best technology for treating this waste is evaporation. A project to install an evaporator has been scheduled for 2023.

In 2022, the detailed engineering for the new water treatment plant with photo-Fenton chemical oxidation technology was developed at the Reinbek pharmaceutical plant and the project is scheduled for completion in 2023.

Management of users' medicine waste

In Spain, Almirall adheres to the Integrated Packaging Management and Collection System (SIGRE in its Spanish acronym) in order to comply with Law 11/1997, of 24 April, on packaging and packaging waste and Royal Legislative Decree 782/1998, of 30 April, approving the Regulation for the development and implementation of Law 11/1997. In Germany, Almirall adheres to the Duale System Deutschland (DSD) in order to comply with the Packaging Ordinance (VerpackV) issued by the Federal Ministry for the Environment.

By including the SIGRE symbol on its packaging, Almirall guarantees that both the material of the containers and any leftover medicine they may contain are managed in an environmentally responsible manner, with the paper/cardboard and glass mainly recycled.

The packaging materials of Almirall's products in Spain and Germany are shown below: The two together account for 39 % of Almirall's total units sold. In both markets, the material with the highest percentage is paper/cardboard, corresponding mainly to cases, with 49% of the total in Spain and 31% in Germany.

Packaging material in Spain (t)	2020	2021	2022
Glass	46.7	41.6	40.5
Paper/Cardboard	351.1	352.7	399.0
Aluminium	36.5	36.1	39.5
Plastic	49.0	62.5	87.0
Composite material	251.5	249.6	250.1
Total materials	734.8	742.5	816.1

Table 9 – Almirall sales packaging material in Spain

Packaging material in Germany (t)	2020	2021	2022
Glass	63.0	59.4	53.9
Paper/Cardboard	71.1	60.7	57.5
Aluminium	23.8	21.8	22.5
Plastic	43.0	38.8	39.7
Composite material	18.0	12.3	11.5
Total materials	218.9	193.0	185.1

Table 10 – Almirall sales packaging material in Germany

In all other countries, the specific regulations of the country are complied with.

2.6.2. Eco-design

Almirall's corporate strategy identifies the need to integrate sustainability criteria in the design of its products from the R&D phases to the end of life of the product, including its manufacture and distribution. There are several projects that incorporate the concept of 'eco-design' into their development, as well as sustainable packaging in relation to Almirall's product packaging, with the aim of reducing the environmental impact.

In recent years, Almirall has worked continuously on various sustainable packaging projects. After years of initiatives, an interdisciplinary team has been formed within the company to develop and advance sustainable packaging policies and initiatives in a coordinated and cross-cutting manner. In recent years the following actions stand out:

a) Indicators

Definition of environmental performance indicators relating to the packaging of the company's products. For this task, we have taken advantage of the licensing of the COMPASS® (Comparative Packaging Assessment) programme, which carries out the life cycle analysis associated with all the necessary materials and processes used in packaging, providing their environmental impact.

With this tool, the first indicator defined is the carbon footprint associated with the packaging. This analysis has been carried out for the company's Top 20 products which account for 83% by volume, including products manufactured in the Contract Manufacturing Organisations (CMOs).

b) Sustainability improvement initiatives

Some 18 initiatives have been identified and reviewed and assessed to be addressed in the short/medium or long term based on impact and implementation difficulty.

c) Use of cardboard certified by the Forest Stewardship Council (FSC)

The use of FSC-certified cardboard is being progressively implemented in the company. In 2021, all grouping crates at the Sant Andreu de la Barca and Reinbek production sites were FSC-certified.

In 2021, work was carried out on the documentation required for the use of FSC cardboard in the cases of the medicinal products manufactured at the Sant Andreu de la Barca centre. By the end of 2021, all the necessary documentation will be available for the regulatory change to be submitted to the AEMPS for 10% of all products manufactured in Sant Andreu de la Barca. The regulatory documentation has been submitted gradually since 2022, after which the changeover can be implemented once the existing stocks of cases have been used up.

d) Elimination of package leaflets in cosmetic specialties

Another initiative being implemented is the elimination of package leaflets for cosmetic products that do not require patient information or when the information can be provided on the box itself.

2.6.3. Biodiversity

With regard to Almirall's activity and its possible impact on biodiversity, all the industrial and research centres are located on industrial estates and no negative impacts on biodiversity have been determined.

The only centres located near natural areas are the Sant Feliu R&D centre 350 m from the Collserola Natural Park, which is included in the Barcelona Provincial Council's Natural Areas Network, and the Sant Celoni chemical plant located approximately 300 m from the area included in the Serres de Montnegre-el Corredor Natural Areas Plan (PEIN), which is also included in the Natura 2000 Network). With regard to the Sant Celoni chemical plant, in November 2021, as a requirement for the renewal of the Environmental Authorisation, an environmental impact study was carried out in which it was determined that no significant effect on biodiversity, protected areas or the

Tordera River and its aquifers was foreseen, even under conditions of maximum production capacity. In addition, a water quality study of the Tordera River has been carried out annually since 2008 using macroinvertebrates upstream and downstream of the Almirall discharge. During the period 2008-2022 and in general, an increase in species richness and an increase in biotic indices has been detected.

In the event of an environmental emergency at any of Almirall's centres, there are self-protection plans with actions aimed at minimising the negative impact on people and the environment.

3. Employees

3.1. The Almirall Culture

The culture at Almirall is sustained and reinforced by its Noble Purpose, which puts patients at the centre of everything that is done and not only inspires employees to do their best, but is also what gives meaning to their efforts and daily work.

An effort is made to ensure that the corporate culture is based on the principles of compliance, continuous improvement and accountability. This conduct is underpinned by integrity, and everyone at Almirall is required to comply with the Code of Ethics.

Almirall is committed to its employees and their talent. All of them are key to the company's success and the goal is to attract and retain exceptional professionals. The development of its employees and their professional growth within the organisation is key, and this was demonstrated once again by the award in 2022 of the prestigious Top Employers in Spain certificate, for the fifteenth consecutive year.

In addition, Almirall wants its employees to feel committed, and therefore different listening channels exist to find out their concerns and needs in order to adapt policies, programmes and processes to them. For this reason, we regularly conduct Commitment and Culture surveys to define and then implement initiatives that reinforce their sense of belonging and ensure the organizational culture necessary to achieve their goals.

As things stand, if we are to be a leading company in the field of medical dermatology, if we are to devote daily efforts to transform the lives of patients and to overcome the challenges we face as a team by confronting new ways of working and leading, we need to transform the organizational culture. For this reason, a culture survey was launched in 2021 to gauge our employees' opinions on how people work, relate to each other, make decisions and collaborate at Almirall. Understanding Almirall's personality not only allowed us to identify what opportunities exist as a team but also to recognize and leverage our strengths.

One of the aspects we are most proud of is the fact that we have a very committed team when it comes to participating in this type of survey. There was a high level of participation in this culture survey, which allowed us to have very reliable results to start working with. The results revealed that, despite the effort made in recent years to implement a significant number of initiatives to get closer to our desired culture, probably the most significant one being the definition of our Noble Purpose, there was still room for improvement.

For this reason, it was necessary to carry out a holistic and coordinated intervention in the medium to long term that would have an impact on the different pillars of the organizational culture: from the review of how the different teams of the company are organized, how they work in terms of key processes and decision making, to the development of skills and capabilities that are needed both now and in the future.

Another fundamental aspect of this plan was to have the involvement of our employees from the outset, as this holistic intervention could not be successful without the participation of the people who form part of Almirall. In addition, it was very important that this transformation be experienced as an opportunity for the entire Almirall team because it brings changes, challenges, new ways of thinking, relating, supporting and learning.

This holistic intervention was structured in two phases.

- First phase: Discovery and definition of the fundamentals of the culture (January 2022 - June 2022)
- Second phase: Implementation of initiatives to help transform the culture (June 2022 onwards)

First Phase: The main goals of the first phase were:

- To understand today's culture in depth
- To design the desired culture, the one that Almirall needs to achieve sustainable success, providing growth and well-being to all employees and strengthening our commitment to patients and customers
- To define the leadership skills that a leader must demonstrate on a day-to-day basis if he or she is to become a culture facilitator and a role model when it comes to achieving defined objectives.

- Definition of initiatives that help to implement the new culture

The Management Committee worked intensively on the main objectives of this first phase. It also had the involvement of a working group called the “Employee Advisory Team”, in order to carry out this process in an inclusive manner, taking the employee’s voice into account. Within this inclusive process, the Senior Leadership team was also taken into account.

The desired culture was defined and communicated throughout the organization. A communication plan was designed to make all employees feel part of this journey and excited about this change.

The results of this first phase are the pillars of the new culture, and are detailed below:

Vision: Almirall aspires to have a people-focused culture in which everyone gives their best, patients and customers are at the heart of every decision, and whose focus and agility make it possible to generate a greater impact for everyone.

Noble Purpose: Transform patients’ worlds by helping them realise their hopes and dreams for a healthy life

Cultural changes: Three fundamental changes have been identified to speed up our cultural transformation.

- **Unleashing the potential of our employees:** it is a matter of showing the way to motivate each other to find the best way forward and to take risks when necessary.
- **Patients and customers at the centre:** we are moving from an internally-focused mentality to one where we place the patient and customer at the heart of every decision.
- **Achieving results:** we are moving from trying to do everything to prioritizing and simplifying to achieve greater impact.

Values: Values have been updated to serve this new culture. While listening and empathy are at the heart of everything we do, individual, team and organizational courage must be fostered, as well as innovation to remain competitive, and simplification to focus on what is most important. The new values that we have established are the following:

- *Care:* We listen and we empathise, we help each other to succeed, and we value diversity of perspective and experience.
- *Courage:* We challenge the status quo, we take full responsibility and we learn from our successes and failures.
- *Innovation:* We place the patient and the customer at the centre, we create innovative solutions and we promote an entrepreneurial mindset.
- *Simplicity:* We act decisively, without getting lost in excessive analyses, we are agile and we simplify and before we do anything, we understand why we are doing it.

In this phase, key leadership skills were also defined so that leaders can focus their development on those capabilities that will help them to be promoters of our culture. They conducted a self-reflection exercise through a questionnaire to identify their strengths and opportunities for improvement. With this exercise they defined an individual development plan to start working on their growth as Almirall leaders.

“Make your Mark” is the slogan that was defined to sum up the new culture in a few words, and to invite them to give the best of themselves. The goal is to communicate the new culture on a more personal and emotional level, to reach the hearts of our employees, to inspire them and to convey how they can make a difference in this change.

Finally, initiatives were defined to help transform the culture. Two types of initiatives were identified: initiatives for rapid and visible implementation in the short term and initiatives with a medium- to long-term impact that will help to significantly speed up our cultural transformation.

Second phase: Almirall is currently in the second phase, the main goals of which are:

- To implement the initiatives identified in the first phase
- To continue to develop leaders on their development journey to be the leaders Almirall needs.
- To carry out interventions to communicate and manage the change that help to further internalize the pillars of our new culture.

Short-term initiatives are already being implemented and feedback from employees is highly positive. Each of these is linked to a cultural change identified in the first phase.

Short-term initiatives:

- **Unleashing employee potential:** various flexibility measures called “*Turn it FLEX*” were implemented, allowing employees to manage their work more flexibly and efficiently, creating a work environment based on trust and empowerment. The dress code was also relaxed, creating a more casual, informal and modern environment.
- **Patients and customers at the centre:** we have started to invite all Almirall employees to virtual Town Halls where relevant information about the company is shared so that each employee feels that they are playing a part and can contribute to our Noble Purpose.
- **Achieving results:** each senior leader undertook to simplify or eliminate one process in their area of responsibility by the end of the year 2022. Taking into account the number of Senior Leaders, this initiative will simplify about 100 processes.

Medium- to long-term initiatives are being defined for subsequent validation by the Management Committee.

Both short-term and medium- to long-term initiatives are global in scope. On the other hand, each functional area and subsidiary has also defined change initiatives that affect their area of responsibility. To implement the different initiatives, work teams are being created in which the involvement of employees is key to success.

To analyse how the culture is evolving, we use a new listening platform that allows us to invite employees to take short surveys, called pulses, which enable us to carry out the listening processes in a far more agile way. This platform also allows us to be more digital because it provides us with a much more efficient, valuable and in-depth analysis of results by using a methodology based on Artificial Intelligence.

In July 2022, a first pulse was implemented where employees were asked how we were doing compared to the desired culture. The results obtained provide a baseline diagnosis for monitoring progress during 2023 and beyond. Each leader also obtains their results and shares them with their teams so that they can work on more specific day-to-day actions, generating a space of trust and transparency.

In parallel to the implementation of the initiatives, a communication and change management plan is being implemented whose protagonists are the people concerned. A new digital channel has been created, the “*Make your Mark*” app, through which employees can participate in challenges, and learn and internalize the important aspects of our new culture.

There is also a community of Culture Ambassadors made up of a diverse team of 40 Almirall employees from different functional areas, subsidiaries and positions whose goal is to accompany their colleagues on this transformation journey, sharing the initiatives that are being implemented, listening to their contributions and transmitting enthusiasm for this opportunity for growth that this cultural transformation entails for the entire Almirall team.

Lastly, all people programmes, processes and tools are being reviewed and updated incorporating our new Leadership values and skills, to ensure that their management helps us to live the new culture and that the Almirall team develops the new capabilities it needs to transform the lives of patients, and to be a leading company in the field of medical dermatology.

3.1.1. Promoting health and well-being

As one would expect in a company whose mission is to improve people’s health and well-being, various initiatives have been implemented to promote employee health and create healthy working environments. This includes access to gyms and medical services in Almirall’s facilities, as well as to restaurants and cafeterias with special menus. At the main workplaces, there is an onsite canteen that offers a variety of alternative menus to promote healthy nutrition.

Almirall has a Health and Well-being plan that impacts all its employees. In parallel, each geographic area where Almirall has offices also has local initiatives.

The Health and Well-being plan consists of three global initiatives:

1) +YOUfeelfit Challenge:

At the end of the 2019 financial year, the +YOUFEELFIT Challenge programme was launched to promote collaboration and team spirit, with all Almirall employees encouraged to participate. It was a global challenge, supported by a social web app where employees could voluntarily choose to walk, run, cycle or swim, individually or on teams, for a period of time. While practising these sports, employees accumulated Almirometers (the unit of measure of the challenge) which would be converted to money at the end of the challenge. The top performers were rewarded with attractive and sports-related prizes, and the money from the Almirometers were donated to

NGOs. The organisations that received donations were: Acción Psoriasis, European Multiple Sclerosis Platform and American Academy of Dermatology. Interviews were conducted with each of them to inform Almirall employees about the impact of their sporting activity throughout the challenge.

In short, +YOUFEELFIT Challenge is one that increases all employees' commitment to the company by creating a culture of physical, emotional and nutritional well-being through a variety of activities.

Following the success of this initiative, a second edition was launched in October 2021. This edition included the collaboration of new NGOs: Atopic Dermatitis Association (AADA), International Federation of Psoriasis Association (IFPA) and Skin Cancer Foundation (SCF). This edition ended in April 2022 with a high level of participation, achieving among all the participants an accumulated amount of kilometres (6 times around the world), which allowed us to make the donations to the patient associations to which we had committed ourselves at the start of the challenge. During the challenge these associations collaborated by providing very inspiring content to raise awareness of the diseases suffered by our patients.

2) Health and well-being conference programme

In 2022, we have continued to offer conferences to our employees the main objective of which is to share topics related to physical, nutritional and emotional well-being. Periodically, employees are invited to virtual conferences with experts from the world of health to provide them with tools to enhance their well-being. Participation in these sessions is very high, and the Almirall team's assessment of them is very positive. Everyone appreciates the effort and investment that Almirall puts into promoting the health of its employees.

3.2. Talent recruitment

Almirall internalised the recruitment model by building a highly skilled team of recruiters who carry out the hiring process from start to finish, from the identification and attraction of passive candidates to the evaluation of candidates for the different positions. This proactive approach to recruiting ensures the existence of a pool of talented candidates and helps simplify applicant tracking to make it possible to hire the best candidate for each position.

In order to increase the company's ability to attract talent, a Referral Programme has been developed. This programme allows employees to recommend their best contacts for Almirall vacancies. As an incentive, if a recommended candidate is ultimately hired, the employee who made the recommendation receives a financial reward. It is a good way of reaching candidates who fit the company's needs, in terms of both objectives and organisational culture. Moreover, having the employees themselves recommend the company as a good place to develop professionally is also a good letter of introduction that makes highly talented individuals interested in participating in the Group's hiring processes.

The hiring process is robust and consists of several steps according to the level of the organisation. These steps guarantee quality hiring that aligns with Almirall's corporate culture and values. And when it comes to evaluating candidates, there are three assessment levels: Basic, Silver and Gold, coordinated by the Global Talent Acquisition team:

- The Basic evaluation is used when hiring specialists and entry-level positions and consists of a personality test, a behavioural interview, a technical interview, a practical job-related test (optional in this case), and, lastly, a language test, plus a reference check.
- The Silver assessment is used when recruiting for mid-level positions and consists of a personality test, a behavioural interview, a case study or presentation on a specific topic, a role-play, a language test and a reference check. In this case, the case study is mandatory.
- Lastly, the Gold evaluation is used when hiring executive-level positions and consists of a behavioural interview, a case study or presentation on a specific topic, a role-play, an English test, a reference check and interviews with key stakeholders of the position. The case study enables assessment of competencies such as entrepreneurial vision, communication, influence, innovation and strategic vision. The role-play, on the other hand, makes it possible to evaluate leadership skills and results orientation, among other qualities.

Internal employees are a priority

When selecting candidates, meritocracy and cultural diversity are advocated in all hiring processes, as diversity and inclusion are part of Almirall's DNA. For example, there are employees of 26 different nationalities, which allows the company, among other things, to be more innovative and productive and to benefit from different points of view that ultimately impact business results.

Furthermore, Almirall firmly believes in giving employees the opportunity to progress in their careers within the company. Thus, when a new vacancy opens up, the existence of internal candidates who might be suitable for the position, relying on the Talent Review processes described below, is always taken into account before it is published externally. In this way, priority is given to employees so that they can enjoy a long career and professional development within the company.

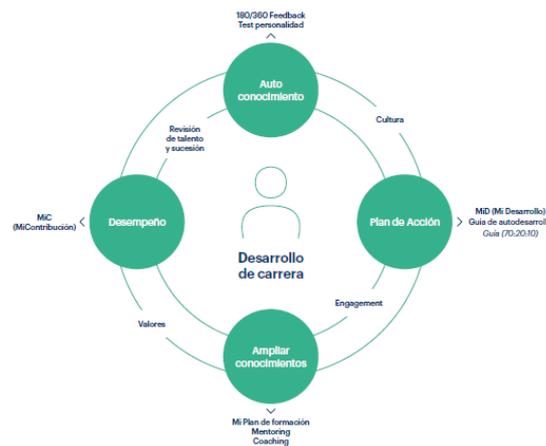
3.3. Training and talent development

As seen above, Almirall's culture is based on corporate values and the Noble Purpose. This is why employee training and development play such an important role in daily operations, representing a strategic and priority focus in the company's corporate agenda. This strategy, as well as the resulting impacts on everyone's experience over the course of their employment at Almirall, accompany them as they develop their careers, help them to achieve success in their role, and allow them to absorb the corporate culture that is desired at Almirall.

The training offered at Almirall is a fundamental resource for ensuring that people are prepared and have the necessary tools and skills to give the best of themselves in the different areas of their professional field, generating a clear return on investment for the company.

Training and development at Almirall for years has been based on the learning model known as '70:20:10'. This model indicates that 70% of learning is experience-based, which is learned in the job on a daily basis. The 20% figure refers to interaction and learning with colleagues and/or participation in collaborative processes. The remaining 10% of the learning process consists of structured, academic or traditional training, either face-to-face or in virtual format.

People are primarily responsible for their own development and growth. Thus, they are given access to a wide range of tools and programmes to facilitate their development experience at Almirall.



Self-knowledge is a key driver and the starting point of any development path. As a first step in the employee's professional growth, a self-development programme is provided that makes employees aware of their strengths and growth opportunities through tools such as insights and personality tests.

Once employees have a vision of what they need to strengthen and develop, they set their development goals in an individual action plan agreed with the leader following the 70:20:10 model. Every employee has at their disposal a virtual 'Self-Development Guide' which offers advice and self-development content to help all employees define and monitor their own development action plan, known internally as MiD (MyDevelopment). MiD is a continuous development process that allows every employee to develop their strengths and opportunities for improvement in order to focus on learning proactively from the development actions defined.

The emphasis on continuous learning and development for career advancement and Almirall's success is essential for achieving the best results. For this reason, there is a performance evaluation process in the company that helps define the path required to achieve the employee's objectives. These objectives combine business needs and corporate values with strengths, and they represent a challenge for us as a team. Employees and managers hold frequent meetings over the course of the year, which are essential to reinforcing the culture of continuous feedback meetings in the organisation.

Team members identify their training needs and share them with their managers in order to ensure that they are in alignment and then include them as development actions in their MiD.

The development and training model at Almirall has a clear aim: to foster a culture of continuous learning by providing a positive experience and prepare employees to be efficient in carrying out their tasks and achieving their objectives.

With these bases, Almirall's training and development strategy this year has been based on three fundamental pillars, which are described below.

3.3.1. The online/offline training plan

In March 2022, Almirall's Training Plan was announced to all company employees. The training plan aims to offer a variety of training courses to help prepare people for the different stages of their professional careers. This plan is directly aligned with Almirall's strategy and values.

Likewise, each employee also plays a very proactive role in adapting this plan to their own needs over the course of the year, as it serves to align the training offer with their individual development plans. As a first step in professional growth, and as mentioned above, Almirall offers a self-knowledge programme that makes each person aware of their strengths as well as their development opportunities.

This training plan is presented to the entire company in four categories to facilitate the search for training courses and to organise the offer. These categories are: Culture and Values, Business, Technological Tools and Languages.

- i. **Culture and values:** Training focused on developing our associated values and behaviours:
 - Capacity/skills building: The main purpose of this training is to develop critical skills to ensure the success of Almirall's results, such as Feedback, Change Management, Innovation, and Emotional Management. In this category, there is also training on how to make the most out of the My Contribution and My Development processes.
 - This section also includes the critical and essential training that all people must take, as these are contents that also have a direct impact on Almirall's culture, such as training on the Code of Ethics, Health and Safety or Diversity and Inclusion.
 - As a novelty this year, a series of e-learning FORMAT in different languages were deployed in response to Almirall's different subsidiaries. With this implementation, a flexible training model has also been introduced in which each person can learn and develop at his or her own pace without having to adhere to a specific schedule.
- ii. **Business:** Training focused on developing technical skills:
 - Functional specialisation training: Training focused on increasing the technical and specific skills necessary to fulfil the responsibilities in each of the functional areas of the company. This category contains specific training for finance specialists, product training for sales teams, as well as training related to scientific topics for R&D professionals, among many others.
 - Technical training for non-experts: Training focused on broadening business knowledge for non-experts, such as Finance for Non-Financial Staff, Almirall Strategic Products and Project Management.
- iii. **Technological Tools:** Training focused on developing the necessary technological skills to be able to operate the new tools available with greater efficiency and agility. Some examples are: Microsoft basics such as Excel tips or Power BI training, as well as those for the Smartworkplace to support the Flexible WorkPlace project, which has been key to virtual meetings, which have been consolidated after Covid-19. With this, training sessions have been introduced on key technology tools for today and the future, such as the Teams application and innovative Microsoft Office tools such as digital notebooks, OneDrive and online to-do list management.
- iv. **Languages:** Almirall currently has a language programme for relocations in order to support these people in their adaptation in the local language.

It should be noted that many of the training courses in the training plan are given by internal trainers. These are experts in their area of knowledge. Having internal trainers serves a threefold purpose:

- To develop internal trainers in critical and necessary skills for sharing their knowledge (presentation, listening, feedback, teaching and others).
- To recognise their knowledge and make it visible to the teams.
- To capitalise on internal knowledge and extend it to the rest of the employees, thereby increasing collaboration and synergies between teams.

Set out below are the number of participants (who are not unique participants), training hours and average hours per participant/training action for the years 2020, 2021 and 2022:

Category	Gender	2020			2021			2022		
		Participants	Hours	Mean	Participants	Hours	Mean	Participants	Hours	Mean
Directors	Women	27	341	12.6	145	362	2.5	95	166	1.7
	Men	87	272	3.1	159	501	3.2	222	413	1.9
Middle management	Women	385	1,388	3.6	442	1,735	3.9	923	1,399	1.5
	Men	643	1,988	3.1	364	1,281	3.5	1,118	1,568	1.4
Specialists / Professionals	Women	3,359	7,119	2.1	2,220	5,109	2.3	5,615	9,500	1.7
	Men	2,674	6,049	2.3	1,622	3,794	2.3	4,033	5,674	1.4
Administrative staff/Workers	Women	1,533	7,264	4.7	786	3,094	3.9	1,698	3,471	2.0
	Men	1,288	8,469	6.6	511	3,421	6.7	1,357	4,715	3.5
Group Total		9,996	32,890	3.3	6,249	19,297	3.1	15,061	26,906	1.8

The main variations for the period 2020 - 2022 correspond to:

- There was a significant decrease in the number of training hours in 2021 compared to 2020, due to the fact that 2020 was an exceptional year in which confinement encouraged a significant number of people to devote more time to training, given that they were not able to leave their home. However, the average number of hours per participant remained stable, at around 3.1 hours per participant compared to 3.3 in 2020.
- In 2022 we see an increase in both participants and hours compared to 2021, although the average decreases considerably (1.8 in 2022 compared to 3.1 in 2021). This is due to the new formats tailored to digitalisation (many face-to-face training courses have switched to a virtual format), with shorter but more frequent training sessions, which explains the increase in both participants and hours, and the lower average per participant.

3.3.2. The future of training - +YOUiversity

We are working on a strategic training project that will provide Almirall with a single platform from which employees will be able to consult all available training and take the courses on the same platform, which will also be collaborative and provide the opportunity to create learning communities. It will have cutting-edge technology (artificial intelligence) to identify courses according to development needs, roles and training previously completed by employees. This will further promote a culture of learning across the company, democratising training for all employees.

3.3.3. Talent Review and Succession Planning

In 2022, as every year, one of the most important processes for employee development and professional growth was carried out: the talent review and succession planning process whereby the following pillars are strategically analysed, department by department:

- Business challenges and organisational needs.
- Key positions and possible future successors (Succession Plan).
- Identification of employees with high potential (High Potentials) or who are essential to the company for their knowledge (Key Contributors), as well as emerging talent to continue developing as future high potentials in the organisation (Rising Stars).

The goal of the Talent and Leadership Development strategy is to build a diverse, multi-skilled team to meet the challenges of creating optimal and innovative solutions for patients.

3.4. Remuneration, integration and equality

Almirall's compensation programmes pursue a culture of high performance, with compensation and benefit plans that are aligned with standard market practice and take into consideration the degree of contribution of the position and the performance of each employee. For this reason, Almirall regularly analyses the valuation of the different job positions, as well as the performance of each employee, in order to recognise the performance of each one of them through the annual salary increase process. In addition, the various benefit programmes allow employees to tailor their compensation package to the specific needs of each individual and their families.

In 2021, work was done on a project aimed at building a global organisational structure for the company based on the value of the position as a solid base on which to unify the Compensation and Benefits strategy with certain key Human Resources processes. In May 2022, the EQUAL project was launched, the first phase of which was the

presentation of the company's Global Job Map along with its governance and job titles associated with each grade. Each employee was informed of the grade (contribution level of each position) and the title of his or her position according to the new policy. As a result of this new Global Job Map, within the different professional categories and compared to previous years, there has been a slight variation in the number and distribution reported due to the revaluation of positions (see point 3.7 Employment: number and distribution). In the second half of 2022, work has been carried out on the second phase of the project which includes the creation of salary structures for all regions, a review of short/long term incentives and a review of our compensation policies to associate them with this new structure.

This project for the correct valuation of jobs is in line with the new legislation in Spain (Royal Decree 902/2020) on equal pay for men and women, and is further evidence of the company's commitment to equality. This commitment is also demonstrated in the Equality Plan that Almirall has had in place since 2009, updated in 2020, as well as in the appointment of an equality agent who will monitor all the positive actions proposed within it. The objectives of the plan include promoting and improving access to senior positions by women, as well as preventing discrimination in hiring and gender-based pay.

Below is a table with a breakdown of the total remuneration received in 2020, 2021 and 2022 in the Group, broken down by gender, category and age:

The total compensation included herein includes the annual base salary in force on 31 December at 100% -without a reduced workday- and the short-term target at 100%, both amounts for the corresponding year. Remuneration is reported in euros, using the exchange rates published by the European Central Bank to convert those paid in foreign currency for each reporting period.

Category (€)	Gender	2020	2021	2022
Directors	Women	221,309	199,602	193,890
	Men	270,599	227,079	236,553
	Average	254,551	218,902	221,113
Middle management	Women	112,251	106,137	111,174
	Men	129,751	119,293	121,270
	Average	122,260	113,039	116,386
Specialists / Professionals	Women	66,418	62,730	74,177
	Men	70,695	66,931	80,976
	Average	68,301	64,591	77,103
Administrative staff/Workers	Women	40,846	41,684	42,409
	Men	37,041	37,950	40,270
	Average	39,122	40,024	41,402
Group Total	Women	68,044	66,180	73,115
	Men	80,728	79,396	85,801
	Average	73,984	72,336	78,980

Age (€)	Gender	2020	2021	2022
< 30	Women	40,794	50,692	51,726
	Men	42,259	39,667	42,139
	Average	41,580	45,770	47,318
30 - 50	Women	68,429	65,809	73,838
	Men	71,936	70,022	75,180
	Average	69,877	67,557	74,389
> 50	Women	71,681	69,672	76,518
	Men	96,467	94,135	103,822
	Average	84,969	82,787	91,028
Group Total	Women	68,044	66,180	73,115
	Men	80,728	79,396	85,801
	Average	73,984	72,336	78,980

At year-end 2022, Almirall's unadjusted pay gap (without taking into account job characteristics) averaged -15%, i.e. on average, women were paid 15% less than men in Total Compensation (Fixed Compensation + Short-Term Variable Compensation) or, to put it another way, women earn 85% of a man's Total Compensation.

The calculation formula used was:

$$\text{Brecha Salarial promedio} = \left(\frac{\text{Promedio Compensación Total Mujeres} - \text{Promedio Compensación Total Hombres}}{\text{Promedio Compensación Total Hombres}} \right) \times 100$$

In terms of wages, the most representative statistical parameter is the median, and so the gap between the median wages of women and men has also been calculated. The formula used was:

$$\text{Brecha Salarial mediana} = \left(\frac{\text{Mediana Compensación Total Mujeres} - \text{Mediana Compensación Total Hombres}}{\text{Mediana Compensación Total Hombres}} \right) \times 100$$

In this case, overall, the gap is reduced by 60%, from -15% (average) to a gap of -6% (median).

Furthermore, the company's weighted pay gap has been revised for the 2022 calculation to take into account the classification into grades that identify positions of equal value in the company (Almirall's Global Job Map). This has been calculated applying the following criteria, calculating the country-weighted ratio of the average Total Target Compensation of women versus men in equivalent jobs (same grade), provided that there is a minimum representation of 1 employee per gender. In 2022 it represents -4%, i.e., on average, the Total Compensation of a woman at Almirall is 96% of the Total Compensation of a man.

The indicator for the previous years (2021 and 2020) was -5%, which is not fully comparable with the one obtained this year 2022 given the aforementioned improvement in grade classification to identify positions of equal value within the company.

$$\text{Brecha Salarial ponderada país} = \frac{\sum \text{Brecha Salarial por grado/país} * \text{Num Empleados por grado/país}}{\sum \text{Numero Empleados país}}$$

$$\text{Brecha Salarial ponderada compañía} = \frac{\sum \text{Brecha Salarial ponderada país} * \text{Num Empleados del país}}{\sum \text{Numero total de Empleados}}$$

During 2022, the remuneration records for the previous year have been shared with the RLPT, and progress has been made in the development of different measures included in the equality plan in force in Spain.

The following table shows the average gross remuneration received in 2020, 2021 and 2022 by the members of the Board of Directors and members of the Management Board of the Almirall Group:

Body (€)	2020		2021		2022	
	Women	Men	Women	Men	Women	Men
Board of Directors ^{(1) (3)}	98,125	319,755	118,125	217,623	124,269	604,369
Management Board ⁽²⁾⁽³⁾	376,929	474,483	353,738	466,380	574,145	646,060

1) For the Board of Directors, all the remuneration associated with the position of each member plus the amounts associated with the committees of which they were members during the year are considered remuneration. The CEO (a male) is included in the company's board of directors.

2) The remuneration of the Management Committee includes the base salary received during the year, short-term incentives (STI) and long-term incentives (LTI) paid in March of the year and all salary supplements (seniority, school allowances, rental allowances, car allowances and other extraordinary bonuses). This does not include severance payments.

3) For the average gross remuneration received by the members of the Board of Directors and members of the Group's Management Committee, the cash outflow accounting criterion has been considered, as opposed to how it has been represented in the Consolidated Financial Statements, the latter being the accrual criterion.

For further information regarding the remuneration of the Board of Directors and the members of the Management Committee of the Almirall Group, we refer to the Annual Corporate Governance Report and the Annual Remuneration Report, appendices II and III of the Consolidated Management Report.

3.5. Work organisation

Almirall has working calendars that are applicable to all employees and compatible with the legislation in force in each country. The calendars are shared with the Legal Representation of Workers to try to align, as far as possible, the productive needs of the company with personal life. For easy consultation by all employees, the company makes the aforementioned calendars available for each year and posts them on the corporate Intranet in the month of December.

In addition to the legally stipulated annual leave, depending on the country, Almirall offers up to seven additional days off to be taken over the course of the calendar year. For a better adaptability to the needs of the employee, these additional rest days can be taken in fractions of half days.

The company is committed to the well-being of its employees and, for this reason, with the aim of ensuring work-life balance, the work calendar includes a flexible work schedule, for both entering and leaving, which allows weekly working hours to be adapted to reconcile work and personal life.

During 2022, a flexibility model entitled Turn it Flex was implemented. This model allows the working day to be adapted to the personal needs of each employee. Flexible working hours have been extended in all subsidiaries in accordance with local market practices, the holidays calendar has been made more flexible, extending the discretionary days off for personnel who work a split workday, and the teleworking model has been implemented, with up to 2 days a week in this modality, provided that the job position allows it. This point is included in the teleworking policy, published on the intranet, which also includes our employees' right to digital disconnection.

In the same way, employees who work shifts in the industrial area can change them on a rotating basis, with the possibility of morning, afternoon and night shifts. As for the industrial plants, there are rotating morning, afternoon and evening schedules, and annual leave and public holidays are pre-established in the calendar in order to ensure the pace of production.

In order to promote and encourage a more collaborative and innovative environment that allows for greater agility, efficiency and flexibility, a new model of office space has been defined. The implementation of the Flexible Work Place project has been completed in the Headquarters building.

3.6. Social relationships

In relation to employee participation and consultation, Almirall not only scrupulously complies with the commitments acquired in the different negotiation frameworks in each territory (for example, in Spain, the 19th General Chemical Industry Agreement), but also goes one step further by promoting its continuous improvement system. This is done through committees within the organisation that address key issues in the company, such as benefits, equality, occupational health and safety, or any other issues that may affect the day-to-day work of company employees.

Almirall is committed to compliance with and adherence to legislation and labour practices in an environment of constructive dialogue and respect for social agents. Employees must comply with the rules of ethical conduct applicable to the pharmaceutical industry, in addition to the provisions of Almirall's Code of Ethics.

Almirall has legal representatives for employees at all its work centres. Due to the company's presence in several countries of the European Union, in 2019 the European Works Council was established, and during the year it holds two ordinary meetings, where issues of common and cross-cutting interest for several countries are addressed. These include the status of production in the company's plants, news on R&D, updates on occupational health and safety, improvements and new developments in computer applications, latest acquisitions and the economic situation of the Group and anticipated headcounts by country, and the results of the culture survey. The company applies the state and labour legislation of each country in which it has employees, but in addition, in Spain, Italy, France, Austria, Belgium and Portugal, employees with employment contracts are also covered by the corresponding collective bargaining agreement (i.e., 69% of the Group's workforce). A breakdown of staff under collective bargaining agreements in the main geographical areas is set out below:

Country	31/12/2022		
	Total	Under a collective bargaining agreement	%
Spain	1,192	1,118	94%
Germany	306	0	0%
United States	114	0	0%
Italy	80	80	100%
United Kingdom	38	0	0%
France	34	34	100%
Austria	14	14	100%
Belgium	12	12	100%
Portugal	9	9	100%
Other countries	46	0	0%
Group Total	1,845	1,267	69%

Benefit Committees

In Spain, there are several monitoring committees for strategic issues within the organisation. These committees present, discuss and propose improvements and changes to be applied both in Spain and in the Group's subsidiaries, if applicable.

One of them is the Benefits Committee, which permanently analyses the company's social benefits and proposes different improvement actions as well as the evaluation of existing ones.

Record of Hours Worked

The Record of Hours Worked Regulations approved last year are maintained by means with computerised log management tool that allows workers to consult the number of hours they have worked. This is mandatory in workplaces in Spain, in accordance with the provisions of Royal Decree Law 8/2019 of 8 March.

As a result, Almirall employees in Spain are better able to see the time invested in carrying out their activities, which allows them to improve the efficiency of their working time and enjoy greater autonomy.

3.7. Employment: headcount and distribution

At the close of the 2022 financial year, Almirall had a total of 1,845 employees from 31 nationalities, 46% of whom are men and 54% women. The average length of employment is 12.6 years and 65% of our employees have a university degree.

Almirall's employees are concentrated in Europe (94%) and the United States (6%). The distribution in professional categories is as follows: 6% directors, 10% middle management, 55% specialists/professionals and 29% clerical/operational staff.

The age distribution of Almirall's workforce is as follows: 8% are under 30 years of age, 50% are between 30 and 50, and 42% are over 50 years of age.

The distribution of employees by country, professional category, gender and age at the end of each year is shown below (the number at year-end has been taken into account rather than the average given that the difference between the average annual number and the number at year-end is less than 5%).

Country	31/12/2020			31/12/2021			31/12/2022		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Spain	624	574	1,198	611	565	1,176	622	565	1,187
Germany	169	127	296	165	130	295	167	139	306
United States	55	43	98	59	48	107	62	52	114
Italy	33	45	78	36	41	77	39	41	80
United Kingdom	18	16	34	19	12	31	23	16	39
Switzerland	11	8	19	11	7	18	12	5	17
Netherlands	9	2	11	7	3	10	10	3	13
Austria	10	5	15	8	6	14	9	6	15
Belgium	7	4	11	8	4	12	7	5	12
Nordic countries	0	3	3	0	1	1	1	4	5
Portugal	5	2	7	5	2	7	8	1	9
Poland	3	0	3	3	0	3	4	1	5
France	3	7	10	19	12	31	22	14	36
China	2	0	2	2	0	2	1	0	1
Czech Republic	0	0	0	0	0	0	4	1	5
Slovak Republic	0	0	0	0	0	0	1	0	1
Group Total	949	836	1,785	953	831	1,784	992	853	1,845

(*) CEO and President not included in the headcount

Professional category	31/12/2020			31/12/2021			31/12/2022		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Directors	14	29	43	10	31	41	38	67	105
Middle management	113	150	263	121	145	266	89	95	184
Specialists / Professionals	595	471	1,066	597	475	1,072	585	442	1,027
Administrative staff/Workers	227	186	413	225	180	405	280	249	529
Group Total	949	836	1,785	953	831	1,784	992	853	1,845

(*) CEO and President not included in the headcount

The variations in the distribution by professional category in 2022 are due to the valuation of job positions and their assignment to categories based on their contribution, following the same overall criterion (EQUAL Project, see point 3.4 Remuneration, integration and equality). It should be noted that the presence of women in Almirall as a whole has been on an upward trend in recent years and has grown by 5% compared to 2021.

(Translation of a report originally issued in Spanish. In the event of discrepancy, the Spanish language version prevails)

Age	31/12/2020			31/12/2021			31/12/2022		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
< 30	58	62	120	69	56	125	81	71	152
30 - 50	585	417	1,002	570	406	976	549	378	927
> 50	306	357	663	314	369	683	362	404	766
Group Total	949	836	1,785	953	831	1,784	992	853	1,845

The most common type of hiring at Almirall is permanent/indefinite contracts, with an incidence of 98%.

The table below shows the distribution at year-end of permanent/indefinite or temporary contracts, broken down by gender. As Almirall has a non-stationary business model, with a variation in the number of employees between the end of the previous year and the end of this year of less than 5%, the data reported are year-end data and not average.

Type of contract	31/12/2020			31/12/2021			31/12/2022		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Full-time permanent	929	821	1,750	929	821	1,750	960	840	1,800
Part-time permanent	N/D	N/D	N/D	N/D	N/D	N/D	9	1	10
Full-time temporary	20	15	35	24	10	34	23	12	35
Part-time temporary	N/D	N/D	N/D	N/D	N/D	N/D	0	0	0
Group Total	949	836	1,785	953	831	1,784	992	853	1,845

(*) comparative data as at 31 December 2020 and 2021 are not available

The year-end distribution of contracts by duration (indefinite/permanent or temporary) according to age, professional category and gender is as follows:

Age	Gender	31/12/2020		31/12/2021		31/12/2022	
		Permanent	Temporary	Permanent	Temporary	Permanent	Temporary
< 30	Women	43	13	57	12	72	9
	Men	43	11	50	6	63	8
30 - 50	Women	567	12	559	11	538	11
	Men	409	6	403	3	376	2
> 50	Women	314	2	313	1	359	3
	Men	364	1	368	1	402	2
Group Total		1,740	45	1,750	34	1,810	35

Category	Gender	31/12/2020		31/12/2021		31/12/2022	
		Permanent	Temporary	Permanent	Temporary	Permanent	Temporary
Directors	Women	13	0	10	0	38	0
	Men	32	0	31	0	67	0
Middle management	Women	112	0	120	1	89	0
	Men	148	0	145	0	95	0
Specialists / Professionals	Women	574	16	581	16	570	15
	Men	459	10	467	8	436	6
Administrative staff/Workers	Women	224	11	218	7	272	8
	Men	178	8	178	2	243	6
Group Total		1,740	45	1,750	34	1,810	35

3.8. Layoffs by gender, age and occupational classification

The following involuntary severances of contracts at Almirall occurred during the 2020, 2021 and 2022 financial years. The following table details their classification by gender, age and professional classification (including departures due to the termination of temporary contracts, although we will work on identifying these to differentiate them from dismissals in the next financial year).

Professional category	2020			2021			2022		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Directors	0	6	6	3	1	4	1	6	7
Middle management	6	7	13	4	9	13	4	4	8
Specialists / Professionals	29	14	43	26	12	38	20	22	42
Administrative staff/Workers	4	5	9	8	7	15	15	5	20
Group Total	39	32	71	41	29	70	40	37	77

Age	2020			2021			2022		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
< 30	1	3	4	4	3	7	5	3	8
30 - 50	21	17	38	17	10	27	14	13	27
> 50	17	12	29	20	16	36	21	21	42
Group Total	39	32	71	41	29	70	40	37	77

During the 2020 and 2021 financial years, the Group did not avail itself of any measures related to the suspension of contracts as a result of COVID-19 (ERTE, for example), as most of its activities continued to operate.

3.9. Access for people with disabilities

Almirall is highly committed to employing people with disabilities. At present, there are different collaboration agreements in effect with different special work centres/entities/foundations, and we also work proactively to promote and/or facilitate the hiring and integration of this group.

In accordance with the main general legal provisions in force intended to address the rights of people with disabilities, Almirall meets the compliance requirements through the reserve quotas established by law in each of the countries where it has a work centre, or through exception certificates and according to the different circumstances that arise in the Group's companies.

As regards the measures implemented to ensure universal access to all people with any type of disability in work centres in Spain, all of which were in existence before 2010 (the third transitional provision of Royal Decree 173/2010, of 19 February, amending the Technical Building Code on accessibility and non-discrimination of people with disabilities refers to existing buildings whose building permit is prior to 12 September 2010), and therefore subject to adaptation to the regulations as long as expansion, modification, reform or rehabilitation works are carried out, we can report that our centre in Sant Feliu de Llobregat (R&D Centre) and our Pharmaceutical Plant in Sant Andreu de la Barca have adapted access according to the regulations, while at our Headquarters (Ronda General Mitre), we have already analysed the work that needs to be carried out to fully adapt them to the regulations so therefore the validation and execution process has not yet been completed. With regard to the Chemical Plant located in Sant Celoni de la Barca, plans are in place to start analysing the works to be carried out in the near future in order to fully adapt the plant to the regulations.

At Group level, Almirall employs the following group with an accredited degree of disability, together with the percentage in relation to the Group's total number of employees:

	2020 ⁽¹⁾	2021 ⁽¹⁾	2022 ⁽¹⁾
Total disabled employees	33	33	37
% of Group total	1.8%	1.8%	2.0%

(1) Information for USA not available due to data confidentiality regulations.

3.10. Absenteeism

Absenteeism data corresponds to the hours of absence recorded for reasons of sickness and/or occupational accidents for the financial years 2020, 2021 and 2022. The breakdown by country is as follows. From 2021 onwards, we report data broken down by gender.

Absenteeism due to occupational accident and illness							
Country/Hours (*)	2020	2021			2022		
	Total	Women	Men	Total	Women	Men	Total
Spain	97,685	59,900	28,577	88,477	53,170	28,585	81,755
Germany	34,767	26,841	13,431	40,272	20,905	12,938	33,843
Italy	1,545	746	720	1,466	2,154	1,776	3,930
Austria	881	558	79	637	420	294	714
Switzerland	266	512	18	530	555	161	716
United Kingdom	697	628	61	689	540	46	586
France	0	644	869	1,513	1,063	445	1,508
Group Total	135,841	89,829	43,755	133,584	78,807	44,245	123,052

(*) Absence hours are not reported in the USA since local legislation does not allow them to be recorded. Countries with fewer than 13 employees (Belgium, Netherlands, Czech Republic, Nordic countries, China, Portugal, Poland) do not report absenteeism data.

3.11. Health and safety

3.11.1. Management approach

The prevention and environmental management system is formally implemented and certified at the centres and with the activities indicated above in section 2.1 of this report. At international subsidiaries beyond the scope of this certified system, occupational health and safety is managed locally, in accordance with the legal requirements applicable in each case.

At corporate level, Almirall has a Health and Safety Team which reports to the Corporate Social Responsibility Director, who in turn, reports to the Vice President of People & Culture. This team has three full-time staff members and is complemented in the different areas and work centres by the participation of other employees with specific functions assigned to management of occupational safety on a part-time basis.

Almirall has a Global Corporate Prevention and Environment Policy, which establishes that one of the priority and strategic objectives that drive the daily activity of the organisation is occupational health and safety. To this end, the following basic principles, among others, are established:

- A commitment to the safety, health and well-being of employees, promoting integration of the same into the Company's daily work processes.
- A commitment to eliminating hazards and reducing risks to occupational health and safety.
- A commitment to continuous improvement of occupational health and safety management at Almirall in order to improve its performance, in compliance with the applicable legal requirements and other requirements to which Almirall voluntarily subscribes.
- Establishment of periodic programmes, with objectives and targets in accordance with the applicable regulations, the Global Corporate Prevention and Environment Policy itself and the risks and opportunities identified in the area of occupational health and safety.
- Training, involvement and participation of Almirall's staff and partner companies in the application of the principles contained in the Global Corporate Prevention and Environment Policy.
- A commitment to consultation and participation of workers and, where they exist, workers' representatives.
- To ensure the availability of the necessary information and resources, and proper planning for their use.

Occupational health and safety is an objective of the Company as a whole, and therefore responsibility for achieving it is shared by all Almirall's employees, regardless of their level or role.

As mentioned in section 2.1 of this report, Almirall has an integrated occupational health and safety, environmental and energy management system. Almirall was one of the first companies, in general, and one of the first chemical-pharmaceutical laboratories, in particular, to obtain certification of its system according to the new ISO 45001:2018 standard (which replaces the previous OHSAS 18001:2007, for which it has held certification since 2007). This certification is currently held by Almirall's operating centres in both Spain and in Germany.

Table 1 in section 2.1 'Management approach' of this report indicates the scope of the prevention and environmental management system.

Almirall has a series of established and implemented due diligence processes and procedures, which it continuously updates, to ensure that the prevention and environmental management system is appropriate, adequate and effective. The following is a list of the most important ones in terms of occupational health and safety:

- Risks and opportunities
- Assessment of occupational risks
- Legal and other requirements
- Training
- Communication, participation and consultation
- Management of documentation
- Control of changes
- Industrial safety in equipment and installations
- Monitoring of work with special risks
- Monitoring of suppliers of works and services
- Road transport of hazardous goods
- Emergency plans.
- Audits
- Review by Management of the management system
- Incidents, non-conformities and corrective actions

In 2022, many prevention and employee-health promotion activities were carried out, among which the following basic indicators stand out:

- 5,078 training hours (a reduction of 9% compared to 2021 (5,583 hours):
 - o 1,607 attendees.
 - o 612 course editions
- 359 corrective and improvement actions properly managed in the different areas of the organisation (23% increase compared to 293 actions in 2021).
- 135 occupational risk assessments (reduction of 24% compared to 2021 (177 assessments):
 - o 74 occupational safety assessments.
 - o 28 workplace assessments.
 - o 25 industrial hygiene assessments.
 - o 6 job assessments.
 - o 2 ergonomics assessments.
- 359 suppliers of works and services approved in terms of health and safety to carry out work at Almirall centres (8% increase compared to 332 suppliers in 2021).
- 143 monitoring and control activities (reduction of 33% compared to 2021 (186):
 - o 60 self-inspections.
 - o 35 other inspections.
 - o 14 visits by Management.
 - o 12 supplier audits.
 - o 22 internal and external audits.
- 90 incidents and 26 non-conformities, all properly reported, investigated and evaluated (30% more incidents compared to 2021 and 21% fewer non-conformities compared to 2021).
- 1,175 medical check-ups of employees (6% increase compared to the 1,105 check-ups in 2021).

3.11.2. Accidents at work

The tables in this section summarise the main statistical data on accidents at the different Almirall centres for the 2020, 2021 and 2022 financial years. As can be seen, compared to the data for 2021, in 2022 there has been a slight increase in the incidence rate of accidents resulting in disability leave, while at the same time there has also been a notable reduction in the severity rate:

- 1) Incidence rate: this increased by 43% overall in 2022 (7.0 vs. 4.9), due primarily to the accident rate at the Sant Andreu Pharmaceutical Plant, where there was an extraordinary reduction in 2021 compared to the previous year. With regard to the rest of the company's centres, it should be noted that in 2021 there were zero accidents at the headquarters, the Sant Feliu R&D Centre and at all the commercial subsidiaries except Switzerland, where there was one minor accident.
- 2) Frequency rate: this grew in 2022 by 44% (3.6 vs. 2.5). We have applied the same considerations here as for the incidence rate.

- 3) Severity rate: despite the increase in the incidence rate, it is important to note that, in 2022, the severity rate has been reduced by 54% (0.06 vs. 0.13).

It is important to note that, taking the official accident rate data for the last period published by the Ministry of Labour, Migration and Social Security as a reference, the incidence rate of accidents with disability leave in 2022 was 56% below the level of the Industry Sector, Pharmaceutical Products Manufacturing Division¹ (7.0 vs 16.0). Likewise, the severity rate of accidents resulting in disability leave in 2021 was 93% below the level of the Industry Sector, Manufacturing Industry Division (0.06 vs 0.84).

Tables 1, 2 and 3 also show the accident rate data broken down by gender, with an indication of the incidence, frequency and severity rates.

Centre	General data		Disability leave				
	Average workforce (1)	Hours worked (2)	Accid.	Days lost	I _i (3)	I _F (4)	I _e (5)
Headquarters	269	521,736	-	-	-	-	-
Sant Feliu R&D Centre	272	513,240	-	-	-	-	-
Sant Andreu Pharmaceutical Plant	448	866,456	10	522	22.3	11.5	0.60
Reinbek Pharmaceutical Plant	118	260,113	3	33	25.4	11.5	0.13
Chemical plants	72	138,944	2	9	27.9	14.4	0.06
Commercial subsidiaries	650	1,248,213	1	107	1.5	0.8	0.09
2020 Total	1,829	3,548,702	16	671	8.8	4.5	0.19
Women	978	1,898,003	6	505	6.1	3.2	0.27
Men	851	1,650,699	10	166	11.8	6.1	0.10

Table 1. Accident data in 2020

Centre	General data		Disability leave				
	Average workforce (1)	Hours worked (2)	Accid.	Days lost	I _i (3)	I _F (4)	I _e (5)
Headquarters	274	529,272	-	-	-	-	-
Sant Feliu R&D Centre	249	470,920	-	-	-	-	-
Sant Andreu Pharmaceutical Plant	449	869,232	5	381	11.1	5.8	0.44
Reinbek Pharmaceutical Plant	120	257,989	1	4	8.4	3.9	0.02
Chemical plants	73	141,768	1	3	13.7	7.1	0.02
Commercial subsidiaries	680	1,275,418	2	64	2.9	1.6	0.05
2021 Total	1,845	3,544,599	9	452	4.9	2.5	0.13
Women	978	1,878,637	5	329	5.1	2.7	0.18
Men	867	1,665,962	4	123	4.6	2.4	0.07

Table 2. Accident data in 2021

Centre	General data		Disability leave				
	Average workforce (1)	Hours worked (2)	Accid.	Days lost	I _i (3)	I _F (4)	I _e (5)
Headquarters	329	639,168	0	0	0.0	0.0	0.00
Sant Feliu R&D Centre	195	372,600	0	0	0.0	0.0	0.00
Sant Andreu Pharmaceutical Plant	451	877,248	9	91	19.9	10.3	0.10
Reinbek Pharmaceutical Plant	121	262,387	2	68	16.5	7.6	0.26
Chemical plants	72	140,488	1	3	13.8	7.1	0.02
Commercial subsidiaries	701	1,298,715	1	46	1.4	0.8	0.04
2022 Total	1,869	3,590,606	13	208	7.0	3.6	0.06
Women	1,010	1,938,927	9	29	8.9	4.6	0.01
Men	859	1,651,679	4	179	4.7	2.4	0.11

Table 3. Accident data in 2022

¹ Important change: From the 2020 annual publication of the 'Statistics on accidents at work' of the Ministry of Labour and Social Economy, the economic activity is now considered to be that of the workplace in which the worker is registered with the Social Security. Data from previous years are recalculated in order to have comparable data according to this new criterion.

Notes:

- (1) Average number of workers in the period.
- (2) Number of planned hours worked + number of overtime hours – number of absence hours.
- (3) Incidence rate: number of accidents per thousand workers.
- (4) Frequency rate: number of accidents per million hours worked.
- (5) Severity rate: number of days lost per thousand hours worked.

All reported accidents are of a minor nature, i.e. none are serious, very serious or fatal.

Through the occupational health and safety management system and the identification, evaluation and control mechanisms, no workers with a high incidence or high risk of occupational diseases have been identified. No occupational diseases were identified and reported in 2022.

3.11.3. Worker participation and consultation

In general, at Almirall's work centres in Spain with 50 or more employees, a Health and Safety Committee has been established as a joint and collegiate participation body for regular and periodic consultation of the company in matters of occupational risk prevention. The Health and Safety Committee is formed by the Prevention Delegates, on the one hand, and by representatives of the company in a number equal to that of the Prevention Delegates.

On the other hand, at the Almirall Germany centre (Reinbek) the so-called ASA Committee (Occupational Safety and Health Committee - *Arbeitsschutzausschuss*) has been established, in which both the company and the workers (Work Council - Prevention Delegates) are represented, in addition to the support of the Medical Service and various technical figures in Prevention.

At a general level, the participation and consultation of workers takes place formally, through their representatives (Prevention Delegates), in the periodic meetings of the different Health and Safety Committees/ASA Committees. Nonetheless, on a day-to-day basis, the Prevention Delegates are informed and included as participants in the different processes managed in the PREVAL corporate application (incident investigations, change controls, audits, self-inspections, corrective and preventive actions, etc.), as well as on an occasional basis by means of specific information and consultation memos.

Table 4 lists the nine Health and Safety Committees/ASA Committees in operation at Almirall's centres in 2021, as well as the 52 meetings held during the year (5% reduction compared to the 55 meetings held the previous year, mainly due to the scheduling of fewer extraordinary meetings as a result of the COVID-19 health crisis).

Centre	2020	2021	2022
Headquarters	20	9	9
Sant Feliu R&D Centre	17	6	7
Sant Andreu Pharmaceutical Plant	9	5	4
Reinbek Pharmaceutical Plant	3	4	4
Sant Andreu Chemical Plant	4	6	4
Sant Celoni Chemical Plant	5	6	4
Almirall, S.A. Spanish Subsidiary	2	6	8
Laboratorios Almirall, S.L. Spanish Subsidiary	2	6	8
Industrial Area - COVID-19 Committee	16	7	4
Total meetings	78	55	52

Table 4 – Health and Safety Committees/ASA Committees.

As a general assessment of what was discussed in the formal meetings of the different Health and Safety Committees/ASA Committees held during 2022, it can be concluded that no special issues arose that required comments beyond what is described in the minutes of these meetings and in any corrective and improvement actions that may have been managed through PREVAL.

4. Community and Society

4.1. Respect for human rights

In 2022, Almirall's Board of Directors has approved and made public a Global Corporate Human Rights Policy, as an expression of the company's commitment to respect internationally recognized standards in this area.

Almirall is strongly committed to ensuring respect for human rights in all areas and levels of its business organization. This is achieved through the application of appropriate corporate policies which have been designed

in strict compliance with the fundamental principles and values promoted by the main international human rights organizations, especially the United Nations (“UN”) and the International Labour Organization (“ILO”).

Accordingly, all production processes at Almirall are carried out in fair working environments, governed by values such as respect for human dignity and the autonomy of the individual, as well as equality, these being just a few of the core values that govern the company’s business activity.

Guaranteeing the right to decent work is an essential part of the human rights sphere, as has been recognised by international organisations such as the UN and the ILO. In this regard, the policies that govern Almirall’s actions in this area (equality, diversity and harassment protocols, as well as the Code of Ethics) are based on compliance with the labour regulations/legislation in force at all times. To this end, due diligence procedures have been implemented to ensure compliance with these regulations. These procedures materialise in the design and implementation of policies, plans and programmes that allow the company to verify compliance and proper observance of human rights within Almirall.

More specifically, through these procedures, Almirall guarantees, among others:

- Compliance with regulations on hiring and working conditions, which exclude abusive, forced or illegal labour situations, specifically child labour, from occurring in any of the Group’s companies.
- Observance of non-discrimination and equality provisions by having plans and programmes in place to guarantee non-discrimination in terms of gender (Equality Plans), as well as to prevent the violation of the rights of groups at risk of social exclusion;
- Respect for its workers’ rights of unionisation and free assembly through maximum compliance with the provisions of Organic Law 11/1985, of 2 August, on Trade Union Freedom in Spain, as well as for the rights and guarantees stipulated in the labour regulations for the members of the Legal Representation of Workers at all Almirall centres;
- Support for its workers’ health and safety by implementing prevention plans and complying with the regulations on risk prevention and occupational health and safety.

Lastly, it should be noted that Almirall also has whistleblowing channels available to all its employees (as described in section 1.6 ‘Prevention of and fight against corruption and money laundering’), through which they can report any action that they believe constitutes or may constitute or result in a human rights violation. The existence of these reporting tools is widely known and, as they can be used by any worker, they represent an excellent mechanism for ensuring compliance with human rights at all levels. The whistleblowing channels are highly useful because, in addition to bringing possible violations of fundamental rights to Almirall’s attention, they also allow the company to combat the violations and act proactively to prevent potential violations, thereby ensuring that human rights are promoted and respected.

4.2. Commitments to the community

In its daily activity, Almirall has close ties with all the interest groups involved in the fields of research and healthcare and it works to maintain a fluid relationship with all of them.

Partners such as healthcare professionals (HCPs), healthcare organisations (HCOs) and medical societies, patient organisations (POs) and patient advocacy groups (PAGs) play a key role in the work of improving skin health. Almirall’s activities in collaboration with them provide the Group with an invaluable opportunity to listen, learn and share.

Patients

Benefiting patients is at the heart of all Almirall’s activities. The company strives to provide effective treatments that improve the health and quality of life of patients and offer them the greatest possible benefit. The entire operating model, from scientific innovation to product marketing, is based primarily on understanding patients and their environment in order to provide them with the greatest possible value. The Group develops innovative medicines that address unmet needs that can have psychological implications; it likewise fosters greater awareness of little-known pathologies, such as psoriasis, that have a significant impact on patients’ lives.

Almirall collaborates with a wide range of patient organisations (POs) that support skin disease sufferers and patients in other areas of strategic focus for Almirall. This direct contact with patient advocacy is in line with our commitment to build mutual respect and trust.

Health professionals

Almirall and health professionals share the goal of improving patients’ quality of life. Healthcare professionals’ experience provides the company with a wealth of knowledge about possible therapeutic solutions, areas of unmet medical needs, as well as patient responses to different treatments. The company is therefore in constant contact

with healthcare professionals and, consequently, able to meet their needs and offer them the most up-to-date information about its products. It also maintains open channels of communication with academic institutions, hospitals and scientific societies to promote joint programmes that contribute to improving health.

These are some of the most relevant medical societies and patient organisations with which we have worked in recent years:

- International Psoriasis Council (IPC)
- The International League of Dermatological Societies (ILDS)
- Psoriasis from Gene to Clinic (Psoriasis G2C)
- International Federation of Psoriasis Associations (IFPA)
- The American Acne and Rosacea Society (AARS)
- Acción Psoriasis
- Asociación de afectados por la dermatitis atópica (AADA)
- Multiple Sclerosis Spain (EME) and regional MS associations
- Skin Cancer Foundation
- France Psoriasis

In the area of multiple sclerosis (MS), we also collaborate with both the Spanish MS association (EME) with the national and world MS day, as well as with the annual linkEM congress, a forum for sharing information and tools to foster the creation of new research projects and studies addressing quality of life issues for people with MS.

Strategic partners

The company believes that agreements with other companies help to offer a balanced and competitive product portfolio and also serve to enhance their business growth. Almirall is, therefore, continuously looking for collaborations and associations that will enhance its R&D capabilities, expand the pipeline and help it achieve its objectives. The strategic partnerships cover the entire drug value chain and allow the company to share efforts, resources and risks for the purpose of discovering innovative treatments in the medical dermatology field. The most relevant strategic partners at the end of the year ended 31 December 2022 are as follows:

Commercial area

- Athenex: the laboratory from which the Group acquired marketing rights for the United States and Europe, which is marketed under the brand name Klisyri™ and is indicated for the topical treatment of actinic keratosis on the face and scalp in adults.
- Lilly: the laboratory that owns lebrikizumab, for which the Group has the marketing rights in Europe and which is currently in the EMA registration phase, and which is an innovative biological therapy for patients with atopic dermatitis.
- MC2 Therapeutics: the laboratory from which the Group acquired marketing rights for Europe and which is marketed under the brand name Wynzora™ (except in Austria, where it is marketed under the brand name Winxory™) indicated for mild to moderate plaque psoriasis in adults, including the scalp.
- Sun Pharma: the proprietary laboratory of tildrakizumab, for which the Group has the marketing rights in Europe under the brand name Ilumetri™, and which is an innovative biologic therapy for patients with moderate to severe plaque psoriasis.

Research and Development

- Evotec: a multi-target partnership in Medical Dermatology in which both partners will contribute pharmacological targets to the research process. The partnership will combine Evotec's fully integrated multimodal platform with Almirall's expertise in Medical Dermatology. Evotec will be responsible for drug discovery and preclinical development using its fully integrated AI/ML-based EVOiR&D platform. For its part, Almirall will lead the clinical development and marketing.
- Ichnos Science: the biotechnology company from which the Group acquired the global rights to develop and market ISB 880, an IL-1RAP antagonist, a monoclonal antibody for autoimmune diseases. Ichnos will retain the rights to antibodies targeting the IL-1RAP pathway for oncology indications.
- Simcere: the pharmaceutical company from which the Group acquired exclusive development and marketing rights for SIM0278 (worldwide except China), the IL-2 mutant fusion protein (IL-2Mu-Fc) developed by Simcere and drug candidate for the treatment of autoimmune diseases.

Associations and health authorities

Almirall complies rigorously with all legal and administrative processes required by the health authorities in all areas of activity. Moreover, it collaborates with associations to develop health-related projects. Almirall is a member of the European Federation of Pharmaceutical Industries and Associations (EFPIA) and the International Federation of Pharmaceutical Manufacturers & Associations (IFPMA), among others.

In all of these relationships, the information provided to the associations, along with the company's scientific knowledge, are used to develop products with the highest degree of safety and effectiveness to maximise patient well-being. The Group seeks to extend its commitment to all its partners and suppliers in the value chain in order to form solid relationships based on integrity, trust and transparency.

Almirall also carries out several awareness campaigns on various pathologies with the aim of making patients aware of how to control the symptoms of the diseases they suffer from and to raise awareness among the general public of the impact these diseases have on the people who suffer from them.

In addition, Almirall also participates in the AMR Action Fund, a fund created by leading pharmaceutical companies and organised by the IFPMA with the support of the WHO, the EIB and the Wellcome Trust. The objective of the fund is to combat antibiotic resistance to infectious diseases. This fund aims to generate 2-4 new antibiotics by 2030, investing more than \$1 billion in small biotechs and providing industry expertise to create the conditions needed to facilitate the clinical development of new antibiotics.

The following is a list of the main associations of which Almirall or its subsidiaries are members, as well as the contribution made to each of them. In total, the Group has made contributions in 2022 for a total amount of 1,854 thousand euros (1,518 thousand euros in 2021), including:

- International Federation of Pharmaceutical Manufacturers & Associations (IFPMA): in partnership with the global healthcare community, IFPMA promotes policies that encourage innovation, resilient regulatory systems and high quality standards; advocates ethical practices; and champions sustainable healthcare policies to meet the needs of patients and the healthcare system. In 2022, the Group contributed €186 thousand (€332 thousand in 2021).
- European Federation of Pharmaceutical Industries and Associations (EFPIA): represents the biopharmaceutical industry operating in Europe. Through its direct members, 36 national associations, 39 leading pharmaceutical companies and a growing number of small and medium-sized enterprises (SMEs), EFPIA's mission is to create a collaborative environment that enables its members to innovate, discover, develop and deliver new therapies and vaccines for people across Europe, and to contribute to the European economy. In 2022, the Group contributed €316 thousand (€287 thousand in 2021).
- Farmaindustria (Spain): is the National Business Association of the Pharmaceutical Industry established in Spain, and it represents the associated laboratories before society and its Public Administrations, collaborates with them, promotes the sector's commitment to R&D, conveys the reality of the pharmaceutical industry to the public and offers companies value-added services. In 2022, the Group contributed €179 thousand (€133 thousand in 2021).
- Verband der Chemischen Industrie (Germany): The German Chemical Industry Association represents the economic policy interests of chemical and pharmaceutical companies in Germany. As the voice of industry-wide economic policy, the association discusses with other stakeholders, elected officials and authorities, the scientific community and non-governmental organisations the optimal design of framework conditions in Germany as an industrial location. In 2022, the Group contributed €236 thousand (€211 thousand in 2021).
- Bundesverband der Arzneimittel-Hersteller (BAH, Germany): The German Association of Pharmaceutical Manufacturers (BAH) is the main trade organisation of the pharmaceutical industry in Germany. It represents the interests of some 400 member companies, which maintain around 80,000 jobs in Germany. In addition to drug manufacturers, BAH members are also pharmacists, lawyers, publishers and agencies, as well as market research and opinion institutions. BAH advocates safe and responsible self-medication through professional medical and pharmaceutical advice. It therefore strongly supports the legal protection of the incumbent pharmacy as the primary institution for distribution. In 2022, the Group contributed €131 thousand (€133 thousand in 2021).

Non-Governmental organisations

Almirall works with several non-profit organisations to promote activities, offer services and fund projects that they consider fundamental for the social development of the most disadvantaged populations and regions. For example, the company maintains close relationships with patient organisations and patient advocacy groups, as discussed in detail, collaborating on projects and placing the company's expertise at their disposal. This makes it possible to have a complete picture of their needs, the conditions surrounding their diseases, and the emotional and social barriers they face.

Almirall only makes donations, contributions and sponsorships to institutions, organisations or associations that are made up of healthcare professionals and/or provide healthcare or conduct research, subject in all cases to the following requirements:

- They must be made for the purpose of supporting healthcare or research;
- They must be validated and authorised internally beforehand, correctly documented on the basis of the corresponding prior contract, and the data of the corresponding beneficiaries duly identified and recorded;
- They must not be intended to induce the recommendation, prescription, purchase, dispensing, sale or administration of specific drugs; and
- They do not violate either the applicable local regulations or the ethical commitments assumed by the sector.

In 2022, donations amounting to €501 thousand were made (€482 thousand in 2021) to various foundations, universities and health centres, mainly in Italy, Germany and Spain. Almirall does not allow donations and grants that benefit individual medical professionals.

4.3. Subcontracting and suppliers

Respect for the law, the commitments assumed, the quality of service and contractual good faith form the basis of the relationship between Almirall and its suppliers. We demand quality, rigour, commitment and excellence from all of them, given that our suppliers are an extension of Almirall's activities and, therefore, one of our most important assets. Suppliers are required to be reciprocal and transparent in the provision of services and in the information they provide to us regarding their technical and financial solvency.

To ensure that the product supply chain is stable and sustainable, Almirall has supplier approval processes which, depending on the service provided or goods supplied and the geographic area from which they operate, ensure that they comply with the requirements established by Almirall and the regulatory framework in terms of quality, the environment (ISO certification, ecological criteria), occupational health and safety, and labour practices.

In recent financial years, Almirall has been working to increase and strengthen these processes. Specifically, the Purchasing department leads the Sustainable Purchasing Programme, which is framed within Almirall's ESG strategy. This programme is made up of a series of initiatives that are included in the 2019-2020 and 2021-2023 roadmaps.

As part of the Sustainable Purchasing Programme, the Purchasing department has promoted the following actions over the last three years:

4.3.1. Policies and processes

- Updating in 2019 of Almirall's Purchasing department policy to strengthen corporate social responsibility issues (including social, gender equality and environmental aspects) during the supplier bidding and approval processes. In this regard, sustainability was included as part of the department's mission as well as one of the risk categories to be quantified and measured as part of the process of procuring goods and services.
- Implementation in 2019 of the Almirall Supplier Code of Conduct, which is available on the corporate website, with the aim of strengthening the Group's commitment to sustainability and communicating ESG expectations to suppliers. Almirall's Supplier Code of Conduct is made up of five blocks (ethical principles, human rights, occupational health and safety, respect for the environment, and quality). Knowledge and acceptance of Almirall's Supplier Code of Conduct during the bidding and approval process is an important element in the evaluation and selection of a supplier, along with other criteria, to ensure that they are aligned with Almirall's ethical, social and environmental commitments. During the approval process, the supplier must accept and commit to compliance with it (and commit to requiring its subcontractors to do the same).
- Inclusion in 2019 of questions related to corporate social responsibility and sustainability actions in the Request for Information (RFI) questionnaires to suppliers, as well as during the approval process, which are evaluated by the purchasing specialists when analysing a supplier's suitability.

- Implementation in 2021 of a new work protocol related to supplier selection, with the aim of including, among other items, financial and non-financial risk assessment criteria with a weighting of between 5--10%.
- Creation in 2022 with availability in 2023 of a new protocol relating to the audits mentioned in section 4.4.3, which sets out in writing the criteria for inclusion in the programme, the roles and responsibilities of the Almirall teams involved, the criteria that determine the implementation of corrective actions with suppliers and other considerations.
- Implementation in 2022 of the obligation to conduct an ESG audit as a pre-requisite for all suppliers awarded a project in excess of 500 thousand euros.

4.3.2. Contracts with suppliers

In 2020 and 2021, all the standard contract models delegated to the purchasing team from the legal department were progressively updated with the aim of including clauses relating to suppliers' compliance with the social, ethical and environmental commitments set out in Almirall's Supplier Code of Conduct and acceptance, where applicable, of any ESG audits that Almirall may request. These contracts cover all the activities for which selection and contracting is managed by the purchasing department, both for the purchase of goods classified as 'direct expenditure' (related to the production of our products) and 'indirect expenditure' (related to services not directly linked to production).

Likewise, Almirall's General Conditions for Purchasing have been implemented and are available on the corporate website, in the suppliers' area, in Spanish and English, and include the same commitments on the part of the supplier. These conditions apply by default to all purchases in the absence of a specific contract and include commitments regarding adherence to the Supplier Code of Conduct and participation in any supplier platform required by Almirall, including the platform used for ESG supplier audits.

4.3.3. Audits

In line with our Noble Purpose, as part of the Sustainable Purchasing Programme, we evaluate the suppliers remotely through an independent global rating agency which uses the strictest ESG criteria, and we implement individual action plans taking into account the results of each supplier's evaluation and the potential risks identified in same. Suppliers are included in the audit programme on the basis of pre-defined criteria (determined by the type of service, the criticality of the service, the level of expenditure in the last twelve months prior to the screening and the geographic area from which the suppliers operate).

The metrics of the supplier ESG audits at 31 December 202 were as follows:

	No. of suppliers	% Expenditure (*)
Invited suppliers	309	62.5%
Audited suppliers	268	57.6%
Suppliers that passed the audit	248	52.8%

(*) The reference to '% Expenditure' refers to the percentage represented by the expenditure invoiced to these suppliers in the last 12 months with respect to the total expenditure on suppliers for the same period and managed by the Purchasing and External Sites Operations departments, the latter being responsible for contract manufacturing organisations.

Of the 268 suppliers with results in the 2020- 2022 audits, , 248 suppliers, representing 52.8% of expenditure, passed. Only 1 was found to be high risk and 19 were medium risk, representing 0.4% and 4.5% of expenditure, respectively. During 2022, 70% of the suppliers have been evaluated or re-evaluated, i.e. 218 suppliers, bearing in mind that such evaluations have a duration of 2 years whenever a supplier exceeds the established threshold.

At the close of the audits, the high/medium-risk suppliers are asked to take the corrective actions identified as 'areas for improvement' in the audits based on an established action plan. They are also asked to undergo a re-evaluation within the following twelve months. Since the start of the collaboration with the auditor in the ESG area, suppliers that had already been audited in previous years were re-evaluated, and a significant improvement trend was demonstrated in the evaluations. Follow-up is done with suppliers who decline to participate to discover the reasons for their decision and action is taken accordingly.

4.3.4. Carbon footprint - "Scope 3"

During 2022, within the framework of the Net Zero project, the Purchasing team has helped to provide the necessary data to calculate the carbon footprint Scope. 3. As part of the focus of this project, we seek, on the one hand, to know the quantitative and qualitative data on the greenhouse gas emissions of our suppliers and how they impact our own, and, on the other, the level of maturity of our supply chain in terms of decarbonization. For this reason, in the last quarter of the year and from 2023 to 2025, a new module has been contracted in the platform of our auditing provider that will allow us to obtain this information, prioritizing action plans and training actions with

those suppliers that have a greater impact on our carbon footprint in order to reduce it to Almirall's target for 2030 and 2050.

4.3.5. Key performance indicators (KPIs) of the Sustainable Purchasing Programme.

To measure and monitor the development and success of the Sustainable Purchasing Programme, in 2022 the KPIs of the programme for the years 2023-2050 have been redefined and communicated to the company's ESG committee. In 2022 the KPIs have not only been met but also substantially exceeded.

2023-2025 Sustainable Purchasing Programme KPIs

Name of the KPI	Description of the KPI	KPI target/year	% reached in 2022
Suppliers with ESG audit results	% expenditure (*) invoiced to suppliers with results available in the ESG audit programme	2022: 50% 2023: 55% 2024: 58%	57.6%
Suppliers that have accepted Almirall's Supplier Code of Conduct	% expenditure (*) invoiced to suppliers who have accepted the Almirall Supplier Code of Conduct	2022: 20% 2023: 40% 2024: 50%	40.6%

(*) The reference to '% Expenditure' refers to the percentage represented by the expenditure invoiced to these suppliers in the last 12 months with respect to the total expenditure on suppliers for the same period and managed by the Purchasing and External Sites Operations departments, the latter being responsible for contract manufacturing organisations.

4.3.6. Supplier diversity

The philosophy of the Almirall Group includes fostering relationships with local suppliers in order to promote value creation and generate a positive impact on local society. In this regard, to maximise our positive social impact, we contract Special Work Centres (CET) for part of the services of supplying office material and Personal Protective Equipment (PPE), event logistics, as well as the reprocessing and handling of finished products and displays.

4.3.7. Resources. Training and specific objectives

In 2019, an additional resource was added to the purchasing team to develop the strategy, implement and advance in the continuous improvement of the Sustainable Purchasing Programme.

Since 2019, all Almirall professionals involved in the Sustainable Purchasing Programme have a specific objective linked to the support and activities related to the programme and have received specific annual training on sustainability and sustainable purchasing, management of the programme and use of the audit platform, implementation of mitigation plans for identified risks and specific training on climate change and decarbonisation.

Since 2020, specific communication materials have been available to suppliers covering the objectives and expectations of the programme, and post-evaluation feedback was provided along with resources and assistance for improving the score and implementing the requested corrective actions, all with the aim of ensuring alignment with the Group's expectations, commitment to sustainability and continuous improvement on the part of the suppliers.

4.3.8. Memberships and external recognitions

As part of Almirall's commitment to sustainability, as of September 2022, the company is a member of the Pharmaceutical Supply Chain Initiative (PSCI). PSCI is a non-profit organization, comprised of a large number of companies in our industry, whose purpose is to bring together its members to define, establish and promote responsible and ethical practices, human rights and environmental sustainability in the pharmaceutical industry supply chain. Through this membership, Almirall seeks to:

- Access the knowledge and experience of experts in supply chain sustainability.
- Contribute to setting the objectives of the pharmaceutical industry in this area.
- Access a database of sustainability audits of suppliers worldwide, complementary to the audit programme mentioned above.
- Help develop our suppliers' capabilities in sustainability.

On the other hand, in 2022 Almirall obtained the platinum medal for the second consecutive year from Ecovadis based on the results of its ESG audit. This result places Almirall in the top 1% of companies in the 'Manufacture of basic pharmaceutical products and pharmaceutical preparations' sector rated by Ecovadis, which has more than 85,000 member companies from more than 200 sectors of activity in more than 160 countries. Part of the substantial improvement in the overall rating is due to the results achieved in the Sustainable Purchasing dimension, which places us in the top 7% of the companies with the best Ecovadis evaluation in this dimension in our sector.

4.4. Group tax information

4.4.1. Almirall's tax policy

The fundamental objective of Almirall's tax strategy is to guarantee strict compliance with the applicable tax regulations and ensure adequate supervision of the tax policy implemented by its subsidiaries in all the territories where it currently operates: Spain, Germany, the United States, Italy, Switzerland, France, Austria, Luxembourg, Portugal, the United Kingdom, Denmark, Sweden, the Netherlands, Belgium, Poland and China. It does this while seeking maximum legal certainty, contributing to the fulfilment of the business strategy in the short, medium and long term, and maintaining a position of collaboration and transparency with the respective tax authorities.

Almirall has no presence in territories classified as tax havens, and its commercial transactions with third parties located in these or in any other territories are within the framework of its ordinary industrial and commercial activity. Furthermore, it , rejects artificial transfers of earnings to these territories and the opacity provided by the lack of transparency of these territories, in accordance with the international taxation principles and recommendations of the OECD's Committee on Fiscal Affairs. Accordingly, it does not use structures of an artificial nature, unrelated to its activity, for the purpose of reducing its tax burden or transferring earnings.

Transparency of information on tax matters is considered essential to Almirall's tax policy. For this reason, it acts by providing, in the most complete manner, the information and documentation with fiscal significance requested by the competent tax authorities in the shortest possible time. Likewise, it develops and promotes a cooperative and fluid relationship with tax authorities based on respect for the law, trust, good faith, reciprocity and cooperation.

In May 2014, Almirall's Board of Directors agreed to adhere to the Code of Good Tax Practices in Spain, which includes a series of recommendations aimed at achieving application of the tax system through cooperation between the public administration and companies. This adhesion is aligned with the principles and guidelines for action in tax matters established in Almirall's tax strategy.

Almirall is also sensitive to and aware of its responsibility in the economic development of the territories in which it operates, contributing to the creation of economic value through the payment of taxes.

Almirall's tax policy is based on a prudent and reasonable interpretation of the tax regulations in force in each jurisdiction. The Group avoids significant tax risks by implementing internal information and control systems that enable it to manage tax matters in an orderly and expert manner. Likewise, it uses the services of independent tax experts of recognised and proven reputation before adopting any business decision with potential tax implications. If necessary, it collaborates with the competent tax authorities in seeking solutions to achieve certainty and stability in the tax criteria to be applied and to give priority to non-litigious means of dispute resolution.

Almirall has established a transfer pricing policy for all transactions with related parties that is aligned with the principles established by the main competent international bodies. This policy is reviewed annually to avoid any deviation from these principles. With the aim of achieving legal certainty and increasing transparency and cooperation, since 2007, Almirall, S.A. has been periodically signing Preliminary Agreements for the Valuation (hereinafter, PAV) of related transactions with the Spanish Tax Agency in relation to the distribution of its products by the Group's international subsidiaries. The latest Agreement was signed in 2019 and is valid until 2022. Almirall, S.A. has requested that this PAV be renewed until 2026. At the date of this report, this request for renewal is pending resolution.

4.4.2. Tax contribution

The Total Tax Contribution measures the total impact of a company's tax payments. This assessment is made from the standpoint of the total contribution of taxes paid directly or indirectly to the different administrations as a result of the Company's economic activity.

A distinction is drawn between the taxes that represent a cost to Almirall and the taxes it collects:

- The taxes borne are those taxes that Almirall has paid to the administrations of the different states in which it operates. These are taxes that have represented an effective cost for Almirall, and they basically include payments for income tax, local taxes, miscellaneous taxes and Social Security contributions payable by the company.
- These are taxes that have been paid as a result of Almirall's economic activity without entailing a cost to the company other than that involved in managing them. They basically include net value added tax, withholdings for employees and third parties, and social security contributions payable by employees.

With respect to taxes borne, and more specifically to income taxes paid or collected, for the last three years, the information is as follows (the aggregate amounts are not detailed under “Other countries” as they are not individually significant):

Millions of euros Payments/(Charges) by location	2020			2021			2022		
	Relating to prior years	Payments on account for the year	Total	Relating to prior years	Payments on account for the year	Total	Relating to prior years	Payments on account for the year	Total
Spain	0.0	11.2	11.2	-39.6	11.7	-27.9	-16.2	8.0	-8.2
Germany	0.8	10.7	11.5	0.0	11.5	11.5	1.5	9.6	11.1
Italy	0.0	0.9	0.9	2.3	2.1	4.4	0.0	1.6	1.6
Switzerland	0.0	3.2	3.2	1.8	2.1	3.9	3.5	2.8	6.3
United States	0.0	-1.4	-1.4	-16.7	0.3	-16.4	-4.5	0.0	-4.5
Other countries	0.1	0.8	0.9	0.2	0.8	1.0	-0.8	2.1	1.3
Group Total	0.9	25.4	26.3	-52.0	28.5	-23.5	-16.5	24.1	7.6

4.4.3. Pre-tax net profit by country.

Below is a detail of the pre-tax net profit generated in each of the countries included in the Almirall Group's consolidated group. This net profit has been calculated on the basis of IFRS accounting principles at the individual level, in each of the countries indicated, before incorporating consolidation adjustments, which is why it does not coincide with the net profit or loss for the year attributable to the Parent Company in the consolidated annual accounts:

Pre-tax net profit (thousands of euros)	2020	2021	2022
Spain	24,927	-30,142	-44,787
Netherlands	12,724	6,792	4,083
Belgium	117	200	229
Portugal	282	379	313
United Kingdom	727	485	1,159
France	2,091	2,262	1,148
Poland	24	18	30
Germany	36,406	37,330	42,475
Austria	367	322	354
Italy	17,876	6,368	5,469
Denmark	269	452	221
United States	-118,921	-263,506	-184,971
Switzerland	41,523	30,636	38,896
Czech Republic	0	0	13
Slovak Republic	0	0	54

Note 21 of the annual consolidated accounts also detail the reconciliation between the accounting result and the tax result. In general, the origin of the permanent differences in the individual companies corresponds mainly to the different tax treatment of certain expenses accrued in those years. Specifically:

- The origin of the permanent differences for the years 2022, 2021 and 2020 corresponds mainly to the different fiscal treatment of certain expenses accrued in those years. The reduction in the base due to permanent differences in 2021 originated, basically, in the reduction in the taxable base of revenues from the transfer of intangible assets.

In relation to government subsidies, the information can be found in note 17 of the consolidated annual accounts at the close of the 2022 financial year.

4.4.4. Country-by-Country (CbC) Tax Information

The following tables include information for the year ended 31 December 2022 for all tax jurisdictions in which the entities included in Almirall Group Consolidated Financial Statements are resident for tax purposes. In accordance with tax regulations, the figures presented in this table may differ from those in section 4.4.3 due to the elimination of results from valuation adjustments of investments in subsidiaries or the consideration of consolidated results for those companies that consolidate for tax purposes (as is the case of Spanish and US companies):

Tax jurisdiction (data in thousands of euros)	Income			Earnings before tax	Payments / (Receipts) for company income taxes	Income tax expense
	From third parties	Related parties	Total			
Austria	0	3,832	3,832	354	60	99
Belgium	6,847	1,617	8,464	229	60	107
Denmark	7,057	3,120	10,177	221	109	51
France	27,115	6,511	33,626	1,148	802	450
Germany	221,718	45,769	267,487	42,475	11,057	11,986
Italy	58,993	13,408	72,401	5,469	1,605	2,407
Netherlands	7,487	28,407	35,894	194	26	27
Portugal	6,483	1,661	8,144	313	128	137
Spain	402,534	256,873	659,407	-45,999	-8,240	2,878
Switzerland	59,602	31,943	91,545	38,889	6,303	7,056
United Kingdom	22,798	8,221	31,019	1,159	143	271
United States	89,509	0	89,509	-63,207	-4,484	34
Others	0	1,975	1,975	118	64	53

The reasons for the differences between the recorded company tax expense (effective rate) and the theoretical company tax expense (which would have resulted from applying the nominal rate) are detailed below for those jurisdictions where the difference is most relevant:

- Italy: due to non-tax deductible expenses
- Spain: due to non-tax deductible expenses and the application of R&D deductions.
- United States: due to entities' losses and non-recognition of tax credits in their balance sheet.
- Switzerland: due to the exemption of part of the income as a result of entering the patent box regime.
- Other geographical areas: there are no significant differences, in most cases due to certain expenses not being deductible under tax criteria.

Tax jurisdiction (data in thousands of euros)	Share capital	Unallocated results	Average number of employees	Tangible assets (excluding cash)
Austria	36	2,609	14	67
Belgium	1,203	2,437	12	526
Denmark	17	3,204	5	693
France	17,702	18,437	36	891
Germany	25	148,514	300	59,331
Italy	14,416	106,199	80	2,371
Netherlands	87,512	51,530	13	16
Portugal	1,500	2,769	8	202
Spain	341,818	914,394	1,172	181,050
Switzerland	1,016	208,767	17	7,795
United Kingdom	564	12,222	36	4,565
United States	1,316,541	-654,847	113	12,810
Others	1,954	545	11	0

4.5. Quality Systems and Pharmacovigilance as tools to ensure product quality, health and consumer safety

Almirall has a Quality Assurance and Pharmacovigilance system which defines the roles, responsibilities and procedures to be followed, with the ultimate goal of ensuring the quality of the products and the safety of patients/customers. For the territories where Almirall sells its products, there are designated persons in charge of local Quality Assurance and Pharmacovigilance. The functions of the Quality Assurance department include collection of information on market quality complaints, the processing of these with the head office and/or manufacturer for evaluation and investigation, in addition to being the contact persons with the national health authorities in each country. On the other hand, the functions of the Pharmacovigilance department include collection of information on possible adverse reactions (side effects), the processing of these with the head office for evaluation, in addition to being the contact persons with the national authorities of each country.

4.5.1. Quality Systems

Almirall is a global pharmaceutical company dedicated to the supply of products through its own R&D efforts and agreements and partnerships aimed at providing products to improve the health and quality of life of patients, in accordance with international quality standards in the sector and in compliance with all legal and regulatory requirements in force.

Almirall has a direct presence in most European Union countries through its own well-established subsidiaries, whose purpose is the direct marketing of Almirall products in each territory. In addition, licensing of products to external partners allows Almirall to market products in other countries around the world.

Almirall, as the holder of manufacturing, storage, transport, distribution and marketing authorisation for medicines and medicinal products, complies with the legislation in force in the countries where it markets its products. In the field of medicines and medicinal products, the responsibilities of the pharmaceutical industry are clearly detailed by the applicable pharmaceutical legislation in force.

Almirall has a global quality system that pursues continuous quality improvement and covers active ingredient manufacturing plant processes, finished product, subcontracted manufacturers, suppliers of starting materials, storage and distribution services.

A significant number of international health authorities conduct regular inspections at manufacturing plants to verify that they comply with the established quality standards. The favourable results of external Audits inspections by health authorities, international bodies and customers in 2022 demonstrate Almirall's commitment to the quality and safety of its products. The evolution of the number of external audits and inspections is as follows:

Inspection team	2020	2021	2022
Health authorities	14	17	16
External inspections by business partners	4	10	20

In 2022, a total of 36 quality inspections were managed. The inspections covered different types of products (pharmaceuticals, medical devices and cosmetics) and were conducted by inspectors from different countries, using various local and international regulations as a reference. Seventeen inspections were managed by different health authorities and/or certifying bodies; the rest were managed by external partners. The inspectors came from at least 18 different countries and focused on 16 separate sites (of the Almirall Group and/or contract manufacturers). Almirall has a Quality Assurance and Pharmacovigilance system that defines the roles, responsibilities and procedures to be followed, with the ultimate goal of ensuring the quality of products and ensuring the safety of patients/customers in the supply, manufacturing and distribution chain of its products.

Almirall works with suppliers of starting materials and services that impact the quality of the product, all of them previously approved by Quality Assurance. Within the processes of approval and continuous verification of the quality of suppliers, annual audit plans are established for their facilities. As a reference, 94 audits were conducted in 2022 with the following distribution:

Area	Type of supplier	Year	Results		
			No. of quality audits	Favourable	Unfavourable
Manufacture	Starting materials and services	2020 (*)	60	60	0
		2021 (*)	71	71	0
		2022 (*)	87	87	0
Commercial	Distributors and transport companies	2020 (*)	3	3	0
		2021 (*)	13	13	0
		2022 (*)	7	7	0

(*) due to the context of the COVID-19 pandemic, inspections initially planned for 2020 were rescheduled to 2021-2022 according to the performance criteria established by the Health Authorities in 2020 and due to global travel constraints.

For the territories where Almirall distributes and markets its products, procedures exist that describe the quality system associated with local distribution, and there are people designated to be responsible for local Quality Assurance and Pharmacovigilance in each subsidiary.

The functions of the Quality Assurance department include collection of information on market quality complaints, processing of these complaints with the head office and/or manufacturer for evaluation and investigation, in addition to being the contact persons with the national health authorities in each country. The functions of the Pharmacovigilance department include collection of information on possible adverse reactions (side effects), the processing of these with the head office for evaluation, in addition to being the contact persons with the national authorities of each country.

At the corporate level, within the Quality Assurance area, a multidisciplinary team of health science professionals (including mostly pharmacists and chemists) evaluates the information collected, performs the relevant investigation in each case and takes responsibility for producing investigation reports, issuing conclusions and responding to the customer who submitted the quality complaint. This team is also responsible for establishing preventive and corrective action plans to avoid their recurrence, as well as for informing the national health authorities, in the cases foreseen in the health regulations. This activity is ongoing throughout the life cycle of each drug.

There is also a Quality Operating Committee, chaired by the Quality Assurance Director, with the active participation of the Group's industrial and business operations areas, to guarantee the necessary coordination on quality issues, as well as to sustain and develop an effective quality system in perfect alignment with the health regulations in force.

The market complaint data for the last three years are as follows:

	2020	2021	2022
No. of drug complaints (ppm)	4.6	3.3	2.8
Medicines released (units)	102,328,984	89,163,533	107,068,352
No. of complaints regarding active ingredients (ppm)	0	0	0
Active ingredients released (kg)	129,943	119,894	110,995
No. of quality inquiries received	1,052	1,087	926

As of the date this document was issued, more than 98% of the enquiries received in 2022 were answered promptly, and the rest are being processed, with the objective of closing them on schedule.

4.5.2. Pharmacovigilance Systems

In addition to the management of quality complaints, Almirall has teams in charge of the Pharmacovigilance management system.

In the Pharmacovigilance area at the corporate level, within the R&D area, we have a team of health science professionals (including doctors, pharmacists, etc.) who are responsible for ensuring the proper management of suspected adverse reactions in relation to Almirall's products. It assesses the information collected, performs follow-up activities if necessary to garner more details about the reported reaction, and is responsible for preparing and distributing safety reports to health authorities in accordance with current guidelines. This team is also responsible for ensuring that the safety information available in the package leaflets is up to date at all times with regard to adverse reactions. This activity is ongoing from the first authorisation of the product until it is cancelled and its marketing authorisation suspended.

In relation to the Pharmacovigilance area, there is a corporate drug safety committee, which is responsible for making relevant decisions on safety matters as well as for ensuring compliance with legislation and the safety of patients/customers.

To guarantee the continuity of the Pharmacovigilance activity, there is a business continuity plan, which was activated due to the COVID-19 pandemic in 2020 and kept in place thereafter, the most noteworthy aspect of which being the continuity of teleworking activities. The pandemic has had no impact on the Pharmacovigilance system.

The most significant adverse reaction metrics for the last three years are as follows:

	2020	2021	2022
No. of adverse reactions received and processed at Almirall	3,518	3,429	3,872
No. of adverse reactions reported to health authorities as required by current legislation	1,330	1,827	1,984

The number of adverse reactions received and processed at Almirall includes individual safety information reports for all products marketed by Almirall worldwide. In addition to adverse reactions, safety communications may contain reports of lack of efficacy, abnormal laboratory test results, use outside the indications authorized in the technical data sheet, overdose, misuse, occupational exposure or exposure during pregnancy and breastfeeding, among others. Such information may be received through subsidiaries or external partners, as well as from health authorities, or obtained directly by the corporate department through scientific literature or other sources such as traditional media or digital media.

The number of adverse reactions reported to health authorities consists of individual reports of adverse reactions that meet the minimum criteria to be reported to the authorities in accordance with current legislation. Of the total safety information received, not all communications warrant expedited notification to the authorities, either because it is not required by the authority itself, or because it has been received from the authority itself. However, all information must be collected in Almirall's Pharmacovigilance system to be considered in the evaluation of the safety profile of the products.

5. About this report

5.1. Scope of the report

This report covers the period from 1 January to 31 December 2022, corresponding to Almirall's financial year. In the sections where historical data appears, figures for the last three financial years (2020--2022) have been included.

For the purposes of this report, Almirall S.A. and all its subsidiaries are referred to as 'Almirall' or 'the Group'. The information reported includes all the Group's subsidiaries. A list of Almirall's subsidiaries can be found in the Appendix to the Consolidated Financial Statements for the year ended 31 December 2022.

The financial information included in this report is derived from the Consolidated Financial Statements for the year ended 31 December 2022.

The indicators included in this report have been compiled by Almirall. The system used to obtain information guarantees methodological rigour and allows for historical comparisons.

Almirall incorporates the content of this non-financial information in this Management Report. In addition, it prepares an Annual Report, a document that reports on its social and environmental policies, as well as its commitment and performance in sustainability and ESG. In it, the Group provides detailed information on its actions with regard to the issues described above.

5.2. Principles of preparation

The methodology for determining Almirall's reporting materiality is defined in chapter 1.4.3 "ESG strategy".

For the other content of the report, Almirall has used the selected GRI standards:

- Inclusion of stakeholders: Almirall maintains a constant dialogue with all its stakeholders. The company is able to anticipate their concerns to meet their expectations and interests.
- Sustainability context: Almirall aspires to contribute to economic, environmental and social progress at local, regional and global levels. The 2022 performance information is contextualised within the framework of the regions where it operates.
- Completeness: The significant issues included in this report sufficiently reflect the most significant social, economic and environmental impacts of the group to enable stakeholders to assess its performance over the course of the financial year.

5.3. Index of contents required by Law 11/2018 of 28 December

Area	Content	Related GRI Standards (latest version unless otherwise indicated)	Reference to Statement of Non-Financial Information (page no.)
Business model	Brief description of the group's business model, including: 1) its business environment, 2) its organisation and structure, 3) the markets in which it operates, 4) its objectives and strategies, 5) the main factors and trends that may affect its future development.	2-1 2-6 3-3 with reference to real and potential risks 2-22	1 'Business Model' (pp. 4, 8-10, 18-19)
Policies	A description of the group's policies with respect to these matters, including: 1) due diligence procedures applied for identification, assessment, prevention and mitigation of significant risks and impacts 2) verification and control procedures, including the measures adopted.	3-3 with reference to its policies or undertakings	1.2 'Corporate Governance' (p. 4) 1.6 'Prevention of and fight against corruption and money laundering' (p. 18) 2 'Environmental management' (pp. 19-21) 4 'Community and Society' (p. 50) 3 'Employees' (pp. 34-39)
Short-, medium- and long-term risks	The principal risks associated with the group's activities in relation to these issues, including, where relevant and proportionate, any of its business relationships, products or services that might have an adverse impact in the group's activities in relation to those 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 reference frameworks for each matter. - Information should be included on the impacts that have been identified, providing a breakdown of these impacts, in particular the main short-, medium- and long-term risks.	3-3 with reference to its policies or undertakings	1.6 'Prevention of and fight against corruption and money laundering' (p. 18) 2 'Environmental management' (pp. 19-21) 3 'Employees' (pp. 34-39) 4 'Community and Society' (p. 50) 4.2 'Commitments to the community' (p. 51) 4.3 'Subcontracting and suppliers' (pp. 54-58)
Environmental issues	Global environment		
	1) Detailed information on the current and foreseeable effects of the company's activities on the environment and, where appropriate, health and safety, environmental assessment or certification procedures; 2) Resources dedicated to the prevention of environmental risks; 3) The application of the precautionary principle, the amount of provisions and guarantees for environmental risks. (e.g. derived from the environmental liability law)	3-3 with reference to its policies or undertakings	2 'Environmental management' (pp. 17-19, 19 22)
	European Taxonomy		
	Regulation (EU) 2020/852 containing the fundamentals of the common European classification system for environmentally sustainable economic activities, in particular delegated acts for climate change mitigation and adaptation.	N/A	2.2 European Taxonomy (pp. 21-24)
	Pollution		
	Measures to prevent, reduce or remediate carbon emissions that seriously affect the environment, taking into account any form of activity-specific atmospheric pollution, including noise and light pollution.	3-3 with reference to its policies or undertakings	2.4 'Air, noise and light pollution' (p. 28)
	Circular economy and waste prevention and management		
	Circular economy	3-3 with reference to its policies or undertakings	2.6 'Waste management, eco-design and biodiversity' (pp. 31-35)
	Waste: Measures for prevention, recycling, reuse, other forms of recovery and disposal of waste; Actions to combat food waste.	306-2, 306-3	
			Not applicable
	Sustainable use of resources		
	Water consumption and water supply according to local constraints;	303-1 with reference to interaction with water 303-5	2.5.2 'Water consumption and wastewater discharges' (pp. 25, 29-32)
Consumption of raw materials and measures taken to improve the efficiency of their use;	301-1	4.3 'Subcontracting and suppliers' (p. 32)	
Direct and indirect energy consumption, measures taken to improve energy efficiency and the use of renewable energies.	3-3 with reference to implemented measures	2.5.1 'Power consumption' (pp. 28-31)	
Climate Change			
The significant elements of greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces;	3-3 with reference to implemented measures	2.3 'Climate change and greenhouse gas emissions' (pp. 23-30)	
Measures taken to adapt to the consequences of climate change;	3-3 with reference to implemented measures		

Area	Content	Related GRI Standards (latest version unless otherwise indicated)	Reference to Statement of Non-Financial Information (page no.)
	The reduction targets voluntarily established in the medium and long term to reduce greenhouse gas emissions and the means implemented for this purpose.	3-3 with reference to its policies or undertakings	
	Biodiversity protection		
	Measures taken to preserve or restore biodiversity;	3-3 with reference to its policies or undertakings	2.6 'Waste management, eco-design and biodiversity' (pp.31)
	Impacts caused by activities or operations in protected areas.		
Social issues and concerning personnel	Employment		
	Total number and distribution of employees by gender, age, country and job classification;	405-1 with respect to the number of persons in the governing bodies by sex and employees by category, sex and age	1.2.1. 'Board of Directors' (p.5) 3.7 'Employment: headcount and distribution' (p. 44)
	Total number and distribution of employment contracts,	3-3 with reference to its policies or undertakings 2-7 with respect to the total number of employees and their breakdowns	1.4.4. "Sustainability and ESG objectives" (p. 14) 3.7 'Employment: headcount and distribution' (p. 44)
	Average annual number of permanent contracts, temporary contracts and part-time contracts by gender, age and professional classification,	2-7 with respect to the total number of employees and their breakdowns	3.7 'Employment: headcount and distribution' (p. 44)
	Number of dismissals by gender, age and professional classification;	3-3 with reference to its policies or undertakings	1.4.4. "Sustainability and ESG objectives" (p. 14) 3.8 'Layoffs by gender, age and occupational classification' (p. 45)
	Average remunerations and their evolution disaggregated by gender, age and professional classification or equal value; Wage gap, the remuneration of equal or average jobs in society,	3-3 with reference to its policies or undertakings 405-2 with respect to the remuneration of women vs men for each job category and the overall ratio between the basic salaries of men and women	1.4.4. "Sustainability and ESG objectives" (p. 14) 3.4 'Remuneration, integration and equality' (pp. 40-45)
	The average remuneration of directors and executives, including variable remuneration, allowances, indemnities, payments to long-term savings schemes and any other payments broken down by gender,	3-3 with reference to its policies or undertakings	3.4 'Remuneration, integration and equality' (pp. 40-45)
	Implementation of work disconnection policies,	3-3 with reference to its policies or undertakings	3.5 'Work organisation' (p. 42)
	Employees with disabilities.	3-3 with reference to its policies or undertakings 405-1 with respect to other diversity indicators	3.9 'Access for people with disabilities' (p. 46)
	Work organisation		
	Organisation of working time	3-3 with reference to its policies or undertakings	3.5 'Work organisation' (p. 42)
	Number of absence hours	3-3 with respect to the achievement of objectives 403-9 with respect to the number and rate of work-related injuries and the number of hours worked	1.4.4. "Sustainability and ESG objectives" (p. 14) 3.10 'Absenteeism' (p. 47) 3.11.2 'Accidents at work' (p. 48)
	Measures aimed at facilitating the enjoyment of work-life balance and encouraging the co-responsible exercise of these rights by both parents.	3-3 with reference to its policies or undertakings	3.5 'Work organisation' (p. 42)
	Health and safety		
Health and safety conditions at work;	3-3 with reference to its policies or undertakings	1.4.3. 'ESG Strategy' (p.12) 2.1. "Management approach" (p. 20-21)	

Area	Content	Related GRI Standards (latest version unless otherwise indicated)	Reference to Statement of Non-Financial Information (page no.)
		403-1 with respect to the implementation of an occupational health and safety management system	3.5 'Work organisation' (p. 42)
	Occupational accidents, in particular their frequency and seriousness, Occupational diseases, disaggregated by gender.	403-9 with respect to the number and rate of accidents 403-10 with respect to cases of occupational diseases and illnesses	3.11.2 'Accidents at work' (pp. 48-52)
	Social relationships		
	Organisation of social dialogue, including procedures for informing, consulting and negotiating with employees;	3-3 with reference to its policies or undertakings	3.6 'Social relationships' (p. 43) 3.11.3 'Worker participation and consultation' (p. 50)
	Percentage of employees covered by collective agreement by country;	2-30	
	The balance of collective agreements, particularly in the field of health and safety at work.	3-3 with reference to its policies or undertakings	3.6 'Social relationships' (p. 43)
	Training		
	The policies implemented in the area of training;	404-2 with reference to the type and scope of programmes implemented and assistance provided to improve employees' skills.	3.3 'Training and talent development' (p. 38)
	The total number of training hours per professional category.	404-1	3.3 "Training and Talent Development" (p. 42)
	Universal accessibility for people with disabilities		
		3-3 with reference to its policies or undertakings	3.9 'Access for people with disabilities' (p. 46)
	Equality		
	Measures taken to promote equal treatment and opportunities for women and men;	3-3 with reference to its policies or undertakings	3.4 'Remuneration, integration and equality' (p. 40)
	Equality plans (Chapter III of Organic Law 3/2007, of 22 March, for the effective equality of women and men), measures adopted to promote employment, protocols against sexual and gender-based harassment, integration and universal accessibility for people with disabilities;	3-3 with reference to its policies or undertakings	
	The policy against all types of discrimination and, where appropriate, diversity management.	3-3 with reference to its policies or undertakings	3.4 'Remuneration, integration and equality' (p. 40)
Human rights	Implementation of human rights due diligence procedures Prevention of risks of human rights violations and, where appropriate, measures to mitigate, manage and redress possible abuses;	2-23 2-26	4.1 'Respect for human rights' (pp. 50-54)
	Complaints of human rights violations;	3-3 with reference to its policies or undertakings 406-1 with respect to the total number of discrimination cases	1.6 'Prevention of and fight against corruption and money laundering' (p. 18)
	Promotion and enforcement of the provisions of the core conventions of the International Labour Organisation related to respect for freedom of association and the right to collective bargaining;	3-3 with reference to its policies or undertakings 407-1 with respect to the measures adopted by the organization	4.1 'Respect for human rights' (pp. 50-54)
	The elimination of discrimination in respect of employment and occupation;	408-1 with respect to the measures adopted by the organization	
	The elimination of forced or compulsory labour; The effective abolition of child labour.	409-1 with respect to the measures adopted by the organization	
Corruption and bribery	Measures taken to prevent corruption and bribery	3-3 with reference to its policies or undertakings 2-23 2-26205-3 with regard to the total number and nature of confirmed corruption cases	1.6 'Prevention of and fight against corruption and money laundering' (pp. 18-20)
	Measures to combat money laundering		
	Contributions to foundations and non-profit entities	2-28	4.2 'Commitments to the community' (p. 51)

Area	Content	Related GRI Standards (latest version unless otherwise indicated)	Reference to Statement of Non-Financial Information (page no.)
Social issues	Company commitments to sustainable development		
	The impact of the company's activity on employment and local development;	3-3	4.2 'Commitments to the community' (p. 51)
	The impact of the company's activity on local populations and in the territory;	3-3	
	The relations maintained with local community actors and the modalities of dialogue with them;	2-29	
	Partnership or sponsorship actions.	2-28	4.2 'Commitments to the community' (p. 51)
	Subcontracting and suppliers		
	The inclusion of social, gender equality and environmental issues in the purchasing policy; Consideration in relations with suppliers and subcontractors of their social and environmental responsibility;	3-3 with reference to its policies or undertakings 2-6 with reference to the supply chain	4.3.1. "Policies and Processes" (pp. 57, 58) 4.3.3. "Audits" (p. 58)
	Monitoring systems and audits and their results.	2-6 with reference to the supply chain	
	Consumers		
	Measures for the health and safety of consumers;	3-3 with reference to its policies or undertakings	4.5.2 'Pharmacovigilance Systems' (p. 61)
	Complaint systems, complaints received and their resolution.	3-3 with reference to its policies or undertakings	4.5.1 'Quality Systems' (pp. 60-64)
	Tax information		
	Earnings obtained on a country-by-country basis; Taxes on profits paid	3-3 with reference to its policies or undertakings	4.4 'Group tax information' (p. 57)
Public subsidies received	201-4 with respect to subsidies	1.6 'Prevention of and fight against corruption and money laundering' (p. 18)	