



CORPORATE SUSTAINABILITY REPORT 2024



Content

1. CEO's Letter
2. Learn about FARMHISPANIA Group
 - 2.1. Our history
 - 2.2. Our activity
 - 2.3. Business Strategy and Corporate Governance
 - 2.4. Our commitment to Sustainability
 - 2.5. Key performance indicators (KPIs)
3. Responsible business
 - 3.1. Risk identification and management
 - 3.2. Ethics, human rights and compliance
 - 3.3. Sustainable procurement
 - 3.4. Profits and taxes
 - 3.5. Grants received
4. Health and well-being
 - 4.1. Product quality and information
 - 4.2. Safety
 - 4.3. Commitment to access healthcare
 - 4.4. Claims and customer service
5. Workforce matters
 - 5.1. Workforce structure
 - 5.2. Diversity, equality and inclusion
 - 5.3. Work organization and social relations
 - 5.4. Training and development
 - 5.5. Remuneration
 - 5.6. Occupational health and safety
6. Environmental matters
 - 6.1. Environmental management
 - 6.2. Resource optimization
 - 6.3. Climate change
 - 6.4. Industrial emissions
 - 6.5. Circular economy
 - 6.6. Biodiversity protection
 - 6.7. Environmental taxonomy
7. Annexes:
 1. About this report
 2. List of associations and entities
 3. GRI index and Spanish Law 11/2018 alignment

1. CEO's letter

I am pleased to present FARMHISPANIA Group's 2024 Sustainability Report, a reflection of our unwavering commitment to sustainability, innovation, and excellence in fine chemistry.

In a year full of challenges and opportunities, we have reaffirmed our position as responsible leaders in a key sector for industrial development and global well-being. Our strategic approach, based on a solid integration of ESG (Environmental, Social, and Governance) criteria, has allowed us to make significant progress in sustainability, process optimization, and value generation for our communities.

Throughout 2024, we continued to implement our 2030 roadmap, convinced that the best way to face global challenges, and those specific to our sector, is by deepening our commitment to the 2030 Agenda and its three pillars: economic, social, and environmental.

We have strengthened our circular economic practices, reduced our environmental impact, and prioritized safety in all our operations. We are convinced that climate action is not only a necessity but also a shared responsibility. That is why, in 2024, we joined the SBTi (Science Based Targets initiative) and reported our climate results on the CDP (Carbon Disclosure Project) platform, achieving the highest score in our business category.

In addition, we have expanded our investments in innovation, developing solutions that not only meet our clients' current demands but also anticipate the needs of a more sustainable future.

These achievements have been made possible thanks to the talent and dedication of our team, whose constant commitment drives our evolution, as well as the invaluable support of shareholders, strategic partners, customers, and communities, fundamental pillars on our journey.

Together, we are building a future where excellence and respect for our environment go hand in hand, transforming every challenge into an opportunity to grow and leave a positive mark.

Sergi Ruiz

CEO

2. Learn about FARMHISPANIA Group

2.1 Our history

Founded in January 1970, FARMHISPANIA S.A. emerged through a non-monetary contribution to the share capital of a pre-existing chemical company dedicated to producing raw materials for the pharmaceutical, cosmetic, and veterinary sectors. Since its inception, the company has upheld health and quality of life as central values.

In 1983, the current shareholder group acquired full ownership of FARMHISPANIA S.A. and began the development and expansion of the industrial group, transforming it into what is now known as the FARMHISPANIA GROUP (hereinafter, FHG). The Group's operations are grounded in strict compliance with GMP standards, a strong commitment to the highest ethical standards, and the internationalization of its activities.

Currently, the Group operates through three main facilities:

1. Manufacturing plant and group headquarters in Malpica (Zaragoza), with a capacity of 176m³.
2. Manufacturing plant in Montmeló (Barcelona), with a capacity of 226 m³.
3. Commercial and administrative offices in Barcelona.

All sites have available space for construction and expansion, ensuring future growth capacity.

The Group operates globally, which subjects its activities to a variety of socioeconomic environments and regulatory frameworks, as well as to inherent risks associated with operations and the complexity of its products and services.

As of the end of fiscal year 2024, the Group employed 662 people. International sales accounted for 89% of total business, a figure like that of 2023. The Group aims to continue its international growth and consolidate its presence in existing markets.

The following milestones stand out in the corporate history of the FARMHISPANIA Group:

- 1988 – Initiation of procedures to obtain FDA approval in the United States.
- 1991 – Strategic focus on generic products.
- 1993 – First successful FDA inspection.
- 1994 – Establishment of ROLABO OUTSOURCING, S.L. to acquire the Malpica (Zaragoza) plant from a multinational group.
- 2010 – Launch of new activities at the Montmeló plant in the field of HPAPIs (High Potency Active Pharmaceutical Ingredients).
- 2013 – Development of capabilities in highly potent fermentation processes.
- 2014 – Formation of FARMHISPANIA GROUP S.L. to coordinate operations at the Montmeló and Malpica plants.
- 2017 – Creation of RIOLACORBET S.L. to hold and manage all industrial group shares in Spain and internationally (commercial subsidiaries in the USA and Europe).
- 2024 – Opening of a new warehouse in Montmeló.

Over the years, FARMHISPANIA GROUP has maintained a solid self-financing strategy, reinvesting profits into its industrial operations.

Thanks to the dedication of its collaborators and the trust of its clients, FARMHISPANIA Group has positioned itself as a leading company in the manufacturing and commercialization of active pharmaceutical ingredients, with a clear international focus and a strong commitment to research and strategic partnerships as drivers of innovation and growth.

2.2 Our activity

The Group's current operations are focused on four main areas:

1. Generics (*API, Active Pharmaceutical Ingredients*).
2. HPAPI (*High Potency Active Pharmaceutical Ingredients*).
3. CDMO. Contract Development and Manufacturing for third parties, primarily for Big Pharma and Biotech companies.
4. Microbial Fermentation.



CDMO



GENERIC API'S



HPAPI



FERMENTATION

The Group's identity as a family-owned company operating in an international environment, along with its strong commitment to R&D&I, and its emphasis on the quality of its products, processes, and services, has been a constant since its inception and remains a non-negotiable objective for the future. These values are deeply embedded in its culture and corporate philosophy.

FARMHISPANIA Group focuses on developing scalable, efficient, safe, and environmentally friendly processes, from gram-scale to hundreds of kilograms, by combining classical process chemistry tools with the most advanced technologies and methodologies.

The companies within FARMHISPANIA GROUP operate five in-house laboratories and employ over 80 scientists dedicated to process development, including high potency (HPAPIs), fermentation, continuous improvement, and operational excellence.

To ensure robust and efficient manufacturing processes, the Group handles a wide range of complex chemical products and technologies, including microbial fermentation and HPAPI management.

FARMHISPANIA GROUP's R&D laboratories are equipped with:

- State-of-the-art equipment that enables process and analytical development from just a few grams to several hundred grams.
- Highly qualified scientists who consistently apply Quality by Design (QbD) and Design of Experiments (DoE) principles to support process design and development.

The Group regularly receives visits and audits from partners and clients, covering areas such as quality, safety, health, and environmental performance.

Operations are conducted under strict GMP guidelines, and the facilities are routinely inspected by major global health authorities, including the U.S. FDA, Spain's AEMPS, Korean FDA, and Japan's PMDA, all of which have granted favorable ratings to the Group's facilities.

As a responsible industry player committed to ethical, labor, and environmental principles, FARMHISPANIA Group supports its suppliers in developing their capacity to operate in alignment with key sustainability standards. In this regard, in 2024, the Montmeló plant renewed its EcoVadis certification with a silver rating, while the Zaragoza plant obtained a bronze rating.

In the areas of Safety, Health, Environment, and Quality, the Group adheres to the highest standards.

Additionally, FARMHISPANIA Group maintains numerous collaborations and projects with various universities and research organizations, both nationally and internationally.

Reaffirming its commitment to the **Paris Agreement**, the Group took a further step in 2024 by joining the *Science Based Targets initiative (SBTi)* and disclosing its climate performance in accordance with *Carbon Disclosure Project (CDP)* standards, further solidifying its dedication to transparency and sustainability.

Mission, vision and values

Our history is that of a family-owned company committed to society, one that has grown, evolved, diversified its range of products and services, and expanded internationally, all while remaining true to its core values.

FARMHISPANIA Group's mission is to develop the highest quality and technologically advanced active pharmaceutical ingredients, enabling the pharmaceutical industry to deliver medicines that make a meaningful difference in people's health.

Our **vision** is to become a trusted partner and a European benchmark in the development and manufacturing of complex APIs (*Active Pharmaceutical Ingredients*) and HPAPIs (*High Potency Active Pharmaceutical Ingredients*).

Our **Values** define us:

- **Respect.** We operate with respect to all individuals, their diversity, and the environment.
- **Excellence.** Continuous improvement is our way of doing business, striving for excellence in everything we do.
- **Passion.** We are passionate about achieving our goals, leveraging our entrepreneurial spirit to deliver innovative and creative solutions.
- **Collaboration.** We are committed to and work hard to adapt to the needs of our partners and stakeholders.
- **Integrity.** Trust, transparency, and honesty are the foundation of our relationships with everyone we engage with.

2.3 Business Strategy and Corporate Governance

FARMHISPANIA Group is firmly committed to continuously strengthening its governance framework to support the development of its business purpose. This is centered on achieving its annual plans, with the primary objective of consolidating the Group's recent growth and laying the foundation for the sustainable expansion of its business volume, positioning itself at the forefront of the fine pharmaceutical chemicals sector.

The Group's commitment to good governance and transparency is reflected in its ongoing dialogue with stakeholders, fostering mutual trust. This approach is embodied in the Sustainability Policy approved in 2023 and the ESG 2030 Roadmap. Accordingly, the Group makes decisions within a governance framework that integrates sustainability as a key element of its long-term vision, acting ethically, responsibly, and transparently in accordance with its Code of Ethics, and extending this philosophy throughout its value chain.

Over the years, the Group has advanced in the professionalization and independent management of its governing bodies, while also strengthening its executive team to drive sustainable value creation.

External shareholders have joined the capital structure, although certain oversight bodies for specific activities have not yet been fully standardized or routinely implemented, an objective planned for the next two fiscal years.

The **General Shareholders' Meeting**, composed of all shareholders of FARMHISPANIA Group companies, is the Group's highest governing body.

The **Board of Directors** is entrusted with the Group's overall management and representation in the execution of its corporate purpose. It approves the mission, vision, and values, as well as strategic lines, policies, and objectives, and oversees economic, social, and environmental performance.

The Board of Directors approves the mission, vision, and values, as well as the strategic guidelines, policies, and objectives, while also overseeing activities in the economic, social, and environmental spheres.

Board members fulfill their duties of loyalty, manage conflicts of interest, and comply with incompatibilities.

The Board of Directors consists of seven members: five men and two women, including four independent members outside the founding family. The Chairman is Mr. Federico Butelman, and the Secretary is Ms. Gisele Butelman.

Key channels for informing and enhancing the Board's collective understanding of sustainability issues, across economic, social, and environmental dimensions, include reports and meetings with the CEO and various members of the Executive Committee.

The Board evaluates ESG matters through standard corporate mechanisms, including internal and external audits by independent third parties, and the preparation and approval of the Annual Accounts and the Sustainability Report.

The Executive Management of the Group is led by the Executive Committee, headed by Mr. Sergi Ruiz, CEO of the Group, who is responsible for achieving the annually defined objectives.

The members of the **Executive Committee** are entrusted with the mission of developing and implementing strategic action plans aimed at achieving the objectives within their respective areas of responsibility. They are accountable for meeting approved targets and budgets through effective team leadership, in alignment with the Company's values and overarching corporate policy.

The Executive Committee is composed of the CEO and seven senior managers:

- Quality Director
- Commercial Director
- Chief Financial Officer (CFO)
- Chief Scientific Officer (CSO)
- Chief Operating Officer (COO)
- Montmeló Plant Director
- Zaragoza Plant Director

As of December 31, 2024, the Group's organization comprises 662 employees.

In 2024, the Group established the **Sustainability Committee**, whose primary responsibility is to coordinate and drive strategies and actions related to sustainability. This committee is in charge of setting sustainability goals and objectives, overseeing their implementation, and periodically evaluating the results achieved.

The responsibility for sustainability management lies with the Chief Executive Officer (CEO), who communicates the goals and objectives established by the Sustainability Committee to the members of the Executive Committee, and periodically reports the outcomes to the Board of Directors.

2.4 Our commitment to Sustainability

Since their inception, all companies within the FARMHISPANIA Group have consistently demonstrated a deep commitment to scientific advancement, social progress, and the well-being of the communities in which they operate.

Sustainability is embedded in the FARMHISPANIA Group's business model as a fundamental pillar to support the long-term development of both the Group's operations and sustainable development more broadly. In its decision-making processes, the Group integrates not only economic variables but also environmental, social, and ethical criteria.

Its purpose is focused on generating shared value for society and the planet, guided by four key management pillars: responsible business, health and well-being, employment and development, and the environment. These pillars align with the Group's core values and are based on ESG (Environmental, Social, and Governance) issues identified as material in the materiality matrix.

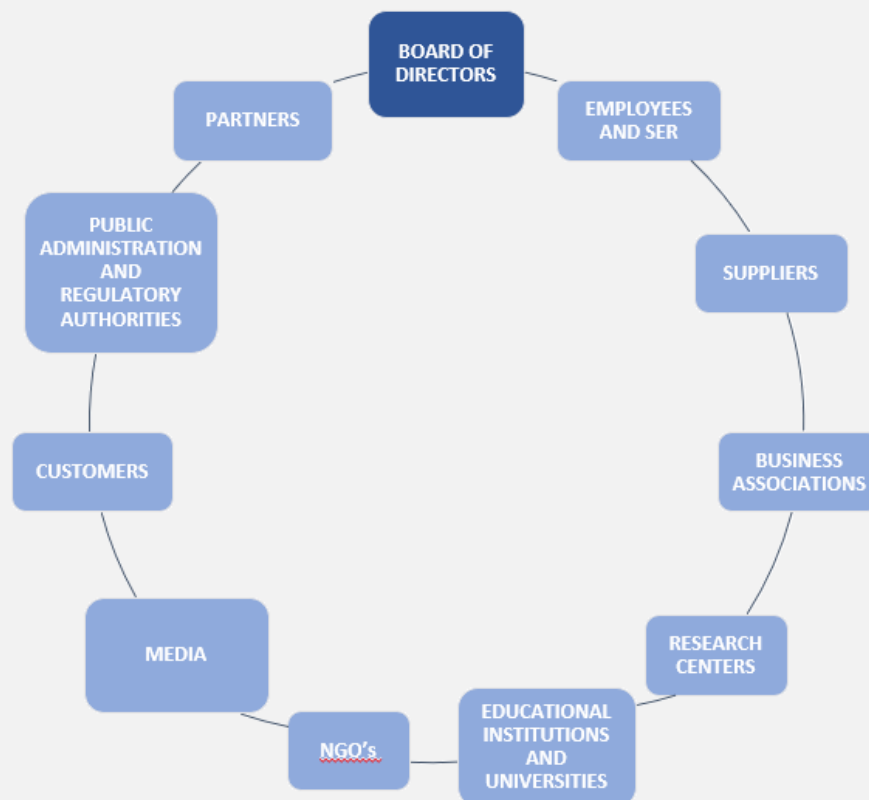
The FARMHISPANIA Group continues to implement its Sustainability Policy and ESG 2030 Roadmap, both approved in 2023, incorporating the necessary actions into its annual action plans to achieve the Group's sustainability objectives.



2030 OBJECTIVES	Dimension	Key aspects	Objectives
E Environmental	Environment	• Climate action • Pollution reduction • Waste minimization and circular economy • Water management • Biodiversity protection	• Reduction of CO₂ emissions • Use of renewable energy • Prevention and control of emissions related to operations • Optimization of resource use and efficient consumption, as well as waste management and minimization • Effluent management and reduction of water stress • Maintenance of natural capital
S Social	People	• Safe and healthy work environment • Training, professional development, and talent • Diversity, equality, and non-discrimination • Human rights and relationship with the value chain • Social action	• Care for the physical, mental, and emotional health and well-being of employees • Promote talent and personal development • Foster a culture of respect, tolerance, and equity • Ensure protection within the company and throughout the value chain • Contribute to the development of the communities where we operate
G Corporate Governance	Business, leadership and governance	• Ethics, integrity, and compliance • ESG risk management and internal control • Responsible management of the value chain	• Maintain robust models that ensure responsible behavior • Commitment to compliance • Business strategy aligned with ESG scenarios to advance business and transparency with a long-term vision. Minimize the impact of non-financial risks on results • Strengthening of internal control • Promote a data-driven culture • Sustainable business management throughout the value chain, fostering ESG commitments
3 TRANSVERSAL AREAS OF ACTION	INNOVATION STRATEGIC PARTNERSHIPS COMMUNICATION AND TRANSPARENCY		• Generate synergies and knowledge for sustainable transformation • Establish strong collaborations to contribute to the 2030 Agenda • Enhance reputation and transparently communicate our sustainable results

Dialogue with stakeholders

To identify its strategic priorities, the FARMHISPANIA Group takes into account the concerns and expectations of its stakeholders through dialogue conducted via various channels. The main identified stakeholder groups are:



(SER): Statutory Employee Representatives.

As part of the double materiality assessment carried out in 2023, interviews were conducted with various internal and external stakeholder groups to identify and prioritize the most relevant sustainability-related issues, with the aim of disclosing the results in this report.

Double materiality

Materiality is one of the most important requirements for preparing the sustainability report in accordance with the international accountability standards of the *Global Reporting Initiative* (GRI), as referenced in Law 11/2018 on Non-Financial and Diversity Information.

Double materiality represents an evolution of the traditional concept of materiality. In addition to **impact materiality**, it incorporates **financial materiality**, which refers to identifying material issues that generate or may generate risks or opportunities affecting future cash flows and, consequently, the company's value in the short, medium, or long term. Double materiality is therefore the result of a combined analysis of both perspectives.

To prepare the 2024 Sustainability Report, the double materiality assessment conducted in 2023 was reviewed. This assessment took into account the requirements of GRI 3, the ESRS, and the EFRAG guidance for conducting materiality assessments.

A. Methodology of the process:

1. **Definition and preparation:** This phase involved determining the purpose of the assessment, the perspectives to be considered, the materiality cycle, the time horizon, the Group's boundaries, the scope of the assessment, and the identification of stakeholder engagement.
2. **Identification of IROs (Impacts, Risks, and Opportunities):** This step included reviewing the organizational context and defining the topics and their boundaries (upstream/own operations/downstream). Based on extensive documentary research and stakeholder consultation, the 2021 sustainability issues list was updated. Internal and external relevance was assessed through surveys and interviews.
3. **Assessment:** All identified IROs were evaluated based on their probability and severity to determine material impact issues and financially material topics. This was done through interviews with both internal and external personnel.
4. **Prioritization, Validation, and Approval:** The results were discussed and analyzed in working sessions and subsequently approved.

To establish the list of ESG topics, multiple sources of information were used to help identify ESG impacts, risks, and opportunities, and to define and determine topic boundaries. These included both internal and reliable external sources, covering the value chain and short, medium, and long-term time horizons.

When selecting sources, FARMHISPANIA Group (FHG) combined:

- Activities across the value chain
- Perspectives (financial vs. impact)
- Internal and external sources
- Time horizons (short, medium, long term)

The 2022 ESG topics list and the transversal and thematic ESRS formed the basis for developing the 2023 list of sustainability issues (including actual and potential impacts). This also involved reviewing the topics identified in the ESG 2030 Framework roadmap over short (1 year), medium (2–5 years), and long-term (6–10 years) horizons, along with the material topics from 2021/2022. A five-year time horizon was considered, aligned with the strategic review cycle.

As a final result, a list of 130 ESG issues was compiled for evaluation, including topics, subtopics, and sub-subtopics.

In the evaluation phase, FHG assessed both the impact and financial materiality of all identified topics based on predefined criteria to determine their probability and severity. Thresholds were then established for both probability and severity, separately for impact and financial materiality, to prioritize results and identify material issues.

Based on these premises, the final materiality matrices were developed, reviewed by Management, and subsequently approved, confirming the list of material issues from both the impact and financial perspectives.

List of material topics and contribution to the Sustainable Development Goals (SDGs):

ESG	MATERIAL TOPICS	IMPACT MATERIALITY	FINANCIAL MATERIALITY	SDG
ENVIRONMENTAL E	Climate change and energy management	X	X	13 CLIMATE ACTION 
	Air pollution	X	X	3 GOOD HEALTH AND WELL-BEING 
	Water management	X		6 CLEAN WATER AND SANITATION 
SOCIAL S	Occupational safety, health and well-being	X		8 DECENT WORK AND ECONOMIC GROWTH 
	Responsible sourcing in the supply chain	X	X	12 RESPONSIBLE CONSUMPTION AND PRODUCTION  17 PARTNERSHIPS FOR THE GOALS 
GOVERNANCE G	Ensure economic performance and company solvency	X	X	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 
	Legal environment	X		16 PEACE, JUSTICE AND STRONG INSTITUTIONS 
	Access to digitalization and digital training promoting responsibility to avoid cybersecurity risks	X	X	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 

These material issues, identified from both the impact and financial perspectives, serve as the foundation for the Group's strategy and for the preparation of this 2024 Sustainability Report.

2.5 Key performance indicators (KPIs):

KEY PERFORMANCE INDICATORS	2024	2023	2022
<i>International sales</i>	89%	92%	88%
<i>Investment and expenditure in R&D</i>	6,563,858.43€	5,140,360.68€	4,497,403.80€
<i>Grants received</i>	37,854.00€	67,899.42€	44,173€
<i>Fines and penalties</i>	0	0	0
<i>Number of independent directors</i>	4	4	4
<i>Women in management positions</i>	7.2%	7.2%	7.2%
<i>Women on the board of directors</i>	28.6%	28.6%	28.6%
<i>Number of reports for breaches of the Code of Ethics</i>	1	0	1
<i>Total number of suppliers assessed using sustainability criteria</i>	53	36	24
<i>Percentage of local suppliers</i>	57.9%	59.3%	53.4%
<i>Number of audits conducted</i>	48	51	43
<i>Number of complaints</i>	54 ¹	36	40
<i>Percentage of local action²</i>	100%	75%	75%
<i>Number of employees at year-end</i>	662	679	642
<i>Percentage of women in the workforce</i>	34.29%	33.14%	32.7%
<i>Percentage of men in the workforce</i>	65.71%	66.86%	67.3%
<i>Percentage of employees under 30 years old</i>	17.37%	18.41%	20.9%
<i>Percentage of employees over 50 years old</i>	21.90%	18.70%	17.9%
<i>Gender pay gap</i>	1.20%	1.28%	1.32%
<i>Training hours per employee</i>	12.35	9.67	10.5
<i>Number of lost-time accidents³</i>	10	4	4
<i>Number of occupational diseases</i>	0	0	0
<i>Employees trained in the Code of Ethics⁴</i>	93.48%	48.75%	100%
<i>Reduction of GHG emissions (Scope 1 and 2) compared to the base year</i>	36.07%	16.11 ⁵ %	Base year
<i>Self-generated electricity consumption (MW) from cogeneration</i>	17,120	16,112	21,638
<i>Reused/recycled solvent (t)</i>	9,202	8,973	8,734
<i>Externally recovered waste</i>	39%	40%	35%
<i>Local/national suppliers</i>	57.9%	59.2%	53.4%
<i>Expenditures for environmental improvement and protection</i>	2,625,422.28€	2,602,340.93€	2,513,802.42€

¹ This increase is due to the continuous quality improvement process in claims management at Tamarang, implemented at the end of 2023.

² All contributions made in 2024 are within Spanish territory.

³ In order to reverse the increase in accident rates, awareness campaigns and daily safety observations have been launched in Montmeló.

⁴ All employees have been trained in the Code of Conduct. The figure of 93.48% represents the percentage of employees trained in the new Code of Ethics during 2024, which was approved in February 2023.

⁵ Slight adjustment in the reduction percentage resulting from the verification of the 2023 carbon footprint.

3. Responsible business

The FARMHISPANIA Group's Sustainability Policy establishes the principle of “having policies and procedures aligned with best practices in good governance, based on the principles of responsibility, integrity, and ethics; risk management; engagement and dialogue with the value chain; compliance policies; and transparent reporting of results in our daily operations and management.”

In accordance with this principle, we make decisions within a corporate governance framework that incorporates sustainability as a core element of our long-term vision. We act ethically, responsibly, and transparently, guided by our Code of Ethics, and we extend this approach throughout our entire value chain.

We understand responsible and effective management at FARMHISPANIA Group as ethical, transparent, and accountable behavior towards stakeholders, respect for human rights, and the fight against all forms of corruption, all of which are essential to ensuring the company's long-term sustainability.

The Code of Ethics is based on the Company's ethical culture and the development of the adopted Compliance System. It is mandatory for all members of the Group (shareholders, governing bodies, and staff), who must take responsibility for accepting, complying with, and supporting the implementation of the Code of Ethics.

The Code of Ethics is implemented through policies, standards, processes, and controls that ensure compliance with its provisions. Together, these elements reflect the Group's standards and principles to guarantee responsible and effective management.

The Corporate Governance System ensures compliance with these procedures and policies. In the event of non-compliance and/or sanctions, these must be reported to the body responsible for overseeing the operation of the Compliance System.

3.1 Risk identification and management

The FARMHISPANIA Group identifies, monitors, and manages identified risks to ensure business objectives are met, minimize impacts, protect assets, people, and the environment, and safeguard the company's long-term sustainability.

All risks that may significantly affect various stakeholders and the achievement of the company's objectives are subject to periodic evaluation.

Among the risk factors to which the Group is exposed are:

- **Regulatory risks**, arising from regulatory changes imposed by various authorities or changes in social, environmental, or legal regulations.
- **Market risks**, related to the exposure of results and equity to price fluctuations and other market variables, such as exchange rates, interest rates, commodity prices, financial asset prices, and others.
- **Credit risks**, arising from the possibility that a counterparty may fail to meet its contractual obligations, resulting in an economic or financial loss for the company.

- **Business risks**, defined as the uncertainty regarding the behavior of variables inherent to business operations, such as demand characteristics, raw material supply, and the emergence of new products.
- **Operational risks**, referring to direct or indirect economic losses caused by inadequate internal processes, technological failures, human errors, or as a result of certain external events. Operational risks include, in addition to accidental ones, legal and fraud risks, as well as those associated with information technologies and cybersecurity (cyberattacks or security incidents that allow access to confidential information or cause a disruption of business activities).
- **Reputational risks**, which include the potential negative impact associated with changes in perception by the company's various stakeholders.

FARMHISPANIA Group has established the ESG 2030 Framework, which has culminated in the definition of a **Sustainability Policy**. This policy sets forth the principles and commitments based on ESG criteria, along with a roadmap extending to the year 2030. Each year, the company integrates the necessary elements into its action plans to advance toward a sustainable business model that fosters development and contributes to value creation, for the company itself and for all its stakeholders, by building long-lasting relationships founded on trust, transparency, and collaboration.

Within the framework of the management systems across its various operational areas, the Group conducts an annual review of the evolution and trends of applicable legal requirements, as well as the material issues identified through the double materiality matrix analysis. These issues encompass social and environmental matters, human rights, anti-corruption and anti-bribery, cybersecurity, and broader societal concerns. Additionally, non-legislated material issues are assessed and managed in accordance with internationally recognized frameworks.

- The Group's commitment to **economic development** and long-term viability is reflected in its investments in research and development, as well as in its ongoing efforts to generate sustainable value for shareholders and the community. This commitment is documented annually in financial statements, reinforcing its approach to responsible and transparent growth.
- Business responsibility is outlined in the Group's **Code of Ethics** and **Code of Conduct**, which define the expected behaviors towards employees, the community, and third parties. Additionally, the Group has established a **Supervisory Body** responsible for overseeing compliance with these provisions, along with an anonymous whistleblowing channel and a compliance system.
- Respect for **human rights** is a fundamental principle embedded in the following documents:
 - Code of Ethics
 - Code of Conduct
 - Supplier Code of Ethics
 - Sustainable Procurement Policy
 - Sustainability Policy

- The Group's commitment to the principles of the United Nations General Assembly in the fight against corruption is reflected in its **Anti-Corruption Policy** and **Anti-Money Laundering Policy**. These policies are integral to all operations and are mandatory for all employees, demonstrating the Group's zero-tolerance stance on any form of corruption.
- **Product quality** is essential to the Group's business and to patient safety. This is evidenced by the outcomes of the implementation of the **Quality Policy** and **audits conducted by health authorities, clients, and suppliers**.
- **Talent and employee development** are priorities for the Group's business growth. In addition to the **Corporate Human Resources Policy**, the Group has implemented procedures to ensure employee development, including:
 - Recruitment and promotion
 - Onboarding program
 - Training and development
 - Remote work
 - Equality and diversity
- The Group acknowledges the importance of identifying and mitigating risks that may impact on its operations and long-term sustainability. To this end, it has implemented **EHS (Environment, Health, and Safety) Policies** aimed at ensuring a safe working environment and promoting environmental protection.
- **The Group recognizes the impact of climate change** and aligns its objectives with the *Science Based Targets initiative (SBTi)*, striving to minimize its carbon footprint through a reduction plan that outlines progressive actions to mitigate climate change. Results are reported in this document and on the **CDP** platform.
- **The Group ensures that its supply chain** operates under responsible sourcing principles, evaluating and selecting suppliers that meet its high ethical and environmental standards, as outlined in the **Global Sustainable Procurement Policy** and the **Supplier Code of Conduct**.
- **Air pollution prevention** is fundamental to the Group's operations. It adopts advanced technologies to minimize emissions and comply with the strictest regulations to ensure air quality.
- The Group applies **efficient and sustainable practices in water use and consumption**, including recycling and appropriate wastewater treatment to preserve this vital resource.
- In the legal domain, the **Compliance** Model and the PPP Regulation, overseen by the **Group's Compliance Officer**, ensure adherence to applicable laws and regulations to prevent non-compliance that could result in financial losses or reputational damage.
- **Digitalization** is a key pillar of the Group's strategy. To enhance efficiency and innovation, it implements cutting-edge technological solutions to optimize processes and deliver improved products, always with a focus on cybersecurity to protect both company and client information.

- The Group promotes **regulatory compliance**, employee training, and awareness to ensure the detection and management of cyberattacks and breaches of privacy, intellectual property, and information confidentiality, through:
 - Digital disconnection policy in the workplace
 - IT resource usage guidelines
 - Digital device usage guidelines
- **Transparency** and reliability of disclosed information, both financial and non-financial, are considered essential by the Group.

We are convinced that by addressing these risks comprehensively, we not only protect our business but also contribute to the well-being of our employees, patients, and the planet.

The Group thoroughly studies and analyzes its relationships with:

1) **Public administrations** for any matters related to the Group's activities, such as:

- Receiving and managing inspections by various authorities.
- Obtaining authorizations and licenses related to the Group's operations.
- Entering and signing public contracts.
- Applying for public grants and funding.

2) **Managing the procurement processes for works and services with third parties**, primarily related to the Group's operational activities.

3) Entering into **donation agreements with public and private entities**.

We regularly update the evolution of impacts through the results of various action plans integrated into the management systems of the different areas of responsibility.

The Management Committee is responsible for the proper management and oversight of the effectiveness of the risk management systems, as well as for identifying and discussing any detected weaknesses.

The Board of Directors is responsible for approving the risk management model and is kept informed of its performance through indicators related to this system.

3.2 Ethics, human rights and compliance

The Group's ethics and compliance management model is designed to uphold its commitments and principles, ensuring adherence by all employees and third parties through the following key instruments: the **Code of Conduct** (reviewed in 2022), the **Code of Ethics** (approved in February 2023), and the Supplier Code of Ethics (also approved in 2023).

The values, general guidelines, and behaviors outlined in the Code of Ethics reflect both our conduct as an organization and as individuals. It is therefore mandatory for all members of the Company and for all those with whom we maintain business relationships, as we firmly believe that corporate responsibility and business success are inextricably linked. The Code of Conduct, originally approved in 2012 and revised in February 2022, complements the Code of Ethics in certain aspects. The Code of Ethics serves as our guide for applying our values in daily activities and for communicating them to key stakeholders.

All Group employees are required to acknowledge their understanding and application of the Code of Ethics and the policies that support its principles, and to formally commit to complying with all its provisions. Training efforts initiated in 2023 continued throughout 2024, and by the end of the year, 93,48% of the Group's workforce had completed the training.

Any questions regarding the interpretation or implementation of the Code of Ethics are addressed by the **Group's Compliance Officer**, a single-person body with autonomous authority in the exercise of oversight functions.

The Compliance Officer is responsible for:

- Promoting the dissemination of the Code of Ethics and the application of its principles across all Group activities.
- Driving training initiatives for all professionals.
- Promoting and coordinating policies aimed at preventing irregular conduct, particularly those classified as criminal offenses.

To ensure effective compliance with the Code of Ethics and the internal regulations that support it, all employees and external parties have access to an **Ethics Channel**. This channel allows for inquiries, suggestions for improving the compliance system, and reporting of any irregular conduct known or reasonably suspected.

Communications through the Ethics Channel may be directed to the Compliance Officer via email at: canaletico@fhrt.com

In addition to the Ethics Channel, the Group has established the following committees to manage inquiries, complaints, and reports:

- Equality Committee
- Committee for Reporting Alleged Violations of the Anti-Corruption Policy
- Workplace Harassment Committee
- Sexual Harassment Committee

In 2024, one report was submitted through the Ethics Channel and was managed and closed in accordance with internal procedures. Furthermore, during the reporting period of this document, FARMHISPANIA Group did not receive any fines or significant sanctions⁶ related to violations of voluntary codes, sectoral codes, human rights, or legislative frameworks, including but not limited to economic, labor, social, and environmental matters.

3.3 Sustainable procurement

FARMHISPANIA Group has implemented a **Global Sustainable Procurement Policy** that defines the framework and criteria for supplier selection and evaluation processes. To extend these principles throughout the value chain, the Group strives to maintain stable business relationships with its suppliers and collaborates with them continuously to advance sustainability.

⁶ Notifications are considered significant when they result in a final judgment or settlement and involve an amount equal to or greater than 100,000€ paid during the reporting period.

The **Supplier Code of Conduct** outlines the principles and expected behaviors from suppliers in the following areas:

- Human rights
- Ethics and compliance
- Labor standards
- Health, safety, and environment
- Regulatory systems governing their business operations

In 2024, a total of 462 supplier companies, covering both service and indirect procurement providers, as well as raw material suppliers, formally acknowledged their acceptance of FARMHISPANIA Group's Supplier Code of Conduct. The Group's commitment to sustainable procurement is further demonstrated through:

- Voluntary participation in two leading corporate sustainability initiatives: the *Pharmaceutical Supply Chain Initiative (PSCI)* and **EcoVadis**, a leading platform for sustainable suppliers. In 2024, the Montmeló site renewed its Silver Medal, and the Zaragoza site maintained its Bronze rating.
- Active participation in training programs and initiatives led by clients.
- Inclusion of **responsible business practices clauses**, covering ethics, labor, and environmental aspects, in supply and quality contracts signed with suppliers.
- Supplier evaluations using a **proprietary questionnaire** based on the PSCI model.

Since 2021, this questionnaire has been included in the Group's annual supplier audit program. In 2024, nine completed questionnaires were received, and no suppliers were identified as having negative social or environmental impacts.

Audits of raw material suppliers are conducted according to an annual plan established by the Quality department. In 2024, 17 audits were carried out. The Group firmly believes that national and local cooperation leads to more sustainable practices, ethically, environmentally, and socially. In line with its commitment to creating value in nearby communities, the Group prioritizes local suppliers whenever possible.

In 2024, 57.9% of supplier companies were local⁷.

The following chart shows the expenditure on local suppliers for the period 2022–2024:

	2022	2023	2024
% Local supplier companies	53.4%	59.3%	57.9%
Billing from local supplier companies	48 M€	56 M€	55 M€

⁷ Local suppliers are considered those whose tax identification number corresponds to the same country from which the FARMHISPANIA Group manages its procurement activities.

3.4 Profits and taxes

FARMHISPANIA Group complies with its commitments regarding tax payments and transparency. As part of its good corporate governance practices, the Group has established policies, principles, and values that govern ethical behavior and apply to all individuals within the organization.

Compliance with the Group's tax strategy is overseen by FARMHISPANIA's governing bodies and is reported in the annual financial statements.

The Group complements its Code of Conduct with the implementation of specific policies and procedures aimed at preventing corruption, bribery, and money laundering.

These procedures help identify, based on the type and value of financial transactions, the company representatives are authorized to engage with third parties, approve expenditures, or manage the disbursement of funds on behalf of the Group.

Additionally, the Group has a detailed procurement procedure that outlines the various types of transactions and the required authorization levels to carry them out effectively, ensuring transparency and regulatory compliance.

Our policies are designed to ensure complete integrity and transparency in accounting records and financial statements. Through their implementation, we aim to uphold the highest ethical and regulatory standards, thereby reinforcing trust in our financial management.

The **profits** generated by the Group in fiscal year 2024 originate from entities located in Spanish territory, subject to a corporate tax rate of 25%. The consolidated **tax** expense for 2024 amounted to 3,056,156.97 €.

3.5 Grants received

FARMHISPANIA Group received public grants from the Ministry of Labour during fiscal year 2024, amounting to a total of 37,854.00 €.

4. Health and well-being

FARMHISPANIA Group's Sustainability Policy establishes the principle of contributing to the improvement of health and well-being across society by developing high value-added APIs that address public health needs. These efforts are aligned with regulatory standards, international frameworks, and the objectives of the 2030 Agenda.

This principle defines the Group's core purpose: to develop high-quality, technologically advanced active pharmaceutical ingredients that enable the pharmaceutical industry to deliver medicines that make a meaningful difference in people's health.

The Quality Policy is directed toward our employees, our products, and society at large. Our business model is based on offering innovative, top-quality products in collaboration with stakeholders who share our commitment to health and well-being.

4.1 Product quality and information

Policy and management systems

FARMHISPANIA Group's quality system encompasses all business processes that may impact product quality or compliance with applicable regulations. Senior Management approves and periodically reviews the Quality Policy, ensuring it is communicated both internally and externally.

The Group's fine chemical manufacturing sites, FARMHISPANIA S.A. and ROLABO OUTSOURCING, S.L., are regularly visited and audited by partners and clients, with over 75 audits conducted in the past five years.

- We operate under strict guidelines in accordance with current regulations, particularly ICH Q7 "*Good Manufacturing Practice Guide for Active Pharmaceutical Ingredients* (GMPs)," and are routinely inspected by major global health authorities, including the U.S. FDA, the Spanish AEMPS, the Korean FDA, and Japan's PMDA.
- Our Regulatory Affairs and Quality Assurance departments have extensive experience with regulatory and quality standards, providing comprehensive support to our partners.
- We have submitted Drug Master Files (DMFs) to major health authorities worldwide and have also been granted CEP:
 - Over 220 DMFs submitted to National Regulatory Agencies in more than 40 countries.
 - 34 U.S. DMFs (USDMFs) submitted to the FDA.
 - 20 Certificate of Suitability to the monographs of the European Pharmacopoeia (CEP) granted by the EDQM.

To regularly assess the effectiveness of the Quality System, FARMHISPANIA Group has implemented self-inspection procedures. These include monitoring compliance with established procedures and preparing for inspections by health authorities and/or quality audits. Both the production environment and operations are systematically monitored, with all deviations recorded, investigated, and addressed appropriately.

In 2024, the Group conducted a total of 48 audits: 21 internal audits and 27 external audits. In comparison, 51 audits were conducted in 2023 (18 internal and 33 external). All audits and inspections carried out in 2024 yielded satisfactory results, with no critical observations identified that could pose a risk to the manufactured products.

TAMARANG S.A., the pharmaceutical laboratory responsible for the Group's medicinal product licenses, specializes in the development, licensing, and supply of medicines to third parties. It does not have its own manufacturing or quality control facilities and therefore delegates these activities to duly authorized and legally qualified external companies.

4.2 Safety

Product safety

- Our Quality System ensures that all products are designed and developed in accordance with Good Manufacturing Practices (GMP).
- Production and control operations are clearly specified in writing, and GMP requirements are adopted.
- Products are not released for marketing until authorized personnel have certified that each production batch has been manufactured and controlled in compliance with the established requirements.
- Adequate provisions are in place to ensure that the active ingredients and intermediates we manufacture are stored and distributed in a manner that maintains their quality throughout their shelf life.

FARMHISPANIA Group applies strict measures across all processes to ensure consumer health and safety:

- A Quality System that guarantees each product is manufactured in accordance with GMP standards.
- All production and control operations are clearly documented and rigorously follow GMP requirements.
- Products are only released for commercialization after authorized personnel certify that each batch complies with established standards.
- Active ingredients and intermediates are governed by internal provisions that ensure optimal storage and distribution conditions, maintaining quality throughout their shelf life.

Patient safety

TAMARANG S.A., the Group's pharmaceutical company, adopts all necessary measures to ensure patient health and safety, in full compliance with European sector regulations. These measures include:

- **Marketing authorization for each manufacturing batch**, with a thorough review to confirm that the product meets its specifications and complies with the conditions of authorization before being released into the market.
- **Product stability monitoring.**
- **Product Quality Review**, through the implementation of an annual quality monitoring program for all products.

- **Pharmacovigilance**, with a system in place to detect any adverse reactions or safety signals during the commercialization of the medicine. This system is audited by an external company every three years. The last audit was conducted in 2022, and the next is scheduled for 2025.

4.3 Commitment to access healthcare

FARMHISPANIA Group collaborates with organizations to improve access to healthcare and promote the active health of its employees and society at large.

Internal program

As part of its healthy company model, the Group conducts training sessions and health campaigns for its employees, aimed at promoting healthy habits such as nutrition and cardiovascular prevention, as detailed in section 5.6 on health and well-being at work.

FARMHISPANIA Group has installed a total of four defibrillators at its facilities, three at the Montmeló site and one at the Zaragoza site, which have been made available to the public emergency medical services, allowing their use by the public in case of nearby incidents.

External program

The Group has mechanisms in place to identify societal needs and prioritize its contributions based on the principles of necessity, proximity, and value creation.

In line with these principles, the Group's social action focus areas are:

- Access to healthcare
- Employment integration and entrepreneurship
- Support for local development and culture

Key social action projects in 2024, in collaboration with reputable and experienced organizations, include:

- **Vall d'Hebron Institute of Oncology (VHIO)**, supporting cancer research.
- **El Xiprer Vallès Oriental Foundation (Granollers)**, providing food to vulnerable individuals facing loneliness, poverty, exclusion, or social marginalization.
- **Cáritas Montmeló**, supporting 60 families in Montmeló with food, clothing, and elderly care.
- **Cruz Roja**, assisting victims of the floods caused by the DANA storm on October 29, 2024.
- **Montmeló City Council**, supporting local culture during the town's annual festival to enhance employability among local residents.

In 2024, contributions to these organizations totaled 43,767.30 €.

Regarding cultural and educational engagement, in 2024, the Group continued to strengthen its collaboration with educational institutions, reaching a total of 10 partnerships, surpassing the 8 established in 2023:

- Collaborations with **universities** to offer undergraduate and master's students in science the opportunity to undertake internships and apply their academic knowledge in an industrial setting.
- Partnerships with vocational training **institutes** offering intermediate and advanced programs in chemistry, enabling students to complete workplace training (FCT) and develop their skills in a professional environment.
- Agreements for **DUAL training internships**, promoting effective integration between theoretical learning and practical experience.

In 2024, 100% of contributions were local in scope, compared to 75% in 2023.

4.4 Claims and customer service

FARMHISPANIA Group has implemented customer service and claims management models designed to optimize the reception and resolution of product-related inquiries and complaints. The primary objective is to address customer concerns, complaints, and claims promptly, clearly, and with full transparency.

Product claims related to FARMHISPANIA S.A. and ROLABO OUTSOURCING S.L. are managed in accordance with the quality system procedure titled "Claims Management." This procedure classifies claims as critical or non-critical and outlines the necessary steps for proper handling.

TAMARANG S.A. has its own claims management system, governed by a procedure that includes a comprehensive registry documenting all received claims.

Depending on the type of claim, it is either handled internally or, when appropriate, referred to an external party, with the aim of providing a response within a maximum of fifteen days.

Claims received in 2024

In 2024, a total of 54 claims were received and managed, representing a significant increase compared to the 36 claims recorded in 2023. The distribution by activity is as follows:

- **FARMHISPANIA S.A. and ROLABO OUTSOURCING S.L.** In 2024, a total of 17 claims were received, a decrease from the 25 recorded in 2023. All claims were managed and resolved satisfactorily, with none resulting in product recalls.
- **TAMARANG S.A.** In 2024, 37 claims were received, a significant increase from the 11 recorded in 2023. This rise is attributed to the continuous improvement process in claims management implemented at the end of 2023. All claims were handled and resolved satisfactorily.

As in previous years, no product recalls occurred in 2024 across any of the FARMHISPANIA Group companies.

5. Workforce matters

FARMHISPANIA Group's Sustainability Policy establishes respect for human rights as a fundamental principle, ensuring equal treatment and non-discrimination at all times. It also promotes the safety, health, and well-being of its employees, fostering their professional development, talent, and employability in alignment with current regulations, international frameworks, and the Sustainable Development Goals of the 2030 Agenda.

In line with this commitment, FARMHISPANIA Group ensures the attraction and retention of top talent, regardless of origin, gender, or age, and generates quality employment in a safe, healthy, diverse, inclusive, and supportive work environment. This environment promotes talent development and leadership, integrating innovation and digitalization as key pillars in the transition toward new forms of organization and work, advancing toward the future of employment.

As of December 31, 2024, the Group's workforce consisted of 662 employees, of whom 34.29% were women. The average workforce during the 2024 fiscal year was 655.35 employees.

5.1 Workforce structure

FARMHISPANIA Group supports the creation of quality employment through permanent contracts, with a strong focus on strengthening labor relations. To ensure a healthy, safe, and secure working environment, the Group implements management systems that are regularly audited to ensure compliance with the highest standards.

Promoting equality and diversity is an essential part of the Group's philosophy and is embedded in all Human Resources management processes. Equal opportunity and respect for diversity are core values that guide the principles outlined in the Code of Conduct. The Code of Ethics further reinforces the commitment to equal opportunity and non-discrimination, applying to recruitment, training, and promotion processes.

The Group also fosters a collaborative and entrepreneurial culture with a global perspective that prioritizes agility and results, all within a framework of responsible ethical values and principles, as established in the Code of Ethics and the Code of Conduct. FARMHISPANIA actively encourages each employee to seek development opportunities, enhance their professional skills, and keep their knowledge up to date, with the aim of increasing employability and strengthening resilience.

All the Group's work centers are located in Spain.

Workforce distribution by gender, age, and professional classification⁸

	2022	2023	2024
Women	210	225	227
Men	432	454	435
TOTAL	642	679	662

⁸ The workforce as of December 31, 2024, has been considered.

Workforce distribution by age

	Total	< 30	30-50	>50
2022	642	134	393	115
2023	679	125	427	127
2024	662	115	402	145

Workforce distribution by professional category

	Executive staff	Technical staff	Administrative staff	Operational staff
2022	14	309	46	273
2023	12	315	47	305
2024	12	317	44	289

Total number and distribution of employment contract types

	Permanent	Temporary
2022	628	14
2023	662	17
2024	645	17

Annual average of permanent, temporary, and part-time contracts by gender

	Permanent			Temporary		Full-time		Part-time	
	Total	Women	Men	Women	Men	Women	Men	Women	Men
2022	590.48	182.61	398.19	5.32	4.36	184.48	401.42	3.45	1.13
2023	667.70	206.45	450.86	5.69	4.70	208.98	453.44	3.16	2.12
2024	645.79	216.43	429.36	2.90	6.66	215.93	434.53	3.40	1.49

Annual average of permanent, temporary, and part-time contracts by professional category

Permanent							Temporary				TOTAL
	Total	Exec. staff	Technical staff	Administrative staff	Operation staff	Total	Exec. staff	Technical staff	Administrative staff	Operation staff	
2022	580.8	13.378	282	43	2.44	9.68	0	8	2.79	1.44	590.48
2023	657.39	11.82	307.88	43.90	293.79	10.31	0	4.84	0.56	4.91	667.70
2024	645.79	12.25	310.10	42.33	281.11	9.56	0	1.55	0.91	7.10	655.35

Full-time							Part-time				TOTAL
	Total	Exec. staff	Technical staff	Administrative staff	Operation staff	Total	Exec. staff	Technical staff	Administrative staff	Operation staff	
2022	585.9	11.83	287.04	42.7	244	4.58	0.5	2.3	0.91	0.84	590.48
2023	662.42	11.32	311.01	42.31	297.78	5.28	0.5	1.71	2.15	0.92	667.70
2024	650.46	11.75	309.58	41.87	287.26	4.89	0.5	2.07	1.37	0.95	655.35

Annual average of contracts by age

	Permanent				Temporary				Full-time				Part-time			
	Total	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50
2022	580.8	98.32	374.78	107.7	9.68	7.68	0.71	1.29	585.9	105.45	374.74	105.71	4.58	0.55	0.75	3.28
2023	657.39	117.50	417.89	122.04	10.31	8.63	0.16	1.52	662.42	126.09	417.30	119.03	5.28	0	0.75	4.53
2024	645.79	112.93	396.34	136.52	9.56	6.95	0.41	2.20	650.46	119.88	396.75	133.83	4.89	0	0	4.89

Number of dismissals by gender, age and professional category

	Nº of dismissals by gender			Nº of dismissals by age				Nº of employees by professional category				
	Total	Women	Men	Total	<30	30-50	>50	Total	Executive staff	Technical staff	Administrative staff	Operation. staff
2022	5	2	3	5	0	5	0	5	0	0	3	2
2023	24	6	18	24	8	11	5	24	1	5	1	1
2024	17	3	14	17	8	7	2	17	0	2	2	13

The causes of the dismissals recorded during fiscal years 2023 and 2024 are primarily linked to the workforce reduction plan that affected the Zaragoza plant. This labor adjustment was carried out for productive and organizational reasons, in accordance with the provisions of Article 51 of the Workers' Statute.

5.2 Diversity, equality and inclusion

The FARMHISPANIA Group maintains a strong commitment to diversity, the reduction of inequalities, and social inclusion, promoting these values from senior management to all employees within the organization.

In accordance with the provisions of the Code of Ethics and Code of Conduct, respect and non-discrimination are fundamental pillars of the Group's philosophy. The treatment extended by the organization to its employees, and the way they treat one another, constitutes and reflects FARMHISPANIA's corporate values and culture.

Within this framework, all employees of the Group, regardless of their position or level of responsibility, are required to treat each other with dignity and respect, in order to ensure a pleasant work environment conducive to personal and professional development. FARMHISPANIA rejects and prohibits any form of harassment or abuse of authority, as well as any behavior that may create an intimidating or offensive environment. When attitudes contrary to these principles are detected, corrective, disciplinary, and protective measures are implemented for the affected individuals.

FARMHISPANIA has an equality plan in place that complies with current legislation to ensure effective equity between men and women. In addition, it has a protocol designed to address any type of harassment. This protocol stipulates that the affected person, or anyone aware of a harassment situation, must submit a written report to their immediate supervisor, department head, Human Resources, Legal Department, or Works Council, clearly and precisely detailing the facts.

The FARMHISPANIA Group has specific protocols to prevent and, where necessary, respond to situations of workplace and sexual harassment. The Advisory Committee on Workplace Harassment is the designated body to receive and investigate notifications related to harassment cases reported within the organization.

FARMHISPANIA rejects all forms of harassment, as well as actions that may result in discrimination or humiliation. Breaches of the Code of Ethics and the Code of Conduct may lead, where appropriate, to the application of disciplinary measures.

During fiscal year 2024, the Group received one harassment complaint, which was resolved in accordance with the established protocol, available to all employees via the corporate website (ETHICAL CHANNEL). The resolution of the complaint was carried out with the involvement of an external specialized firm, strictly following the protocol's provisions.

FARMHISPANIA's equality plan includes a set of measures aimed at ensuring equal treatment and opportunities between men and women, as well as eliminating potential gender-based discrimination.

Furthermore, the FARMHISPANIA Group is fully committed to diversity and rejects any form of discrimination, whether based on race, gender, culture, religion, age, opinion, or any other personal or social condition. Decisions related to recruitment, promotion, and compensation are made based on objective criteria of qualification, achievements, and performance. To implement these policies and principles, the Group continuously promotes a committed leadership style and the development of a sustainable organizational culture.

The organization has a diverse and multicultural workforce, composed of individuals from various countries around the world:

2022				2023			<u>2024</u>		
Nº of employees by country and gender									
Country	Total	Women	Men	Total	Women	Men	Total	Women	Men
Spain	622	205	417	656	217	439	638	220	418
Uruguay	3	0	3	2	0	2	2	0	2
Ukraine	1	0	1	1	0	1	1	0	1
Argentina	1	1	0	1	1	0	1	0	1
United Kingdom	1	0	1	1	0	1	2	0	2
Portugal	2	1	1	2	1	1	3	2	1
Peru	2	0	2	2	0	2	1	0	1
Morocco	1	0	1	1	1	0	0	0	0
Italy	4	1	3	5	1	4	6	1	5
Ireland	1	0	1	1	0	1	1	0	1
Slovakia	1	0	1	1	0	1	1	0	1
Romania	1	1	0	2	1	1	2	1	1
Moldova	1	0	1	0	0	0	0	0	0
Russia	1	1	0	1	1	0	1	1	0
Belgium	0	0	0	1	0	1	1	0	1
Brazil	0	0	0	1	1	0	1	1	0
Nicaragua	0	0	0	1	1	0	0	0	0
Mexico	0	0	0	0	0	0	1	1	0
Total	642	210	432	679	225	454	662	227	435

The FARMHISPANIA Group fosters a climate of respect, dignity, and equal opportunity, with the aim of creating a suitable work environment that supports the balanced achievement of employees' personal and professional goals. The organization promotes the development of professional careers based on objective criteria of performance and capability, maintaining a proactive approach to training and the acquisition of new skills to strengthen and retain internal talent.

Furthermore, the Group is committed to the labor integration of individuals with disabilities, paying special attention to their specific needs. The production facilities are equipped with accessibility measures designed to facilitate access, mobility, and emergency evacuation for individuals with reduced mobility or hearing impairments.

In fiscal year 2024, the FARMHISPANIA Group hired 10 individuals with disabilities at its work centers, representing an increase of two people compared to the year 2023.

5.3 Work organization and social relations

The FARMHISPANIA Group respects and guarantees the fundamental rights of association and collective bargaining for all employees, in compliance with current legislation and the applicable collective agreement. This principle, enshrined in the Code of Ethics and Code of Conduct, ensures a framework of protection and transparency. Union elections determine the composition of the works council and staff representatives, who act as intermediaries between the organization's management and the parties involved in collective bargaining. Union representatives are granted time credits to perform their duties.

All employees of the FARMHISPANIA Group are covered by the company's collective agreement, labor legislation, as well as the personnel policies and guidelines set forth in its Code of Ethics and Code of Conduct. The organization respects the right to freedom of association and the recognition of the right to collective bargaining, upholding free union membership and participation in union elections without fear of retaliation, intimidation, or harassment.

The Works Council at the operational centers is composed of 18 employee representatives, maintaining regular dialogue with the organization. Regarding working time management, FARMHISPANIA has implemented a Working Time Management and Digital Disconnection Policy aimed at improving process and task planning, thereby supporting employees' work-life balance.

The organization has a regulated work calendar in accordance with legislation, defining working and public holidays, along with measures established by collective agreements to organize working time and ensure compliance with labor regulations. Additionally, the Group avoids, as far as possible, making organizational changes that could impact employees' personal lives, and communicates any necessary decisions well in advance.

FARMHISPANIA has implemented various work-life balance measures to support the integration of personal, family, and professional life, including flexible work arrangements for situations such as paternity, maternity, caregiving, and childcare.

Among these measures is partial remote work, regulated by Royal Decree-Law 28/2020, which allows for up to 40% of the effective quarterly working hours (equivalent to two days per week) to be performed remotely, provided the position allows for it.

The Group guarantees all employees the right to digital disconnection once the working day has ended. To support an effective work-life balance, the policy stipulates that no work-related communications will be sent during vacations, personal leave days, weekly rest periods, leaves of absence, or sick leave.

5.4 Training and development

The FARMHISPANIA Group actively promotes the continuous development of its workforce's skills and competencies, offering specific training to enhance the technical qualifications required for their roles. This training contributes not only to professional growth but also to the personal development of employees, fostering their employability and strengthening their resilience.

The Group's Code of Ethics and Code of Conduct include a commitment to professional development, ensuring equal opportunities and work-life balance. The organization guarantees non-discrimination on the basis of age, race, color, sex, religion, political opinion, national ancestry, social origin, or disability, promoting an inclusive and equitable work environment.

All employees of the Group have received specific training on the principles and behaviors outlined in the Code of Ethics, ensuring a clear understanding of expected conduct.

Additionally, the Group has procedures in place to identify training needs, integrate them into the annual training plan, and allocate the necessary resources for implementation.

In fiscal year 2024, a total of 8,175.85 training hours were delivered, representing a 24.5% increase compared to the previous year.

		Training by gender			Training by professional category				
		Total	Women	Men	Total	Executive staff	Technical staff	Administrative staff	Operational staff
2022	No. of trained individuals	293	144	149	293	1	239	15	38
	Hours	6,717.1	2,212.3	4,504.8	6,717.1	835	4,604.3	328.5	949.3
2023	No. of trained individuals	368	180	188	368	0	322	6	40
	Hours	6,568.50	3559.91	3008.59	6568.50	0	5407	831.50	330
2024	No. of trained individuals	563	277	286	563	8	368	30	157
	Hours	8,175.85	4,026.80	4,149.05	8,175.85	64	5,611.85	1,928.50	571.50

The increase in training hours during 2024 is due to operational training sessions resulting from new regulations and the incorporation of innovative technologies in the workplace. These training programs have enabled the workforce to adapt to regulatory and technological changes, strengthening their ability to perform their duties efficiently and in alignment with updated standards.

During fiscal year 2024, the total number of training hours delivered corresponds to an average of 12.35 hours per employee.

The Group has a **performance evaluation** system in place, which serves as the foundation for identifying and managing internal talent and promoting the professional growth of its teams.

5.5 Remuneration

The FARMHISPANIA Group has a compensation policy defined within the framework of its equality plan, aligned with the specific standards of the sector. This policy promotes equal treatment between men and women, and its remuneration model is designed to reward the level of responsibility and professional trajectory of each employee, ensuring both internal equity and external competitiveness.

The Group's remuneration system is governed by the applicable collective agreements, which establish the base salary for each professional category. Salary differences among employees may only result from factors such as seniority or additional compensation linked to specific job positions.

Distribution of employees by gender and professional classification⁹

	2022		2023		2024	
PROFESSIONAL CATEGORIES	Men	Women	Men	Women	Men	Women
Executive staff	13	1	11	1	11	1
Technical staff	168	141	170	145	168	149
Administrative staff	15	31	14	33	12	32
Operational staff	236	37	259	46	244	45

Average remuneration and its evolution, disaggregated by gender, age, and professional category or equivalent value

		Executive staff	Technical staff	Administrative staff	Operational staff
2022	Women ¹⁰	-	30,848	31,194	22,291
	Men	147,397	42,795	37,645	27,850
2023	Women ¹¹	-	32,811	33,490	23,174
	Men	140,034	44,564	42,526	30,385
2024	Women ¹²	-	34,877	31,596	24,822
	Men	122,233	47,394	44,776	30,578

Average remuneration by age

	2022	2023	2024
<30	20,592	23,179	24,516
30-50	35,256	36,879	36,969
>50	49,647.9	48,801	50,452

The observed differences in average remuneration between certain groups are primarily due to factors such as seniority and the grouping of various professional categories within the same classification levels.

⁹ The workforce as of December 31, 2024, has been considered.

¹⁰ Information on the salaries of executive staff disaggregated by gender is not provided, as there is only one woman in this professional category.

¹¹ Information on the salaries of executive staff disaggregated by gender is not provided, as there is only one woman in this professional category.

¹² Information on the salaries of executive staff disaggregated by gender is not provided, as there is only one woman in this professional category.

The average remunerations reported and used for calculating the gender pay gap correspond to the projected gross annual theoretical remuneration¹³. Additionally, normalized remuneration¹⁴ has been used as the evaluation criterion for these calculations.

Below are the data related to the gender pay gap¹⁵, broken down by professional category:

	2022	2023	2024
PROFESSIONAL CATEGORIES	GENDER PAY GAP	GENDER PAY GAP	GENDER PAY GAP
Directive staff	1.32%	1.26%	1.09%
Technical staff	1.39%	1.36%	1.36%
Administrative staff	1.21%	1.27%	1.42%
Operational staff	1.25%	1.31%	1.23%
Overall FHG average	1.32%	1.28 %	1.20 %

5.6 Occupational health and safety

The FARMHISPANIA Group has a **Health, Safety, and Environmental Policy** that outlines the Group's commitment in this area, with the clear objective of supporting all operations in achieving the goal of zero injuries, accidents, and illnesses. We carry out our activities with consideration for risks, minimizing their impact, and ensuring regulatory compliance, while striving to maintain good working conditions.

To manage this, the FARMHISPANIA Group has an **Occupational Risk Prevention Management System**, which is regularly audited by our clients, either directly or within the framework of the *Pharmaceutical Supply Chain Initiative (PSCI)*, which helps us keep our management system up to date. Additionally, the Montmeló and Zaragoza plants undergo periodic audits through the **EcoVadis** platform in the area of Sustainability.

In 2024, one PSCI audit and one compliance audit related to occupational risk prevention requirements were conducted. We highlight the renewal of the **EcoVadis** Silver Medal at the Montmeló plant and the Bronze Medal at the Zaragoza plant.

The health and safety of employees is a core value for our Group. In this regard, the organization promotes and implements all necessary preventive measures to foster and maintain a safe and healthy working environment. The performance of the implemented management systems is monitored regularly through key indicators, periodic safety inspections, and both internal and external audits.

Occupational accidents and work-related illnesses

In 2024, a total of 10 workplace accidents resulting in leave occurred at the Group's work centers, representing a significant increase compared to the 4 minor accidents reported the previous year. To improve these results, an awareness campaign has been launched aimed at reducing accident rates, with particular focus on the Montmeló plant, where a notable increase in this indicator was observed during the year.

¹³ **Average remuneration:** The base salaries (gross annual + actual variable) of all individuals within the same professional category throughout fiscal year 2024, divided by the total number of individuals in that category.

¹⁴ **Normalized remuneration:** Fixed salary plus comparable variable compensation, adjusted to full-time and annualized equivalents.

¹⁵ The **gender pay gap** is the difference between the gross hourly earnings of men and women, expressed as a percentage of men's gross hourly earnings.

As in previous years, no occupational illnesses were recorded at any of the Group's work centers.

	2022		2023		2024	
Total number of occupational accidents ¹⁶ and work-related illnesses	Men	Women	Men	Women	Men	Women
Number of accidents with leave	4	0	2	2	6	4
Number of sick leave days due to accidents	57	0	78	10	224	124
Number of accidents without leave	10	2	11	1	8	2
Number of occupational illnesses	0	0	0	0	0	0
Number of sick leave days due to occupational illnesses	0	0	0	0	0	0
N. TOTAL ACCIDENTS	14	0	13	3	14	6

Based on accident data, frequency and severity rates are calculated and compared, for reference purposes, with the industry sector benchmarks published by COASHIQ.

	2022		2023		2024	
Occupational accident rates	FHG	COASHIQ	FHG	COASHIQ	FHG	COASHIQ
Frequency rate ¹⁷	3.85	6.18	3.42	6.99	8.71	6.53
Severity rate ¹⁸	0.05	0.18	0.08	0.39	0.30	0.19

As previously mentioned, with the aim of reducing accident rates, particularly at the Montmeló plant, a safety awareness campaign has been implemented, and the number of safety observations has been increased.

In compliance with current legislation and collective bargaining agreements, the FARMHISPANIA Group ensures the protection of its employees' labor rights. These agreements cover, among other aspects, workplace safety, health, and well-being, with a particular focus on the implementation of preventive measures and the promotion of relationships and dialogue with workers' representatives.

All employees of the FARMHISPANIA Group are covered by the occupational health and safety system. Furthermore, joint health and safety committees have been established at each worksite to ensure compliance with applicable regulations. These committees hold regular meetings to address and manage issues related to workplace health and safety.

¹⁶ In 2024, there were two commuting accidents involving female employees, each resulting in a five-day leave of absence. There were no commuting accidents without leave. It is important to note that commuting accidents are not included in the calculation of frequency and severity rates.

¹⁷ Regarding the frequency rate, the theoretical hours worked by gender were taken into account.

$$F.R. = \frac{N^{\circ} \text{ of accidents} \times 10^6}{N^{\circ} \text{ of hours worked}}$$

¹⁸ Regarding the severity rate, the theoretical hours worked by gender were also considered.

$$S.R. = \frac{N^{\circ} \text{ of lost workdays} \times 10^3}{N^{\circ} \text{ of hours worked}}$$

Total number of absenteeism hours

The FARMHISPANIA Group defines absenteeism as absences resulting from medical leave due to illness or accident, as well as leave related to marriage, childbirth, childcare, illness of immediate family members, breastfeeding, bereavement, among other reasons.

During the 2024 fiscal year, recorded absenteeism amounted to 80,629.05 hours, representing a significant increase compared to the 59,557 hours in 2023. This rise is mainly attributed to medical leave due to temporary disability from common contingencies, occupational accidents, and leave associated with new regulations in this area, primarily related to maternity, paternity, and breastfeeding leave.

Promotion of health and well-being at work

The FARMHISPANIA Group has an in-house medical team dedicated to monitoring the health of its employees. Its main objective is to prevent occupational diseases, conduct specific medical examinations on-site, and raise awareness about the importance of health care. Additionally, a culture of safety and well-being is promoted, encompassing physical, emotional, and mental aspects.

To ensure compliance with legal regulations on occupational health, the Group manages this area through a comprehensive approach, integrating health into all organizational policies.

Each year, the FARMHISPANIA Group conducts medical examinations in accordance with current legislation, tailored to the profiles previously established based on the risk assessment of each job position, the annual report of the Medical Service, and the corresponding epidemiological study.

The Montmeló plant is part of the European Network for Workplace Health Promotion (ENWHP) through the Luxembourg Declaration, while the Zaragoza plant joined this initiative in 2023. Periodically, activities are organized to promote healthy habits, improve nutrition, prevent cardiovascular diseases, and provide training and campaigns focused on health.

In 2024, the following actions were highlighted:

- Consulting on healthy eating habits
- Health promotion through physical activity (paddle tennis matches, gym discounts, etc.)
- Health promotion through smoking cessation programs
- First aid and defibrillator training
- Healthy back program

The FARMHISPANIA Group has a total of four defibrillators on its premises, three located at the Montmeló plant and one at the Zaragoza plant. These devices are operational to ensure an immediate response in the event of cardiac arrest, both within the Group's facilities and externally, as they are available to the public emergency medical services.

6. Environmental matters

6.1 Environmental management

Through its Sustainability Policy, the FARMHISPANIA Group establishes as a fundamental principle the development of all its activities with the utmost respect for the environment. This commitment includes promoting responsible and efficient use of resources, encouraging the circular economy, and actively contributing to the fight against climate change. Environmental challenges are addressed through policies aligned with the Green Deal, current environmental regulations, and the United Nations 2030 Agenda Sustainable Development Goals.

The organization demonstrates its commitment to human health and environmental protection through its Prevention and Environmental Policy, applying a responsible activity approach at its facilities. Priority is given to risk assessment, minimization of environmental impacts, and regulatory compliance, contributing to sustainable development across its three pillars: economic, social, and environmental.

The FARMHISPANIA Group is also committed to the Science Based Targets (SBT) initiative for CO₂ emissions reduction and to improving the environmental aspects of its products, promoting the principles of the circular economy.

This environmental commitment is reinforced through the implementation of an Environmental Management System (EMS), which includes an environmental policy and standardized procedures to ensure responsible business practices. The EMS is regularly audited externally by:

- Customers, within the framework of the Environmental, Health & Safety (EHS) management system.
- Customers, through the Pharmaceutical Supply Chain Initiative (PSCI).
- EcoVadis sustainability assessors.

The Environmental Management System also includes procedures that establish methodologies for identifying and assessing compliance with legal and other requirements related to environmental aspects. Furthermore, in response to identified environmental risks, the organization adopts the precautionary principle, implementing protective measures in situations of uncertainty to prevent and avoid environmental damage.

In 2024, the FARMHISPANIA Group allocated a total of 2,625,422.28€ to environmental improvements as part of its commitment to environmental protection and prevention.

6.2 Resource optimization

The optimization and efficient use of resources, along with their responsible management, are core environmental commitments of the FARMHISPANIA Group. The management of energy and water consumption is carried out with consideration for the diversity of the product portfolio manufactured annually.

The organization views resource consumption as a key aspect of its environmental management, implementing measures to strengthen control and reduce usage. These actions include the adoption of the best available technologies, active promotion of renewable energy, and awareness-raising among all individuals involved in the process.

Main consumption areas at production plants:

	2022	2023	2024
Raw materials:	11,240 t	12,030 t	11,608 t
Electricity (grid):	7,894,967 kWh	11,911,723 kWh	15,001,694 kWh
Natural gas:	9,531,300 m³N	8,287,770 m³N	7,967,307 m³N
Diesel:	161,823 L	41,891 L	27,050 L
Water:	137,708 m³	150,763 m³	133,717 m³

Currently, the FARMHISPANIA Group operates a single active high-efficiency cogeneration plant, located in Montmeló, which in 2024 generated 17,120 MWh for self-consumption in manufacturing processes using natural gas. This figure represents a slight increase compared to the 16,112.08 MWh recorded in 2023, while the cogeneration plant in Zaragoza ceased operations that same year.

These actions have contributed to a reduction in the Group's natural gas consumption, which in turn has led to an increase in the use of grid electricity sourced from 100% renewable energy.

At the production plants, the incorporation of more electric-powered forklifts in place of diesel-powered ones has enabled a continued reduction in diesel consumption during 2024.

Regarding raw materials, the consumption of industrial solvents in 2024 was reduced, achieving the reuse of 8,690 tonnes in production processes. This has avoided the purchase of new solvents, as well as the generation and management of associated waste, and has significantly reduced transportation and emissions linked to the entire solvent life cycle.

In 2024, 94% of total water intake came from wells and 6% from the municipal supply, maintaining similar levels to the previous year. Following the exceptional drought situation in Catalonia, the Montmeló plant continued to apply the good practices initiated in 2023 to reduce water consumption.

Among these measures are the installation of sensor-activated electronic taps, dual-flush toilets in restrooms, and a cooling system in the new laboratory display cabinets at the Montmeló plant. Efficient resource management is a priority for the FARMHISPANIA Group, which allocates the necessary resources to support continuous improvement in this area.

6.3 Climate change

The FARMHISPANIA Group's commitment to reducing greenhouse gas (GHG) emissions, as part of the fight against climate change, is embedded in its Sustainability Policy.

In 2024, the FARMHISPANIA Group reaffirmed its commitment to sustainability by joining the *Science Based Targets initiative* (SBTi), consolidating its objective to set science-based targets aligned with the Paris Agreement to ensure a more sustainable future. Additionally, the Group committed to annually reporting its climate performance through the *Carbon Disclosure Project* (CDP), initiating this formal disclosure in 2024 and achieving the highest rating in the SME category, a 'B', which highlights its efforts and transparency in managing climate impact.

That same year, a comprehensive monitoring of the carbon footprint was conducted, using 2022 as the base year and applying international standards from the GHG Protocol. This process aims to define commitments and an emissions reduction plan toward 2030 (*SBTi, near-term*), advancing the Group's decarbonization strategy.

The FARMHISPANIA Group's GHG reduction initiatives are supported by both strategic and operational measures, including:

- Renewable energy
- Energy efficiency
- Process optimization to reduce consumption
- Promotion of responsible energy use behaviors

Below are some of the actions implemented in 2024 that reinforce our commitment to combating climate change and bring us closer to the GHG emissions reduction targets set for 2030:

- All electricity purchased to supply the Group's production plants in Montmeló and Zaragoza comes from 100% renewable sources.
- Verification of the 2023 carbon footprint by an accredited external entity, Bureau Veritas, covering scopes 1 and 2, reinforcing transparency and data accuracy.
- Full calculation of the 2024 carbon footprint.
- Public disclosure of 2024 climate results through the *Carbon Disclosure Project (CDP)*.
- Public commitment to the **SBTi** (*Science Based Targets initiative*).
- Presentation of the 2030 reduction targets and plan under the SBTi framework, approved in the first quarter of 2025, during the drafting of this report.

Other ongoing actions from previous years include:

- Reuse and recycling of solvents
- Use of Quantum refrigeration equipment (more efficient technology)
- Use of electric-powered forklifts
- Use of LED lighting
- Energy efficiency audits
- Process monitoring and control

The following section details the overall carbon footprint results for 2024, calculated according to the Greenhouse Gas Protocol (GHG Protocol) standards, in comparison with results from previous years:

Carbon footprint	Associated to	2022 ¹⁹ (t _{eq} CO ₂)	2023 ²⁰ (t _{eq} CO ₂)	2024 (t _{eq} CO ₂)*
Scope 1. Direct emissions	Natural gas and diesel consumption, primarily	20,822.83	17,896.80	14,613.79
Scope 2. Indirect emissions	Electricity consumption	2,050.55	1,300.69	0
Scope 3 ²¹ . Other indirect emissions	Procurement of raw materials and transformation of sold products, transportation, etc.	105,264.21	104,685.15	112,868.53

(*) The emissions associated with the 2024 fiscal year are currently being calculated during the drafting of this report. The complete 2024 carbon footprint will be finalized and available by the end of May 2025, following verification.

As a result of the previously mentioned actions and initiatives, the 2024 performance outcomes are as follows:

- **Scope 1:** 30% significant reduction in emissions compared to the base year (2022).
- **Scope 2:** 100% very significant reduction in emissions compared to the base year (2022).
- **Scope 3:** >8% slight increase in emissions compared to the base year (2022).

The initial focus has been placed on reducing Scope 1 and Scope 2 emissions, with the aim of progressing toward Scope 3 reductions in the coming years.

6.4 Industrial emissions

The FARMHISPANIA Group complies with all applicable legal requirements regarding emissions. Its objective is to reduce atmospheric emissions of all types of pollutants, including light and noise emissions. The Group's approach goes beyond mere legal compliance, striving for continuous improvement in minimizing its environmental impact.

At the Group's production facilities, annual solvent balances are conducted in accordance with legislation on emissions of volatile organic compounds. These data are reported at the European level through the *European Pollutant Release and Transfer Register* (E-PRTR).

The production plants are equipped with emission treatment systems for process-related emissions, such as:

- Condensers with refrigerant mixtures for volatile condensation
- Scrubbers for gas treatment
- Filters for solid particles

Additionally, periodic acoustic measurements are conducted using sound level meters in the external environment, along with light pollution controls.

¹⁹ Scope 1 data were slightly adjusted during the verification of the 2023 carbon footprint.

²⁰ Scope 1 and 2 data were slightly adjusted during the verification of the 2023 carbon footprint.

²¹ Scope 3 data correspond to all applicable categories under the GHG Protocol. The data provided include information from the base year, 2022.

6.5 Circular economy

The circular economy is a fundamental pillar of the FARMHISPANIA Group's environmental management. The organization optimizes available resources through strategies focused on reduction, reuse, and recycling.

Whenever possible, material reuse is prioritized, considering as waste only those materials that cannot be otherwise recovered. To achieve this goal, each production plant is equipped with a Solvent Recovery Unit (SRU), specifically dedicated to this environmental purpose.

As a result of its commitment to circularity, in 2024 the Group reduced solvent purchases by 9,202 tonnes through direct reuse or recycling after prior treatment in the SRUs. This initiative is particularly relevant given that, in the pharmaceutical sector, solvent reuse faces regulatory restrictions related to quality standards.

Waste management

The FARMHISPANIA Group manages its resources responsibly, prioritizing minimal waste generation as a core component of its environmental management.

Waste minimization at the source is a strategic priority. The organization focuses on optimizing the management of solvents generated by its chemical activity, improving segregation, reuse (when technically feasible), and on-site recycling. Thanks to this commitment, in 2024 a total of 9,202 tonnes of solvents were reused, either directly or through recycling after treatment in the Solvent Recovery Unit, thus avoiding the generation of associated hazardous waste.

Regarding non-hazardous waste, the Group promotes the selective collection of recoverable materials generated during its activities, such as paper, cardboard, and plastic.

Additionally, the company submits an annual waste declaration in compliance with current legislation, reporting this information to the competent authorities.

Waste management is carried out based on the type of waste, with the understanding that the quantities generated may vary depending on the product portfolio manufactured.

The following section presents a summary of the 2024 data, along with its evolution and a breakdown by waste classification:

	2022 Quantity (t)	2023 Quantity (t)	2024 Quantity (t)
Hazardous waste	5,073	5,534	4,912
Non-hazardous waste	377	451	382
Total:	5,450	5,985	5,295

It should be noted that in 2024, 691 tonnes less waste (both hazardous and non-hazardous) was generated compared to the previous year.

Regarding the type of treatment:

	2022	2023	2024
Valorization	35%	40%	39%
Disposal	65%	60%	61%

In 2024, the amount of waste sent for recovery was reduced by 1%, although it remains virtually unchanged compared to the previous year.

The FARMHISPANIA Group includes detailed information on each type of waste and its destination in the annual waste declarations, which are prepared each fiscal year for submission to the competent authorities.

The organization promotes various improvement initiatives related to waste treatment and management, encouraging direct contact and active collaboration with the authorized waste managers it works with.

Regarding food waste, due to the nature of the FARMHISPANIA Group's activities, this does not represent a significant aspect.

Effluent management

The FARMHISPANIA Group's production plants are equipped with Industrial Wastewater Treatment Stations (EDARI), which incorporate advanced control systems to ensure proper management and compliance with the quality standards for discharged water as established by current legislation. Additionally, each plant has an internal laboratory and specific procedures for management and self-monitoring.

In 2024, the volume of water discharged through the sewage network amounted to 84,664 m³, representing an increase of 7.3% compared to the 78,463 m³ recorded the previous year.

6.6 Biodiversity protection

The FARMHISPANIA Group does not have production facilities located in areas protected for biodiversity, thereby ensuring that its operations do not interfere with or pose a threat to sensitive habitats or the conservation of protected species.

6.7. Environmental taxonomy

The EU taxonomy is a classification system designed to provide a common understanding of economic activities that significantly contribute to the European Union's climate and environmental objectives, and is a key component of the European Green Deal.

With the two-year postponement of the sustainability reporting requirements under the CSRD (*Corporate Sustainability Reporting Directive*) for companies that are expected to prepare their sustainability reports in fiscal year 2026 for the 2025 financial year, the deadline for reporting eligibility and/or alignment under the Taxonomy Regulation is also automatically deferred.

Annex 1: About this report

This Report has been prepared in accordance with the provisions of Law 11/2018 on non-financial information, following the GRI (Global Reporting Initiative) reporting standards, available on the website www.globalreporting.org

The report includes information and data corresponding to the full 2024 fiscal year and, in certain cases, incorporates data from 2023 and 2022, relating to the FARMHISPANIA Group, a national, family-owned company whose parent and head of the Group is RIOLACORBET S.L. (Calle J, 3, 50016 Zaragoza), with the following ownership percentages within the Group:

COMPANY	% OWNERSHIP	REGISTERED OFFICE
Farmhispania Group S.L	100%	Calle J, 3, 50016 Zaragoza
Farmhispania S.A	100%	Paseo Independencia, 34 Floor P, Door I, 50004 Zaragoza
Rolabo Outsourcing S.L	100%	Pg. Malpica II CL J 3, 50016 Zaragoza
Tamarang S.A	70%	C/ Balmes, 85 2 nd Floor, 08008 Barcelona

This **Sustainability Report** is part of the entity's Consolidated Management Report and has been prepared in compliance with and aligned to the requirements established by **Law 11/2018, of December 29, on non-financial and diversity information**, approved on December 13, 2018, by the Spanish Congress of Deputies. This law amends the Spanish Commercial Code, the revised text of the Capital Companies Act approved by Royal Legislative Decree 1/2010, of July 2, and Law 22/2015, of July 20, on Auditing, in matters of non-financial and diversity information.

In this context, through this document, the FARMHISPANIA Group reports on its performance regarding **environmental, social, economic, personnel-related, human rights, and community impact matters** relevant to the organization in the course of its business activities.

For the purposes of the Sustainability Report, RIOLACORBET S.L. and all its subsidiaries are considered as the FARMHISPANIA Group. **Environmental data** are reported as of the closing date 31/12/2024 and refer exclusively to the production sites of FARMHISPANIA S.A. and ROLABO OUTSOURCING S.L., as the main impacts related to these matters are primarily generated at these facilities.

On the other hand, information related to **social, economic, personnel, human rights, and community impact matters** includes data from all companies within the Group and refers to the full reporting period covered by this report.

In preparing this **Sustainability Report**, the guidelines and requirements established for report creation have been considered, using the **Global Reporting Initiative (GRI Standards)** in its current version **as a reference**, including:

- Publishing a GRI content index
- Providing a declaration of use
- Notifying GRI of the use of the standard as a reference for the preparation of this report by sending the relevant information to the following email address: reportregistration@globalreporting.org

Furthermore, to determine the content and provide a comprehensive view of the most significant impacts on the economy, the environment, and people, the following criteria established by GRI have been applied:

- Stakeholder engagement
- Materiality analysis

In addition, the GRI principles have been considered to ensure the **quality and accurate presentation of the information** contained in this Report:

- Accuracy
- Balance
- Clarity
- Comparability
- Completeness
- Sustainability context
- Timeliness
- Verifiability

The FARMHISPANIA Group prepares its consolidated Sustainability Report annually, together with its consolidated annual accounts.

The information contained in this Sustainability Report has been verified in accordance with the International Standard on Assurance Engagements 3000 (Revised) (ISAE 3000), currently in force, with a limited assurance scope. This verification has been carried out by **Bové Montero y Asociados S.L.**, acting as an independent assurance service provider and in compliance with applicable legislation. The results of this verification are included in this report.

For any inquiries related to this report and its contents, please contact the following email address: einf@fhrt.com

Annex 2: List of associations and entities

The FARMHISPANIA Group is a member of or actively collaborates with various associations and institutions, reinforcing its commitment to innovation, sustainable development, and excellence in the sector:

- Asociación de Fabricantes de Química Fina (AFAQUIM)
- Federación Empresarial Catalana del Sector Químico (FEDEQUIM)
- Asociación empresarial para la gestión de la Seguridad Industrial y la Salud Laboral en las industrias químicas y afines (COASHIQ)
- European Chemical Industry Council (CEFIC)
- Active Pharmaceutical Ingredients Committee (APIC)
- European Network For Workplace Health Promotion (ENWHP)
- Pharmaceutical Supply Chain Initiative (PSCI)
- Corporate Social Responsibility / Sustainability (EcoVadis)
- Confederación Española de Organizaciones Empresariales, comisión de medio ambiente (CEOE Aragón)
- Universidad Autónoma de Barcelona (UAB)
- Universidad de Barcelona (UB)
- Adherence to the *Science Based Targets initiative* (SBTi)
- Participation in CDP (*Carbon Disclosure Project*)

Annex 3: GRI index and Spanish Law 11/2018 alignment

STATEMENT OF USE		The FARMHISPANIA Group has prepared this sustainability report for the period from January 1 to December 31, 2024, using the GRI Standards as a reference.
GRI 1	Foundations 2021	
LAW 11/2018	GRI indicator	LAW 11/2018
GENERAL ASPECTS		
a) A brief description of the group's business model , including its business environment, organization and structure, markets in which it operates, objectives and strategies, and the main factors and trends that may affect its future development.	2-1 (2021) Organizational details	2.1/2.2
	2-2 (2021) Entities included in the sustainability reporting	2.1/Annex 1
	2-3 (2021) Reporting period, frequency, and contact point	Annex 1
	2-4 (2021) Information updating	Data updates 2022-2023: 5.6: Health & Safety (Absenteeism hours 2023) 6.3 Climate change data updates (2022 Scope 1 CO ₂ t.eq and 2023 Scope 1 & 2 CO ₂ t.eq) Inclusion of Scope 3 data (2022 and 2023)
	2-5 (2021) External assurance	Annex 1
	2-6 (2021) Activities, value chain, and other business relationships	2.2/3.3
	2-7 (2021) Employees	5.1
	2-8 (2021) Non-employee workers	3.3
	2-16 (2021) Communication of critical concerns	3.1/3.2
	2-27 Compliance with laws and regulations	3.2
	3-3 (2021) Management of material topics	3.1
	2-22 (2021) Statement on sustainable development strategy	2.4
	2-23 (2021) Commitments and policies	3.1
	2-24 (2021) Embedding commitments into policies	2.3/3.1
b) A description of the group's policies regarding these matters, including due diligence procedures for identifying, assessing, preventing, and mitigating significant risks and impacts, as well as verification and control measures, including actions taken.	2-25 (2021) Processes to remediate negative impacts	3.1/3.2/3.3
	2-26 (2021) Mechanisms for seeking advice and raising concerns	2.3/3.2/4.4
	2-9 (2021) Governance structure and composition	2.3
	2-10 (2021) Nomination and selection of the highest governance body	2.3
	2-12 (2021) Role of the highest governance body in overseeing impact management	2.3

	2-13 (2021) Delegation of responsibility for managing impacts	3.1
	2-14 (2021) Role of the highest governance body in sustainability reporting	2.3
	2-17 (2021) Collective knowledge of the highest governance body	2.3
c) The main risks related to the group's activities, including, where relevant and proportionate, its business relationships, products or services that may have negative effects in these areas, and how the group manages them. This includes an explanation of the procedures used to identify and assess such risks according to national, European, or international reference frameworks for each subject. Information must be provided on the impacts identified, offering a breakdown, particularly of the main short, medium, and long-term risks.	2-15 (2021) Conflicts of interest	2.3
	2-16 (2021) Communication of critical concerns	2.3/3.2
	3-1 (2021) Process to determine material topics	2.4
	3-2 (2021) List of material topics	2.4
	3-3 (2021) Management of material topics	Throughout EINF report Annex 4

INFORMATION OF ENVIRONMENTAL MATTERS

Detailed information on the current and foreseeable effects of the company's activities on the environment and, where applicable, on health and safety; environmental assessment or certification procedures; resources allocated to environmental risk prevention; application of the precautionary principle; and the amount of provisions and guarantees for environmental risks.	3-3-d (2021) Description of actions taken to manage the topic and related impacts	6.1
– Pollution: Measures to prevent, reduce, or remediate carbon emissions that significantly affect the environment, including any form of air pollution specific to an activity, such as noise and light pollution.	305-7 (2016) Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	6.4
– Circular economy and waste prevention and management: Measures for prevention, recycling, reuse, other forms of recovery and disposal of waste; actions to combat food waste.	3-3-d (2021) Description of actions taken to manage the topic and related impacts	6.5
	303-2 (2018) Management of water discharge-related impacts	6.5
	306-1 (2020) Waste generation and significant waste-related impacts	6.5
	306-2 (2020) Management of significant waste-related impacts	6.5
	306-3 (2020) Waste generated	6.5
	306-4 (2020) Waste diverted from disposal	6.5
	306-5 (2020) Waste directed to disposal	6.5
	Food waste	6.5
Sustainable use of resources: Water consumption and supply according to local constraints; consumption of raw materials and measures taken to	3-3 (2021) Management of material topics	6.2
	301-1 (2016) Materials used by weight or volume	6.2
	302-1 (2016) Energy consumption within the organization	6.2

improve energy efficiency and use of renewable energy.	303-5 (2018) Water consumption	6.2
Climate change: Key elements of greenhouse gas emissions generated by the company's activities, including the use of the goods and services it produces; measures taken to adapt to the consequences of climate change; medium- and long-term voluntary reduction targets and the means implemented.	3-3-d (2021) Description of actions taken to manage the topic and related impacts	6.3
	305-1 (2016) Direct GHG emissions (Scope 1)	6.3
	305-2 (2016) Energy indirect GHG emissions (Scope 2)	6.3
	305-3 (2016) Other indirect GHG emissions (Scope 3)	6.3
	305-5 (2016) Reduction of GHG emissions	6.3
– Biodiversity protection: Measures taken to preserve or restore biodiversity; impacts caused by activities or operations in protected areas.	304-2 (2016) Significant impacts of activities, products, and services on biodiversity	6.6
	304-3 (2016) Habitats protected or restored	6.6

INFORMATION ON WORKFORCE MATTERS

2– Employment: Total number and distribution of employees by gender, age, country, and professional classification; total number and distribution of employment contract types, annual average of permanent, temporary, and part-time contracts by gender, age, and professional classification; number of dismissals by gender, age, and professional classification; average remuneration and its evolution broken down by gender, age, and professional classification or equal value; gender pay gap, remuneration for equal positions or company average, average remuneration of directors and executives including variable compensation, allowances, severance payments, contributions to long-term savings schemes, and any other compensation broken down by gender; implementation of disconnection policies; employees with disabilities.	2-7 (2021) Employees	5.1
	2-19 (2021) Remuneration policies	5.5
	2-20 (2021) Process to determine remuneration	5.5
	405-1 (2016) Diversity of governance bodies and employees	2.3/5.1/5.2
	405-2 (2016) Ratio of basic salary and remuneration of women to men	5.5
– Work organization: Working time arrangements; number of absenteeism hours; measures to facilitate work-life balance and promote shared responsibility between parents.	3-3-d (2021) Description of actions taken to manage the topic and related impacts	5.3
	Disconnection policies	5.3
	Work-life balance measures	5.2
	Absenteeism	5.6
– Health and safety: Workplace health and safety conditions; work-related accidents, particularly their frequency and severity, as well as occupational diseases; broken down by gender.	3-3-d (2021) Description of actions taken to manage the topic and related impacts	5.6
	403-1 (2018) Occupational health and safety management system	5.6
	403-2 (2018) Hazard identification, risk assessment, and incident investigation	5.6
	403-3 (2018) Occupational health services	5.6

	403-4 (2018) Worker participation, consultation, and communication on occupational health and safety	5.6
	403-5 (2018) Worker training on occupational health and safety	5.6
	403-6 (2018) Promotion of worker health	5.6
	403-8 (2018) Workers covered by an occupational health and safety management system	5.6
	403-9 (2018) Work-related injuries	5.6
	403-10 (2018) Work-related diseases and illnesses	5.6
– Social relations: Organization of social dialogue, including procedures for informing and consulting personnel and negotiating with them; percentage of employees covered by collective agreements by country; summary of collective agreements, particularly in the field of health and safety at work.	3-3-d (2021) Description of actions taken to manage the topic and related impacts	5.3
	2-30 (2021) Collective Bargaining Agreements	5.3
– Training: Policies implemented in the field of training; the total number of training hours by professional categories.	3-3-d (2021) Describe the actions taken to manage the topic and related impacts	5.4
	404-1 (2016) Average annual training hours per employee	5.4
– Equality and Diversity: Measures adopted to promote equal treatment and opportunities between women and men; equality plans (Chapter III of Organic Law 3/2007, of March 22, for the effective equality of women and men), measures adopted to promote employment, protocols against sexual harassment and harassment based on sex, the integration and universal accessibility of persons with disabilities; the policy against all forms of discrimination and, where applicable, diversity management.	2-7 (2021) Employees	5.1/5.2
	406-1 (2016) Cases of discrimination and corrective actions	3.2

INFORMATION ON RESPECT FOR HUMAN RIGHTS

Implementation of Due Diligence Procedures in Human Rights Matters; Prevention of risks related to human rights violations and, where applicable, measures to mitigate, manage, and remedy potential abuses; complaints regarding human rights violations; promotion and compliance with the provisions of the fundamental conventions of the International Labour Organization related to respect for freedom of association and the right to collective bargaining; elimination of discrimination in employment and occupation; elimination of forced or compulsory labor; effective abolition of child labor.	3-3-d (2021) Describe the actions taken to manage the topic and related impacts	3.1/3.2
	2-23 (2021) Commitments and policies	3.1
	406-1 (2016) Cases of discrimination and corrective actions taken	3.2
	409-1 (2016) Operations and suppliers with significant risk of forced or compulsory labor	3.3
	407-1 (2016) Operations and suppliers where the right to freedom of association and collective bargaining may be at risk	3.3
	408-1 (2016) Operations and suppliers with significant risk of child labor	3.2
	412-1 (2016) Operations subjected to human rights reviews or impact assessments	3.2
	412-2 (2016) Employee training on human rights policies or procedures	3.2/5.4
	412-3 (2016) Significant investment agreements and contracts that include human rights clauses or are subject to human rights assessment	3.2
	414-2 (2016) Negative social impacts in the supply chain and measures taken	3.3

INFORMATION REGARDING THE FIGHT AGAINST CORRUPTION AND BRIBERY

Measures adopted to prevent corruption and bribery: Actions implemented to prevent corruption and bribery; measures to combat money laundering; contributions to foundations and non-profit organizations.	3-3-d (2021) Describe the actions taken to manage the topic and related impacts	3.1
	205-1 (2016) Operations assessed for risks related to corruption	3.1
	205-2 (2016) Communication and training on anti-corruption policies and procedures	3.1
	205-2 (2016) Confirmed incidents of corruption and actions taken	3.2
	Contributions to foundations and non-profit organizations	4.3

INFORMATION ON SOCIETY

– Company Commitments to Sustainable Development: The impact of the company's activities on employment and local development; the impact on local populations and the territory; relationships with local community stakeholders and the methods of dialogue with them; partnership or sponsorship actions.	3-3-d (2021) Describe the actions taken to manage the topic and related impacts	2.3/2.4/2.5
	2-28 (2021) Membership in associations	Annex 2
	2-29 (2021) Approach to stakeholder engagement	2.4
	203-1 (2016) Infrastructure investments and supported services	2.5/6.1
– Subcontracting and Suppliers: Inclusion of social, gender equality, and environmental issues in the purchasing policy; consideration of suppliers' and subcontractors' social and environmental responsibility; monitoring and audit systems and their results.	3-3-d (2021) Describe the actions taken to manage the topic and related impacts	3.3
	204-1 (2016) Proportion of spending on local suppliers	3.3
	308-1 (2016) New suppliers screened using environmental criteria	3.3
	414-1 (2016) New suppliers screened using social criteria	3.3
– Consumers: Measures for consumer health and safety; complaint systems, complaints received, and their resolution.	3-3-d (2021) Describe the actions taken to manage the topic and related impacts	3.1/4.1/4.2
	416-1 (2016) Assessment of the health and safety impacts of product or service categories	4.4
	416-2 (2016) Incidents of non-compliance concerning the health and safety impacts of products and services	4.4
– Tax Information: Profits earned on a country-by-country basis; income taxes paid, and public subsidies received.	207-2 (2019) Tax governance, control, and risk management	3.4
	201-4 Public subsidies received	3.5