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1. Business Model

1.1. Introduction to the company

Almirall is a global pharmaceutical company dedicated to medical dermatology. We work closely with leading scientists, healthcare professionals and patients to fulfil our goal: *"Transforming the world of patients, helping them to fulfil their hopes and dreams of a healthy life"*.

We are at the forefront of science to offer distinctive, pioneering innovations in medical dermatology that respond to patients' needs.

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 **Error! Reference source not found.** 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 a model based on the law and governance best practice, 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 (as well as governance best practice) 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 such as shareholders, investors, regulatory authorities, the sector as a whole and the media, etc.

The internal global corporate standards (global corporate policies and their standard operating procedures) also determine the regulation of Almirall's essential corporate governance guidelines. In this regard, a new policy approved by the Board of Directors on the whistleblowing channel was published in 2023, making 20 policies in place as of 31 December 2023 (available on the Group's corporate website): www.almirall.com/board-policies.

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 2023 nine directors (one Executive Director, six Independent Directors, two Proprietary Directors and one External Director), the non-director Secretary and the non-director Vice-Secretary made up the Board of Directors of the company.

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

The non-director Secretary is Daniel Ripley and the non-director Vice-Secretary is Isabel Cristina Gomes.

During the 2023 financial year, Carlos Gallardo Piqué was re-elected as President of the Board of Directors, as well as the ratification of his position as Chief Executive Officer, which he had held on an interim basis since November 2022.

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 the company's Board of Directors.

Information is also available concerning the experience of all Board members on the company's corporate website (<https://www.almirall.com/board-of-directors>).

1.2.2. Board Commissions

There are four Committees of the Board of Directors: the Audit Commission, the Appointments and Remuneration Commission, the Dermatology Commission and the Governance 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.

Audit Commission

The Audit Commission 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 Commission assumes 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, cybersecurity and information security risks, are duly managed.

The Audit Commission 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 duties of Secretary are performed by a non-member of the Committee. 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 Commission 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 and the fight against corruption and money laundering" for more details).

In 2023, 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 the sustainability strategy for the 2024-2030 period, 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.

Appointments and Remuneration Commission

The Appointments and Remuneration Commission 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 Commission 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 Commission is made up of three directors, one of whom is external and two independent. The members of the Appointments and Remuneration Commission 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 Commission is an independent Director elected from among these external directors. The duties of Secretary are performed by a non-member of the Committee. The Appointments and Remuneration Commission 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 Officer of the Company, especially on matters relating to executive directors and senior executives. The Appointments and Remuneration Commission 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 Commission 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 2023 financial year, the Committee debated and approved the reports evaluating the President of the Board and Chief Executive Officer and the functioning of the Appointments and Remuneration Commission 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 multi-annual variable remuneration evaluation and the proposal for 2023 were discussed.

Dermatology Commission

The Dermatology Commission 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 Commission is composed of three Directors, one of whom is the Executive Director and the other two are Independent Directors. The duties of Secretary are performed by a non-member of the Committee.

The Dermatology Commission usually meets quarterly. It must also meet whenever convened by its President, who must do so whenever the Board of Directors 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. Similarly, 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 Commission 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 2023 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.

Governance Commission

The Governance Commission is composed of three Directors, the Independent Coordinating Director and two other Independent Directors. The duties of Secretary are performed by a non-member of the Committee.

The Governance Commission has the following responsibilities:

- Advise the Coordinating Director in relation to the possible convening of the Board of Directors, as well as in relation to the inclusion of new items on the agenda of a Board of Directors already convened.
- Advise, inform and provide support to the Coordinating Director in (i) the coordination and meeting of the non-executive directors and the transfer to the competent bodies of the concerns received from them; (ii) the management, where appropriate, of the periodic evaluation of the Chairman of the Board of Directors when he is an executive director, identifying the possible appearance of conflicts of interest or situations of lack of transparency; (iii) the contacts held with investors and shareholders to ascertain their points of view in order to form an opinion on their concerns.
- Analyse and review the governance assessments made by external agents such as proxy advisors and recommend the measures deemed appropriate to the Board of Directors.
- Hold meetings and maintain a direct and fluid dialogue with the areas of the Company in charge of Compliance and Governance.
- Inform and provide support to the Lead Director in relation to the coordination of the Chairman's succession plan, as well as advise and provide support to the Lead Director in relation to the chairmanship of the Board of Directors in the absence of the Chairman and the Vice-Chairmen, if any.

The Governance Commission has been established for the financial year 2023 and will meet regularly on a quarterly basis. 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 take minutes of its meetings, copies of which it must send to all the members of the Board of Directors. The Governance Commission may seek the advice of external experts when it deems it necessary for the proper performance of its duties.

Its most important actions during the 2023 financial year concerned the definition of the Committee's own functions and objectives, and the review of the results of the evaluation of the Board of Directors in relation to the expectations of the Governance Commission.

1.2.3. Corporate Committees

Corporate Committees are understood to be the Management Board and any other committee to which the Management Board expressly delegates part of its functions.

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 Chief Financial Officer, the Chief Scientific Officer, the Chief Industrial Operations Officer, the Chief People & Culture Officer, the Chief Medical Officer, the Chief Commercial Officer Europe & International, the Chief Marketing Officer and the Chief Legal Officer & General Counsel, 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.

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 is composed of the President and Chief Executive Officer of the Company (who also chairs the Committee), the Chief Financial Officer, the Chief People & Culture Officer, the Internal Audit Executive Director and the Chief Legal Officer & General Counsel, who also acts as Secretary of the Committee.

ESG Committee

The ESG Committee is an internal committee reporting to the company's Management Committee, chaired by the Chief People & Culture Officer and its Secretary, the Global Sustainability Executive Director. 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 sustainability 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 sustainability 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 sustainability 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 sustainability communication plans.
- To ensure compliance with the increasing requirements for sustainability 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 is a leading biopharmaceutical company focused on skin health that partners with healthcare professionals to apply science to overcome patient needs so patients can reconnect with their daily lives.

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 the needs of patients 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.

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 strategy for the 2021-2023 period, 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 sustainability initiatives and programmes, the internal committee for which reports directly to him. The Audit Commission and, in particular, its Chairman assume the functions related to oversight of all matters relating to sustainability.

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 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 sustainability 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. Materiality Analysis

Given the current regulatory context, sustainability criteria are playing an increasingly important role in company strategy decision-making. In the European Union, the Corporate Sustainability Reporting Directive (CSRD) stands out, together with the European Sustainability Reporting Standards (ESRS) prepared by EFRAG on behalf of the European Commission, as well as other regulations. This regulation aims to integrate sustainability criteria into the DNA of companies through exercises to identify the aspects with the greatest impact on the business through dual materiality.

The aim of this new and dual vision is to analyze, in addition to the importance, the potential impact of each of the aspects analyzed from a dual perspective:

- On the one hand, it analyzes the possible direct and indirect impact that a company may have on its surroundings, both in environmental and social aspects (known as impact materiality or inside-out perspective).
- On the other hand, the impact that current market trends in the field of sustainability can have on a company's economic performance and reputation (known as financial materiality or outside-in perspective).

In the second half of 2023, Almirall conducted a first dual materiality analysis, in which 34 preliminary sustainability-related aspects were identified, based on the simple materiality matrix conducted in 2020, as well as on the requirements set out in the new reporting requirements established by the EU through the ESRS.

These are: (1) Climate change and energy, (2) Circular economy, (3) Waste management, (4) Water resources, (5) Pollution, (6) Biodiversity and pharmaceuticals, (6) Diversity, equity and inclusion, (7) Workforce health and safety, (8) Workforce well-being, (9) Talent management, (10) Access and affordability, (11) Social impact, (12) Community development and engagement, (13) Patient engagement, (14) Privacy and security of patient data, (15) Product liability, (16) Product labeling, (17) Pharmacovigilance, (18) Anti-counterfeiting, (19) Intellectual and industrial property rights, (20) Responsible supply chain, (21) Resilience of the value chain, (22) Working people in the value chain, (23) Research, Development and Innovation, (24) Digitalization of healthcare, (25) Strategic Alliances, (26) Business and Marketing Practices, (27) Bioethics and Responsible Technologies, (28) Animal Welfare, (29) Transparency and Corporate Culture, (30) Corporate Governance, (31) Human Rights, (32) Ethics and Compliance and (34) Anti-Corruption and Anti-Bribery .

For each of these issues, an analysis was conducted from the two perspectives mentioned above, impact and financial. From the point of view of impact (or inside-out perspective), the aspects in which Almirall has or may have a greater impact in terms of the Group's own operations, as well as its value chain, on the environmental and social environment where it operates were identified. In the case of the financial point of view (or outside-in perspective), the aspects that could affect the company's economic performance, positioning and/or reputation were identified.

This analysis was performed based on:

- Peers or competitors: review of publicly available documentation of companies in the pharmaceutical sector, identifying best practices in the sector and material issues for each of them.
- ESG and sector prescribers: analysis of public information from leading prescribers on sustainability issues and specifically from the pharmaceutical sector.
- Management: Interviews and questionnaires to members of Almirall's Management Committee and ESG Committee.
- Company information: identification and analysis of the sustainability aspects that may have the greatest impact on Almirall's activities, based on available public and internal documentation.
- Investors: Interviews with the Group's main investors.

In the case of the impact perspective, we also considered:

- Other stakeholders: interviews with stakeholders such as suppliers, patient associations, public agencies and private sector partners

Based on the analysis of the information gathered and described, a qualitative assessment of financial materiality and impact materiality was performed for each of the 34 aspects identified and, as a result of this assessment, the dual materiality matrix shown in the figure below was obtained:

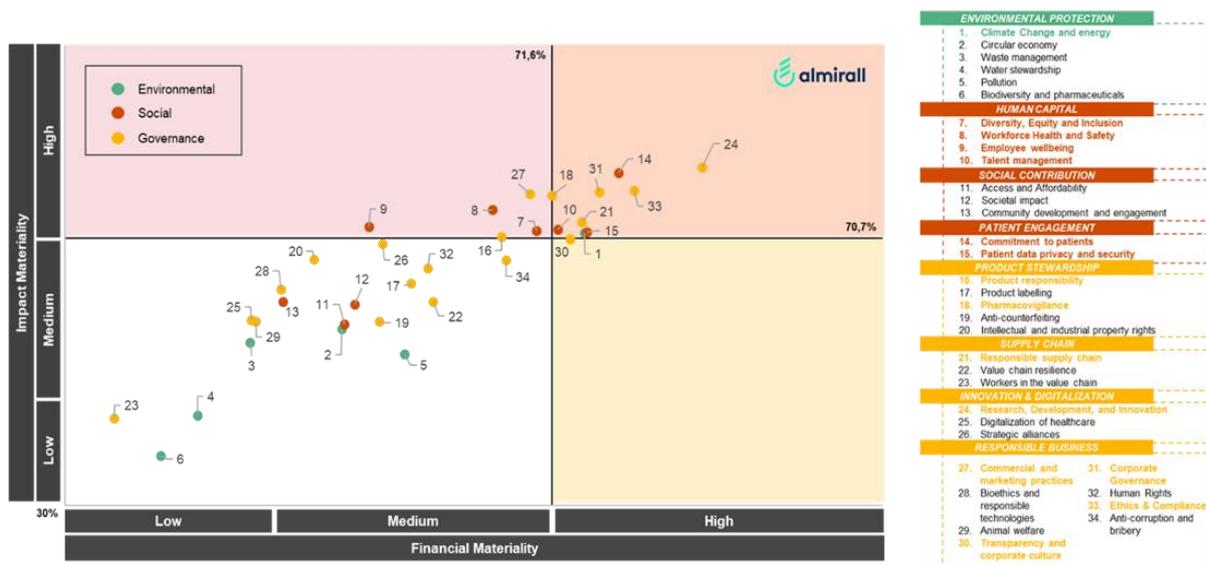


Illustration 1 Almirall Group materiality matrix

The aspects that are finally considered a priority for Almirall are those that are material from an impact point of view and/or from a financial point of view. Given that at the time the dual materiality analysis was performed there was no standardized methodology for defining the threshold above which an aspect should be considered material, both from a financial and impact perspective, this threshold was established on the basis of professional criteria and based on the relative distribution of the scores obtained for the different aspects evaluated.

In this regard, the maximum scores for both perspectives have been identified and the standard deviations for each of them have been calculated. The materiality threshold has been set at the difference between the maximum score and the standard deviation. This exercise results in a materiality threshold of 70.7% for the impact perspective, and a materiality threshold of 71.6% for the financial perspective.

Accordingly, of the 34 aspects analysed in this dual materiality exercise, 15 of them are considered a priority for Almirall and represent approximately 44% of the total number of aspects analysed. These are:

Environmental protection	Human Capital and Patient Responsibility	Product Administration and Supply Chain	Innovation, Digitalisation and Responsible Business
Climate change and energy	Diversity, equity and inclusion	Product liability	Research, Development and Innovation
	Workforce health and safety	Pharmacovigilance	Business and marketing practices
	Wellbeing of employees	Responsible supply chain	Transparency and corporate culture
	Talent management		Corporate Governance
	Commitment to patients		Ethics and Compliance
	Privacy and security of patient data		

The dual materiality analysis was prepared by the company's Sustainability Area and validated by the Audit Commission. The management of the impacts generated by Almirall for the different material aspects identified as a result of this dual materiality analysis is explained throughout this report.

Finally, in anticipation of the new CSRD (Corporate Sustainability Reporting Directive), the Group plans to conduct a review of the identification and assessment of impacts along the value chain, as well as a review of the identification and assessment of risks and opportunities (identification of IROs) in the first half of 2024, to report on issues that reflect the significant impacts of the company on the economy, environment and people.

More details on each of the inputs analyzed can be found in section 5.5 of this report (Description of aspects analyzed in the dual materiality study).

1.4.4. Sustainability Strategy

ESG/Sustainability Strategy 2021 - 2023

In 2023, Almirall pushed forward the development and implementation of the ESG Strategy 2021-2023, 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.

At year-end 2023, Almirall has met the vast majority of the targets and milestones set, including the definition and launch of Almirall's Net Zero Strategy, including science-based carbon reduction targets for 2030; the successful launch of a corporate wellness programme "YouFeelWell", which brings a new holistic approach to wellness; the implementation of a Sustainable Procurement Program; the approval of an anti-corruption and anti-bribery policy or the global implementation of the "Speak Up!" whistleblower channel, among others. Of the 15 initiatives proposed, three have been implemented, although not all of the planned objectives have been achieved. These are: the establishment of a corporate framework for social action; the updating and extension of the equity and diversity program; and the involvement of employees in social impact initiatives. Although various initiatives have been carried out, we plan to continue their deployment as part of the new 2024-2030 sustainability strategy.

New Sustainability Strategy 2024-2030

Considering the current context we are facing, both from a regulatory and market point of view, based on the results of the dual materiality analysis (see section 1.4.3) and applying a prospective approach, a new 2030 Sustainability Strategy - "Act4Impact" - was formulated in 2023, validated by the Audit Commission and approved by the Board of Directors in November 2023. This new strategy is positioned as a fundamental lever to achieve the company's Noble Purpose. The strategy is structured through four first-level strategic pillars - Planet, People, Patients and Partners - and a fifth cross-cutting pillar - Principles - that governs the way we act in all areas of the company, as shown below¹.

The initiatives that are part of this strategy will be key to meeting the commitments made through the "ESG Dashboard" approved by the Board of Directors in November 2022.

¹ The strategic lines marked in bold correspond to those material aspects identified in the Dual Materiality Analysis performed. In addition to these aspects, other aspects have been included that, although not material, are relevant either for reasons of regulatory compliance, investor requirements, industry best practices and/or commitments made in the previous sustainability strategy and not yet finalized.

- a) **Planet**
 - **Zero net emissions**
 - Water management
 - Circular economy
 - Protection of nature
- b) **People**
 - **Diversity, Equality and Inclusion**
 - **Well-being, safety and health**
 - **Talent management**
 - Commitment to the community
- c) **Patients**
 - **Commitment to our patients**
 - **Privacy and security of patient data**
 - **Research, Development and Innovation**
 - Accessibility and affordability
- d) **Partners**
 - **Sustainability of the value chain**
 - Alliances and partnerships
- e) **Principles**

Applying best practices in Product Responsibility, Pharmacovigilance, Commercial and Marketing Practices, Transparency and Corporate Culture, Corporate Governance and Ethics and Compliance.

In the same way as the 2021-2023 period, the Sustainability Strategy, and its work areas and initiatives, are aligned with the Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda, thus confirming the commitment acquired through Almirall's adhesion to the United Nations Global Compact in 2022.

- **Planet:** Good health and well-being, Affordable and clean energy, Climate action.
- **People, Patients and Partners:** Good health and well-being, Gender equality, Decent work and economic growth.
- **Principles:** Good health and well-being, Reduced inequalities, Decent jobs and economic growth, Peace, justice and strong institutions, Partnerships for the goals.



The remaining sections of this report detail information on achievements and progress in the different working areas of the ESG Strategy during 2023.

1.4.5. Sustainability and ESG Aims

ESG targets linked to the variable remuneration of all members of Almirall's Management Board were defined in 2022. These targets are detailed below, together with an assessment of the level of achievement at the end of 2023:

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.	<p>Overall achievement of the targets set for 2023 included in the ESG Dashboard approved by the Board of Directors.</p> <ul style="list-style-type: none"> Formulate a new 2024-2030 sustainability strategy based on the results of the dual materiality analysis conducted in accordance with the new European Corporate Sustainability Reporting Directive (CSRD). The proposal shall be submitted for the approval of the Audit Commission and the Board of Directors by the end of 2023. <p>Follow-up of the implementation of the approved ESG Programme 2021-2023.</p> <p><u>KPIs</u></p> <ul style="list-style-type: none"> Improve our Sustainability ESG risk rating (2022: 21.5 – Medium risk). Maintain at least a Gold Medal in the EcoVadis CSR score (2022: Platinum medal). Maintain at least a A- rating from CDP for Almirall's Climate Change performance (2022: Score A-) 	<p>The results obtained in 2023 for the various indicators included in the ESG Dashboard do not give rise to concern that the targets set for 2025 will not be met. However, a review and potential update of the indicators and associated targets will be carried out in 2024 to ensure their validity and relevance.</p> <p>Act4Impact, our new 2030 sustainability strategy has been validated by the Corporate Governance Committee, the Management Committee, the ESG Committee and the Audit Commission, and approved on 8 November 2023 by the Board of Directors.</p> <p>Implementation of the ESG Programme 2021-2023 as planned.</p> <p><u>KPIs</u></p> <ul style="list-style-type: none"> Sustainability: in 2023, Almirall improved its ESG risk rating by 20% (17.2 vs 21.5). EcoVadis: in 2023, Almirall improved its ESG scoring by 7% (84/100 vs 79/100). We retained the Platinum Medal. CDP: At the time of going to press, CDP had not published Almirall's 2023 score (expected date: week of 5 February).

Table 1 Sustainability and ESG Targets

The following tables show the ESG Dashboard approved in 2022 by the Board of Directors for the different objectives, as well as the progress achieved in 2023 with respect to the base year. The ESG Dashboard will be reviewed periodically to ensure its relevance and alignment with best practices, making adjustments as necessary.

Environment

Ref.	Indicator	2021	2022	2023	2025	2030
E1	% reduction in carbon footprint scopes 1 and 2	3%	-9%	8%	≥ 20%	≥ 46%
E2	% reduction in energy consumption	25%	26%	29%	≥ 31%	≥ 35%
E3	% renewable electricity consumption	100%	100%	100%	100%	100%
E4	% reduction of carbon footprint in natural gas consumption	2%	5%	13%	≥ 20%	≥ 50%
E5	% self-generated renewable electricity	6%	7%	8%	≥ 14%	≥ 18%
E6	% reduction in carbon footprint of internal fleet vehicles	-11%	-1%	-1%	≥ 19%	≥ 56%
E7	% reduction in carbon footprint scope 3	10%	11%	4%	≥ 15%	≥ 28%
E8	% reduction of carbon footprint in the purchase of goods and services	7%	10%	4%	≥ 15%	≥ 28%
E9	% reduction of carbon footprint in fuel and energy-related activities	-0.4%	4%	7%	≥ 20%	≥ 46%
E10	% reduction of carbon footprint in upstream transport and distribution	4%	12%	13%	≥ 50%	≥ 90%
E11	% carbon footprint reduction in business travel	78%	42%	3%	≥ 14%	≥ 25%
E12	% reduction in carbon footprint of employee commuting	4%	9%	-51%	≥ 16%	≥ 30%

Table 2 ESG Dashboard- Environment

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. Data for 2022 recalculated.

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. Data for 2022 recalculated.

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	2023	2025	2030
S1	% occupational accident incidents rate	5‰	7‰	7.7‰	≤ 10‰	
S2	% women in senior leadership	24%	36%	40%	≥ 35%	≥ 40%
S3	% women in internal promotions	63%	60%	54%	≥ 40%	P.D.
S4	% gender pay gap	-	-2.9%	-2.5%	≥ -5%	
S5	% absenteeism	4%	4%	3%	≤ 4%	
S6	% turnover	12%	12%	10%	≤ 10%	≤ 9%
S7	Average hours of training per employee	-	15	33	≥ 20	≥ 30
S8	% permanent contracts	98%	98%	98%	≥ 95%	

Table 3 ESG Dashboard - Social

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. The calculation methodology has been updated in 2023 and the 2022 figure has been recalculated for year-on-year comparability. See further calculation details in section 3.4 of this report.
 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. Due to a better quality of information, the 2025 and 2030 target will be readjusted.
 S8: % permanent contracts: % number of permanent contracts (at year-end) vs total number of workers (at year-end).

Governance

Ref.	Indicator	2021	2022	2023	2025	2030
G1	% independent directors on the Board of Directors	62%	67%	67%	≥ 50%	
G2	% women on the Board of Directors	31%	33%	33%	≥ 40%	
G3	% spending with ESG audited suppliers	46%	58%	59%	≥ 60%	≥ 75%
G4	% spending with suppliers that have accepted the Code of Conduct	36%	41%	54%	≥ 60%	≥ 75%
G5	% employees trained in the Code of Ethics	38%	85%	93%	100%	

Table 4 ESG Dashboard - Governance

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 employees trained in year n-1 + % of Almirall employees trained in year n. The definition of this indicator has been modified according to the updating cycles of this training.

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. 	

Table 5 ESG Projects and Initiatives - Environment

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	Number of 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. 	

Table 6 ESG Projects and Initiatives - Social

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 Compliance & Ethics Programme and Strategy • Training programmes. 	

Table 7 ESG Projects and Initiatives - Governance

1.4.6. Sustainability and ESG assessments and ratings



In 2023 Almirall received the results of the Sustainability and ESG assessment carried out by EcoVadis, having obtained a score of 84/100, which represents an improvement of more than 6% over the previous year, maintaining the Platinum Medal. Since 2019, we have improved our score by more than 35%, demonstrating ongoing improvement. Compared to the 2022 results, in which Almirall obtained an overall score of 79/100, in 2023 there has been considerable improvement in the areas of “Labour Relations and Human Rights” and “Ethics”.

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 2023, 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 17.2, within the Low Risk category. This result considerably improves the result obtained in 2022, reducing our ESG risk rating by 20%. In addition, Almirall is in the Top 4% 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 that is updated each year, 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 Commission 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, 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 arising from 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.

Almirall has a Risk Management Policy that confirms the guidelines and framework for Almirall's entire risk management system; and a Risk Control Policy.

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.

"SpeakUp!" is the company's secure and confidential whistleblowing channel for all employees and external collaborators to confidentially and securely report any concerns they may have regarding their job or any other interaction they have with Almirall.

It thus provides a secure and confidential means of reporting possible bribery, corruption, fraud, abuse and other conduct not in line 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 all the information collected in the channel, in accordance with EU guidelines.

Complaints received through *SpeakUp!* fall into multiple categories, including the following:

- Bribery and corruption: The company understands bribery and corruption to be all activities related to offering, giving, promising to give, receiving or accepting, actively or passively, anything of value or in exchange for an advantage, in order to induce or influence an action or decision for commercial, contractual, regulatory or personal gain.
- Human Rights: Human rights violations are classified as all those that threaten human dignity, regardless of nationality, sex, national or ethnic origin, colour, religion, language or any other status. They range from the most fundamental - the right to life - to those that make life worth living, such as the right to food, education, work, health and freedom.

Speak Up! allows the communication of complaints, anonymously or confidentially, through a third party and is managed and analysed independently by the *People & Culture* and *Global Compliance & Privacy* teams.

During the case review process, only those individuals necessary to conduct a thorough investigation are involved. In the event that the *People & Culture* and *Global Compliance & Privacy* teams deem that an independent investigation cannot be conducted, the company will engage an independent third party to evaluate and close open cases.

Periodically, high-level summaries of recorded cases are submitted anonymously to the Corporate Governance Committee. Important cases, especially those involving bribery or corruption, are also shared with the Audit Commission. Corrective and preventive actions are taken as a result of the study of complaints received through *SpeakUp!* Cases are reported at least once a year to the *General Counsel* and to the Corporate Governance Committee.

In 2023, out of a total of 9 reported cases; 4 were substantiated, 3 were unsubstantiated, in one (1) case no information was provided to make a determination, and one (1) case is under investigation at the date of publication of this report.

None of the cases were related to bribery and corruption, human rights violations, forced or compulsory labor or child labour.

Specific information on cases other than corruption and money laundering is available in chapter **Error! Reference source not found.** "Error! Reference source not found.". In 2023, no human rights complaints were received.

Information related to anti-bribery, anti-corruption and Code of Ethics training can be found in chapter 3.3.1 "The online / face-to-face training plan" of this report.

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 directors, 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. In 2023, the first follow-up audit by TÜV Rheinland was conducted with a result of only 8 minor non-conformities for the three standards.

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 8 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 relation to the canteen service, Almirall Spain's centres have obtained certification as sustainable restaurants. 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 corporate level, Almirall has an Environment Team, which reports to the Global Sustainability Executive Director, who, in turn, reports to the Chief People & Culture Officer. This team has three 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 2023.

2.2. European Taxonomy

The European Commission has adopted a comprehensive package of measures to help improve the flow of money to sustainable activities throughout the European Union. By enabling investments to be redirected towards more sustainable technologies and businesses, these measures will contribute to making Europe climate neutral by 2050. One of these measures is the Taxonomy Regulation, Regulation (EU) 2020/852, which was followed by two Delegated Regulations complementing the previous one. On the one hand, Delegated Regulation 2021/2139 of 4 June 2021, which established a list of economic activities that contribute substantially to the objectives of climate change mitigation and adaptation and do not cause significant damage to other environmental objectives. On the other hand, the Delegated Regulation of 6 July 2021 described the different key indicators to be reported by companies subject to the obligation to publish Non-Financial Statements in accordance with Articles 19 bis and 29 bis of Directive 2013/34. Thanks to these, a system of classification of sustainable economic activities was set up, where what is and what is not sustainable is defined on the basis of objective criteria. In this way, a common language is built for investors and companies that drives, on the one hand, investments towards more sustainable technologies and companies with a substantial positive impact on climate and the environment, and on the other hand, the fulfillment of the EU's climate goals, the Paris Agreement and the UN Sustainable Development Goals.

Ultimately, the Taxonomy establishes a set of harmonized criteria for determining whether an activity is sustainable, taking into account existing market practices and the initiatives and advice of a group of technical experts, thus laying the groundwork for the development of a set of standards and labels for sustainable financial products.

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.

The Taxonomy establishes two criteria for analysis:

- **Eligible activities:** an economic activity carried out by a company is eligible as long as it complies with the description of one of the activities listed in the annexes of Delegated Regulation 2021/2139 of 4 June 2021. Eligibility has a nature of potentiality, i.e. an eligible activity is one that could become green according to the European Taxonomy.
- **Aligned activities:** the alignment of an activity indicates its substantial contribution to one or more of the environmental objectives defined by the European Commission. This concept is the result of compliance not only with the requirements in the activity definitions, but also with the technical criteria of substantial contribution (mitigation and adaptation), the principle of do no significant harm (DNSH) to the other objectives (water protection, circular economy, pollution prevention and biodiversity) and minimum social safeguards.

The Regulation also establishes that three economic indicators must be reported: the percentage that eligible or aligned activities represent of total net sales, CAPEX and OPEX.

As of 1 January 2024 (for the reference period 2023) all those activities eligible under the six environmental objectives must be reported, but only the alignment of the first two, since the delegated acts for the remaining 4 were published in 2023.

As of 1 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.

From 1 January 2022 (for the 2021 reference period), companies subject to the obligation to publish a non-financial declaration (NFD) were required to disclose the portion of their turnover, capital expenditure and recurring operating expenses that are classified as environmentally sustainable.

For this reason, certain figures will not be available for some years in the KPI tables for the different activities at the end of this section.

2.2.1. Almirall's adoption of the European taxonomy

As a result of the analysis carried out by Almirall's Management with the different areas of responsibility of the Group, the following eligible activities have been identified:

Environmental objective	Eligible activity
Climate change mitigation.	7.6. Installation, maintenance and repair of renewable energy technologies
Pollution prevention and control.	1.1. Manufacture of active pharmaceutical ingredients (APIs) or active substances
Pollution prevention and control.	1.2. Drug manufacturing

Table 9 Eligible activities at Almirall

- **Installation, maintenance and repair of renewable energy technologies:** this activity mainly concerns the installation of photovoltaic panels at several of the Group's work centres, as described in large part in section 2 "Environmental management" of this report and in Note 29 to the Group's consolidated notes to the annual accounts. This activity only has OPEX and CAPEX KPIs, since the pharmaceutical sector is not identified as a critical sector in relation to greenhouse gas emissions.
- **Manufacture of active pharmaceutical ingredients (API) or active substances:** this activity is directly linked to the Group's own core business. However, the chemical production carried out by the Group is mainly for internal use in the manufacture of pharmaceutical specialties, so the percentage of net sales is not significant. As mentioned in the following sections, the Group has two chemical plants, both located in Spain, in Sant Andreu de la Barca and Sant Celoni, both in the province of Barcelona.
- **Manufacture of drugs:** this activity, like the previous one, is linked to the Group's core activity, since the largest percentage of net sales corresponds to the marketing of pharmaceutical specialties. The Group has two pharmaceutical plants, one located in Spain (Sant Andreu de la Barca) and the other in Germany (Reinbek), but it should be noted that part of the products are manufactured by third parties.

For the rest of the environmental objectives, no eligible activities have been identified.

The analysis of the alignment of activities has been carried out considering the information provided by different Group departments, located in the different business areas. Following the process of identification of eligible activities, the following have been analysed:

- Technical criteria for substantial contribution to climate change mitigation.
- Doing no significant harm to other environmental objectives (DNSH).
- Minimum social safeguards.

In accordance with the annexes of the Delegated Regulation, for each KPI linked to an eligible activity during the 2023 financial year, compliance with the requirements ("technical selection criteria") set out in these annexes for each activity has been analysed. In this regard:

- For activity "7.6. Installation, maintenance and repair of renewable energy technologies" was considered non-aligned as it could not adequately trace related supplier information and had a qualitative physical climate risk analysis available, but lacked the quantitative part. 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, including the quantitative analysis under way at the end of 2023.

- For activities "1.1. Manufacture of active pharmaceutical ingredients (APIs) or active substances" and "1.2. The Group is evaluating the alignment in order to be able to report it as of 1 January 2025, although from the previous analysis it is estimated that the alignment % will be reduced, considering that the technical selection criteria are highly demanding, above the requirements of the ISO and GMP certifications held by the Group's production facilities.

The Minimum Social Safeguards are set out in Article 18 of the delegated Regulation 2020/852, which states:

1. The minimum guarantees referred to in Article 3(c) shall be the procedures applied by an enterprise engaged in an economic activity to ensure compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight core conventions mentioned in the International Labour Organisation Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights.
2. When implementing the procedures referred to in paragraph 1 of this Article, companies shall comply with the principle of 'no significant harm' referred to in point 17 of Article 2 of Regulation (EU) 2019/2088."

In this respect, the requirements are grouped under four main thematic blocks: Human Rights, Corruption, Taxation and Fair Competition.

- Human Rights: Almirall is firmly committed to protecting Human Rights and strives to ensure that the activities carried out within its area of influence do not violate Human Rights. To this end, it has various tools and mechanisms in place to comply with this commitment (for further details see sections **Error! Reference source not found.** "Error! Reference source not found." and 1.4.2 "Sustainability Policy").
- Corruption: Almirall is committed to a "zero tolerance" policy on bribery and corruption, rejecting any action that includes these practices as a means of obtaining its private interests (for further details see section 1.6 "Prevention of and fight against corruption and money laundering").
- Taxation: Almirall is committed to complying with all tax requirements and applying best tax practices, always communicating its activities transparently and complying with its tax obligations in a responsible and efficient manner (for further details see section 4.4.1 "Almirall's tax policy").
- Fair competition: Almirall is committed to long-term success through fair competition, and without engaging in practices that affect the free market, as set out in its own Code of Ethics. For this reason, they promote ethical and respectful business management in accordance with competition laws, and must avoid any unfair practice that involves taking advantage of unfair advantages or that may affect free competition.

2.2.2. Calculation of KPIs

To facilitate the understanding of the figures reported in this report and their consistency with the Notes to the consolidated annual accounts, below is a breakdown of what is included in the denominator of each KPI, as well as the calculation of each of the %.

The following tables detail the composition of the OPEX and CAPEX denominators, which are common to the three eligible activities:

Thousands of euros	Reference	2021	2022	2023
(+) R&D activities	Note 21	41,975	64,278	66,908
(+) Leases and fees	Note 21	20,439	28,994	39,672
(+) Repairs and maintenance	Note 21	19,331	20,414	23,225
(-) Royalties	Note 21	-10,066	-16,633	-25,913
Total taxonomic OPEX		71,679	97,053	103,892
(+) Additions to intangible assets	Note 9	77,646	79,219	211,886
(+) Additions to rights of use	Note 10	7,904	25,381	10,353
(+) Additions to property, plant and equipment	Note 11	18,938	23,007	33,499
Total CAPEX		104,488	127,607	255,738

Table 10 Taxonomic OpEx and Group CapEx

The net sales figure coincides directly with that of the consolidated profit and loss statement, but it is only used for the activities of "Manufacture of active pharmaceutical ingredients (API) or active substances" and "Manufacture of drugs".

The data for calculating the KPIs are extracted from the Group's accounting records, with the additional details that the analytical system makes possible, of separating the information by areas of responsibility, type of product or

geographical area, among others. The information presented is prepared by applying consolidation criteria and under IFRS, and therefore does not include transactions between the various legal entities that make up the Almirall Group.

The % eligibility of each of the activities is detailed below, taking into account that only the climate change mitigation activity is reported for the three fiscal years (the other two should only be reported as of 2023):

Installation, maintenance and repair of renewable energy technologies (Thousands of euros)	2021	2022	2023
Turnover from the activity (a)	0	0	0
Turnover (b)	827,195	863,248	894,516
KPI Revenue (a) / (b)	0.00%	0.00%	0.00%
CAPEX of the activity (c)	41	450	1,360
CAPEX (d)	104,488	127,607	255,738
KPI CAPEX (c) / (d)	0.04%	0.35%	0.53%
OPEX of the activity (e)	2	46	31
Taxonomic OPEX (f)	71,679	97,053	103,892
KPI OPEX (e) / (f)	0.00%	0.05%	0.03%

Table 11 KPIs for eligible activity 1

Manufacture of active pharmaceutical ingredients (APIs) or active substances (Thousands of euros)	2023
Turnover from the activity (a)	6,686
Turnover (b)	894,516
KPI Revenue (a) / (b)	0.75%
CAPEX of the activity (c)	4,832
CAPEX (d)	255,738
KPI CAPEX (c) / (d)	1.89%
OPEX of the activity (e)	5,482
Taxonomic OPEX (f)	103,892
KPI OPEX (e) / (f)	5.28%

Table 12 KPIs for eligible activity 2

Drug manufacturing (Thousands of euros)	2023
Turnover from the activity (a)	590,912
Turnover (b)	894,516
KPI Revenue (a) / (b)	66.06%
CAPEX of the activity (c)	18,618
CAPEX (d)	255,738
KPI CAPEX (c) / (d)	7.28%
OPEX of the activity (e)	13,411
Taxonomic OPEX (f)	103,892
KPI OPEX (e) / (f)	12.91%

Table 13 KPIs for eligible activity 3

The standard tables required by the European Commission regulation can be found at 5.3.

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. Transition plan to mitigate the impact of climate change

The transition plan to mitigate the impact of climate change is understood as the actions taken and past, present and future actions of the company to ensure that its strategy and business model are compatible with the transition to a sustainable economy and with limiting the increase in global temperature to 1.5°C and the goal of achieving climate neutrality by 2050.

In relation to the information required on the transition plan to mitigate the impact of climate change in accordance with the European Sustainability Reporting Standards (ESRS), indicate that:

- a) Almirall has approved and validated science-based targets with the *Science-Based Target Initiative* aligned with the Paris Agreement and is committed to achieving net zero emissions by 2050, as explained in section 2.3.5. Targets and metrics - Emission reduction targets in this report.
- b) Almirall's main strategic lines of action for the transition are described in section 1.4.5. Sustainability and ESG targets - Environment projects and initiatives of this report. The actions implemented in 2023 can be found in section 2.4.5. Targets and Metrics - Initiatives in 2023, of this report.
- c) Almirall's climate strategy is integrated into the company's financial planning. Almirall prepares and maintains an annual budget for the current year and a five-year forecast of its operating expenses (opex) and investments (capex). Operating expenses in 2023 include the purchase of electricity from renewable sources, the sustainable purchasing programme, which has incorporated an evaluation of suppliers' performance with respect to their management of GHG emissions, the flexible compensation plan that encourages the use of public transport and aid for the purchase of hybrid or electric vehicles for all Almirall employees in Spain. The investments made in 2023 related to climate change mitigation correspond mainly to energy efficiency projects and the extension of photovoltaic panel installations at the Sant Andreu de la Barca and Sant Celoni centres. Thus, according to the European taxonomy, the activity of "Installation, maintenance and repair of renewable energy technologies" has been identified as eligible for the company. See further details in section 2.2.1 of this report on Almirall's adoption of the European taxonomy.
- d) No locked-in GHG emissions have been identified in the company's assets that would prevent it from achieving its 2030 GHG emission reduction targets and reaching net zero emissions by 2050.
- e) Almirall's business is not excluded from the "EU climate transition benchmarks" and the "EU benchmarks harmonised with the Paris Agreement" in accordance with Article 12 of Commission Delegated Regulation (EU) 2020/1818.
- f) The emission reduction targets, as well as the initiatives that make up the Climate Transition Plan, have been approved by the Management Committee, validated by the Audit Commission and subsequently approved by the Board of Directors. The CEO oversees all of the sustainability/ESG-related activities, including climate change aspects, and establishes management systems and control measures for the review of sustainability programmes and initiatives, including the Climate Transition Plan (see section 1.2. Corporate Governance).
- g) The progress of the Transition Plan is monitored at a high level with the indicators defined in the *ESG Dashboard* for the environment (see section 1.4.5), and the breakdown of the evolution of greenhouse gas emissions (for more details see section 2.3.5 Targets and metrics - Scope 1, 2 and 3 greenhouse gas emissions, of this report).

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.

2.3.2. 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 ESG 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.

2.3.3. 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:

- i. Transition risks associated with the shift to a low-carbon economy, including regulatory, technological and reputational risks.
- ii. 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 is currently conducting a quantitative risk analysis (scheduled for completion in the first quarter of 2024), 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.

2.3.4. 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.

2.3.5. Targets and metrics

Emission reduction targets

Following a GHG emissions reduction in the 2014-2021 period of 39% for Scope 1 and 2 emissions, in 2022 Almirall set ambitious GHG emissions reduction targets aligned to the Paris Agreement commitments. 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 June 2023.

Short-term target: 2030

Almirall is committed to:

- The absolute reduction of 50% of Scope 1 and 2 GHG emissions with respect to the base year 2019.
- Maintain the annual purchase of 100% renewable electricity.
- The absolute reduction of 28% of scope 3 GHG emissions compared to 2019.

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)

Long-term goals: 2050

Almirall is committed to reducing its absolute scope 1, 2 and 3 GHG emissions by 90% by 2050 compared to the base year 2019.

Zero net emissions target

Almirall is committed to achieving net zero emissions across the value chain by 2050 compared to the 2019 base year.

Initiatives in 2023

To achieve the scope 1,2 and 3 GHG emission reduction targets, Almirall has established indicators and sub-targets to measure progress towards the science-based targets to 2030. The following is a summary of the main initiatives implemented in 2023 associated with these indicators:

Scope 1 and 2 emissions

Energy-related initiatives

- Expansion of the photovoltaic facility at the Sant Andreu pharmaceutical plant with a capacity of 248.5 kWp in addition to the existing one.
- Expansion of the photovoltaic facility of the Sant Celoni chemical plant with a capacity of 215.8 kWp in addition to the existing one.
- Development of the roadmap towards a 50% reduction in natural gas consumption by 2030 at Almirall sites. This roadmap includes natural gas phase-out projects based on the electrification of heat generation, as well as their associated cost.

Initiatives related to the vehicle fleet

- In January 2023, the benefit vehicle fleet policy was approved where the maximum CO₂ emission allowed is 80 g CO₂/km and the choice of electric car is incentivised by increasing the budget by 20% compared to the reference budget, and that of the hybrid car by 10%. It is forbidden to choose cars that use diesel as fuel. A 38% reduction in GHG emissions has been estimated for this group with respect to 2019 once the entire fleet has been renewed.
- In October 2023, the vehicle fleet policy for the commercial network in Spain was approved. A choice of petrol and plug-in hybrid models is offered. People who choose plug-in hybrid cars have the cost of installing an electric charger at home covered, as well as electric charging for work use. A 25% reduction in GHG emissions has been estimated for this group with respect to 2019 once the entire fleet has been renewed.

Scope 3 emissions

Initiatives related to procurement of goods and services and upstream transportation and distribution

- Almirall is integrating Scope 3 GHG emissions reduction targets within the sustainable procurement programme through collaboration with suppliers, in order to be able to perform a more accurate GHG emissions calculation and to have primary data whenever possible, as well as to collaborate with suppliers to establish emissions reduction targets aligned with Almirall's reduction targets. The programme includes monitoring of the maturity level of suppliers' GHG emissions management (see section 4.3.4. Carbon Footprint Scope 3), meetings with suppliers to share our objectives and our expectations and requirements and training material on different platforms available to suppliers.

Initiatives to reduce emissions from employee commuting

- A corporate-level mobility survey was conducted in 2023. The results of the survey have been used in the calculation of Scope 3, Category 7 emissions - employee commuting for 2023. This survey has improved the calculation of GHG emissions and will be the basis for preparing a sustainable mobility plan in 2024.

Greenhouse gas emissions scope 1, 2 and 3

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).

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.

In order to provide transparency and credibility to the declared GHG emissions inventory and to ensure a robust calculation methodology to be able to measure the progress of Almirall's objectives, the calculation of GHG emissions is verified each year by the certifying entity AENOR and this report presents the updated data. Because annual emissions are verified after publication of this report, there may be discrepancies with respect to data from previous years.

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.

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.

	2019 (Base year)	2021	2022	2023
Scope 1: GHG emissions (t CO_{2eq})				
Total Scope 1 GHG emissions	6,865	6,676	7,449	6,318
Emissions from natural gas consumption	4,062	3,983	378	3,541
Emissions due to fuel and/or energy consumption by the vehicle fleet	1,959	2,165	2,003	1,980
Other emission sources (leakage of refrigerant gases, process emissions or other small emission sources)	843	528	1,666	797
Scope 2 GHG emissions (t CO_{2eq})				
Total GHG emissions from Scope 2 location based	6,305	4,476	4,543	4,889
Total Scope 2 GHG emissions market based	0	0	0	0
Total Scope 3 GHG emissions	162,840	147,030	145,481	156,772
1 Purchased goods and services	146,940	136,245	132,743	141,361
2 Capital goods	826	1,158	1,370	1,740
3 Fuel and energy-related activities (not included in Scope 1 or Scope 2)	2,294	2,302	2,290	2,132
4 Upstream transportation and distribution	1,988	1,901	1,753	1,727
5 Waste generated in operations	1,711	1,343	1,140	694
6 Business travel	6,298	1,408	3,681	6,109
7 Employee commuting	788	757	715	1,187
8 Upstream leased assets	109	95	63	46
9 Downstream transportation and distribution	113	178	152	139
10 Processing of sold products	389	341	330	354

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

11	Use of sold products	N/A	N/A	N/A	N/A
12	End-of-life treatment of sold products	1,382	1,301	1,246	1,284
13	Downstream leased assets	N/A	N/A	N/A	N/A
14	Franchises	N/A	N/A	N/A	N/A
15	Investments	N/A	N/A	N/A	N/A
Total GHG emissions location based (t CO_{2eq})		176,009	158,182	157,473	167,980
Total GHG emissions market based (t CO_{2eq})		169,704	153,706	152,930	163,090
GHG emissions (t CO_{2eq})/Revenue (€M)		198	186	177	182

Table 14 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 Labeling 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.

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.

The previous tables show the evolution of GHG emissions for scope 1, 2 and 3 for the period 2019-2023. The base year for the emissions reduction targets is 2019, defined following the Science-based Target Initiative recommendations to select the most recent year with verifiable and representative data with 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). 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 2023 data covers 1 October 2022 to 30 September 2023. It is done in this way since, due to the complexity of the calculation, it is not feasible to perform it in sufficient time for the date of submission of this report. In May 2023, emissions for 2022 were verified.

In relation to the scope 1 and 2 market-based emissions reduction target, in 2023 Almirall has reduced emissions by 8% with respect to the base year, mainly due to the energy efficiency actions carried out in recent years. In order to achieve the established target of a 50% reduction in emissions in 2023, an energy transition plan towards the electrification of processes in our sites has been developed, which will be implemented in the 2024-2030 period and includes, among other actions, the change from natural gas boilers to electric boilers in some centres. On the other hand, in relation to emissions associated with the vehicle fleet, a progressive changeover of the vehicle fleet to hybrid vehicles has begun. The roadmap envisages an initial 2024-2027 period, which foresees a 25% reduction in emissions by the end of that period, and a second 2028-2030 period in which a 50% reduction in total emissions will be achieved.

For Scope 3 emissions, it should be noted that 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: first, data supplied by suppliers is taken into account. If these are not available, the calculation of emissions is made based on primary data, and if this is not possible, the calculation is made based on the economic expenditure with supplier data, and lastly, the data is obtained from external databases.

Scope 3 emissions have been reduced by 4% compared to the base year 2019. However, they have increased with respect to the 2021-2022 period mainly due to the expense-based calculation method. In 2023, spending in the Contract Manufacturing Organizations (CMOs) and Licensing category has increased significantly due to Almirall's new products, directly impacting the increase in emissions. This is why improving the quality of emissions data is a priority in the coming years in order to be able to assess the real progress of emissions in this category.

The increase in emissions from category 6 business travel for the period 2021-2022 is noteworthy due to the normalization of the use of this service after the pandemic years, which is at levels similar to the base year.

GHG emissions for category 7 employee commuting have also increased with respect to the 2019-2022 period as a result of the emissions calculation improvement process, carried out based on the mobility survey conducted in 2023.

2.3.6. CDP Disclosure

As an exercise in transparency, since 2014, Almirall has reported its environmental performance on climate change to CDP. CDP assesses climate change performance through a form and classifies it into 4 levels, from the most basic level, Disclosure D, to the highest, Leadership A.

It is also broken down into two sub-levels, each level indicating the lowest category with a "-" (as shown in the following picture):

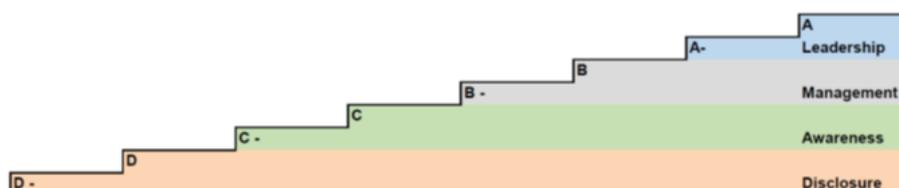


Illustration 2 CDP Ratings

In 2022, Almirall achieved the Leadership A- rating, which was revalidated in 2023. Of the various dimensions assessed by CDP to obtain our overall rating, Almirall's management of "Objectives" and "Management of scope 1, 2 and 3 emissions" stand out at the Leadership level, 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	...	2020	2021	2022	2023
CDP score	60 D		A	B	A-	A-

Table 15 Evolution of the CDP score of Almirall

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 2021-23 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, which is 71% in 2023.

Diffuse emissions (t)	2008	...	2021	2022	2023
VOCs	207.5		79.2	64.4	60.9

Table 16 Volatile organic compound emissions

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 29% 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 241 energy efficiency actions have been implemented.

Energy consumption and reduction targets

Almirall's main sources of energy consumption are electricity (57%) and natural gas (43%). 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 2017).

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. In 2023, the power of the Sant Celoni and Sant Andreu de la Barca photovoltaic plants (Phase I) will be increased. Taking all Almirall's photovoltaic facilities as a whole, in 2023 the dependence on the company's electricity grid supply has been reduced by 2,060 MWh, 8.2% of our total electricity consumption.

In addition, in 2024, the company plans to build a PV plant at the Reinbek site and further extensions to the existing PV plant in Sant Andreu de la Barca (Phase II). This will help us to achieve the self-generation targets of 14% and 18% by 2025 and 2030, respectively.

Energy consumption in 2023 has decreased by 4% compared to 2022. In 2023, more than 10 energy efficiency projects were implemented, including the installation of a process cooling unit at the Sant Celoni site and the optimization of the compressed air installation at the Reinbek site and the Sant Andreu de la Barca site.

Energy consumption and mix	2021	2022	2023
(1) Natural gas consumption (MWh)	21,318	20,579	19,413
(2) Fuel oil consumption (MWh)	37	30	36
(3) LPG consumption (MWh)	45	23	33
(4) Total non-renewable energy consumption (sum of 1-3) (MWh)	21,400	20,632	19,480
Percentage of energy from non-renewable sources with respect to total energy consumed (%)	45%	44%	43%
(5) Consumption of electricity purchased from renewable sources	24,560	24,495	23,416
(6) Self-produced renewable electricity consumption (MWh)	1,437	1,721	2,049
(7) Total renewable energy consumption (sum of 5-6) (MWh)	25,997	26,215	25,465
Percentage of energy from renewable sources with respect to total energy consumption (%)	55%	56%	57%
Total energy consumed (MWh) (sum 4 and 7)	47,397	46,847	44,947

Table 17 Energy consumption

- Natural gas is expressed in energy terms according to HCV (Higher Calorific Value). LPG and diesel consumption are obtained from invoices in units of litres and kg respectively, which are expressed in energy terms according to HCV. The conversion factors used are from the "Guia de càlcul d'emissions de gasos amb efecte d'hivernacle (GEH)" of May 2023, published by the OCCC (Oficina de Canvi Climàtic de Catalunya).
- Natural gas and electricity consumption is obtained from invoices, except for December at the Reinbek pharmaceutical plant, which is meter data because the invoices were not available at the closing date of the report.

The energy intensity indicator is reported in accordance with the ESRS E1 Climate Change (European Sustainability Reporting Standard) for activities with a high impact on climate change. Almirall has the CNAE code 4646 - Wholesale trade of pharmaceutical products, which falls within the group "G: Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycle", considered as a sector with activities with high impact on climate change.

Energy intensity vs. net revenues	2021	2022	2023
Total energy consumed vs Net revenues (MWh/€M)	56.7	53.3	50.2

Table 18 Energy intensity vs. net revenues

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 2021-23, consumption of both well water and company water has decreased by a total percentage of 10%. The centre that has contributed most to the reduction of well water is the Sant Andreu production plant, which uses the water to produce water of an industrial quality, among other uses. The reduction consolidates the actions carried out in recent years, such as the installation of internal meters that are making it possible to manage water consumption more efficiently and detect anomalies in this, recirculation actions, as well as the restrictions applied since the entry into force of the exceptional drought status.

The following table details water extraction at Almirall according to the source of supply:

Water extraction (m3)	2021	2022	2023
Utility-supplied water	62,208	58,639	56,270
Well water	58,368	69,030	52,166
Total Water Extraction	120,576	127,669	108,436

Table 19 Water extraction by origin

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 2023.

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 8% is estimated.

Water reuse rate	2021	2022	2023
Water recirculation/Total water extraction	6%	7%	8%

Table 20 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.

CDP Water Security

In 2023, the CDP questionnaire on water cycle management was reported for the first time, resulting in a B-Management rating.

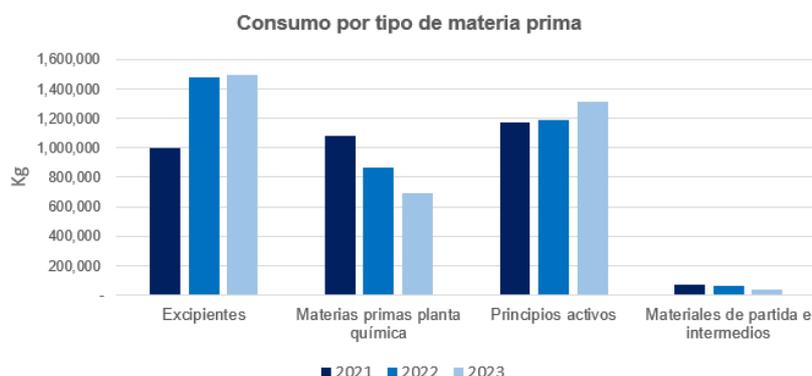
2.5.3. Consumption of starting materials

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 2021, 2022 and 2023 consumption in physical unit (kgs) of raw materials is shown below:

Type of raw material (kg)	2021	2022	2023
Excipients	995,734	1,476,576	1,490,960
Chemical plant raw materials	1,081,100	864,788	692,850
Active substance	1,173,270	1,191,913	1,310,545
Starting and intermediate materials	71,899	60,395	37,985
Total	3,322,003	3,593,672	3,532,340

Table 21 Raw material consumption (kg)



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.

The following tables show the evolution of waste for the 2021-23 period for Almirall and the breakdown by country. Almirall's waste generation decreased significantly by 15%, mainly due to the reduction of recoverable hazardous waste in Spain as a consequence of a temporary lowering of production in all of the chemical plants.

Total Almirall Group Waste (t)	2021	2022	2023
Hazardous waste	1,955.9	1,608.9	1,262.3
Recoverable	1,801.3	1,259.6	924.9
Non-recoverable	154.6	349.3	337.4
Non-hazardous waste	3,434.2	3,239.2	3,303.1
Recoverable	559.8	553.4	637.8
Non-recoverable	2,874.4	2,685.8	2,665.3
Total waste	5,390.1	4,848.1	4,565.4
% Hazardous	36%	33%	28%
% Recoverable	44%	37%	34%

Table 22 Total waste Almirall Group

Waste in Spain (t)	2021	2022	2023
Hazardous waste	1,925.9	1,577.1	1,228.8
Recoverable	1,782.6	1,244.9	906.5
Non-recoverable	143.3	332.2	322.3
Non-hazardous waste	1,226.4	1,258.8	1,233.1
Recoverable	414.8	424.5	499.0
Non-recoverable	811.6	834.3	734.1
Total waste	3,152.3	2,835.9	2,461.9
% Hazardous	61%	56%	50%
% Recoverable	70%	59%	57%

Table 23 Total waste Spain

Waste in Germany (t)	2021	2022	2023
Hazardous waste	30.0	31.8	33.5
Recoverable	18.7	14.7	18.4
Non-recoverable	11.3	17.1	15.1
Non-hazardous waste	2,207.8	1,980.4	2,070.0
Recoverable	145.0	128.9	138.8
Non-recoverable	2,062.8	1,851.5	1,931.2
Total waste	2,237.8	2,012.2	2,103.5
% Hazardous	1%	2%	2%
% Recoverable	7%	7%	7%

Table 24 Total waste Germany

Actions for improvement

Noteworthy improvement actions in 2023 include the execution of the projects for two production wastewater treatment plants 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 technology installed is an evaporator that will reduce the volume of externally segregated and managed cleaning water by 80%. At the time of completing this report, the evaporator is undergoing testing.

At the Reinbek pharmaceutical plant in 2023, Almirall has installed a water treatment plant with photo-Fenton chemical oxidation technology. It is scheduled to be operational in the first quarter of 2024.

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 41% of Almirall's total units sold. In both markets, the material with the highest percentage is paper/cardboard, corresponding mainly to cases, with 50% of the total in Spain and 32% in Germany. The increase in packaging material is a consequence of the increase in sales in the period 2021-2023.

Packaging material in Spain (t)	2021	2022	2023
Glass	41.6	40.5	38.7
Paper/Cardboard	352.7	399.0	433.0
Aluminium	36.1	39.5	37.6
Plastic	62.5	87.0	101.7
Composite material	249.6	250.1	263.1
Total materials	742.5	816.1	874.1

Table 25 Packaging material in Spain

Packaging material in Germany (t)	2021	2022	2023
Glass	59.4	53.9	49.7
Paper/Cardboard	60.7	57.5	55.4
Aluminium	21.8	22.5	23.8
Plastic	38.8	39.7	37.2
Composite material	12.3	11.5	9.5
Total materials	193.0	185.1	175.6

Table 26 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 Organizations (CMOs).

b) Sustainability improvement initiatives

At 31 December 2023, more than 30 initiatives have been generated for evaluation, to be addressed in the short/medium or long term based on impact and difficulty in implementation.

Of these, the following initiatives are ongoing and being implemented:

- **Elimination of band/strip for inclusion of in-line material control code:** the in-line material control code is incorporated into the label body, allowing the elimination of the band that currently carries it and the consequent reduction in the amount of material used. It affects plastic labels (104 x 33mm and 76x43mm formats) and paper labels (80x24mm and 60x17mm formats) at the Reinbek plant in Germany. Change to be implemented in 70 finished product references during 2024.

- **Switch from plastic to paper labels:** The switch from plastic to paper labels for the following products at the Reinbek plant in Germany has been underway since mid-2023: Actikerall, Aknemycin, Candio-hermal, Curatoderm and Verrumal. A total of 39 finished product references will be updated in a first wave of changes (end of implementation first half of 2024). Subsequently, the switch will be made for approximately 30 other references (second half of 2024).
- **Replacement of plastic tray with cardboard tray** for Ilumetri 100 mg and Ilumetri 200 mg. The tray of 35 finished product references is eliminated.
- **FSC certification of paper labels** in Reinbek.
- **Change of support material for labels from PET to rPET** at Reinbek.

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 and non-medicinal products manufactured at the Sant Andreu de la Barca centre and at Reinbek in Germany.

Regulatory documentation is being submitted progressively since 2022 and has since been implemented as existing stocks of cases are finalized. By the end of 2023, the company had implemented FSC on 79% of the medicinal product references manufactured at the Sant Andreu de la Barca site (22% of non-medicinal products), and on 43% of the medicinal product references (9% of non-medicinal products) at the Reinbek site in Germany.

d) Elimination of package leaflets in cosmetic specialties and dietary supplements

Another initiative being implemented by Almirall is the elimination of package leaflets for cosmetic products, dietary supplements and personal grooming that do not require patient information or when the information can be provided on the box and/or raw material itself.

Thus, out of the total of 102 product references in the above-mentioned categories, the leaflet has been eliminated in 28 of them and 35 have never included it.

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 2008-2023 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 all our activities 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 2023 of the prestigious Top Employers in Spain certificate, for the sixteenth consecutive year.

In addition, Almirall is concerned about its employees' wellbeing and 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 and to align them with the needs of the company. 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.

In 2021, driven by the desire 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, Almirall needed to transform the organizational culture. For this reason, a culture survey was launched 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 successfully achieve sustainable success, providing growth and wellbeing 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 people 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 the patients' world by helping them realize their hopes and dreams for a healthy life.

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

- **Unleash 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 have already been 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:

- **Unleash 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. In 2023 we have gone a step further by extending flexibility to our offices with a

policy of not allocating spaces. The main objectives of this initiative are: 1) improve interpersonal relationships and boost creativity, collaboration and connection between departments; 2) increase flexibility and agility of project needs, allowing the creation of temporary multifunctional spaces in a simple way in areas that have been vacated and; 3) reinforce a non-hierarchical organization by freeing all private rooms previously used by Senior Leadership, allowing them to be closer to the teams and create collaborative spaces.

- **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. The feedback from all Global Town Halls is very good. Almirall's people appreciate this informal space where the entire company team is connected.
- **Achieving results:** each senior leader undertook to simplify or eliminate one process in their area of responsibility by March 2023. Taking into account the number of Senior Leaders, this initiative has simplified 100 processes. A communication campaign is currently being launched where everyone at Almirall can see some examples of these simplifications.

The medium- to long-term initiatives implemented through 2023 are as follows:

- **GPS (Go, Perform, Succeed):** a new Performance model that will provide us with a more modern, simple and transparent way of managing performance, adapted to the current and future demands of the work environment. In addition, GPS brings with it a change in the bonus payment model, so that it better rewards good performance.
- **Smart Meetings:** this initiative brings with it a series of actions that facilitate more efficient management of our meetings as well as an impact on the way we work, make decisions and prioritise. In addition, the implementation of these actions helps Almirall's people to better manage their working time and find more space for thinking and planning.
- **Into the Core:** this initiative consists of awareness and education campaigns aimed at everyone at Almirall to get to know the patients and customers better, to gain a better understanding of their needs and feelings and to reflect on how the daily work of everyone in the company, regardless of their function/role, contributes to making their hopes and dreams come true. Apart from these campaigns, we also want to adjust our activities and processes to be a fully patient-centred organisation, building an empathetic mindset and putting patients and customer at the heart of everything we do.
- **Powering our Decisions and processes for efficiency:** this initiative aims to develop much more agile decision-making processes, lowering the level of decision-making and thus empowering the teams. During the latter half of 2023, the company has identified two areas to work on, based on the obstacles that reduce efficiency and agility in specific processes, as well as streamlining critical multi-functional and high-impact decision-making. This new initiative is planned to be launched in 2024.

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 employee involvement 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 provided 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 May 2023, a retest of this culture pulse was carried out and it was possible to visualize an increase in the satisfaction of Almirall's people in relation to the cultural change. Accordingly, we can say that the cultural change is having a very positive impact on Almirall's people.

In parallel to the implementation of the aforementioned 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 have been 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. Levels of dialogue with employees

The company has different levels of dialogue with employees to ensure that all opinions are taken into account , especially those of less representative groups.

Thus, the most commonly used mechanisms are:

- The pulses: short surveys aimed at all employees, with the aim of finding out their point of view on different initiatives and actions being carried out by the company. They are generally launched two to three times a year, depending on the needs of the organisation, to ask about issues that affect the employee's experience (satisfaction and commitment) and about how employees are experiencing the cultural transformation to find out the impact of the actions that are being implemented, as well as those areas for improvement that the company still needs to work on to achieve the desired culture.
- Workshops/focus groups: generally, after each pulse, meetings are organised with the teams, usually led by the People&Culture team of the Area as well as by the leaders themselves who are invited to share and discuss the results with their teams.
- Meetings with cultural ambassadors: During 2023, 9 meetings were held with these ambassadors to inform them of new initiatives to be launched and to ask them for feedback on these and other actions that are part of the design process. Almirall aims to take the employee's voice into account at all times.
- People & Culture Business Partner meetings for each area with the different leaders/managers to take the specific needs of the teams into account.

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.

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 technical screening, a skills-based interview, a technical interview conducted by the manager, 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 technical and motivational screening, 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.

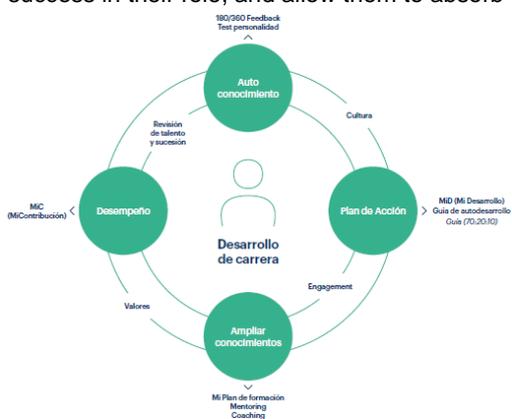
Internal employees are a priority

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 36 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, whenever a new vacancy is available it is always posted on the internal opportunities portal and a summary of all positions is published on the intranet every 15 days. In this process, internal talent is also evaluated based on the Talent Review processes mentioned below, prior to publishing 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 is 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. 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.

Illustration 3 Annual development cycle

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.



GPS: Go, Perform, Succeed; this is Almirall's annual performance process, which unleashes the full potential of employees by fostering more enriching dialogues, promoting a culture of continuous feedback and reinforcing an environment of trust and transparency.

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. Under the guidance of their direct superior, each employee must carry out their development action plan, known internally as MyD (**My Development**). MyD 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 number of employees who have taken part in the performance assessment process during the last three years is detailed below:

Category	Gender	2021	2022	2023
Directors	Women	14	36	35
	Men	16	47	54
Middle management	Women	42	55	50

	Men	30	48	54
Specialists / Professionals	Women	165	224	234
	Men	101	172	171
Administrative staff/Workers	Women	33	59	66
	Men	16	23	27
Group Total	Women	254	374	385
	Men	163	290	306

Table 27 Participation in the performance assessment process

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 the associated conduct and represent a challenge for us at individual level or as a team. Over the course of the year, employees and leaders hold frequent meetings -called "Continuous Feedback meetings"-, which are essential to reinforcing the culture of continuous feedback 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 MyD.

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 / face-to-face training plan

In April 2023, Almirall's annual 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, known internally as MyD (MyDevelopment). 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. The training is carried out in different formats to facilitate the participation of employees in them in a flexible way according to their needs: Face-to-face, online, blended and e-learning.

- 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, emotional management and wellbeing. In this category, there is also training on how to make the most out of the My Contribution and My Development processes. In 2023, feedback training has been especially promoted under the "Radical Candor" model aligned with Almirall's culture, with the aim of promoting a culture of continuous and transparent feedback .
 - 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 and anti-corruption, Health and Safety or Diversity and Inclusion.
- ii. Business:** Training focused on developing technical skills and expertise:
 - 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, and the Cultural Transformation of Almirall. 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:** In 2023, e-learning training in English, German, French and Spanish has been included. These are short training pills aimed at people who need to reinforce the language in a timely manner and share quick tips applicable in everyday life.

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, experts in their area. The availability of internal trainers has a threefold objective:

- 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.

The total number of hours of training provided, the average duration of each training activity and, for 2022 and 2023, the average number of training hours per employee are also detailed below:

Category	Gender	2021		2022			2023		
		Hours	Average duration of training action	Hours	Average duration of training action	Average hours of training per employee	Hours	Average duration of training action	Average hours of training per employee
Directors	Women	362	2.5	166	1.7	5.9	1,209	4.5	30.2
	Men	501	3.2	413	1.9	7.6	2,219	4.0	34.0
Middle management	Women	1,735	3.9	1,399	1.5	14.4	3,540	3.4	39.6
	Men	1,281	3.5	1,568	1.4	14.3	3,299	3.0	33.1
Specialists / Professionals	Women	5,109	2.3	9,500	1.7	16.0	19,132	2.3	32.1
	Men	3,794	2.3	5,674	1.4	12.6	15,181	2.5	33.6
Administrative staff/Workers	Women	3,094	3.9	3,471	2.0	13.4	10,324	3.4	36.5
	Men	3,421	6.7	4,715	3.5	21.3	7,307	3.0	28.0
Group Total		19,297	3.1	26,906	1.8	14.8	62,211	2.8	33.0

Table 28 Hours of training by category and gender

The significant increase in the number of training hours presented compared to the previous comparable periods (2021 and 2022) is due, in addition to the increase in the number of participants, to the following two reasons:

- Implementation of specific programmes carried out during 2023 such as "Knowmads": training programme aimed at the talent identified within the company, "Radical Candor": mandatory training for all leaders of the organisation related to the *You Feel Well feedback model* with practical *well-being* workshops, and finally the implementation of specific programmes by expert departments such as *Smart workplace & ADA, Global Excellence, Global Medical Training and Global Procurement*.
- Improvement of the internal reporting process: Since 2023, in order to improve the capture of data reported by all the subsidiaries that make up the company, a series of actions have been launched that are structured in two phases:
 - Phase i (2023): improvements to the data collection and reporting system, including information on commercial training and subsidiaries.
 - Phase ii (2024-2025): implementation of a new platform that will allow us to improve and automate reporting processes.

The most significant variations at the category level are mainly seen in the category of specialists/professionals, where there has been an improvement in the reporting process with respect to the hours dedicated to commercial training aligned with product launches. There has also been an increase in participation in the aforementioned training programmes. On the other hand, in the case of the Directors, the biggest difference with respect to previous years is the participation in the Knowmads programme implemented this year.

The total number of employees who have received training on the company's Code of Ethics, as well as on anti-bribery and anti-corruption matters, is shown below. Cumulative data are shown for the 2022-2023 period since both training courses are valid for two years.

	Code of Ethics	Anti-bribery / Anti-corruption
Training coverage	93%	90%
Total employees receiving training	1,772	1,707
Total employees	1,903	1,903
Methodology		
Face-to-face	126	126
Online	1,646	1,581
Frequency	Every two years	Every two years
Main content of the training		
Definition of bribery and corruption	X	X
Group Policies	X	X
Detection process		X
Speak-Up! channel operation		X

Table 29 Code of Ethics, anti-bribery and anti-corruption training

3.3.2. The future of training – Corporate University

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 (AI and machine learning) 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 2023, 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 (Exceptional 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.

The principles of Almirall's compensation policy, inspired by the company's values, govern compensation and benefits activities and, as a result, compensation decisions:

- **Fairness:** compensation programmes are designed to ensure fairness and equity.
- **Competitiveness and commitment:** Almirall offers a competitive and relevant compensation package to all the company's employees, recognizing their role and contribution, taking into account the external market and performance.

The salary bands are currently based on *Willis Towers Watson* salary surveys of the pharmaceutical sector. In Spain, salaries are linked to the collective bargaining agreement of the Chemical Industry, affecting 94% of the population in Spain. Senior Leadership - grade 11+, is excluded from this regulation.

For the rest of the workers, located in other countries, the salary bands are above the minimums established by local laws. Salary bands are updated regularly to keep pace with inflation increases in the markets in which we compete.

Sharing success

Almirall employees are offered the opportunity to contribute to the future success of the company regardless of where they are located within the organization. We focus on performance to achieve the goals and behaviours necessary to achieve positive outcomes for ourselves and our patients.

Simplicity and fit for purpose

The programmes are designed to be understandable and simple. We consistently apply the same principles under the same framework and governance. As there are different roles within Almirall we recognize that the markets where we compete are different and we differentiate compensation packages taking into account local relevance, but also without losing global consistency.

In 2021, work was done on a project aimed at building a global organizational 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 People & Culture 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 (level of contribution within Almirall). Each employee was informed of the grade (contribution level of each position) and the title of their position according to the new policy. In the second half of 2022, the second phase of the project was implemented, which included 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.

Almirall regularly analyzes the valuation of the different job positions, as well as the performance of each person, 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.

Below is a table with a breakdown of the total remuneration received in 2021, 2022 and 2023 in the Group, broken down by gender, category and age, based on the workers at the close of these years.

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.

The following two tables do not include the compensation package for the Chairman of the company.

Category (€)	Gender	2021	2022	2023
Directors	Women	199,602	193,890	193,994
	Men	227,079	236,553	245,981
	Average	218,902	221,113	225,287
Middle management	Women	106,137	111,174	113,905
	Men	119,293	121,270	125,507
	Average	113,039	116,386	120,072
Specialists / Professionals	Women	62,730	74,177	75,910
	Men	66,931	80,976	80,161
	Average	64,591	77,103	77,732
Administrative staff/Workers	Women	41,684	42,409	43,777
	Men	37,950	40,270	40,445
	Average	40,024	41,402	42,174
Group Total	Women	66,180	73,115	74,963
	Men	79,396	85,801	85,077
	Average	72,336	78,980	79,651

Table 30 Remuneration by category and gender

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

Age (€)	Gender	2021	2022	2023
< 30	Women	50,692	51,726	48,261
	Men	39,667	42,139	42,742
	Average	45,770	47,318	45,700
30 - 50	Women	65,809	73,838	76,155
	Men	70,022	75,180	74,587
	Average	67,557	74,389	75,490
> 50	Women	69,672	76,518	79,039
	Men	94,135	103,822	103,883
	Average	82,787	91,028	91,819
Group Total	Women	66,180	73,115	74,963
	Men	79,396	85,801	85,077
	Average	72,336	78,980	79,651

Table 31 Remuneration by age and gender

At year-end 2023, Almirall's unadjusted pay gap (without taking into account job characteristics) averaged -12%, i.e. on average, women were paid 12% less than men in Total Compensation (Fixed Compensation + Short-Term Variable Compensation) or, to put it another way, women earn 88% of a man's Total Compensation.

The calculation formula used was as follows:

$$\text{Average Wage Gap} = \left(\frac{\text{Average Total Compensation Women} - \text{Average Total Compensation Men}}{\text{Average Total Compensation Men}} \right) \times 100$$

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:

$$\text{Median wage gap} = \left(\frac{\text{Median Total Compensation Women} - \text{Median Total Compensation Men}}{\text{Median Total Compensation Men}} \right) \times 100$$

In this case, overall, the gap is reduced by 62.5%, from -12% (average) to a gap of -4.5% (median).

Country	Global			Administrative staff/Workers	Specialists / Professionals	Middle management	Directors
	Women	Men	Wage Gap	Wage Gap	Wage Gap	Wage Gap	Wage Gap
Spain	63,997	73,972	-13.5%	1.0%	-8.8%	-5.0%	-24.2%
Germany	83,407	89,063	-6.4%	13.7%	-7.7%	-6.6%	-14.4%
United States	140,233	191,411	-26.7%	-	-12.4%	-17.7%	-1-
Italy	66,503	85,806	-22.5%	-34.4%	-12.7%	-13.6%	-19.6%
United Kingdom	101,408	133,451	-24.0%	-	-10.2%	-6.3%	-
Switzerland	131,085	164,867	-20.5%	-	-3.0%	5.8%	-
Austria	100,712	133,801	-24.7%	-	16.1%	-	-34.8%
Belgium	126,357	133,772	-5.5%	-	18.7%	-	-
Netherlands	86,449	96,077	-10.0%	-	-4.6%	7.3%	-
France	104,291	108,432	-3.8%	-	3.1%	-21.2%	-
Portugal	74,434	125,100	-40.5%	-	-	-36.0%	67.6%
Poland	119,445	203,555	-41.3%	-	6.6%	-	-
Sweedden	10,423	124,822	-16.5%	-	8.4%	-	-
Norway	99,730	-	0.0%	-	-	-	-
Poland	66,846	49,509	35.0%	-	20.2%	-	-
China	141,490	-	0.0%	-	-	-	-
Slovak Republic	52,000	-	0.0%	-	-	-	-
Czech Republic	56,089	94,682	-40.8%	-	-4.0%	-	-
Total	74,963	85,077	-11.9%	8.2%	-5.3%	-9.2%	-21.1%

Table 32 Wage gap by category, gender and country

Table

Below is the wage gap taking into account total compensation (base salary 100% and target short-term incentives 100%) by gender, country and grade (according to our Global Job Map).

Country	Total Group			Wage Gap based on Almirall's Global Job Map Category																
	Women	Men	Wage Gap	2	3	4	5	6	7	8	9	10	11	12	13	15	16	17		
Spain	63,997	73,972	-13%	-	-	2%	-2%	-12%	-5%	-5%	-4%	-6%	-12%	-3%	0%	-	3%	-		
Germany	83,407	89,063	-6%	-	42%	17%	6%	-2%	-5%	0%	-7%	-13%	-8%	-	-	-	-	-		
United States	140,233	191,411	-27%	-	-	-	-	-6%	-4%	15%	-18%	-	-10%	-	-	-	-	-		
Italy	66,503	85,806	-22%	-	-	-	-34%	-27%	-10%	-1%	-10%	-17%	-5%	-	-	-	-	-		
United Kingdom	101,408	133,451	-24%	-	-	-	-	-	8%	-10%	-	-10%	-	-	-	-	-	-		
Switzerland	131,085	164,867	-20%	-	-	-	-	-	8%	-4%	-	-	-	-	-	-	-	-		
Austria	100,712	133,801	-25%	-	-	-	-	-	6%	15%	-	-	-	-	-	-	-	-		
Belgium	126,357	133,772	-6%	-	-	-	-	-	-2%	33%	-	-	-	-	-	-	-	-		
Netherlands	86,449	96,077	-10%	-	-	-	-	-	-	-16%	-	-	-	-	-	-	-	-		
France	104,291	108,432	-4%	-	-	-	-	-	-1%	15%	-20%	-14%	-	-	-	-	-	-		
Portugal	74,434	125,100	-41%	-	-	-	-	-	-	-	-	-	68%	-	-	-	-	-		
Poland	119,445	203,555	-41%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Sweeden	104,230	124,822	-16%	-	-	-	-	-	-	15%	-	-	-	-	-	-	-	-		
Norway	99,730	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Poland	66,846	49,509	35%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
China	141,490	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Slovak Republic	52,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Czech Republic	56,089	94,682	-41%	-	-	-	-	-	-	16%	-	-	-	-	-	-	-	-		
Total	74,963	85,077	-12%	-	57%	12%	0%	-10%	-1%	3%	-16%	-8%	-11%	-8%	-6%	-	3%	-		

Table 33 Wage gap by grade, gender and country

On the other hand, the adjusted wage gap between men and women has been estimated.

For this process, it is necessary to use econometric models to compare total compensation between men and women, taking into account the correlations generated in other dimensions by the differences in the different characteristics of the worker and the job.

The objective of a regression model is to try to explain the relationship between the different independent explanatory variables and the dependent or response variable.

The regression model used has the following expression:

$$\ln(y_i) = \beta_0 + \beta_1 * Mujer_i + \sum_{j=2}^m \beta_j * x_{ij} + \varepsilon_i$$

Where Ln(Yi) is the neperian logarithm of Yi which is the total compensation of the worker.

Woman_i is a dummy variable that takes the value 1 if the worker is a woman and 0 if the worker is a man. And the remainder of X_{ij} are a series of control variables that potentially determine the total compensation of a worker. The coefficient of interest is the β₁ coefficient which indicates the percentage difference between a female and a male. The control variables considered are as follows:

- 1) Location of the position, country of residence.
- 2) The extent, role contribution, of the employee's position in the company on the company's Global Job Map .

The following variables were initially considered, but finally discarded because they provided little explanation:

- 1) Duration of service in the company of the employee.
- 2) Age of the employee

By performing linear regression of the model, a coefficient of determination of R² of 72% was obtained. This means that 72% of a worker's total compensation at Almirall is explained by the independent variables specified above. The p-values of the control variables considered were less than 0.05, and therefore statistically significant.

The regression model obtained for 2023 has the expression:

$$\ln(\text{Total Compensation}) = 9,718 - 0,0245 * \text{Gender} + 0.0121 * \text{Location(country)} + 0.2048 * \text{Grade (global map)}$$

The parameter β₁=-0.0245

Since the dependent variable in the above equation is in logarithms, the coefficient β_1 is interpreted as follows: the differential in salaries between a woman and a man is $100 \times \beta_1\%$. Thus in Almirall for 2023 we have an adjusted gap of: -2.45%. In other words, of the total unadjusted gap presented of -11.9% there is a portion that can be explained by the location of the position and its contribution in the company, thus reducing the gender-related portion -2.45%. Performing the same statistical analysis with the information for 2022, we see that the adjusted gap for this period was -2.92%.

During 2023, the remuneration records for the previous year have been shared with the Legal Representation of Workers, and progress has been made in the development of different measures included in the equality plan in force in Spain; we must highlight the preparation of a salary audit.

The following table shows the average gross remuneration received in 2021, 2022 and 2023 by the members of the Board of Directors and members of the Management Board of the Almirall Group:

Body (€)	2021		2022		2023	
	Women	Men	Women	Men	Women	Men
Board of Directors ^{(1) (3)}	118,125	217,623	124,269	604,369	123,333	214,927
Management Board ⁽²⁾⁽³⁾	353,738	466,380	574,145	646,060	426,642	759,638

Table 34 Remuneration of senior management

- 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.

Likewise, the company, in line with current labour regulations, has updated its intranet with all the paid and unpaid leave cases contemplated in the general labour regulations, as well as those set out in the State Chemical Industry collective bargaining agreement, establishing the different types of leave that employees can request and enjoy, which are also reflected in the working day register, and the information can be accessed at any time.

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 main 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. At the same time, all initiatives or actions that may have an impact on more than one country are discussed on an extraordinary basis.

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). However, those more beneficial agreements agreed within the framework of collective bargaining of the European Works Council are extended to all employees in Europe. A breakdown of staff under collective bargaining agreements in the main geographical areas is set out below:

Country	31/12/2022				31/12/2023			
	Total	Under a collective bargaining agreement	%	With representation	Total	Under Agreement	%	With representation
Spain	1,192	1,118	94%	100%	1,259	1,182	94%	100%
Germany	306	0	0%	100%	313	0	0%	100%
United States	114	0	0%	0%	83	0	0%	0%
Italy	80	80	100%	100%	87	87	100%	100%
United Kingdom	38	0	0%	0%	30	0	0%	0%
France	34	34	100%	100%	37	37	100%	100%
Austria	14	14	100%	100%	13	13	100%	100%
Belgium	12	12	100%	0%	14	14	100%	0%
Portugal	9	9	100%	0%	10	10	100%	0%
Other countries	46	0	0%	0%	57	0	0%	0%
Group Total	1,845	1,267	69%		1,903	1,343	71%	

Table 35 Employees under collective bargaining agreement

Social protection

All Almirall employees have social protection, either through public schemes in their respective countries or also, in a complementary manner, through different mechanisms (supplementary benefits, social benefits, etc.). These mechanisms are intended to protect the loss of income arising from specific situations such as illness, accident, unemployment, childbirth leave or retirement.

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 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 2023 financial year, Almirall had a total of 1,903 employees from 36 nationalities, 46% of whom are men and 54% women. The average length of employment is 12.3 years and 74% of our employees have a university degree.

Almirall's employees are concentrated in Europe (96%) and the United States (4%). The distribution in professional categories is as follows: 5% directors, 10% middle management, 56% specialists/professionals and 29% clerical/operational staff.

The age distribution of Almirall's workforce is as follows: 7% are under 30 years of age, 51% are between 30 and 50, and 42% are over 50 years of age.

Of the total number of Senior Management employees ² at the end of December 2023, 22.2% are women.

As detailed in Note 21 of the Notes to the Consolidated Annual Accounts of the Almirall Group at the end of December 2023, the detail of employees distributed by professional category and gender is as follows:

Professional category	31/12/2021			31/12/2022			31/12/2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Directors	10	31	41	38	67	105	41	62	103
Middle management	121	145	266	89	95	184	89	101	190
Specialists / Professionals	597	475	1,072	585	442	1,027	605	454	1,059
Administrative staff/Workers	225	180	405	280	249	529	286	265	551
Group Total	953	831	1,784	992	853	1,845	1021	882	1,903

Table 36 Distribution of employees by category and gender

The following is the same distribution of employees by gender and by professional category as a percentage of the total of the category. The increase of 4 percentage points of women in the category of directors with respect to the previous year is noteworthy, bringing us gradually closer to parity in this segment. The other categories remained stable in terms of distribution compared to previous years.

Professional category	31/12/2021		31/12/2022		31/12/2023	
	Women	Men	Women	Men	Women	Men
Directors	24%	76%	36%	64%	40%	60%
Middle management	45%	55%	48%	52%	47%	53%
Specialists / Professionals	56%	44%	57%	43%	57%	43%
Administrative staff/Workers	56%	44%	53%	47%	52%	48%
Group Total	53%	47%	54%	46%	54%	46%

Table 37 Distribution of employees by category and gender in %

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) of this report. In 2023, the distribution by category remained stable, although the overall number of people employed by the company has increased.

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%).

The Chief Executive Officer and the Chairman of the company are not included in the following staffing details.

² Senior Management means the members of the Board of Directors

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

Country	31/12/2021			31/12/2022			31/12/2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Spain	611	565	1,176	622	565	1,187	652	607	1,259
Germany	165	130	295	167	139	306	169	144	313
United States	59	48	107	62	52	114	50	33	83
Italy	36	41	77	39	41	80	44	43	87
United Kingdom	19	12	31	23	16	39	19	11	30
Switzerland	11	7	18	12	5	17	12	4	16
Netherlands	7	3	10	10	3	13	7	3	10
Austria	8	6	14	9	6	15	7	6	13
Belgium	8	4	12	7	5	12	8	6	14
Nordic countries	0	1	1	1	4	5	9	6	15
Portugal	5	2	7	8	1	9	8	2	10
Poland	3	0	3	4	1	5	6	1	7
France	19	12	31	22	14	36	23	14	37
China	2	0	2	1	0	1	1	0	1
Czech Republic	0	0	0	4	1	5	5	2	7
Slovak Republic	0	0	0	1	0	1	1	0	1
Group Total	953	831	1,784	992	853	1,845	1021	882	1,903

Table 38 Distribution of employees by gender and country

País	31/12/2021			31/12/2022			31/12/2023		
	Mujeres	Hombres	Total	Mujeres	Hombres	Total	Mujeres	Hombres	Total
España	611	565	1.176	622	565	1.187	652	607	1.259
Alemania	165	130	295	167	139	306	169	144	313
Estados Unidos	59	48	107	62	52	114	50	33	83
Italia	36	41	77	39	41	80	44	43	87
Reino Unido	19	12	31	23	16	39	19	11	30
Suiza	11	7	18	12	5	17	12	4	16
Países Bajos	7	3	10	10	3	13	7	3	10
Austria	8	6	14	9	6	15	7	6	13
Bélgica	8	4	12	7	5	12	8	6	14
Países Nórdicos	0	1	1	1	4	5	9	6	15
Portugal	5	2	7	8	1	9	8	2	10
Polonia	3	0	3	4	1	5	6	1	7
Francia	19	12	31	22	14	36	23	14	37
China	2	0	2	1	0	1	1	0	1
República Checa	0	0	0	4	1	5	5	2	7
Eslovaquia	0	0	0	1	0	1	1	0	1
Total Grupo	953	831	1.784	992	853	1.845	1.021	882	1.903

The distribution of the company's total workforce by age range and gender in number and percentage is presented below:

Age	31/12/2021			31/12/2022			31/12/2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
< 30	69	56	125	81	71	152	73	65	138
30 - 50	570	406	976	549	378	927	557	407	964
> 50	314	369	683	362	404	766	391	410	801
Group Total	953	831	1,784	992	853	1,845	1,021	882	1,903

Table 39 Distribution of employees by age and gender

Age	31/12/2021		31/12/2022		31/12/2023	
	Women	Men	Women	Men	Women	Men
< 30	55%	45%	53%	47%	53%	47%
30 - 50	58%	42%	59%	41%	58%	42%
> 50	46%	54%	47%	53%	49%	51%
Group Total	53%	47%	54%	46%	54%	46%

Table 40 Distribution of employees by age and gender %

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

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

The table below shows the distribution at year-end of permanent/indefinite or temporary contracts, broken down by gender and age. 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 is year-end data and not average.

Age	Gender	31/12/2021		31/12/2022		31/12/2023	
		Permanent	Temporary	Permanent	Temporary	Permanent	Temporary
< 30	Women	57	12	72	9	60	13
	Men	50	6	63	8	58	7
30 - 50	Women	559	11	538	11	545	11
	Men	403	3	376	2	400	6
> 50	Women	313	1	359	3	388	4
	Men	368	1	402	2	408	3
Group Total		1,750	34	1,810	35	1,859	44

Table 41 Distribution of employees by type of contract, age and gender

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

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

Type of contract	31/12/2021			31/12/2022			31/12/2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Full-time permanent	929	821	2	960	840	2	961	858	1,819
Part-time permanent	0	0	0	9	1	10	32	8	40
Full-time temporary	24	10	34	23	12	35	25	14	39
Part-time temporary	0	0	0	0	0	0	3	2	5
Group Total	953	831	2	992	853	1,845	1,021	882	1,903

Table 42 Distribution of employees by type of contract, age and gender

Category	Gender	31/12/2021		31/12/2022		31/12/2023	
		Permanent	Temporary	Permanent	Temporary	Permanent	Temporary
Directors	Women	10	0	38	0	41	-
	Men	31	0	67	0	62	-
Middle management	Women	120	1	89	0	89	-
	Men	145	0	95	0	101	-
Specialists / Professionals	Women	581	16	570	15	594	11
	Men	467	8	436	6	450	4
Administrative staff/Workers	Women	218	7	272	8	269	17
	Men	178	2	243	6	253	12
Group Total		1,750	34	1,810	35	1,859	44

Table 43 Distribution of employees by type of contract, category and gender

The breakdown of the type of contract by country is shown below for 31 December 2023:

Country	Full-time permanent		Part-time permanent		Full-time temporary		Part-time temporary	
	Women	Men	Women	Men	Women	Men	Women	Men
Spain	615	591	21	6	16	10	0	0
Germany	152	138	8	1	6	3	3	2
United States	50	33	0	0	0	0	0	0
Italy	42	43	0	0	2	0	0	0
United Kingdom	19	10	0	1	0	0	0	0
Switzerland	9	4	3	0	0	0	0	0
Netherlands	6	2	0	0	1	1	0	0
Austria	7	6	0	0	0	0	0	0
Belgium	8	6	0	0	0	0	0	0
Nordic countries	9	6	0	0	0	0	0	0
Portugal	8	2	0	0	0	0	0	0
Poland	6	1	0	0	0	0	0	0
France	23	14	0	0	0	0	0	0
China	1	0	0	0	0	0	0	0
Czech Republic	5	2	0	0	0	0	0	0
Slovak Republic	1	0	0	0	0	0	0	0
Total	961	858	32	8	25	14	3	2

Table 44 Distribution of employees by type of contract, country and gender

3.8. Layoffs by gender, age and occupational classification

The following involuntary severances of contracts at Almirall occurred during the 2021, 2022 and 2023 financial years. The following table shows the details of their classification by gender, age and occupational classification (only involuntary terminations are included regardless of the type of contract)

Professional category	2021			2022			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Directors	3	1	4	1	6	7	0	4	4
Middle management	4	9	13	4	4	8	1	1	2
Specialists / Professionals	26	12	38	20	22	42	25	21	46
Administrative staff/Workers	8	7	15	15	5	20	9	6	15
Group Total	41	29	70	40	37	77	35	32	67

Table 45 Layoffs by gender and professional category

Age	2021			2022			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
< 30	4	3	7	5	3	8	3	5	8
30 - 50	17	10	27	14	13	27	19	11	30
> 50	20	16	36	21	21	42	13	16	29
Group Total	41	29	70	40	37	77	35	32	67

Table 46 Layoffs by age and gender

3.9. Staff turnover

The following is a breakdown of layoffs by country and gender, taking into account all layoffs regardless of the reason (voluntary and involuntary). The figures reported correspond to people with a contract at Almirall (regardless of the type of contract) and whose leaving date is between the start and end date of the year. The data is extracted from the company's human resources operating system (HRIS).

Country	2021			2022			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Spain	70	49	119	70	70	140	69	55	124
Germany	14	11	25	26	15	41	13	16	29
United States	33	22	55	12	7	19	18	21	39
Italy	0	5	5	5	3	8	4	1	5
United Kingdom	2	9	11	8	5	13	7	7	14
Switzerland	1	2	3	3	2	5	1	1	2
Netherlands	1	1	2	2	1	3	3	0	3
Austria	3	0	3	0	0	0	2	0	2
Belgium	2	1	3	2	1	3	0	1	1
Nordic countries	0	0	0	0	0	0	2	1	3
Portugal	1	0	1	0	1	1	1	0	1
Poland	0	0	0	0	1	1	0	1	1
France	4	4	8	3	4	7	4	2	6
China	0	0	0	0	0	0	1	0	1
Czech Republic	0	0	0	0	0	0	1	0	1
Group Total	131	104	235	131	110	241	126	106	232

Table 47 Total Almirall layoffs by country and gender

Thus, the total turnover % and unwanted turnover are also included. During 2023, reorganizations were carried out in the U.S. subsidiary and in the U.K. subsidiary.

Country	2021		2022		2023	
	Total turnover	Unwanted turnover	Total turnover	Unwanted turnover	Total turnover	Unwanted turnover
Spain	8.2%	5.1%	10.1%	3.0%	7.4%	1.6%
Germany	7.1%	3.4%	12.6%	3.0%	8.1%	1.3%
United States	54%	22.3%	16%	8.0%	42.2%	5.3%
Italy	3.9%	2.6%	12.5%	3.8%	6.1%	0%
United Kingdom	32.4%	3.0%	34.0%	14.2%	33.4%	0%
Switzerland	14.2%	14.2%	25.9%	10.3%	11.7%	5.8%
Netherlands	19.5%	19.5%	23.7%	0%	17.1%	0%
Austria	21.6%	14.4%	0%	0%	13.9%	13.9%
Belgium	26.5%	8.8%	25.5%	0%	7.3%	0%
Nordic countries	0%	0%	0%	0%	9.2%	9.2%
Portugal	14.1%	0%	11.9%	0%	10.2%	0%
Poland	0%	0%	20.7%	0%	17.1%	0%
France	29.7%	0%	17.2%	2.9%	13.8%	0%
Czech Republic and Slovakia	0%	0%	0%	0%	13.5%	0%
Group Total	11.6%	5.8%	11.8%	3.5%	10.1%	1.8%

Table 48 Almirall staff turnover

The turnover rate was calculated by dividing the number of departures with permanent contracts by the average number of employees in each country during the year of calculation. The company understands as undesired turnover that which considers the layoffs that have had a negative impact on Almirall.

During 2023 and in order to monitor monthly turnover in the company, a dashboard has been designed and implemented to include the % of turnover (total and undesired), benefiting from a unified calculation in the same tool for all countries.

The data reported correspond to all Almirall Group employees, regardless of their type of contract, and whose leaving date is between the start and end date of 2023. The data is extracted from Almirall's human resources operating system (HRIS).

3.10. Access for people with functional diversity

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 functional diversity, 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.

In relation to the measures implemented to guarantee universal access to all persons with any type of functional diversity in the work centres in Spain, all of them existing before 2010 (the third transitional provision of Royal Decree 173/2010, of 19 February, which modifies the Technical Building Code in terms of accessibility and non-discrimination of persons with functional diversity refers to existing buildings as those 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 in these buildings, it is reported that the centres located in Sant Feliu de Llobregat (R&D Centre) or the Pharmaceutical Plant in Sant Andreu de la Barca have adapted the access points according to regulations, while the Headquarters (Ronda General Mitre), although it complies with the regulations applicable on the date of construction, the analysis and planning of the works to be carried out to voluntarily adapt to the regulations currently in force has been carried out and these have been scheduled for the coming years, and with regard to the Chemical Plants located in Sant Celoni and Sant Andreu de la Barca, the analysis of the works to be carried out to also fully adapt to the regulations is expected to begin soon.

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

	2021 ⁽¹⁾	2022 ⁽¹⁾	2023 ⁽¹⁾
Total functional diversity personnel	33	37	36
Women	20	26	25
Men	13	11	11
% of Group total	1.8%	2.0%	1.9%

Table 49 Employees with functional diversity

(1) Information from the US subsidiary is not available due to data privacy regulations.

3.11. Absenteeism

Absenteeism data corresponds to the hours of absence recorded for reasons of sickness and/or occupational accidents for the financial years 2021, 2022 and 2023. The breakdown by country and gender is as follows.

Absenteeism due to occupational accident and illness									
Country/Hours (*)	2021			2022			2023		
	Women	Men	Women	Women	Men	Total	Women	Men	Total
Spain	59,900	28,577	88,477	53,170	28,585	81,755	60,008	24,224	84,232
Germany	26,841	13,431	40,272	20,905	12,938	33,843	9,264	8,520	17,784
Italy	746	720	1,466	2,154	1,776	3,930	504	816	1,320
United Kingdom	628	61	689	540	46	586	1,995	270	2,265
Switzerland	512	18	530	555	161	716	274	83	357
Netherlands	0	0	0	0	0	0	2,520	128	2,648
Austria	558	79	637	420	294	714	862	239	1,101
Belgium	0	0	0	0	0	0	480	15	495
France	644	869	1,513	1,063	445	1,508	1,547	189	1,736
Total Group Hours	89,829	43,755	133,584	78,807	44,245	123,052	77,454	34,484	111,938
% Absenteeism			4%			4%			3%

Table 50 Absenteeism by country and gender

(*) Absence hours are not reported in the USA since local legislation does not allow them to be recorded. Nor for those countries with fewer than 15 employees on average (Netherlands, Czech Republic, Nordic countries, China, Portugal, Poland)

In order to monitor absenteeism in the company on a quarterly basis, a dashboard has been designed and implemented in 2023 to include the % of absenteeism (men/women), benefiting from a unified calculation of absenteeism in the same tool for all countries.

3.12. Safety, health and wellbeing

3.12.1. 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 Global Sustainability Executive Director, who in turn reports to the Chief People & Culture Officer. 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 wellbeing 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 described in section 2.1 Management focus 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 all of Almirall's operating centres and activities in both Spain and in Germany, representing 82% of the total average of employees. The remaining 18% corresponds to the commercial subsidiaries in the rest of the countries where Almirall has smaller offices, and where safety management is not certified, but rather the legally required management criteria are applied directly in each case.

On the other hand, with regard to non-employees, the coverage of the management system certified according to ISO 45001:2018 applies equally to 100% of non-employee workers at Almirall's operational centres in Spain and Germany. Likewise, in the rest of the countries where Almirall has smaller offices, the legally required management criteria are applied directly in each case.

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 2023, many prevention and employee-health promotion activities were carried out, among which the following basic indicators stand out:

- 6,279 training hours (a notable increase of 24% compared to 5,078 hours in 2022):
 - o 2,035 attendances (an increase of 27% compared to 1,607 attendances in 2022):
 - o 650 course editions (an increase of 6% compared to 612 editions in 2022):
- 209 corrective and improvement actions properly managed in the different areas of the organisation (a 42% reduction compared to 359 actions in 2022).
- 156 occupational risk assessments (16% increase compared to 135 assessments in 2022):
 - o 50 occupational safety assessments.
 - o 13 workplace assessments.
 - o 43 industrial hygiene assessments.
 - o 8 job assessments.
 - o 42 ergonomics assessments.
- 386 suppliers of works and services approved in terms of health and safety to carry out work at Almirall centres (8% increase compared to 359 suppliers in 2022).

- 120 monitoring and control activities (a 16% reduction compared to 143 in 2022):
 - o 55 self-inspections.
 - o 35 other inspections.
 - o 10 visits by Management.
 - o 12 supplier audits.
 - o 8 internal and external audits.
- 82 incidents and 31 non-conformities, all properly reported, investigated and evaluated (9% fewer incidents compared to 2022 and 19% fewer non-conformities compared to 2022).
- 1,136 medical check-ups of employees (a 3% reduction compared to 1,175 check-ups in 2021).

3.12.2. Accidents at work

Workers employed

The tables in this section summarise the main statistical data on accidents at the different Almirall centres for the 2021, 2022 and 2023 financial years. As can be seen, compared to the 2022 data, in 2023 there has been a slight increase in the number of accidents with disability leave at work (15 in 2023 vs 13 in 2022):

- 1) Incidence rate: in 2023 it was reduced globally by 10% (7.7 vs. 7.0). In 2023 there were 0 accidents at the Sant Feliu R&D Centre, and in all commercial subsidiaries, except Germany, where there was one minor accident. The accident rate has decreased at all industrial sites, except at the Reinbek Pharmaceutical Plant, where it has increased, with three accidents resulting in disability leave in 2023.
- 2) Frequency rate: this grew in 2022 by 11% (4.0 vs. 3.6). We have applied the same considerations here as for the incidence rate.
- 3) Severity index: starting from a historic low in 2022, in 2023 the severity index has increased by 67% (0.10 vs 0.06).

It is important to note that, taking as a reference the official accident rate data for the last period published by the Ministry of Labour, Migration and Social Economy, the incidence rate of accidents with disability leave in 2023 was 52% below the level of the Industry Sector, Pharmaceutical Products Manufacturing Division (7.7 vs 15.9). Likewise, the severity rate of accidents resulting in disability leave in 2023 was 89% below the level of the Industry Sector, Manufacturing Industry Division (0.1 vs 0.87).

The tables in this section summarise the main statistical data on accidents at the different Almirall centres for the 2021, 2022 and 2023 financial years. Accident data disaggregated by gender of the workers employed in the company are also shown, 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 _G (5)
Headquarters	274	529,272	0	0	0	0	0
Sant Feliu R&D Centre	249	470,920	0	0	0	0	0
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 51 Accident rate of Almirall Group employees in 2021

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

Centre	General data		Disability leave				
	Average workforce (1)	Hours worked (2)	Accid.	Days lost	I _I (3)	I _F (4)	I _G (5)
Headquarters	329	639,168	0	0	0	0	0
Sant Feliu R&D Centre	195	372,600	0	0	0	0	0
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 52 Accident rate of Almirall Group employees in 2022

Centre	General data		Disability leave				
	Average workforce (1)	Hours worked (2)	Accid.	Days lost	I _I (3)	I _F (4)	I _G (5)
Headquarters	344	677	0	0	0	0	0
Sant Feliu R&D Centre	208	409	1	8	4.8	2.4	0.02
Sant Andreu Pharmaceutical Plant	465	927	8	257	17.2	8.6	0.28
Reinbek Pharmaceutical Plant	127	275	3	27	23.6	10.9	0.10
Chemical plants	73	143	1	48	13.7	7.0	0.33
Commercial subsidiaries	730	1,359,729	2	34	2.7	1.5	0.03
2023 Total	1,947	3,790,808	15	374	7.7	4.0	0.10
Women	1,051	2,047,036	8	251	7.6	3.9	0.12
Men	896	1,743,772	7	123	7.8	4.0	0.07

Table 53 Accident rate of Almirall Group employees in 2023

- (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 2023.

Non-employee workers

The tables in this section summarize the main accident statistics for non-employee workers at Almirall España³:

Centre	General data		Disability leave				
	No. of employees	Hours worked (6)	Accid.	Days lost	I _I (7)	I _F (8)	I _G (9)
Workers of construction and service contractors (1)	3,844	6,734,688	3	54	0.8	0.5	0.01
Temporary agency workers (2)	134	234,768	4	22	29.9	17.0	0.09
Scholarship holders (3)	48	124,392	0	0	0	0	0
2023 Total	4,049	7,093,848	7	76	1.8	1.0	0.01
Women (4)	2,186	3,830,678	3	26	1.4	0.8	0.01
Men (5)	1,863	3,263,170	4	50	2.3	1.3	0.02

Table 54 Accident rate of Almirall Group non-employee workers in 2023

- (1) Average number of workers in the period, accredited by approved contractors to be able to perform work at Almirall's centres.
- (2) Number of workers accumulated during the year.
- (3) Number of workers accumulated during the year.
- (4) It is considered to be 54% women, the same as with Almirall's workforce.
- (5) It is considered to be 46% male, the same as with Almirall's workforce.

³ With regard to the information on occupational accidents of non-employee workers, 2023 is the first year that it is reported in the Statement of Non-Financial Information, and only for Almirall's centres and activities in Spain, which represents approximately 65% with respect to the company as a whole, in terms of the number of workers employed.

- (6) Number of theoretical hours worked.
- (7) Incidence rate: number of accidents per thousand workers.
- (8) Frequency rate: number of accidents per million hours worked.
- (9) 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 2023.

3.12.3. 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.

The following table lists the 8 Safety and Health Committees / ASA Committees that have been operating in Almirall's centres in 2023, as well as the 37 meetings held during the year.

Centre	2021	2022	2023
Headquarters	9	9	5
Sant Feliu R&D Centre	6	7	4
Sant Andreu Pharmaceutical Plant	5	4	4
Reinbek Pharmaceutical Plant	4	4	4
Sant Andreu Chemical Plant	6	4	4
Sant Celoni Chemical Plant	6	4	4
Almirall, S.A. Spanish Subsidiary	6	8	6
Laboratorios Almirall, S.L. Spanish Subsidiary	6	8	6
Industrial Area - COVID-19 Committee	7	4	0
Total meetings	55	52	37

Table 55 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 2023, 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.

3.12.4. 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.

YouFeelWell corporate wellbeing programme

The main objective of Almirall's Corporate Wellbeing Programme "YouFeelWell" is to strengthen the health and wellbeing of employees and their environment so that they can actively increase their level of well-being and health. With this programme we promote awareness and learning healthy habits, providing them with access to tools and resources so they can unleash their full potential, boosting their inner energy.

We understand that the meaning of wellbeing is multidimensional and can only be achieved with a balance of different elements. That is why we have combined these elements in a wellbeing programme, which is based on four fundamental pillars:

1) YouFeelWell Physical:

The “YouFeelWell Physical” pillar is based on several elements: physical fitness, health promotion and nutrition.

- We promote an active lifestyle through the YouFeelWell Challenge (see section below). In addition, we have our own fitness centres in our centres in Spain.
- We have Medical Services and we carry out epidemiological studies from which health promotion campaigns emerge.
- We organise workshops and talks on physical health such as healthy eating, launch food guides, offer fresh and local fruit to our staff, etc.

2) YouFeelWell Mental:

Within the mental dimension of the programme, we launched a series of initiatives to equip collaborators with tools to better navigate conversations about mental health and ways to identify when to seek additional support.

- Mindfulness programme through which to help reduce stress, control anxiety and sleep better.
- Workshops and lectures on mental wellbeing, delving into the basis of stress, the concept of emotional battery or how food is impregnated with decisions that not only have to do with the physiological but also with the need to calm certain internal states.

3) YouFeelWell Social:

Through this pillar, we try to create community and develop a sense of belonging to the group, to involve employees in the corporate culture and to make them feel the support of both the company and the team. This pillar is key to achieving 360° wellbeing, increasing productivity and improving motivation levels. After-hours activities are included that cover different themes: environmental, cultural, gastronomic, etc. and that can be attended by the whole family.

4) YouFeelWell Career&Financial:

The concept of economic wellbeing encompasses all the organization’s actions aimed at ensuring that employees do not suffer stress for financial reasons and at promoting their economic independence. On the one hand, we want to provide them with tools to help improve their financial planning. On the other hand, we are committed to workshops and training talks that enable them to take control of their present and their economic future.

In general, participation in these different workshops and talks 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.

Wellbeing challenge: YouFeelWell Challenge:

Given the success of previous editions of the “+YOUFeelFit Challenge”, and framed within the YouFeelWell corporate wellbeing programme, in 2023 the challenge evolved to make it more inclusive, holistic, interactive and supportive.

It is a 12-week global challenge, supported by a social webapp, where employees can voluntarily choose to walk, run, cycle or swim, individually or in teams. While practicing these sports, they accumulate Almirometers (the challenge’s unit of measurement), which are converted into money at the end of the challenge to donate to selected patient associations. This brings us closer and unites us to contribute to bringing our Noble Purpose to life. In the 2023 edition of the YouFeelWell Challenge, the selected patient organizations were: Association of Atopic Dermatitis Sufferers (AADA), Skin Cancer Foundation (SCF) and National Eczema Society.

As a novelty in 2023, 6 “mini-challenges” were launched to consolidate healthy habits among participants, such as sending healthy recipes, participating in different masterclasses, coming to work in a sustainable way or sharing healthy habits, among others.

The 2023 edition of the YouFeelWell Challenge ended in July 2023, with over 600 participants (33% of the total number of workers), more than 60 teams and more than 148,000 almirometers generated.

The YouFeelWell programme won the best initiative to promote health in the workplace at the 11th edition of the Atlante de Foment de Treball awards. The holistic, integral and multidimensional vision of the concept of health and the set of actions developed to influence and have an impact on the different dimensions of employee wellbeing were particularly valued.

This tribute shows Almirall's commitment to caring for the people who are part of Almirall and is also a recognition for all the participants who made the programme a success.

4. Community and society

4.1. Respect for human rights

In 2022, Almirall's Board of Directors 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, expressly including respect for diversity based on race, age, gender, marital status, sexual orientation, political opinions, religion or any other personal, physical or social condition.

At Almirall, there is a strong commitment to ensure respect for human rights in all areas and levels of its business organization, which is achieved through the appropriate corporate policies, which have been designed based on the principles of the United Nations Global Compact, the Universal Declaration of Human Rights, the OECD guide for multinational companies and the fundamental regulations and conventions of the International Labour Organization.

Almirall's commitment to the respect and promotion of Human Rights has been developed around areas that cover its areas of action, specifically in the relationship with employees, suppliers and other interlocutors, patients and society in general. 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, rejecting and prohibiting forced and child labour and human trafficking, 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.

Specifically, the Group's Equality Plan, agreed with the Legal Representation of Workers, guarantees the company's commitment to establishing policies that guarantee equal treatment and equal opportunities for women and men at all levels of the organization. Currently, this Plan is only in force for Spain - although some of the actions (increasing the presence of women in leadership positions, training campaigns, visualization or remuneration policies) will be extended to other geographies. Aware of the importance of these aspects for Almirall's stakeholders, and framed within Almirall's new 2024-2030 sustainability strategy, we plan to develop a corporate framework for Diversity, Equity and Inclusion that establishes strategic lines at a global level and provides coverage at a local level. This will include initiatives aimed at promoting a culture of diversity, inclusion and belonging that considers generational, cultural, sexual, functional and gender aspects. Only by managing diversity in an inclusive manner will we be able to guarantee an environment free of discrimination and, consequently, break down the inequalities associated with labels.

Almirall is firmly committed to the most vulnerable groups and those at risk of social exclusion, and this is reflected and expressed in the company's Code of Ethics, in section 2.2, published on the intranet and available to all employees. There, explicit mention is made of the commitment to diversity and inclusion, fostering relationships based on mutual respect and equality, without discrimination based on race, age, gender, marital status, sexual orientation, political opinions, religion or any other personal, physical or social condition of the workers, or any other characteristic that could make them unique.

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), through which they can report any action that they believe constitutes or may constitute or result in a human rights violation.

During 2023, no human rights complaints have been received. If any, the Group has identified a series of protocols and actions, including the Protocol against Psychosocial harassment and the Protocol against sexual or gender-based Harassment.

It is important to highlight the existence of the internal channel "SpeakUp!" as a way of channeling any report, complaint or suggestion regarding bribery, fraud, corruption, harassment, violation of human rights or any other conduct not aligned with the Code of Ethics. It is a channel available 24/7 on the intranet for all employees, which allows interaction in all languages present in the company, as well as the possibility of filing an anonymous complaint. Any complaint filed initiates an investigation process carried out by internal or external specialists in the matter, guaranteeing that no reprisals will be taken against the complainant.

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. These channels, specifically the mechanisms for reporting and protection against any situation of discrimination and/or harassment, have been established with the participation of the legal representation of employees, to cover any situation of possible discrimination in any field, whether gender, origin, sexual orientation, age, religion or any other individual condition.

In turn, the existence of protocols to deal with situations of harassment and/or discrimination of any kind guarantees that, in the event of a report or suspicion of one of these circumstances, the company has a procedure in place to identify, mitigate, correct and, if possible, prevent future occurrences.

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 and Patient Organizations

Benefiting patients is at the core 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 drugs that address unmet needs that may have psychological implications and promotes greater awareness of little-known pathologies, such as psoriasis, that have a significant impact on patients' lives.

To be as close as possible to patients, we collaborate with both patient organizations and patient advocacy groups representing people with chronic skin diseases and autoimmune diseases in order to improve the care they receive by providing better support, information and services. This cooperation leads to better outcomes and experiences, and better health for all. This direct contact with patient advocacy is part of Almirall's commitment to building mutual respect and trust with patients.

In 2023 we collaborated with the global patient organization **IFPA** (International Federation of Psoriasis Associations). Through annual sponsorship, Almirall participates in IFPA's important mission to unite, strengthen and lead the global psoriatic disease community. By supporting IFPA, we reach more than 60 million people worldwide living with psoriatic disease. We also support IFPA's flagship programmes: World Psoriasis Day, the IFPA Forum and the IFPA Accelerator. The IFPA Forum is about people living with psoriatic disease and what is needed to address their unmet needs. The vital part of IFPA's work is to support, through the IFPA Accelerator, the

growing network of national patient organizations working to improve the lives of people with psoriatic disease. The slogan for World Psoriasis Day 2023 was "Access for all", and from Almirall we stress the need to ensure adequate treatment for each patient.

Another important partner in our patient-centric journey is **GlobalSkin** (International Alliance of Dermatology Patient Organisations). Almirall supported this unique global alliance, committed to improving the lives of patients worldwide, fostering relationships with members, partners and all those involved in healthcare, building a dialogue with decision makers around the world to promote patient-centric healthcare. GlobalSkin connects more than 200 Dermatology-focused patient organizations and is based on three pillars: research, advocacy and support. We have supported its Atopic Eczema Community in building a strong and united voice for Atopic Eczema worldwide and also actively participated in the GlobalSkin 2023 Conference.

During 2023, Almirall sponsored a new **EUROPSO** (European Federation of Psoriasis Movements) project - PSO Podcasts - which aims to raise awareness of the psychosocial burden of psoriasis and the importance of the wellbeing of patients and their families.

Our subsidiaries' commitment to patient organisations

Spain

This year, our collaboration with patient advocacy group **Acción Psoriasis** on the Healthy Habits Project continued to address the need for guidance and support for psoriasis patients in terms of diet, physical activity and emotional wellbeing.

As a support tool to improve patients' emotional wellbeing, Almirall presented its CLARO digital application to Acción Psoriasis to offer this tool to patients with psoriasis and psoriatic arthritis in Spain. During 2023, the third and last step of the pyramid, physical exercise, was initiated by conducting a patient survey. The results of the different surveys will help provide patients with solutions that meet their needs and help them improve their quality of life.

In the area of multiple sclerosis (MS), among other projects, we collaborated with regional MS patient associations with the following solidarity campaigns: the virtual MOU-TE race; the '*An apple for life*' campaign, which raised money and gave visibility to the 9,000 families of patients with multiple sclerosis in Catalonia, and the *Mulla't* campaign, an event that takes place in swimming pools across Spain. The Group was also involved at regional level with the World and National Multiple Sclerosis Day campaigns. Almirall also collaborates with these regional associations in conducting MS symptom workshops, in which patients are taught techniques for optimising exercise therapy and maintaining a routine that allows them to improve their symptoms in the medium/long term.

We also collaborated with AADA (Association of Atopic Dermatitis Sufferers) on World Atopic Dermatitis Day by supporting them with a video to raise awareness of the disease and involved the Association in an internal awareness and CSR initiative (YouFeelWell).

Germany

Almirall supported educational and awareness campaigns of patient organizations representing people with chronic skin diseases, autoimmune diseases or allergies. Deutscher Neurodermitis Bund e.V. (DNB) disseminated educational information for patients. We have collaborated with Deutscher Allergie-und Asthmabund (DAAB) to co-create a patient brochure. We support the patient organization Netzwerk Autoimmunerkrankter (NIK e.V.) and its cooperation with Derma2go, the leading expert in digital dermatology, as well as its "Skin Week" campaign dedicated to psoriasis and atopic dermatitis.

France

In France, during 2023 Almirall supported patient associations in various contexts. We supported the France Psoriasis association on World Psoriasis Day by organizing a round table with a health professional, a psychiatrist, a psychoanalyst and a dermatologist, as well as representatives of this patient association. The purpose of the discussions was to highlight the importance of psychological aspects for the wellbeing of patients. The roundtable was posted on LinkedIn as part of the World Psoriasis Day celebration.

We supported the patient organization Association Française d'Eczema, an association fighting for a better understanding of atopic dermatitis, by supporting a patient survey on care trajectories and perceptions of the quality of care in France for this disease. The main findings of this survey were made public through the LinkedIn campaign on World Eczema Day.

The Patients and Digital Health event that we supported enabled more than twenty speakers, industrial and academic institutions, healthcare professionals, ministerial delegates and patient associations to discuss the

contributions that digital tools could make to improve dermatology. Several themes marked these discussions: patient care, organization of care, collaboration between professionals and research, including artificial intelligence.

Italy

Almirall sponsored the DERMA-POINT portal, which targets patients and aims to inform, educate and support them by improving disease management and awareness of diseases such as psoriasis, atopic dermatitis or Actinic Keratosis, also transmitting digital awareness campaigns and offering free screening programmes. The sponsor of DERMA-POINT is APIAFCO (Associazione Psoriasici Italiani Amici della Fondazione Corazza).

Almirall also sponsored L'ADIPSO (Associazione per la Difesa degli Psoriasici) in the organization of a virtual World Psoriasis Day.

United Kingdom

In 2023, as part of National Eczema Week, the patient organization National Eczema Society (NES) produced patient podcasts with the help of funding from Almirall and other organizations. They vividly explained the impact of atopic dermatitis and helped to understand the condition from the patient's perspective. Each episode explores the issues through real-life experiences and shows the importance of managing the condition.

Another activity co-organized with NES has been the Patient Forum, which aims to encompass diverse patient experiences, broaden patient perspectives and discuss emotional challenges and wellbeing concerns to improve overall patient satisfaction and ensure a holistic approach to their atopic dermatitis journey.

Netherlands

Almirall sponsored the National Institutional Eczema Project (NCEP), which brings together all stakeholders in eczema care. The aim is to provide information, training and tools to both patients and healthcare professionals, make tools available, disseminate them and implement them. This has been done in a unique way that closely involves the patient association and all parties that directly or indirectly provide care. As a result, the project provides information and support tools that can be used throughout the country, which for Almirall is a further step in its commitment to support patient access to care and healthcare professionals, as well as patient education.

Denmark

Almirall financially supported the project of the patient organization Atopisk Eksem Forening, which aims to raise awareness about reducing the referral time for dermatological treatments, including a meeting organized in the Danish national parliament. Almirall also provided a financial grant to support Professor Tove Agner's new book campaign on atopic dermatitis for patients, healthcare professionals and parents.

Sweden and Norway

Almirall conducted surveys in collaboration with the psoriasis patient organization "Psoriasisförbundet" in Sweden and "Psoriasis og Eksem Forbundet", the psoriasis and atopic eczema patient organization in Norway, focusing on patients' quality of life, wellbeing and satisfaction with the treatment received. The aim is to collect the first data on the well-being of Swedish and Norwegian patients with psoriasis, to raise awareness among patients and dermatologists, as well as political society, about the importance of patient wellbeing.

Almirall supported the conference of the Swedish regional patient organization "Psoriasisforeningen Halland". The aim was to raise awareness of the burden and unmet needs of psoriasis patients and to discuss with regional politicians the future of patient care.

United States

In the United States, Almirall has partnered with the Skin Cancer Foundation, an organization dedicated to empowering people with resources for the prevention, detection and treatment of skin cancer. For the second year in a row, the company has contributed a donation of €10,000 through our YouFeelWell challenge.

Global medical associations

International Psoriasis Council

The overall goal of this Council is to raise the standard of care and treatment of psoriasis worldwide, focusing on providing personalized care that optimizes long-term quality of life and reduces the risk of comorbidities for affected individuals.

Euromelanoma is a European network of dermatologists whose aim is to promote and share information on the prevention, early diagnosis and treatment of skin cancer. Almirall is one of the key sponsors of its patient awareness campaigns. In addition, in 2023 we launched the 2nd World AK (Actinic Keratosis) Day campaign with its support.

During 2023, Almirall also sponsored activities of **SCOPE**, a pan-European organization for skin care in organ transplant patients, to support further education and meetings aimed at scientific exchange between physicians and basic scientists working on skin problems in organ transplant patients.

Strategic partners

Almirall 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 2023 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: laboratory that owns Ebglyss (an innovative biologic therapy for patients with atopic dermatitis) for which the Group has marketing rights in Europe and which was approved by the EMA in November 2023.
- MC2 Therapeutics: the laboratory from which the Group acquired marketing rights for Europe and which is marketed under the brand name Wyzora™ (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 laboratory that owns Ilumetri (a biologic therapy for patients with moderate to severe plaque psoriasis), for which the Group has marketing rights in Europe.

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 is responsible for drug discovery and preclinical development using its fully integrated AI/ML-based EVOiR&D platform. For its part, Almirall leads 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.
- Ethernal: an mRNA/NPLi technology platform company, with which the Group has announced a multi-target alliance to research and develop novel mRNA-based therapies for serious skin diseases, including non-melanoma skin cancer.
- Absci: a generative AI drug creation company, with which the Group has signed an agreement with the aim of collaborating in the discovery, development and commercialization of AI-engineered therapies (Absci's Integrated Drug Creation™ platform) to treat chronic and debilitating dermatological 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 2023 for a total amount of 1,854 thousand euros (1,518 thousand euros in 2022), 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 2023, the Group contributed €201 thousand (€186 thousand in 2022).
- 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 2023, the Group contributed €305 thousand (€316 thousand in 2022).
- 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 2023, the Group contributed €178 thousand (€179 thousand in 2022).
- 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 2023, the Group contributed €246 thousand (€236 thousand in 2022).
- 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 2023, the Group contributed €154 thousand (€131 thousand in 2022).

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 2023, donations amounting to €408 thousand were made (€501 thousand in 2022) 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.

Corporate volunteering

As part of the commitment to generate a positive impact on the environment and society, in 2023 we conducted a corporate volunteering pilot that gave all workers the opportunity to work together for a common cause with impact. During the pilot, our teams participated in various activities, including a harvest to prevent food waste of fruit and vegetables with no outlet in the market, the cooking of dishes and tupperware for vulnerable groups and the distribution of food to various social organizations in the Barcelona area, among other tasks.

Through this pilot, we are building a global volunteering policy that will see the light of day in 2024 and that will allow us to channel the spirit of solidarity of the people who form part of Almirall and motivate their participation in social projects.

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. During 2023, we worked on the new strategy for the sustainable purchasing programme, which will be implemented starting in 2024.

4.3.1. Policies and processes

At policy level, the Global Procurement Policy considers issues of corporate social responsibility (including social, gender equality and environmental aspects) during the supplier bidding and approval processes. In this regard, sustainability of the supply chain is 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.

Almirall has had a Supplier Code of Conduct in place since 2019 which has been subject to an update during 2023 to align it with the new principles of the Pharmaceutical Supply Chain Initiative of which it is a member, available from 2024, on the corporate website with the aim of reinforcing 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).

In the procurement and bidding processes, there are questions related to corporate social responsibility and sustainability actions that suppliers must answer and that are evaluated by the purchasing technicians when analysing the suitability of a supplier with a weight of between 5-10%. In certain cases, based on expenditure criteria in the project being tendered, the supplier's commitment to carry out a sustainability assessment after the award of the contract is required.

As regards assessments in sustainability issues, since 2023 there has been a new protocol available relating to the audits mentioned in section 4.3.3, 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.

4.3.2. Contracts with suppliers

Currently, all the standard contract models delegated to the purchasing team from the legal department contain 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 the different languages of companies of the Almirall Group), 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

The supply chain has an environmental, ethical and social impact on the following aspects related to the consequences of the research, development, manufacturing, transportation, marketing and consumption of our medicines and pharmaceutical specialties:

- The natural environment, such as overexploitation or extinction of species, intensive agricultural practices, water scarcity, industrial pollution, climate change and the emission of greenhouse gases, as well as the felling of forests, the negative impact of which may entail risks of increased costs for companies as a result of penalties, taxes, damage to image, loss of customers, as well as scarcity of resources and deterioration of the planet's health.
- Human rights, working conditions, safety, health or social inclusion of local populations, the negative impact of which may pose a risk of generating conflicts, legal claims, loss of trust or boycotts by stakeholders.
- The financial performance and competitiveness of companies, the negative impact of which can risk generating losses, delays and interruptions in supply, leaving patients without access to the medicines they need.
- The values and moral principles that govern the behavior of companies and their stakeholders, the negative impact of which can generate risks of sanctions for non-compliance with regulations or the perpetration of crimes such as fraud, corruption, bribery and other legal infractions, loss of business talent and customers, as well as serious reputational damage.

To reduce the environmental, social and human rights impact of our supply chain, and in line with our Noble Purpose, Almirall assesses its suppliers remotely through an independent global rating agency using the strictest ESG criteria, and individual action plans are implemented taking into account the results of each supplier's assessment and the potential risks identified during the assessment. 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 evaluation methodology of this agency consists of measuring the ESG management system of our suppliers through their policies, actions and results. This methodology includes seven indicators: Policies, Endorsements, Measures, Certifications, Coverage - Deployment of Actions, Reporting and a 360° Vision of the supplier through public information sources and news. The assessment takes into account a number of issues related to the environment, human and social rights and good governance, which are grouped into four thematic areas: (i) environment, (ii) social and human rights, (iii) responsibility, ethics and compliance, and (iv) sustainable procurement.

The topics covered in each assessment are based on the importance of the twenty-one criteria identified in each of the four pillars that have greater or lesser relevance taking into account the context of the company, the industry to which it belongs, its size and the geography from which it operates. The questionnaires are also adapted according to these criteria and a greater or lesser number of questions are activated.

In particular:

- From the point of view of environmental risks, operations (energy consumption, emissions), water, biodiversity, local and accidental pollution, materials and chemicals used in the production process, waste

management) and products (use, end-of-life, consumer health and safety, environmental protection) are reviewed

- From the point of view of human and labour rights risks, human resources (employee health and safety, working conditions, social dialogue, professional development management and training) and human rights (child labour, forced labour, human trafficking, diversity, discrimination and harassment, human rights of external stakeholders) are reviewed.
- From the point of view of ethical risks, the absence of corruption, anti-competitive practices and responsible information management are reviewed.
- From the point of view of supply chain risks, the practices of the evaluated supplier's own network of suppliers in terms of the environment and human and labor rights are reviewed.

These evaluations allow us to have visibility of our suppliers' practices, strengths and areas for improvement. It is for this reason that, at the close of the audits, the high/medium-risk suppliers (classified as such through the score obtained) 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 audit platform 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.

As regards corrective action plans, they are configured on the basis of the main areas of improvement detected in the supplier evaluations in the four areas indicated. Depending on the complexity of their implementation, the weight of each of them in the overall evaluation taking into account the type of industry in which they operate and the supplier's own global strategy, our buyers request these measures from all those suppliers that have not exceeded the established score threshold and are asked to implement them within approximately one year, when they will be asked to evaluate them again. Such measures may include, but are not limited to, some of the following:

- Have documentation at the policy and process level regarding environmental issues
- Have an equality plan in place within the company when required by regulations
- Measure greenhouse gas emissions scope 1, 2 and 3
- Have certifications such as ISO 14001
- Monitor the occupational accident rate
- Have an employee training programme
- Have a due diligence questionnaire with stakeholders, and a whistleblower channel when required by law
- Have a risk analysis of the supply chain and what actions are taken with suppliers in relation to environmental and social impacts, etc.

Follow-up is done with suppliers who decline to participate to discover the reasons for their decision and action is taken accordingly. The metrics of the supplier ESG audits at 31 December 2022 were as follows:

	No. of suppliers	% Expenditure (*)
Audited suppliers	326	59.33%
Suppliers that passed the audit	303	52.60%

Table 56 Supplier audits

(*) 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 326 suppliers with a valid scorecard at the end of 2023, 303 suppliers, representing 52.60% of expenditure, were approved; only 23 were found to be at medium risk. Over the past two years, 326 suppliers have been evaluated or re-evaluated, i.e. 85% of the suppliers invited since the start of the programme in 2020.

4.3.4. Carbon footprint - "Scope 3"

Reducing the carbon footprint in the value chain emissions (upstream / downstream - Scope 3) is one of the priorities of the sustainable procurement programme since its first calculation in 2022 and corresponding to October 2021- September 2022.

For this reason, Almirall launched the Net Zero project, which has evolved, as far as Scope 3 is concerned, into a Supplier Engagement Programme with those suppliers that have a high impact on our carbon footprint, the objectives of which are as follows:

- To know the primary greenhouse gas emissions data of our suppliers in order to calculate their impact on our Scope 3 and be able to measure their progress

- Communicate our decarbonisation ambition in scope 3 (28% reduction in the absolute value of tonnes of CO2 in 2030 compared to the base year 2019 and “net zero” in 2050) and get our suppliers to align with us on these objectives
- Train those suppliers with a lower level of maturity in greenhouse gas emissions management, for which specific materials have been developed and are available online.
- Identify specific opportunities for improvement and positive impact on Almirall’s footprint.

Since 2022 we have a new module on the platform of our audit provider that allows us to have more information on the level of maturity of our supplier base in the management of greenhouse gas emissions, where we capture part of the information necessary to adjust our carbon footprint and identify areas for improvement to move towards more optimal levels, 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 targets 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 2023-2050 were redefined and communicated to the company’s ESG committee.

In 2023 the KPIs have not only been met but also substantially exceeded.

Name of the KPI	Description of the KPI	KPI target/year	% reached in 2023
Suppliers with ESG (*) audit results	% expenditure (**) invoiced to suppliers with results available in the ESG audit programme	2023: 55% 2024: 58% 2025: 60%	59.33%
Suppliers that have accepted Almirall’s Supplier Code of Conduct	% expenditure (*) invoiced to suppliers who have accepted the Almirall Supplier Code of Conduct	2023: 40% 2024: 50% 2025: 60%	53.81%

Table 57 KPIs Sustainable purchasing programme. 2023-2025

(*) The reference to "results" refers to supplier evaluations that are 2 years old or less.

(**) 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

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.

In addition, suppliers have a voluntary training programme with specific materials on various topics including sustainability, environment, climate change, sustainable procurement, diversity and inclusion, codes of conduct, etc.

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 2023 Almirall obtained the platinum medal for the third 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 100,000 member companies from more than 200 sectors of activity in more than 180 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, Czech Republic, Slovakia, Norway 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	2021			2022			2023		
	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	-39.6	11.7	-27.9	-16.2	8.0	-8.2	-8.0	2.9	-5.1
Germany	0	11.5	11.5	1.5	9.6	11.1	-0.2	10.8	10.6
Italy	2.3	2.1	4.4	0	1.6	1.6	0.5	2.2	2.7
Switzerland	1.8	2.1	3.9	3.5	2.8	6.3	1.4	2.9	4.3
United States	-16.7	0.3	-16.4	-4.5	0	-4.5	0	0	0
Other countries	0.2	0.8	1.0	-0.8	2.1	1.3	0	1.0	1.0
Group Total	-52.0	28.5	-23.5	-16.5	24.1	7.6	-6.3	19.8	13.5

Table 58 Income tax collected and paid by country

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:

Net profit before tax (Thousands of euros)	2021	2022	2023
Spain	-30,142	-44,787	-53,064
Netherlands	6,792	4,083	-168
Belgium	200	229	276
Portugal	379	313	291
United Kingdom	485	1,159	845
France	2,262	1,148	3,690
Poland	18	30	50
Germany	37.33	42,475	46,018
Austria	322	354	439
Italy	6,368	5,469	8,361
Denmark	452	221	294
United States	-263,506	-184,971	-211,642
Switzerland	30,636	38,896	42,093

Czech Republic	0	13	48
Slovak Republic	0	54	23
Norway	0	0	20
Sweden	0	0	37

Table 59 Pre-tax net profit by country.

Note 22 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 increase in permanent differences is mainly due to provisions for participations in subsidiaries, mainly in the US business.

Additionally, in 2023 the subsidiary Almirall Hermal GmbH distributed a dividend to the Parent Company for the amount of €45 million, which has also been adjusted as a permanent difference.

- The reduction in permanent differences, is due to consolidation adjustments for elimination of the valuation adjustments on companies and the dividend distributed by Almirall Hermal GmbH, while the remaining amount corresponds mainly to certain non-tax deductible expenses of the subsidiary Almirall SpA and the partial crediting of certain revenue linked to the exploitation of intellectual property by the subsidiary Polichem S.A.

In relation to government subsidies, the information can be found in note 18 of the consolidated annual accounts at the close of the 2023 financial year.

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

The following tables include information for the year ended 31 December 2023 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	Current income tax expense
	From third parties	Related parties	Total			
Austria	0	4,606	4,606	439	111	106
Belgium	7,481	1,907	9,388	276	173	144
Denmark	8,417	4,277	12,694	294	51	64
France	32,567	9,265	41,833	3,690	243	1,102
Germany	240,690	58,025	298,715	46,018	10,501	13,465
Italy	66,321	16,141	82,462	8,361	2733	3,302
Netherlands	6,937	30,525	37,462	355	39	80
Portugal	7,534	2,170	9,704	291	135	163
Spain	397,128	299,557	696,684	-54,709	-4,710	700
Switzerland	71,762	28,573	100,335	42,084	4,662	7,566
United Kingdom	24,360	5,759	30,120	845	337	250
United States	62,436	0	62,436	-103,794	0	0
Others	19	5303	5,322	278	65	89

Table 60 Tax information country by country

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	2371
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

Table 61 Financial data by tax jurisdiction

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. They are also 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 and inspections by health authorities, international bodies and customers in 2023 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	2021	2022	2023
Health authorities	17	16	19
External inspections by business partners	10	20	7

Table 62 Number of external audits and inspections

In 2023, a total of 26 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. 26 inspections were managed by different health authorities and/or certifying bodies; the rest were managed by external partners. The inspectors came from at least 12 different countries and focused on 17 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, 56 audits were conducted in 2023 with the following distribution:

Area	Type of supplier	Year	Results		
			No. of quality audits	Favourable	Unfavourable
Manufacture	Starting materials and services	2021	71	71	0
		2022	87	87	0
		2023	49	49	0
Commercial	Distributors and transport companies	2021	13	13	0
		2022	7	7	0
		2023	7	7	0

Table 63 Number of audits by area and rating

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.

Management of collection and evaluation of complaints and enquiries about quality

The functions of the Quality Assurance department include the collection of information on market quality complaints, the processing of these complaints with the head office and/or manufacturer for their evaluation and investigation, and it is the point of contact with the national health authorities of each country.

There are different communication channels through which patients and users of all Almirall products can contact the company to make a complaint or an enquiry about quality. Those most commonly used are the local *call centre* services, or direct contact via telephone or in writing between customers and the various Almirall Group offices. Almirall has implemented a system of quality indicators to guarantee the efficiency of the system and the correct technical investigation of all the complaints received.

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 Global Quality Assurance Executive 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:

	2021	2022	2023
No. of drug complaints (ppm)	3.3	2.8	3.3
Medicines released (units)	90,431,696	107,068,352	121,283,370
No. of complaints regarding active ingredients (ppm)	0	0	0
Active ingredients released (kg)	119,894	110,995	61,125
No. of quality inquiries received	1,087	926	1,251

Table 64 Number of complaints and enquiries about quality

As of the date this document was issued, more than 98% of the enquiries received in 2023 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.

Management of adverse reaction collection and evaluation

Almirall has a pharmacovigilance system through which patients, consumers and users of the company's products can contact us to report suspected adverse reactions (harmful and unintended response to a drug). At Almirall, we have enabled different communication channels that include, among others, contact through digital media (corporate website and social networks), telephone number available both in digital media and in the package leaflet of medicines, and in the case of health professionals by direct contact with Almirall collaborators through the medical visit. Almirall's pharmacovigilance system includes as a fundamental pillar the continuous monitoring of the safety profile of the drugs, medical devices and cosmetics that are part of the company's product portfolio.

In case of detecting a side effect/adverse reaction/incident/unwanted effect in relation to our products, the measures to be taken range from updating the product information (through the technical data sheet, package leaflet, etc.) to the recall of the products from the market if the risk is not considered adequate for patients/consumers in relation to the benefit of the product. Likewise, for some products it is necessary to provide information beyond the technical data sheet and package leaflet and Almirall provides for this in agreement with the competent health authorities.

No pharmacovigilance recalls were required during 2023.

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 business continuity plan is routinely tested once a year to ensure that pharmacovigilance activities can continue as normal in the event of any eventuality.

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

	2021	2022	2023
No. of individual suspected cases of adverse reactions received and processed at Almirall	3,429	3,872	4,652
No. of individual suspected cases of adverse reactions reported to health authorities as required by current legislation	1,827	1,984	2,458

Table 65 Adverse reactions

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 2023, corresponding to Almirall's financial year. In the sections where historical data appears, figures for the last three financial years (2021--2023) 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 2023.

The financial information included in this report is derived from the Consolidated Financial Statements for the year ended 31 December 2023.

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 "Materiality Analysis" of this report.

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 2023 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. Tables of indicators of economic activities that comply with EU taxonomy

The following are the templates attached in the appendices of the delegated regulation 2023/2486 published by the European Commission on 27 June 2023, although the data explained in greater detail can be found in the section 2.2.2.

5.3.1. Turnover

2023				Substantial contribution criteria						Criteria for absence of material damage										
Economic activities	Codes	Net turnover	% current year	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum guarantees	Proportion of financial year 2022	Category facilitating activity	Transition activity	
A. ELIGIBLE ACTIVITIES ACCORDING TO TAXONOMY																				
A.1 Environmentally sustainable activities (conforming to the taxonomy)																				
Total A.1		0	0.0%	0%	0%	0%	0%	0%	0%											N/A
Of which facilitators			0.0%																	N/A
Of which transitional			0.0%																	N/A
A.2 Taxonomy-eligible but not environmentally sustainable activities (activities that do not comply with the taxonomy)																				
Manufacture of active pharmaceutical ingredients (APIs) or active substances	PPC 1.1	6,686	0.7%	N/EL	N/EL	N/EL	EL	N/EL	N/EL											N/A
Drug manufacturing	PPC 1.2	590,912	66.1%	N/EL	N/EL	N/EL	EL	N/EL	N/EL											N/A
Turnover of taxonomy-eligible but not environmentally sustainable activities (activities that do not comply with the taxonomy) (A.2)		597,598	66.8%	0%	0%	0%	66.8%	0%	0%											N/A
Turnover from eligible activities according to the taxonomy (A.1+A.2)		597,598	66.8%	0%	0%	0%	66.8%	0%	0%											N/A
B INELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY																				
Turnover from ineligible activities according to the taxonomy (B)		296,918	33.2%																	
TOTAL		894,516	100.0%																	

	Ratio Turnover/Total Turnover	
	which conforms to the taxonomy by objective	eligible according to taxonomy by objective
CCM	N/A	0.0%
CCA	N/A	0.0%
WTR	N/A	0.0%
CE	N/A	0.0%
PPC	N/A	66.8%
BIO	N/A	0.0%

5.3.2. Capex

2023				Substantial contribution criteria						Criteria for absence of material damage									
Economic activities	Codes	CapEx	% current year	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum guarantees	Proportion of financial year 2022	Category facilitating activity	Transition activity
A. ELIGIBLE ACTIVITIES ACCORDING TO TAXONOMY																			
A.1 Environmentally sustainable activities (conforming to the taxonomy)																			
CapEx of environmentally sustainable activities (conforming to the taxonomy) (A.1)		0	0.0%	0%	0%	0%	0%	0%	0%									N/A	
Of which facilitators			0.0%															N/A	
Of which transitional			0.0%															N/A	
A.2 Taxonomy-eligible but not environmentally sustainable activities (activities that do not comply with the taxonomy)																			
Manufacture of active pharmaceutical ingredients (APIs) or active substances	PPC 1.1	4,832	1.9%	N/EL	N/EL	N/EL	EL	N/EL	N/EL									N/A	
Drug manufacturing	PPC 1.2	18,618	7.3%	N/EL	N/EL	N/EL	EL	N/EL	N/EL									N/A	
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	1,360	0.5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0.4%	
CapEx of the taxonomy-eligible but not environmentally sustainable activities (activities that do not comply with the taxonomy) (A.2)		24,810	9.7%	0.5%	0%	0%	9.2%	0%	0%									N/A	
CapEx of eligible activities according to taxonomy (A.1+A.2)		24,810	9.7%	0.5%	0%	0%	9.2%	0%	0%									N/A	
B INELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY																			
CapEx of ineligible activities according to taxonomy (B)		230,928	90.3%																
TOTAL		255,738	100.0%																

	CapEx/Total CapEx Ratio	
	which conforms to the taxonomy by objective	eligible according to taxonomy by objective
CCM	0%	0.5%
CCA	0%	0.0%
WTR	N/A	0.0%
CE	N/A	0.0%
PPC	N/A	9.2%
BIO	N/A	0.0%

5.3.3. Opex

2023				Substantial contribution criteria						Criteria for absence of material damage										
Economic activities	Codes	OpEx	Proportion of financial year 2023	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum guarantees	Proportion of financial year 2022	Category facilitating activity	Transition activity	
A. ELIGIBLE ACTIVITIES ACCORDING TO TAXONOMY																				
A.1 Environmentally sustainable activities (conforming to the taxonomy)																				
OpEx of the environmentally sustainable activities (conforming to the taxonomy) (A.1)		0	0.0%	0%	0%	0%	0%	0%	0%											N/A
Of which facilitators			0.0%																	N/A
Of which transitional			0.0%																	N/A
A.2 Taxonomy-eligible but not environmentally sustainable activities (activities that do not comply with the taxonomy)																				
Manufacture of active pharmaceutical ingredients (APIs) or active substances		PPC 1.1	5,482	5.3%	N/EL	N/EL	N/EL	EL	N/EL	N/EL										N/A
Drug manufacturing		PPC 1.2	13,411	12.9%	N/EL	N/EL	N/EL	EL	N/EL	N/EL										N/A
Installation, maintenance and repair of renewable energy technologies		CCM 7.6	31	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										0.1%
OpEx of the taxonomy-eligible but not environmentally sustainable activities (activities that do not comply with the taxonomy) (A.2)			18,924	18.2%	0.0%	0%	0%	18.2%	0%	0%										N/A
OpEx of eligible activities according to taxonomy (A.1+A.2)			18,924	18.2%	0.0%	0%	0%	18.2%	0%	0%										N/A
B INELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY																				
OpEx of ineligible activities according to taxonomy (B)			84,968	81.8%																
TOTAL			103,892	100.0%																

	OpEx/Total OpEx Ratio	
	which conforms to the taxonomy by objective	eligible according to taxonomy by objective
CCM	0%	0.0%
CCA	0%	0.0%
WTR	N/A	0.0%
CE	N/A	0.0%
PPC	N/A	18.2%
BIO	N/A	0.0%

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

Below is the table with all the contents required by law that the Group's management has considered material for the purposes of this report, unless expressly mentioned:

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 respect to actual and potential impacts 2-22	1 Business Model (p. 4, 9-11, 14-19)
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 verification and control procedures, including the measures adopted.	3-3 concerning its policies or commitments	1.2 Corporate Governance(p.4) 1.6 Prevention of and fight against corruption and money laundering (p.21-22) 2.0 Environmental management (p.23-25) 3.0 Employees (p.43-46) 4.0 Community and society (p.68-70)
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 concerning its policies or commitments	1.6 Prevention of and fight against corruption and money laundering (p.21-22) 2.0 Environmental management (p.23-25) 3.0 Employees (p.43-46) 4.0 Community and society (p.70) 4.2 Commitments to the community (p.70-75) 4.3 Subcontracting and suppliers (p.75-80)
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 describing its policies or commitments	2.0 Environmental management (p.29-30)
	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 (p.25-29)
	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 describing the measures taken 305-7	2.4 Air, noise and light pollution (p.36-37)
	Circular economy and waste prevention and management		
	Circular economy	3-3 concerning its policies or commitments	2.6 Waste management, eco-design and biodiversity (p.39-42)
	Waste: Measures for prevention, recycling, reuse, other forms of recovery and disposal of waste;	306-2, 306-3	
	Actions to combat food waste.	Non-material	
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 (p.38-39)	
Consumption of raw materials and measures taken to improve the efficiency of their use;	301-1	2.5.3. Consumption of starting materials (p.39) 4.3. Subcontracting and suppliers (p.75-80)	
Direct and indirect energy consumption, measures taken to improve energy efficiency and the use of renewable energies.	3-3 concerning the measures taken 302-1, 302-4	2.5.1 Power consumption (p.37-38)	
Climate Change			

Area	Content	Related GRI Standards (latest version, unless otherwise indicated)	Reference to Statement of Non-Financial Information (page no.)	
	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 concerning the measures taken 305-1, 302-2, 302-3	2.3. Climate change and greenhouse gas emissions (p.29-36)	
	Measures taken to adapt to the consequences of climate change;	3-3 concerning the measures taken		
	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 concerning measures taken 305-5		
	Biodiversity protection			2.6 Waste management, eco-design and biodiversity (p.39-42)
	Measures taken to preserve or restore biodiversity;	3-3 concerning its policies or commitments		
	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 in relation to the number of persons in the governing bodies by sex and the number of employees by sex, age and professional category	1.2.1 Board of Directors (p.4-5) 3.7 Employment: headcount and distribution (p.57-60)	
	Total number and distribution of employment contracts,	3-3 concerning its policies or commitments 2-7 in relation to the total number of employees and their breakdowns	1.4.5 Sustainability and ESG Aims (p.16-19) 3.7 Employment: headcount and distribution (p.57-60)	
	Average annual number of permanent contracts, temporary contracts and part-time contracts by gender, age and professional classification,	2-7 in relation to the total number of employees and their breakdowns	3.7 Employment: headcount and distribution (p.57-60)	
	Number of dismissals by gender, age and professional classification;	3-3 concerning its policies or commitments	1.4.5. "Sustainability and ESG Aims" (p. 16-19) 3.8 Layoffs by gender, age and occupational classification (p.60)	
	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 concerning its policies or commitments 405-2 with respect to the remuneration of women versus men for each job category and the overall ratio between men's and women's base salaries	1.4.5. "Sustainability and ESG Aims" (p. 16-19) 3.4 Remuneration, integration and equality (p. 51-56)	
	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 concerning its policies or commitments	3.4 Remuneration, integration and equality (p. 51-56)	
	Implementation of work disconnection policies,	3-3 concerning its policies or commitments	3.5 Work organisation (p.56)	
	Employees with disabilities.	3-3 concerning its policies or commitments 405-1 with respect to other diversity indicators	3.10 Access for people with functional diversity (p. 62)	
	Work organisation			
Organisation of working time	3-3 concerning its policies or commitments	3.5 Work organisation (p.56)		
Number of absence hours	3-3 in relation to the achievement of objectives 403-9 in relation to the number and rate of occupational injuries and the number of hours worked	1.4.5. "Sustainability and ESG Aims" (p. 16-19) 3.11 Absenteeism (p. 62-63) 3.12.2 Accidents at work (p. 64-66)		

Area	Content	Related GRI Standards (latest version, unless otherwise indicated)	Reference to Statement of Non-Financial Information (page no.)
	Measures aimed at facilitating the enjoyment of work-life balance and encouraging the co-responsible exercise of these rights by both parents.	3-3 concerning its policies or commitments	3.5 Work organisation (p.56)
	Health and safety		
	Health and safety conditions at work;	3-3 concerning its policies or commitments 403-1 in connection with the implementation of an occupational health and safety management system	1.4.4 Sustainability Strategy (p. 14-16) 2.1 Management approach (p. 23-25) 3.5 Work organisation (p.56)
	Occupational accidents, in particular their frequency and seriousness, Occupational diseases, disaggregated by gender.	403-9 in terms of number and rate of accidents, 403-10 in terms of cases of occupational diseases and illnesses	3.12.2 Accidents at work (p. 64-66)
	Social relationships		
	Organisation of social dialogue, including procedures for informing, consulting and negotiating with employees;	3-3 concerning its policies or commitments	3.6 Social relationships (p. 56-57) 3.12.3 Worker participation and consultation (p. 66-67)
	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 concerning its policies or commitments 403-4	3.6 Social relationships (p. 56-57)
	Mechanism and procedure available to the company to promote the involvement of workers in the management of the company, in terms of information, consultation and participation	3-3 concerning its policies or commitments	3.6 Social relationships (p. 56-57)
	Training		
	The policies implemented in the area of training;	404-2 concerning the type and scope of programmes implemented and assistance provided to upgrade employee skills.	3.3 Training and talent development (p. 47-51)
	The total number of training hours per professional category.	404-1 in terms of total hours of training per professional category	3.3 Training and talent development (p. 50)
	Universal accessibility for people with disabilities	3-3 concerning its policies or commitments	3.10 Access for people with functional diversity (p. 62)
	Equality		
	Measures taken to promote equal treatment and opportunities for women and men;	3-3 concerning its policies or commitments	3.4 Remuneration, integration and equality (p. 51-56)
	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 concerning its policies or commitments	
	The policy against all types of discrimination and, where appropriate, diversity management.	3-3 concerning its policies or commitments	3.4 Remuneration, integration and equality (p. 51-56)
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 Error! Reference source not found. (p. 68-70)
	Complaints of human rights violations;	3-3 concerning its policies or commitments 406-1 with respect to the total number of discrimination cases	4.1 Error! Reference source not found. (p. 68-70)
	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 concerning its policies or commitments 407-1 with respect to the measures	4.1 Error! Reference source not found. (p. 68-70)
	The elimination of discrimination in respect of employment and occupation;		

Area	Content	Related GRI Standards (latest version, unless otherwise indicated)	Reference to Statement of Non-Financial Information (page no.)
	The elimination of forced or compulsory labour; The effective abolition of child labour.	adopted by the organization 408-1 with respect to the measures adopted by the organization 409-1 with respect to the measures adopted by the organization	
Corruption and bribery	Measures taken to prevent corruption and bribery Measures to combat money laundering	3-3 concerning its policies or commitments 2-23 2-26 205-3 with regard to the total number and nature of confirmed corruption cases	1.6 Prevention of and fight against corruption and money laundering (p.21-22)
	Contributions to foundations and non-profit entities	2-28	4.2 Commitments to the community (p.70-75)
Social issues	The impact of the company's activity on employment and local development;	3-3 concerning its policies or commitments	4.2 Commitments to the community (p.70-75)
	The impact of the company's activity on local populations and in the territory;	3-3 concerning its policies or commitments	
	The relations maintained with local community actors and the modalities of dialogue with them;	2-29	
	Partnership or sponsorship actions.	2-28	
	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 concerning its policies or commitments 2-6 concerning the supply chain	4.3.1 Policies and processes (p.75-76) 4.3.3 Audits (pág.76-78)
	Monitoring systems and audits and their results.	2-6 concerning the supply chain	
	Consumers		
	Measures for the health and safety of consumers;	3-3 concerning its policies or commitments	4.5.2 Pharmacovigilance Systems (pág.85-86)
	Complaint systems, complaints received and their resolution.	3-3 concerning its policies or commitments	4.5.1 Quality Systems (pág.83-85)
	Tax information		
Earnings obtained on a country-by-country basis; Taxes on profits paid	3-3 concerning its policies or commitments 207-4	4.4 Group tax information (p.80-83)	
Public subsidies received	201-4 with respect to subsidies	1.6 Prevention of and fight against corruption and money laundering (p.21-22)	

5.5. Description of aspects analyzed in the dual-materiality study

The definitions of each of the inputs analysed in the Materiality Analysis are detailed below (see section 1.4.3 of this report for further details).

Topic	Specific topic	Definition
Environmental protection	Climate change and energy	Actions related to climate change mitigation and adaptation (GHG emissions inventory, net zero strategy, internal carbon pricing), and energy efficiency measures, energy consumption reduction, green energy purchase and energy self-generation.
	Circular economy	Use of sustainable materials and life cycle analysis focused on the design of goods and products in line with circular principles.
	Waste management	Commitment to prioritize waste minimization, reuse and recycling over disposal, including waste generated directly by the company and its products.
	Water management	Water management, efficiency and reduction, and water supply in accordance with local constraints.
	Pollution	The use of substances of concern and substances of very high concern, air, water and soil pollution, and measures taken to prevent, mitigate or remediate them.
	Biodiversity and pharmaceuticals	Compliance with biodiversity legislation, contribution of natural capital and actions to improve the impact on biodiversity (species status, ecosystem status, habitat and degradation of water bodies).
Human capital	Diversity, equity and inclusion	Diversity, equity and inclusion in the workplace.
	Workforce health and safety	Health and safety measures for workers.
	Wellbeing of employees	Promoting and protecting wellbeing in the workplace, including engagement surveys.
	Talent management	Talent attraction, development and retention, including compensation and benefits.
Social contribution	Access and affordability	Commitment to ensuring access and affordability for both clients and society, with a focus on vulnerable populations.
	Impact on society	The ability and intent to identify and manage any current and potential impacts on the economic, social, environmental and cultural rights of our communities.
	Community development and engagement	Partnership and dialogue with local communities and stakeholder groups, such as authorities, media, associations and NGOs.
Commitment to patients	Commitment to patients	Commitment to maintain a quality relationship, based on trust with its patients/clients to meet their expectations and needs, and to offer an excellent service.
	Privacy and security of patient data	The ability to address the identification, assessment, management and/or remediation of impacts related to data management and cybersecurity issues.
Product liability	Product liability	Liability for product specifications and quality requirements to comply with applicable international quality and safety standards.
	Product labeling	The correct labeling of products, emphasizing the need to provide accurate and clear information on the packaging, package leaflets and labels of pharmaceutical products.
	Pharmacovigilance	The level of development of Almirall's pharmacovigilance system, in accordance with current policies and procedures, and compliance with current legislation.
	Fight against counterfeiting	Policies, plans and actions to prevent any activity related to counterfeit or illegally marketed medicines, and to guarantee the authenticity of products throughout the supply chain.
	Intellectual and industrial property rights	Intellectual property, including patents and trademarks, know-how and confidential information.

Topic	Specific topic	Definition
Value chain	Responsible supply chain	The ability to involve and engage suppliers in the implementation of best practices in sustainability; procurement process, selection, evaluation, approval, supplier audits and follow-up.
	Supply chain resilience	Policies, plans and actions to manage supply chain activities to ensure business continuity, including taking the necessary corrective actions in relation to potential risks and deficiencies.
	Workers in the value chain*	Ensure adequate conditions for all workers in the value chain, including equal treatment and opportunities for all and other work-related rights.
Innovation and digitalization	Research, Development and Innovation	Research, innovation and development of products and services, including adaptation to new market trends and response to regulatory changes and society's demands and expectations.
	Digitalization of healthcare	Adoption and integration of digital technologies and solutions in various aspects of the healthcare industry. It involves the use of digital tools, systems and platforms to improve the delivery, efficiency, accessibility and effectiveness of healthcare services
	Strategic alliances	Cooperative relationships or partnerships formed to pursue common objectives or strategic goals within companies, industry organizations, etc.
Responsible business	Business and marketing practices	Promotion of responsible and transparent communication and marketing practices based on legal, decent, honest and truthful information.
	Bioethics and responsible technologies	Address ethical considerations in biomedical research, health care and the development and use of emerging technologies in the life sciences.
	Animal welfare	Integrity and responsibility related to the welfare of laboratory animals, considering the 3R principle (replacement, reduction and refinement).
	Transparency and corporate culture	Ownership, commitment and transmission of the corporate culture and the company's activities and information, both internally and externally.
	Corporate Governance	Diversity and experience of the governing bodies, fostering a strong culture of compliance, ethics and integrity.
	Human Rights	Commitment to and implementation of Human Rights, including but not limited to freedom of association, non-discrimination, legal compliance, integrity, non-discrimination and non-harassment.
	Ethics and Compliance	Promoting a strong culture of compliance, ethics and integrity, including the ability to mitigate negative impacts and promote ethical business conduct throughout its value chain.
	Fight against corruption and bribery	The systems in place to prevent, detect, investigate and respond to incidents related to corruption, bribery and money laundering.