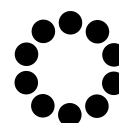


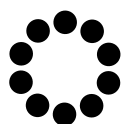
# Annual Report 2021





# Annual Report 2021





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# Corporación Químico -Farmacéutica Esteve, a century of caring for people's health

“ The desire to cure and relieve  
justifies our efforts and leads  
us into the future. ”

**D**r. Antoni Esteve i Subirana, expressed ESTEVE's mission with his own words. His dream began in 1929 in a small pharmacy in Manresa (Barcelona-Spain) and his creative, innovative and entrepreneurial spirit is still very much alive and strong at ESTEVE today, after almost a century of taking care for people's health.

Research and development has always been in the company's DNA, and we have achieved important breakthroughs since the early years. For instance, developing the first vitamin specialties (1931) or synthesizing Penicillin for the first time in Spain (1944). Later, in 1968 the company launched its first NCE (New Chemical Entity), Calcium Dobesilate, a vasoprotective that is indicated today for diabetic retinopathy or, more recently, with the US FDA approval (2021) our a new drug for the treatment of acute pain in adults (Seglantis®).



A great ability to create alliances and partnerships led to the founding of ISDIN in 1975 with the Antonio Puig Group. Today, ISDIN is a worldwide player in skin care and dermatology.

A powerful OTC (Over The Counter) division was created in 1988 and today we are able to offer in Spain an extensive and innovative range of both specialty and OTC products with leading brands. Here again, people are at the very heart of our activities.

Our CMO (Contract Development and Manufacturing Organization) business expanded into new industrial facilities in Mexico in 1991, and in the early 2000s in China.

In 2009, we started a joint venture with the Japanese company, Teijin Pharma, to provide home care respiratory treatments.

In 2020, we acquired Riemser, a Specialty Pharma company with affiliates in Germany, France and the UK.

Finally in 2021, a great milestone was achieved with the FDA approval of our first drug developed entirely by ESTEVE's R&D team, named Seglentis® for the treatment of acute pain in adults.



Corporación Químico-Farmacéutica Esteve is firmly committed to responding to medical needs that are not yet adequately met through comprehensive solutions that range from medicine to support, adding value and helping to sustain the healthcare system. CQFE and its shareholders share a single objective, our commitment to health.

This commitment is evidenced by our participation in various companies in the health sector (dermatology, pharmacy, home respiratory therapy, etc.).





**1929**

Dr. Antoni Esteve i Subirana starts a small pharmacy in Manresa (Barcelona-Spain)



**1968**

Launch of the first New Chemical Entity: Calcium Dobesilate

**ISDIN**



**1975**

Founding of ISDIN



**1991**

Expansion into Mexico



**2000**

Expansion to China



**2020**

Acquisition of Riemser Specialty pharma company with affiliates in Germany, France & UK



**Esteve  
Teijin**

**2009**

Joint venture with Esteve Teijin Healthcare



**2021**

FDA approval of CTC



# About this report

**This report accounts for the activities of Corporación Químico-Farmacéutica Esteve (CQFE), especially those of its wholly-owned subsidiary, Esteve Healthcare (ESTEVE).**



## Esteve Healthcare

([www.esteve.com](http://www.esteve.com)), is an international specialty pharma company.

ESTEVE is an innovative company that invests in the development of new treatments for patients through partnerships with third parties. A broad therapeutic portfolio provides help to the many patients in need. Although the company is focused on specialty medicine and the therapeutic areas of neurosciences (CNS), oncology (ONC) and ophthalmology (OFT), ESTEVE has also a broad portfolio of products in other therapeutic areas and OTC.



## Esteve Teijin Healthcare

([www.esteветеijin.com](http://www.esteветеijin.com)), the result of a 50/50 alliance with the Japanese group Teijin Pharma. Focused on innovation since its foundation in 2009, this company is dedicated to providing the highest quality service to patients receiving home respiratory therapy.

ETH has a large team of health professionals specialized in providing home therapies to respiratory patients. With proven experience and specifically trained to be able to offer personalized attention to each of the patients we reach.

We also guarantee access to the most innovative equipment and all this with a single objective: to improve the well-being and quality of life of patients.



## ISDIN

([www.isdin.com](http://www.isdin.com)), a 50/50 joint venture with Grupo Puig, a worldwide leader in fashion and fragrances. Founded in 1975, ISDIN is currently at the forefront of the development and marketing of products in the field of dermatology, cosmetics and photo-protection. Innovation to respond to the needs of your skin and your mucosa.

ISDIN products combine maximum efficacy and safety with innovative textures that ensure a satisfying practical and sensory experience.

Today, a wide range of products and the immense satisfaction that comes with helping millions of people to feel better about their skin.



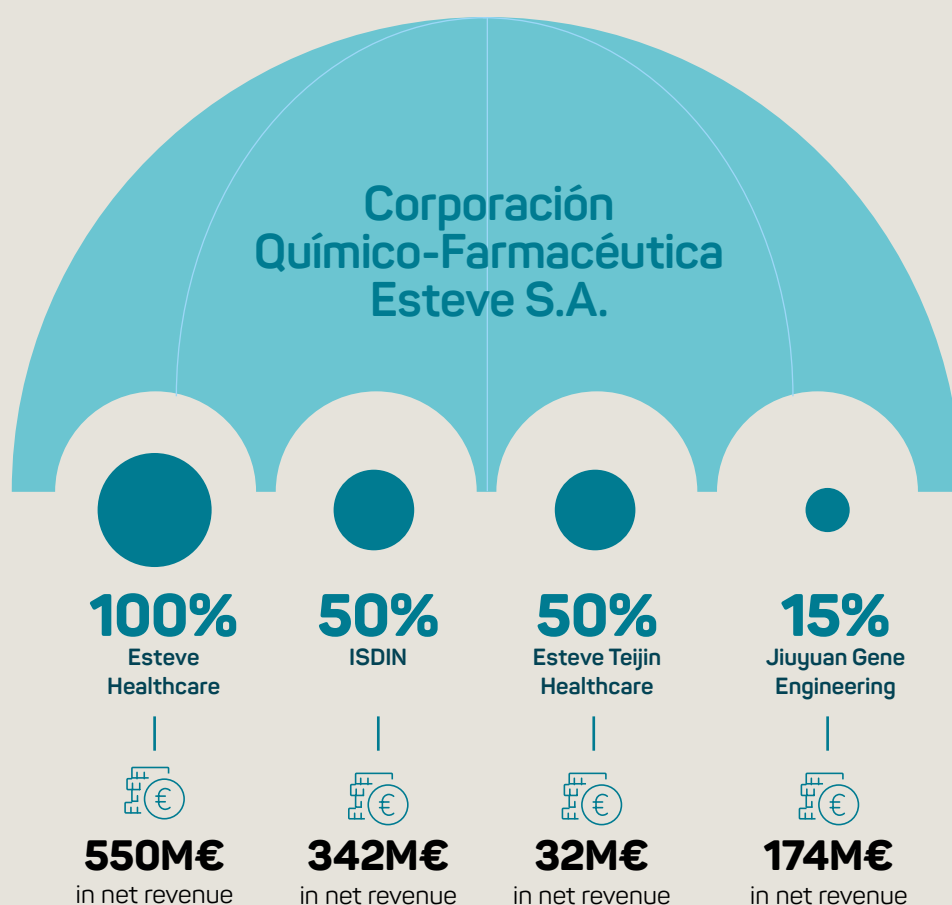
## Jiuyuan Gene Engineering

A biopharmaceutical company that develops and manufactures biopharmaceuticals in China. Corporación Químico-Farmacéutica Esteve has a 15% holding in this company which was founded in 2009.

Shareholders

Board of Directors

Corporación Químico-Farmacéutica Esteve S.A.



The Annual Report has been drawn up in accordance with the provisions of Spanish Law 11/2018, on non-financial information. This report has also been prepared in accordance with GRI (Global Reporting Initiative: Essential option standards), which can be consulted on the website [www.globalreporting.org](http://www.globalreporting.org).

The information contained in this report is for the year 2021. In certain cases it includes data from 2019 or 2020. In addition, this document has been verified by an independent external company (Deloitte).

# Letter from the Chairman



2021 has once again been a year marked by the effects of the turbulent environment caused by COVID-19. Our lives and business activity continue to be conditioned by the effects of this unprecedented pandemic that has forced us to revise how we interact, work, and live. As could not be otherwise, we at the Corporación Químico-Farmacéutica Esteve (CQFE) have adapted to this new environment and shown the resilience of our business, while at all times keeping our commitments to sustainability and the society at large intact.

We are proud to say that, despite a very challenging macro environment, all CQFE participated companies have made substantial progress in their respective development and growth plans.

ISDIN has managed to grow once again, despite the difficulties in the photo-protection market in China, which has been compensated by growth in Latin America and the US subsidiaries. Also the great progress in ESG is noteworthy.

After obtaining BCorp certification in 2020, in 2021 the company



Creating sustainable value for our stakeholders goes hand in hand with our corporate purpose of improving people's lives.



went a step further by joining the Carbon Disclosure Project (CDP) and the Paris agreement, with a commitment to the Science Based Target Initiative (SBTi) to reduce emissions with a goal of Carbon Neutral by 2030 and Net Zero by 2050.

In the case of Esteve Teijin, it has completed the implementation of its new home respiratory therapy service in a new Spanish region, Galicia, and is still awaiting the resolution of the tender in Catalonia. 2021 has been a year of growth in sales compared to 2020, including the opening of our new headquarters in Castelldefels (Barcelona).

As for Jiuyuan Gene Engineering, a Chinese company in which we have a minority stake, its growth in the foreign market has been significant thanks to several products with indications linked to COVID-19 treatments.

Finally, as for Esteve Healthcare, which will be the primary focus of this annual report, we have seen significant progress in our strategic roadmap, both in our Pharma and in our CMO business.

I invite you to discover it in the coming pages.

Creating sustainable value for our stakeholders goes hand in hand with our corporate purpose of improving people's lives, and we strongly believe that our success does not only depend on what we do, but on how we do it.

Our commitment to Environmental, Social, and Governance (ESG) criteria cascades down to every level of our organization, to every employee, and to every relationship and interaction we have with our stakeholders. In 2021 we have established a new Policy on Sustainability, which lays a solid foundation to ensure we hold ourselves accountable and meet the highest standards in our environmental, social, and governance responsibilities.

In this new policy, the supervision and coordination of all business activity related to ESG and sustainability falls under Esteve Healthcare's Executive Management, with direct oversight from the Audit Committee of the Board of Directors. A new Sustainability Steering Committee

has been established, led by two members of the Executive Management of ESTEVE, to push forward our ESG agenda from the top of our organization.

Last but not least, we live in a highly complex and variable environment. The resilience of our teams has been impressive, working very hard to secure operations, manage risks and seek alternatives to continue contributing to improving people's lives.

COVID-19 continues to be part of our lives, but from here and on behalf of the Board of Directors, I would like to thank all our employees for their hard work, resilience and effort, and the shareholders for their continuous support that allows us to keep advancing.

**Albert Esteve,**  
Chairman of the Board  
of Directors. Corporación  
Químico-Farmacéutica Esteve



# Letter from the CEO



In 2021, we have continued to make progress on our roadmap to become a more international proprietary specialty pharma company. One of the most important milestones of the year – and of ESTEVE’s history – has been the approval by the American FDA of Seglentis®, a product developed end-to-end by ESTEVE, which provides a new innovative option in the treatment of acute pain in adults. It is the first proprietary drug to reach the American market, where millions of patients need treatments that help them manage their pain. This milestone is yet another example of our purpose and mission: to improve people’s lives through innovation.

This has also been a year in which the integration of our pharmaceutical affiliates in Germany, France and the UK has become a reality. We have successfully completed all the regulatory steps and our colleagues in Germany, France and the UK are now officially part of ESTEVE.



Taking into consideration that our products reach more than 7 million people worldwide, our corporate purpose is more meaningful than ever.



In alignment with our vision of becoming an international proprietary specialty pharma company, our proprietary product portfolio continues to grow, representing today more than 60% of our pharma net revenues, and gaining more and more ground with respect to third-party licenses. In addition, our entry into the hospital market with specialty drugs is now a reality with more than 20% of our pharma net sales already being made in this segment.

In Contract Development and Manufacturing (CMO), our value proposition of service, quality and close collaboration with our clients is paying off, as shown by its excellent performance in 2021. Our clients consider ESTEVE a partner of choice, and our pipeline of projects in development stages continues to grow year after year with some of the most relevant assets for the largest global specialty pharma companies.

Taking into consideration that our products reach more than 7

million people worldwide, our corporate purpose of improving people's lives is more meaningful than ever.

Year after year, ESTEVE reaffirms its commitment to sustainability through the promotion of various initiatives and projects. As a result of this commitment, in 2021 we took another step forward with the execution of an ESG Due Diligence to understand the main ESG risks to which the organization is exposed as well as the existing control mechanisms and opportunities for improvement.

The result of this Due Diligence has shown a high degree of ESG maturity and proper risk management in the 5 dimensions analyzed: people, environment, social, governance, and product management. These results encourage us even more to continue to invest in our people, ensuring a safe and inclusive working environment that promotes equal opportunities and in which each and every one of us can develop our full potential.

Finally, I would like to thank all ESTEVE colleagues for their commitment during this challenging year. Thanks to our partners and all stakeholders, and finally to the Board of Directors and our shareholders for their continuous support and guidance in our exciting journey.

**Staffan Schüberg,**  
*Chief Executive Officer*

# Esteve Healthcare

## - Key figures

### Business



**550**  
net revenue  
(in million euros)  
(+21% vs 2020)



**87**  
EBITDA  
(in million euros)  
(+77% vs 2020)



**62%**  
Pharma net  
revenues  
of proprietary  
products

### Environment



**100%**  
renewable energy  
use in Spain



**3%**  
water consumption  
reduction

### People



Impact of our products:

**7 million**  
people worldwide



**+60,000**

contacts with health care  
professionals to work  
together for the health  
and well-being of patients



**31**  
average training  
hours per employee



**944**  
training hours  
in Compliance



**88%**  
employees have  
received training

**> €800,000**

in donations and investments aimed at  
making a positive impact on society

#### Talent acquisition

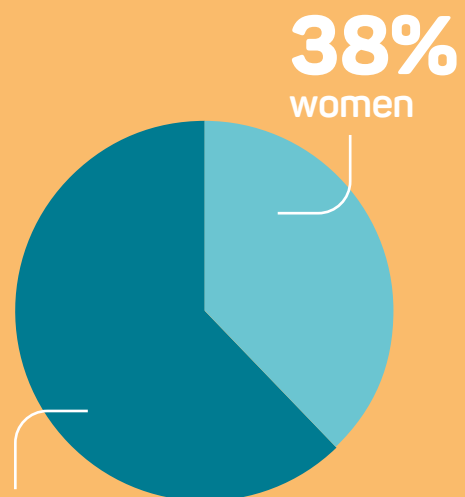


**102**  
new hires

**28**  
internal candidates  
promoted  
(>50% vs 2020)



**1,576**  
employees



**62%**  
men

**35%**  
women  
in managerial  
positions\*



\*Does not include Chairman & CEO.

# Esteve Healthcare

## - Milestones 2021

### April

- On the 27<sup>th</sup> of April, we signed the license agreement for our Co-crystal with Kowa Pharmaceuticals America (Kowa) to launch our proprietary product Seglantis® for the treatment of acute pain in adults in the U.S. market upon FDA approval.
- Launch of Thiotepa, a chemotherapy drug that is administered prior to a stem cell or bone marrow transplant. It is a generic drug that the German affiliate used to market under license and which we have been re-launching in several countries as a proprietary product since April.

### February

- Xeristar® EFG 30/60 mg (duloxetine) re-launched in Spain as a proprietary product for the treatment of depression.

### May

- A new Sustainability Steering Committee was created. A group of senior leaders with different functions in the organization whose mission is to implement the sustainability strategy across ESTEVE.

### June

- Ozonest® is the first ozone-based eye antiseptic to reach the Spanish market. With its patented formula, ozone gas binds, by chemical ozonation reaction, to the fatty acids of vegetable oil forming ozonides in liposomes. The ozonized oil (LipozonEye®) has antibacterial, antiviral and antifungal properties.
- Esteve Pharma Spain launched Alzerta® SD (rivastigmine patches), a proprietary product for the treatment of Alzheimer as a result of an agreement with the Chinese pharmaceutical company Luye Pharma.



## July

- ESG due diligence performed for the first time. The output shows a high degree of ESG maturity and proper risk management in the 5 dimensions analyzed: people, environment, social, governance, and product management.

## October

- On the 15<sup>th</sup> of October, we received the notification from the U.S. Food and Drug Administration of the approval of Seglantis®, the first drug developed entirely by ESTEVE's R&D team to reach the U.S. market. It is an innovative drug, the first of its kind, consisting of a co-crystal form of celecoxib (anti-inflammatory) and tramadol (analgesic) for the treatment of acute pain in adults.

## November

- We signed a licensing agreement with the American company Acorda Therapeutics for a product for the treatment of Parkinson's disease in adults, Inbrija®, which is expected to be launched in Spain and Germany in 2022-2023. In the case of Germany, Inbrija will help us to create a new franchise in CNS expanding our current therapeutical area footprint.
- New Sustainability Policy & Strategy approved.

## December

- Portugal affiliate set-up to start operations in January 2022. This affiliate will focus on proprietary products in OTC and ophthalmology care.

## COVID-19

The effects of the COVID-19 pandemic have continued to be felt throughout 2021. As a healthcare company, we have been focused on ensuring the supply of essential and non-essential medicines for our patients. Our business continuity plans to ensure both the health of our employees and our operations and that no patient is left without their medication have proved effective. Our commitment to patients has remained intact and encourages us to continue working for health and people.

# Who are we?

“

**“Improving  
people’s lives”.**

This is our purpose  
and reason for being.

”

**A** purpose in which each member of the ESTEVE team has a role to play. No matter what geography, country or function we are in, the purpose is unique, as is our culture and values. This purpose is what guides our day-to-day actions, without losing sight of what we do and how we do it, in a responsible and sustainable way, and always remembering that the patients are always at the center. They are our *raison d’être* and we seek to improve people’s lives.

Values and behaviors serve as the basis for our decisions, projects and actions to achieve the expected results and fulfil our noble purpose. People at ESTEVE should act in accordance with our values.

We encourage and support our teams in translating our values into more tangible behaviors in our day-to-day business: We strive for excellence by driving results and by demonstrating that we behave in an innovative, collaborative and accountable way. Furthermore, we expect our people to engage with the company and to own their development with a strong focus on continuous improvement. This is the ESTEVE way.



## Values

It’s all about people

### People Matter

We recognize and reward innovative approaches and behaviors, and we respect the contributions of all employees. We are strongly committed to addressing patients’ needs – our reason for being.

Own it

### Transparency

We believe that TRANSPARENCY leads to TRUST and both are key pillars for honest and productive collaboration. We accept that sometimes we win and sometimes we learn.

Be open, build trust

### Accountability

We are committed to ACCOUNTABILITY and INTEGRITY. We always take responsibility for our decisions and our work, doing the right things in the right way.



## Behaviors

### Own your development

We take action & responsibility to continuously improve, asking for feedback, learning from new experiences and assignments, and from other people.

### Be innovative

We proactively search for new ways of doing things, embracing change & innovation in order to exceed our patients' & clients' expectations.

### Be accountable

We perform our role, tasks and responsibilities in line with the company goals & strategy and hold ourselves accountable & bold for decisions, actions and failures.

### Collaborate

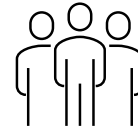
We work collaboratively across the organization and build productive networks, involving others and promoting a constructive & open dialogue to meet shared objectives.

### Engage yourself

We listen, exchange ideas and speak up for our opinions, and we encourage direct and open discussions about relevant topics.

### Drive results

We persist in accomplishing outstanding objectives, following plans and milestones to achieve key and challenging goals even in the face of obstacles and setbacks.



## Leadership principles

### Drive engagement

We inspire and lead our people by example everyday. We create an environment where people feel confident, valued and inspired to do their best.

### Grow our people

We are strongly committed to nurturing our people's growth through empowerment and trust. We provide clarity and support them in making good decisions.

### Lead constant change

We foster and lead a change mindset. We support our people to continuously learn, embrace change and adapt seamlessly to new situations.

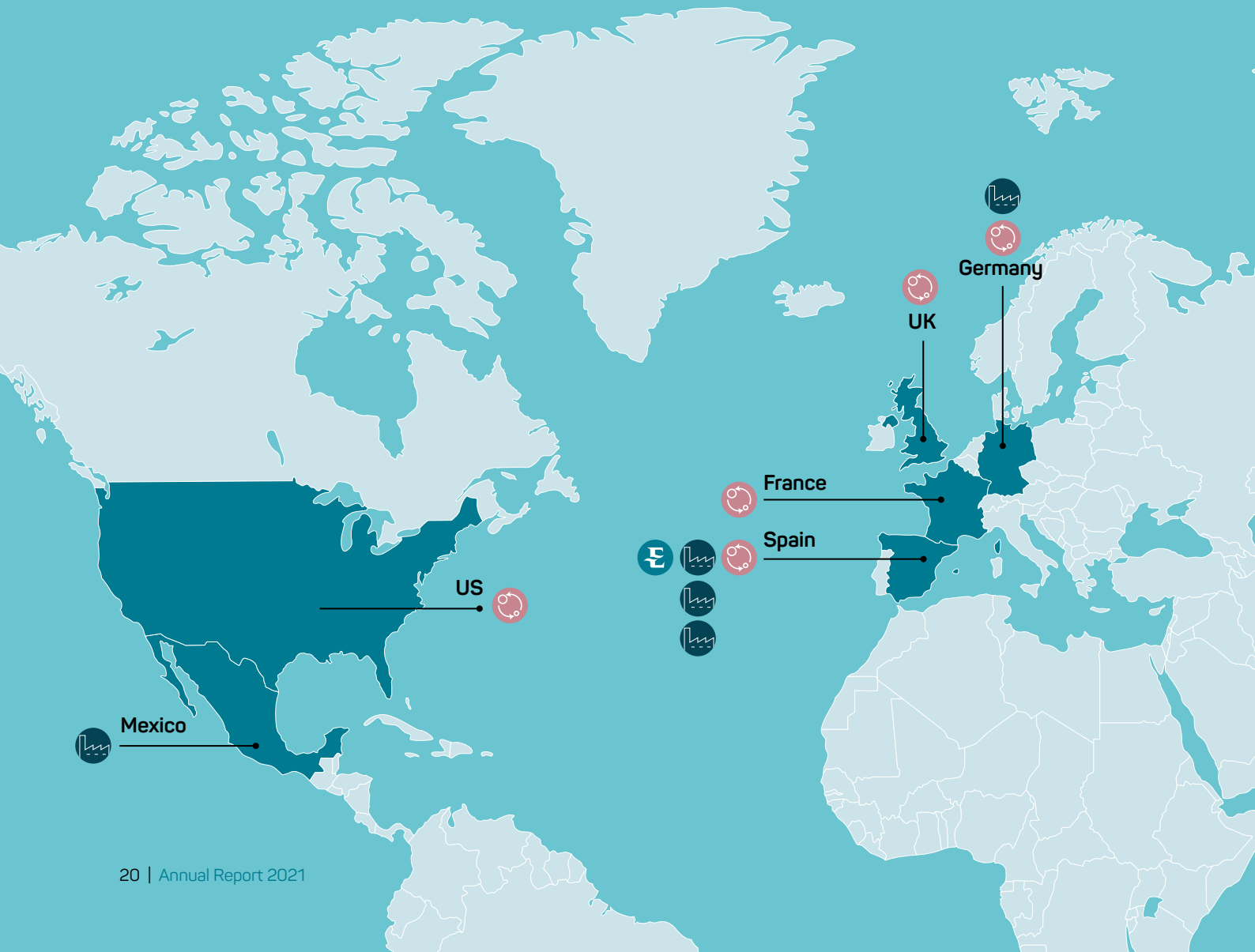
# Global presence

Net  
revenues

**181M€**  
Spain

**267M€**  
Rest of Europe

**102M€**  
Rest of World





**1,576**  
Employees

**38%**  
women

**62%**  
men

**22**  
Nationalities



Spain  
916



China  
346



Mexico  
171



Germany  
116



France  
14



UK  
11



US  
2



Headquarters



Industrial sites



Affiliates



China





# How we create value

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We at Esteve Healthcare are permanently focused on advancing innovation to improve people's lives. That is our mission and our drive. However, for us it is not only about what we do, but, equally important, it's about how we do it. Over the next sections we will review the context we operate in, and how we approach our relationships with our different stakeholders and society at large.

# Operating context

ESTEVE's operating context is largely defined by three main forces permanently in action:

- 1 As any pharma company, our playing field is defined by an increasingly rapidly evolving competitive environment, with shorter innovation cycles and ever-growing global competition.
- 2 In particular, since early 2020 society in general, and the healthcare industry in particular has been marked by COVID-19.
- 3 In addition, we live in an increasingly digitalized world, where digital savviness is no longer a source of competitive advantage, but rather a must-have in any top organization.

## HEALTHCARE INDUSTRY TRENDS.

In recent years the healthcare environment has become more challenging and fast-paced. This is resulting in a need to become even more agile and dynamic as a company, constantly balancing innovation with the ability to be cost efficient and guarantee a sustainable setup with which to address patients' needs.

**COVID-19.** Today's pharma industry and competitive environment is inextricably tied to the COVID pandemic and its aftermath. It has put the industry in the spotlight, placing humankind's hopes into new vaccines and drugs to fight an unprecedented threat. However, and in parallel to all the development efforts, we as an industry have also had to face significant challenges in the global supply chain, commodities, logistics, and raw materials, which we have had to overcome with creative solutions to ensure that all drugs reached the patients who needed them. At the same time,

the COVID-19 crisis has not only resulted in numerous challenges but facilitated some positive changes, e.g. accelerating a new more flexible work model combining remote and on-site work.

**DIGITAL TRANSFORMATION** is a must for any company that wants to serve its patients and employees better and continue to hold a sustained competitive advantage. It is not only about technology, it is about integrating a digital mindset into every aspect of the company. ESTEVE is conscious of how Global Digital Transformation is impacting companies and changing client behavior. In response, the Digital Transformation has become part of ESTEVE's strategy during these last years, focusing on investing in key technologies to better serve our patients, not only through innovative technology but also in digital culture, internal capabilities and exhaustive process optimization to become even more efficient and competitive.

# Stakeholder involvement

Our success relies on the value we can create for our stakeholders today and tomorrow. For us to be a successful company means being able to play a key role in people's wellness and business sustainability. In order to create value, we first need to listen to them and understand their

## Patients

Advancing innovation to improve people's life is our mission, our raison d'être. The medications we supply today help millions of patients worldwide. Therefore, we consider innovation a key, we have strict pharmacovigilance systems in place, and we focus our daily efforts on meeting patients' healthcare needs.

needs. We do this, in addition to our daily interactions with different stakeholders, through the formal process of creating our materiality report.

All this information together with ESTEVE's priorities, allows us to design our strategies.

## Pharmacovigilance systems: quality and trust

The safety of our medicines, together with their risk-benefit and quality, constitute one of our fundamental areas of attention that everyone in ESTEVE is committed to, to ensure that patients receive marketed treatments with every guarantee and absolute reliability. Our pharmacovigilance system ensures that the medicines we market are properly tracked to ensure the safety of all patients treated. This system constitutes a key activity at ESTEVE, which is governed by internal standard operating procedures that comply with international regulations and with the European guidelines for good pharmacovigilance practices (GVP).

Our Pharmacovigilance system has been adapting rapidly to the appearance of new technologies and new sources of safety data information. However in 2021, ESTEVE's international expansion has been a challenge as it has entailed the integration and knowledge of the new medicines we have acquired and the new partners we have incorporated plus the harmonization of Pharmacovigilance processes across the whole ESTEVE.

## 2021 Highlights

Annual audit of ESTEVE's Pharmacovigilance system. No critical observations found.

Pharmacovigilance audits carried out by the Quality Assurance Unit of the Medical-Scientific Area on more than 10 international pharmacovigilance partners.

Successful audit carried out by a licensor (KOWA).





## Employees

Strongly motivated and talented employees are the main drivers of our results. Knowledge, experience, and passion to improve people's lives is what sets ESTEVE apart from the rest.

This is why we ensure individual growth, equal opportunities, challenging projects and, of course, a safer working environment. All this, in a multicultural and inclusive climate that allows our people to develop their careers and their professional objectives.

## Public Administration

Hand in hand with public entities, we ensure the health of society, the generation of employment, investment in research and development, and economic growth.

## Shareholders

Our commitment to our shareholders is manifold, and goes beyond our fiduciary duty. We are of course committed to maximizing their value and to providing sustained, long-term financial returns. At the same time, we pledge ourselves in doing so to remain true to our mission, ensuring that we have a positive impact on society and the environment, and that we always adhere to the highest standards of integrity and responsibility at every level of the organization.

## Healthcare professionals

Shared values and the same daily objectives are what we offer to our customers and healthcare professionals.

To improve people's lives means having best-quality products together with the right support that allows more holistic patient care. We want to stand out for our professionalism, dedication, and proximity.

## Customer Service:

The recent global health crisis has made patients become active participants in all aspects of their healthcare decisions, including medications and medical devices that are part of their treatments. This fact has made clearer than ever the need to communicate with our patients in a transparent and agile manner.

Our customer service systems ensure the proper reception and streamlined resolution of any query related to an ESTEVE product. Whether the query comes from a patient or a physician, the team behind the service has proven its commitment and that our service-oriented model is indeed robust. During 2021, we received 750 queries, all of which had been resolved by year-end.

### Queries received

2019	2020	2021
<b>1,356</b>	<b>942</b>	<b>750</b>

## Society

We aim to generate a positive impact on communities through our mission to improve healthcare, through innovation and R&D efforts and through our investment in projects and/or collaboration agreements to ensure access to healthcare and basic needs.

Number of people impacted by our products:

**7 million**

We indirectly serve more millions of patients through our CMO business which provides APIs to biotech and pharma companies.

## Suppliers

Our suppliers play a critical role supporting our mission to improve people's lives through leading innovation in medicine. They provide us with in-depth knowledge of patient behavior and disease management. This knowledge plays a key role in guiding us to improve the quality of our patient care and finding treatment options. At ESTEVE we work to guarantee that our interaction with any stakeholder from a marketing agency, clinical research laboratory or raw material supplier is carried out with transparency and integrity.

ESTEVE shall aim to select and use suppliers that provide written proof that they comply with internationally recognized

standards governing human rights, labor, environment and anti-bribery, as reflected in the ESTEVE Code of Conduct. Our commitment to a sustainable procurement is an integral part of our procurement policy and in our supplier registration and evaluation processes we include, among others, ESG-related elements in each rating of our suppliers. Some of these aspects are Sustainability, Legal Compliance, Quality and Conformity. These elements are included in the questionnaires on social aspects that we send to third parties. Additionally as part of the evaluation process, we carry out periodical audits of our raw material suppliers in compliance with the risk analysis of the annual audit plan.



“

We want to be a sustainable company in terms of our business, people, and environment.

”



## Sustainable purchasing

Our Global Procurement Policy sets the principles and values of the procurement processes at ESTEVE and our relations with suppliers. Procurement shall be conducted in an impartial, transparent and accountable manner:

**1**  
In ensuring impartiality, suppliers shall be afforded equitable treatment and their offers shall be evaluated based on their legal, technical and financial capabilities.

**2**  
In promoting transparency, Procurement shall maintain a relationship of trust and a permanent dialogue with our suppliers and stakeholders working in a cooperative way and promoting collaboration in the organization.

**3**  
In encouraging accountability, individuals shall be accountable for their acts with respect to procurement activities based on the lines of accountability.

Our Third Party Code was created to ensure that suppliers, joint-ventures and other stakeholders with whom we interact, conduct business in the same way as we do- caring for people, environment and business. The creation of our Third Party Code was inspired by our Code of Conduct and includes principles and best practices borrowed from:

- The Pharmaceutical Supply Chain Initiative.
- The United Nations Global Compact.
- The core conventions of the International Labor Organization.

During 2021, we have been working on the implementation of a purchasing management model. A global model with local application that includes all the geographies where we conduct business. This model is focused on optimizing and responding to the needs of our different lines of business and its purpose is to ensure a well-coordinated and transparent relationship with our suppliers worldwide.

As proof of our commitment to people and society, we collaborate with suppliers that hire workers with disabilities. We collaborate with six special employment centers globally.





#### Stakeholders



#### Employees

#### Main material aspects

Environmental Commitment, Climate Change, Health & Safety of Employees, Leadership & Talent Development, Safety Products.

#### How we address material aspects

**See the following sections:** Commitment to the Environment / Commitment to our Employees / Promotion of Health in the Workplace / ESTEVE Social Performance.

#### Stakeholders



#### External

Patients, healthcare professionals, non-profit organizations, suppliers, public entities, strategic partners

#### Main material aspects

Access to Healthcare Products, Health and Safety of Employees, Human Rights.

#### How we address material aspects

**See:** Commitment to the Environment / Promotion of Health in the Workplace / ESTEVE Social Performance / Ethics & Compliance.

#### Stakeholders



#### Shareholders

#### Main material aspects

Ethics and Integrity, Responsible Business, Compliance.

#### How we address material aspects

**See:** Ethics & Compliance / Holding Ourselves Accountable.

# Materiality

The way we define our strategy is by always taking into account not just ESTEVE's needs but also our stakeholders' priorities. This is why dialogue and collaboration are so important: to be a successful company, we need to create value for our stakeholders and to do so, we need to understand their concerns and what they need from us.

This is why we draw up our materiality report on an annual basis.

Based on dozens of sources of analysis such as market standards, Global Compact Principles, legal requirements, internal information, previous reports, etc., we have identified 27 relevant topics and 68 material issues disclosed within 5 areas:

- Environment
- People
- Society
- Product Management
- Governance

To understand stakeholders' priorities, we have created a questionnaire to assess the relevance and urgency of the relevant topics from the stakeholder's point of view. 'Relevance' refers to the extent to which ESTEVE's management on a certain topic can influence the stakeholders' relationship with the group. 'Urgency' refers to the period of time by which it is believed that ESTEVE must invest resources in order to manage a specific aspect.

More than 130 questionnaires were sent out. The first Focus Group was also convened, as part of the Materiality Analysis.





- Environment
- People
- Society
- Product Management
- Governance

## Materiality Matrix

Topics	Code
<b>Critical Topics</b>	
Environmental commitment	2
Climate Change	6
Health and Safety of Employees	8
Leadership and Talent Development	12
Safety Products	20
<b>Relevant Topics</b>	
Energy Management	1
Job Stability	9
Employee Wellbeing	10
Diversity & Equality	11
Suppliers' Management	18
Compliance	21
Risk Management	24
Cybersecurity	26
<b>Other Topics</b>	
Water Management	3
Materials consumption	4
Circular Economy and Waste Management	5
Biodiversity Preservation	7
Human Rights	13
Community Contribution	14
Health & Wellbeing of Society	15
Access to Sanitary Products	16
Employment Promotion	17
Innovation	20
Ethics & Integrity	22
Communication and Transparency	23
Responsible Marketing	25
Responsible Business	27



### Conclusions compared to the previous year:

In 2021, three new topics have been included as critical:

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**Environmental Commitment**

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**Climate Change**

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**Leadership & Talent Development**

---

The topics Health & Safety of Employees and Safety Products continued to be classified as critical topics, as was the case in 2020. It must be noted that all material topics relating to People are classified either within the critical or the relevant category.

While Health & Safety and Safety Products are still valued as having a high impact on ESTEVE's operations, in 2021 two topics emerged as having the most impact: Cybersecurity and Supplier Management.

# Risks and opportunities

## Manage risk by adding value for business

**A**t ESTEVE we manage risks by considering that they are part and parcel of the business and are therefore **linked to ESTEVE's strategy** and day-by-day operations. To do so, we use a holistic approach based on best practices <sup>[1]</sup> with a pragmatic focus that allows us to keep risk under control at the same time as we develop agility and resilience.

The foundation of the Risk Management strategy is the "Tone at the Top" vision of our Executive Management, who directly sponsor key projects related to the improvement of our risk management processes across the organization and geographies. In this line, we base ourselves on **ESTEVE's culture and values** which provide the framework for **governance** across the organization.

The process for risk **identification, assessment, prioritization and mitigation** is defined in the ESTEVE Global Risk Management Policy and is globally led by the Global Risk Management function based on the principle: "To manage risk by adding business value, considering all internal and external stakeholders and ensuring a robust control system from design to activity monitoring."

The identification of the risks is based on ESTEVE Risk Factors that represent the main categories of risks that ESTEVE is exposed to by the fact of being a pharma company:

- Regulatory, Legal and Compliance Risks
- Financial Risks
- Business Risks
- Operational Risks
- Reputational Risks
- Environmental, social and governance Risks (ESG)

### 2021 Highlights

The COVID-19 pandemic has been one of the main challenges in 2021. At ESTEVE we have given continuity to the COVID risk monitoring tools implemented in the first months of the pandemic and we have maintained our integrated approach to managing specific COVID risk on a regular basis through our Executive Management. These mechanisms allowed us to identify critical elements and put actions in place to avoid significant impact and to keep the situation under control.

The development of policies and procedures has been an area of focus during 2021, supporting the roll-out of ESTEVE's operational model in some of the support areas while reinforcing our internal control system.

<sup>1</sup> The ESTEVE Risk Management system is based on the COSO Framework.





Considering these factors, we conduct a multidisciplinary process to identify and classify the key risks according to their typology and relevance. This is an iterative process where the Executive Management and key experts from their teams participate to build up the ESTEVE Risk Map that is presented to the Audit Committee and Board of Directors.

The Risk Map is **monitored** on a quarterly basis by Executive Management in order to detect any changes that may affect risk assessment. The results of these reviews are documented, and action plans defined as needed.

At ESTEVE, we continuously strive to improve our risk management and internal control systems, understanding what our business requires, looking for innovative ways of managing risks taking into consideration our stakeholders' needs, providing proper training to the organization and **communicating with transparency** across the different internal channels.



# 2021

## Risk map



Risk Title	Risk Description	Mitigating Actions
Inorganic growth risks	Failing to identify inorganic growth opportunities or to execute them as planned.	<ul style="list-style-type: none"> <li>• Prioritization and focus.</li> <li>• Monitor market dynamics and unmet needs.</li> <li>• Business Development strategy.</li> </ul>
Risk of not achieving commercial performance targets	<ul style="list-style-type: none"> <li>• Commercial underperformance of key products, delays and pricing restrictions.</li> <li>• New competitors or inability to attract new customers.</li> </ul>	<ul style="list-style-type: none"> <li>• Portfolio monitoring and optimization.</li> <li>• Monitor market dynamics, including local regulations.</li> </ul>
Third Parties and Outsourcing Risks	<ul style="list-style-type: none"> <li>• Risk from third parties and outsourced activities could negatively affect ESTEVE.</li> </ul>	<ul style="list-style-type: none"> <li>• Monitoring actions and controls over outsourced activities.</li> <li>• Supplier's assessment process aligned with Procurement Policy.</li> <li>• ESTEVE Third-Party Code.</li> </ul>
Product Liability	<ul style="list-style-type: none"> <li>• Personal injuries and indirect damages resulting from ESTEVE products and services.</li> </ul>	<ul style="list-style-type: none"> <li>• Quality Management system, Product Risk Assessment process and Liability Insurance program.</li> </ul>
Financial Risks	<ul style="list-style-type: none"> <li>• Financial risks with special focus on Cash Flow &amp; Liquidity, Market Fluctuations and Country Risk.</li> </ul>	<ul style="list-style-type: none"> <li>• Cash flow &amp; CAPEX monitoring.</li> <li>• Monitor market fluctuation.</li> <li>• Financing projects and initiatives.</li> </ul>
Shortage of talent and inability to attract and retain it. Unsuccessful implementation of the organizational and cultural model change	<ul style="list-style-type: none"> <li>• The inability to attract and retain qualified personnel could adversely affect our business.</li> <li>• Failure to complete the organizational and cultural changes could negatively impact our operations and the ability to retain talent.</li> </ul>	<ul style="list-style-type: none"> <li>• Leadership principles and programs to create good leadership and high engagement.</li> <li>• Organizational Review process.</li> <li>• Competitive Compensation Scheme</li> <li>• Recruitment strategy to include attraction of new talent.</li> <li>• Create a modern and flexible post-pandemic workplace.</li> </ul>

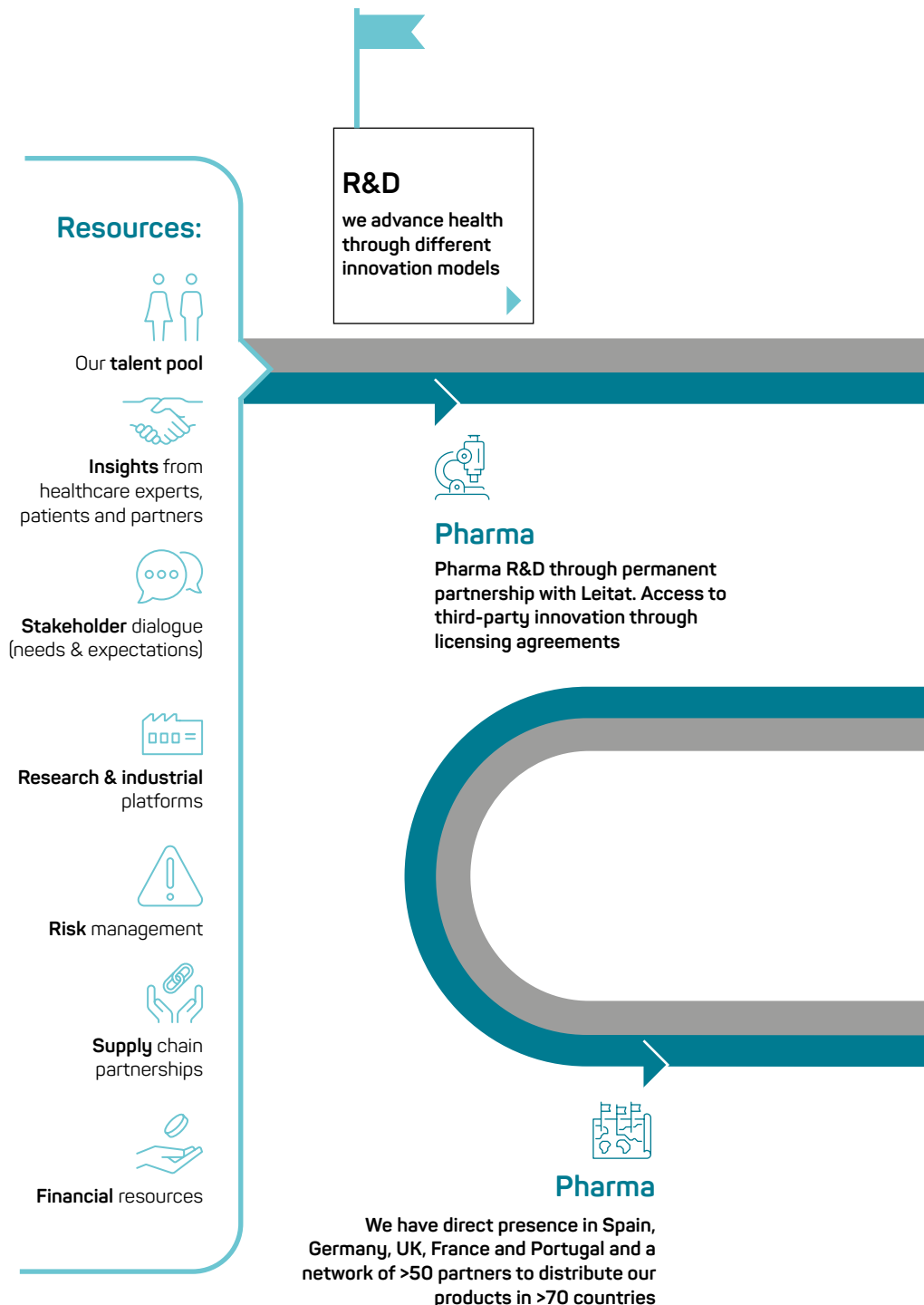


Risk Title	Risk Description	Mitigating Actions
<b>Legal, regulations and compliance risks</b>	<p>Non-compliance actions or claims against applicable legal framework, regulations and industry codes. This includes but is not limited to:</p> <ul style="list-style-type: none"> <li>• Compliance: Anti-Bribery, Code of Conduct, Good Governance practices failure, Labor Claims, Human Rights, Employee's fidelity.</li> <li>• Legal: Data Privacy, Anti-Trust, Specific Legal claims applicable to industry scope.</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance Actions: Detailed risk assessment with controls implemented for Code of Conduct Policy, Criminal Risks, Industry specific requirements.</li> <li>• Monitor legislation changes detecting actions to be implemented proactively, especially in Data Privacy and Anti-Trust areas.</li> </ul>
<b>Loss of competitive advantages due to the inability to carry out necessary actions to adapt to new business models, way of working, and digital changes accelerated by COVID-19</b>	<ul style="list-style-type: none"> <li>• Unsuccessful digital transformation or not sustainable in time.</li> <li>• Inability to keep internal processes efficient and agile.</li> <li>• Strong competitors with disruptive technologies or ways of doing business.</li> <li>• Failure to innovate, adapt to new ways of working and new business models.</li> </ul>	<ul style="list-style-type: none"> <li>• Digital Transformation Strategy.</li> <li>• Continuous focus on prioritization.</li> <li>• Monitor changes and new opportunities.</li> <li>• Internal processes improvement initiatives.</li> </ul>
<b>IT Risks - Cyber Risk and Infrastructure blackout</b>	<ul style="list-style-type: none"> <li>• Inability to protect company from breaches in our cybersecurity system affecting key IT systems and critical infrastructure, compromising operations and data privacy.</li> <li>• Breakdown / Blackout of critical infrastructure (e.g., power energy, networks, internet providers, key systems).</li> </ul>	<ul style="list-style-type: none"> <li>• Cybersecurity measures implemented.</li> <li>• Robust monitoring tools implemented to evaluate performance and detect IT infrastructure upsizing needs.</li> </ul>
<b>Business Interruption</b>	<p>Business disruption due to:</p> <ul style="list-style-type: none"> <li>• Important accident in a production plant (fire, explosion, etc).</li> <li>• Supply chain disruption.</li> <li>• Pandemics / Infectious diseases.</li> <li>• Climate change, natural resource crises, adverse weather with natural catastrophe exposures.</li> <li>• Others.</li> </ul>	<ul style="list-style-type: none"> <li>• Business Continuity Plan.</li> <li>• Insurance program.</li> <li>• EHS policies in place.</li> </ul>

# Business model

Our business model is underpinned by our purpose and pivots around improving people's lives. It provides us with the path to get there and with a clear vision: to become an international proprietary specialty pharma company.

We want to be a sustainable company in terms of our business, people, and environment, making a positive impact on our society and creating long-term value for all our stakeholders.



“

We want to be a sustainable company in terms of our business, people, and environment.

”



### CMO

Process manufacturing development from R&D to full commercial scale



### CMO

Global network of 5 (Spain (3), China and Mexico) state-of-the-art facilities for small molecule API



### Pharma

Global partnership with >50 CMOs to create a strong and reliable supply chain for our products

### Production

We ensure the highest quality standards day after day

### Value created:

We help more than 7,000,000 patients who use our medicines

60,000 healthcare professionals trust in our products & services

We advance in innovation in areas with highly unmet needs

We help the professional growth of our teams with training (88% of staff) and the best environment and working conditions

We contribute to society with donations and projects designed to have a positive impact on our community



### CMO

Our customers – global specialty pharma companies – distribute their products around the world

### Distribution, marketing & sales

We make our products available to patients world-wide

CMO (ESTEVE Quimica) business model

Pharma business model

# Our strategy for value creation



## Corporate strategy

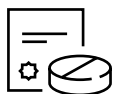
To be true to our purpose of helping people to live better and healthier lives, we want to achieve our vision of becoming an international proprietary specialty pharma company.

### INTERNATIONAL



Presence in different regions and new markets will help us to diversify risks, while at the same time providing more economies of scale, synergies, and new opportunities.

### PROPRIETARY



Transitioning from an in-licensing and co-marketing model to a proprietary products model. We are in control of our decisions and no longer depend on third parties. In addition, on our path to long-term sustainability, proprietary products usually provide more profitability, allowing us to increase our investment in innovations.

### SPECIALTY PHARMA



Many primary healthcare needs have treatment alternatives, in contrast to what happens in diseases that affect fewer patients and in the field of specialized care. We believe that there are important unmet needs and opportunities within this segment to which ESTEVE can contribute.

## Sustainability strategy

We ensure that all our decision-making processes are informed by environmental, social and corporate governance criteria to give a more global significance to our purpose of improving people's lives and by extension, the environment in which we live.

Caring for People, Caring for the Environment, and Caring for our Business are the three pillars of our Sustainability Strategy. These pillars are also aligned with the Sustainable Development Goals of the United Nations 2030 and follow the ESG principles framework.





### CARING FOR PEOPLE

- As well as ensuring the quality and safety of our products, we aim to provide support to improve patients' quality of life.
- We promote a safe and healthy work environment for our employees, encouraging healthy lifestyles, gender equality and individual growth.
- We seek to generate a positive impact on communities through projects and/or collaboration agreements with third parties that ensure access to healthcare and coverage of basic needs.



### CARING FOR THE ENVIRONMENT

- Our aim is to carry out our activities with the utmost respect for the environment, minimizing our impact.
- We believe that it is essential to promote the circular economy through a responsible use of resources and good waste management.



### CARING FOR OUR BUSINESS

- Our processes and our way of working are conducted in an ethical manner, above and beyond the required standards.
- We are committed to best practices in our corporate governance, comprehensive risk management, and transparency in all our interactions.

## Innovation strategy

“  
Our current innovation model is based on a flexible approach and versatile model.  
”

Building on a robust track record of partnerships, we are moving our focus toward proprietary specialized therapies. Our goal is to deliver meaningful innovative solutions for patients who currently lack effective or adequate options. Our current innovation model is based on a flexible approach and versatile model, which means strategic investment decisions (right opportunity and right timing for both internal developments as well as external innovation acquisitions and partnerships) aligned with ESTEVE’s strategic goals. This model also allows us greater risk control and the ability to consider diverse specialized therapies and innovative products while maintaining a balanced portfolio.



Moad El Mahdali El Khattabi, Celrà Industrial Site.



## Our aspirations

To achieve our vision of becoming an international proprietary specialty pharma company, we have set ourselves several aspirations and goals to track along our journey to make sure that we will be able to achieve it.



## Purpose, Innovation and Sustainability



We want to improve people's lives and to help patients, healthcare professionals, caregivers and society.



We want to deliver innovative treatments to patients worldwide.



We want ESTEVE to be recognized as a responsible, sustainable company with a focus on care, going above and beyond regulatory, legal and market standards.

## Business and Operations



**Scale**  
**1 Billion €**  
in net revenue



**Profitability**  
**>25%**  
of EBITDA margin



**Growth**  
**>5%**  
sustained annual growth



**International**  
We want to be an international company: direct presence in multiple geographies



**Proprietary product portfolio**  
**>80%**  
of total net revenues



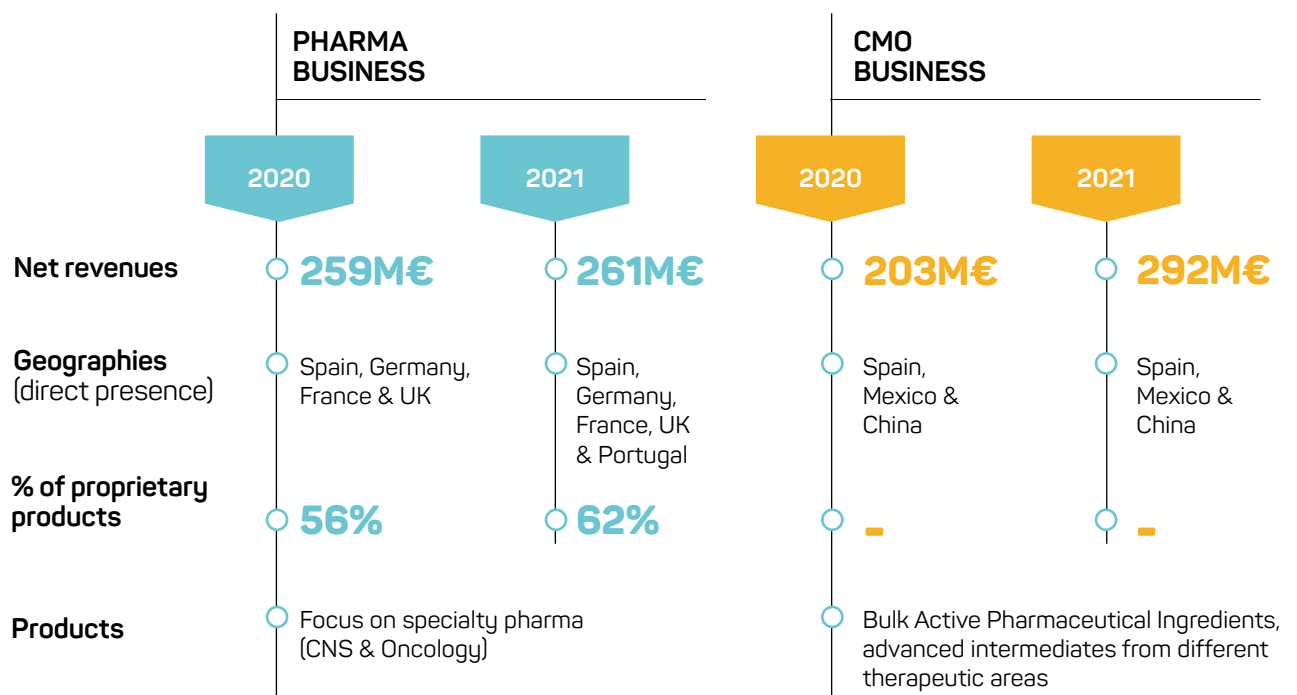
# Our strategy in action

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# Business overview

## Corporate strategy. Servicing specialty patients worldwide

The combination of both our pharma business, focused on specialized pharmaceuticals, and our contract manufacturing business (CMO) allows us to provide integrated or stand-alone solutions depending on the needs. Innovation and quality are the key pillars of both activities.



## Pharma business

Our Pharma business is today undergoing a significant transformation towards our vision of becoming a more international proprietary specialty pharma company.

In terms of geographical footprint, today we have a direct presence in 4 countries (Spain, Germany, France and the UK) and indirect presence in >50 countries through a global network of partners. In addition, we have plans to enter organically into Portugal, where in December 2021 we already began setting up an affiliate which is due to start operations in January 2022. This affiliate will focus on proprietary products in OTC and ophthalmology care. And we expect to be in Italy by 2023.

To market Seglantis® in the US, we have sealed a strategic partnership with Kowa Pharmaceuticals, which has proven to be our best ally in this endeavor.

Our portfolio, which comprises >100 brands, spans multiple therapeutic areas, with a special focus on oncology, central nervous system, ophthalmology and pain. Within this portfolio, **our focus is on boosting our proprietary assets and driving profitable growth, which today represents ~60% of our net revenues with the objective of reaching >80% in the coming years.**

In addition, on our journey towards increasing our presence in

specialty pharma in hospital dispensation to patients, we are having a 20% of our net revenues.

In October 2021, our latest product for the treatment of acute pain in adults – Seglantis® – received FDA approval, marking an historical milestone for ESTEVE. To market this product in the US, we have sealed a strategic partnership with Kowa Pharmaceuticals, which has proven to be our best ally in this endeavor.

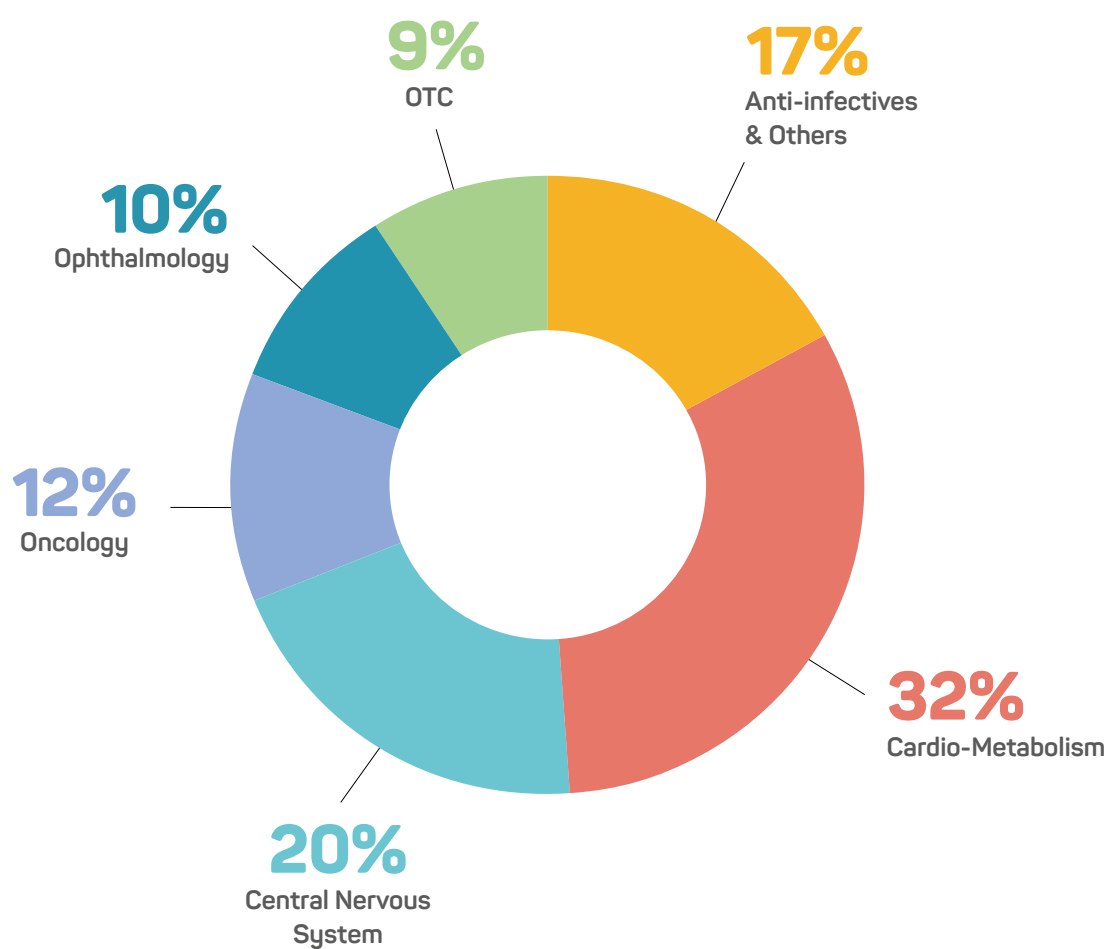
### 2021

Key year to accelerate the evolution of our pharma business model: from Primary Care licenses to proprietary products in Specialty Care (SC) areas at the international level. This transition was supported by 2 levers: boosting the performance of new launches in SC areas while optimizing our current portfolio focusing on those products that play a role in our strategic therapeutic areas and improving patients' quality of life.



We currently offer treatments that span the following therapeutic areas

(As percentage of total net revenues)





## CMO business

Through Esteve Química, ESTEVE offers global development and manufacturing of active ingredients for third parties, covering all aspects of a genuine industrial process: from the first stages of development to the industrial manufacture of active pharmaceutical ingredients (APIs). We are focused on developing and manufacturing small molecule intermediates and active ingredients for pharma specialty care companies.

2021 has been an excellent year for our CMO Business with results above 2020 by 44% in net revenues and significant growth in gross margin and EBITDA. The main reason was an extra demand for one of the most profitable products in the CMO portfolio and the good performance of the rest of the products. We also continued our commercial success with 9 more projects, including 2 new customers.

The entire process involves the highest technological capacities and spans three different continents: Europe, with active ingredient manufacturing sites in Celrà (Girona) and Banyeres del Penedès (Barcelona), and one R&D center in Barcelona, Spain; America, with another site in Jiutepec, Mexico; and Asia, with the Shaoxing site in China, a joint venture with the Huadong Medicine Group. In addition, the CMO Business organization is also managing a finished dosage forms plant in Schiffweiler (Germany) which manufactures a number of products for our Pharma business, serving as internal CMO.

In February 2022, we signed an agreement to purchase a fine chemicals industrial site in Lliçà de Vall (Barcelona). The purchase of this facility, which is fully in line with ESTEVE's expansion strategy, will increase its current capacity to manufacture active ingredients by almost 20% and expand its product portfolio and production capacity, thereby securing ESTEVE's continued growth.



Some of the keys to 2021's excellent performance have been: our development capabilities, fast adaptation to customers' requirements and, particularly, our commitment to excellence.

The new site adds to our industrial platform a workforce of 90 people and a production capacity of 160 m<sup>3</sup> of reaction volume (added to the total of 875 m<sup>3</sup>). It currently produces advanced intermediates and active pharmaceutical ingredients which are exported to Europe, the United States, Latin America and Asia.

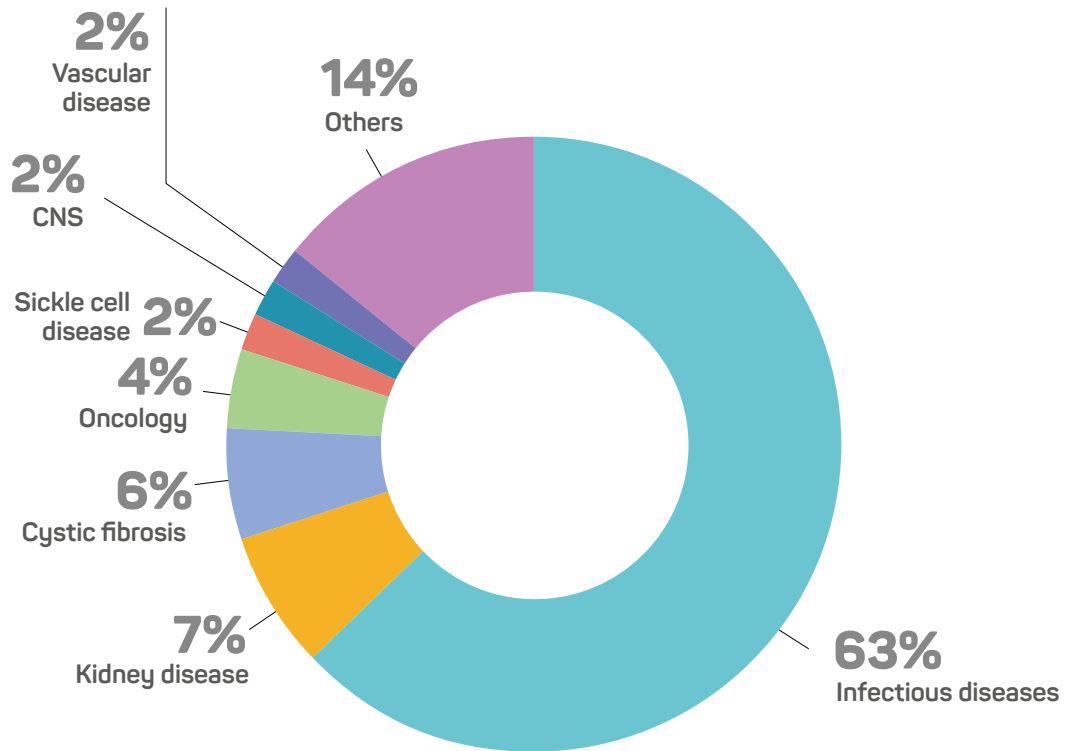
All our sites comply with the highest local and international regulatory standards in terms of good practices and management systems.

Our CMO business is aligned with the focus on specialty pharma, acting as partners of international companies whose drugs are intended for specialist therapeutic areas.



CMO net revenues

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*The chart shows the main areas we serve for our clients.*

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## Innovation strategy. Advancing innovation to improve lives

We are currently evolving our R&D model to be able to accelerate the time-to-market of innovative molecules and new products, have a sustainable and balanced research pipeline, and be able to deliver solutions for all those patients who need one.

Some of our core strengths are our technical, scientific, development, medical and regulatory knowledge; and our capacity to discover and develop drugs, from selecting targets to Phase III clinical trials and to subsequently obtaining marketing authorization, not to mention our experience conducting clinical trials in numerous countries.

Also of note is our considerable experience in interfacing with regulatory authorities around the world.

We have expertise in several areas according to the development status:

- The development of new molecules in the field of neuroscience.
- The development of new advanced therapies (gene therapy) for metabolic and neurodegenerative disorders.
- Lifecycle management projects.

Our R&D portfolio currently consists of:

- New Molecular Entities in various fields, such as neurology and analgesia.
- New Advanced Therapies for inherited metabolic and neurodegenerative disorders.

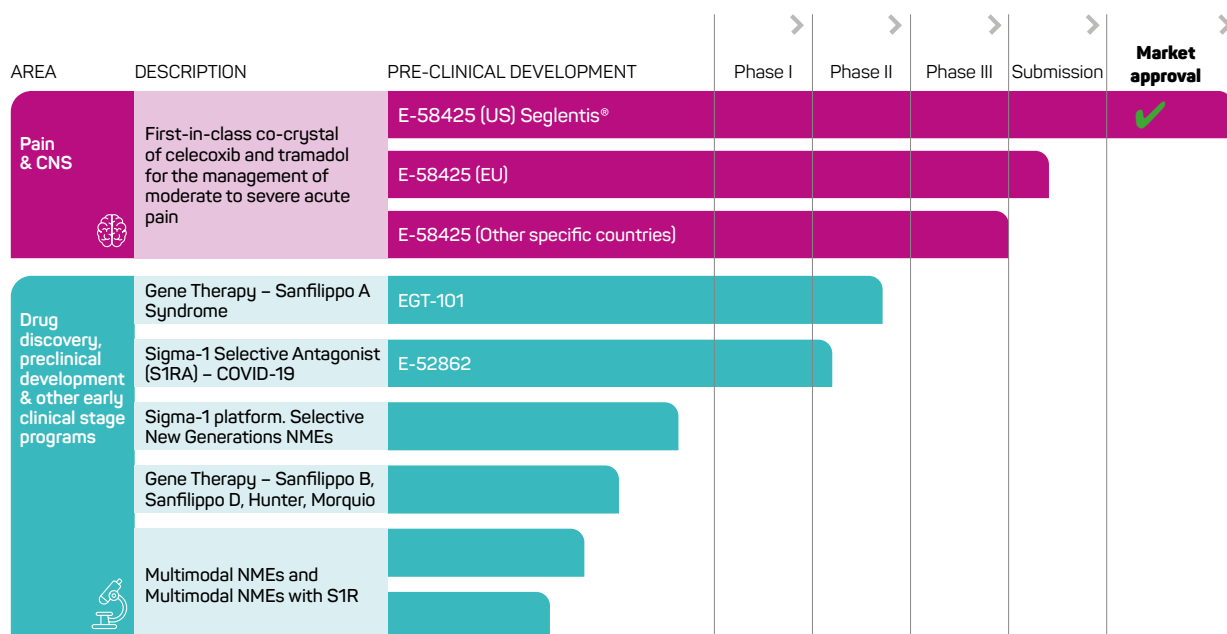
### 2019-2021 Goals

Reinforce the market launch of ESTEVE's proprietary first-in-class Co-crystal in the U.S. (Seglantis®) and conduct activities (including regulatory) to expand the Co-crystal into other geographies worldwide with partners.

Continue to make progress in research on rare diseases (e.g., Sanfilippo A) with high unmet needs.

## Research and Development Pipeline

### New Molecular Entities (NMEs) & Gene Therapy Proprietary Projects



“

Our proprietary research product E-58425 obtained FDA approval (October 2021) and has been available for the U.S. patients since March 2022 through our partner in the U.S., **Kowa Pharmaceuticals America, Inc.** under the brand name Seglentis®.

”



#### 2021

The Sanfilippo A Phase I-II clinical trial is advancing as planned. We are currently looking for a partner to accelerate project development.

## New chemical entities in neurosciences

In 2021, we made significant progress in one of our most advanced assets: E-58425. This novel entity co-crystal, E-58425, is a new oral investigational, multimodal analgesic that integrates two active molecules, tramadol and celecoxib, into a unique co-crystal structure<sup>2</sup> that differs structurally and functionally

from a combination approach<sup>3</sup>. This co-crystal structure acts through four complementary mechanisms for pain relief, making it possible to administer low doses of both active compounds<sup>4</sup>.

In addition, during 2021, multiple activities related to the Co-crystal have also been conducted in other

geographies including regulatory activities with Health Authorities and the search for partners for the commercialization of the co-crystal E-58425 in various territories.

This product is commercialised in the US under the brand name Seglentis®.

<sup>2</sup> *Crystal Growth and Design* 17(4):1884-1892, 2017; *Crystal Growth and Design* 19(6):3172-3182, 2019.

<sup>3</sup> *British Journal of Clinical Pharmacology* 83(12):2718-2728, 2017; *British Journal of Clinical Pharmacology* 84(1):64-78, 2018; *Clinical Drug Investigation* 38(9):819-827, 2018; *Expert Opinion on Investigational Drugs* 28(5):399-409, 2019; *Clinical Therapeutics* 43(6):1051-1065, 2021.

<sup>4</sup> *Drugs in R&D* 18(2):137-148, 2018; *Expert Opinion on Investigational Drugs* 28(5):399-409, 2019; *Journal of Pain Research* 12:2679-2689, 2019.

## Gene-therapy platform

Mucopolysaccharidoses (MPS) are genetic diseases caused by the absence or malfunctioning of certain enzymes that leads to an accumulation of complex molecules called glycosaminoglycans (GAGs) inside cells. Sanfilippo syndrome is characterized by the accumulation of a GAG called Heparan Sulfate (HS). Four enzymes participate specifically in the breakdown of HS and, depending on which enzyme is absent or deficient, Sanfilippo syndrome is classified into 4 subtypes (A, B, C and D). In Type A Sanfilippo syndrome, the gene

encoding sulfamidase is affected, resulting in absent or deficient expression of the sulfamidase enzyme. Currently, there is no curative treatment for this syndrome.

This project is being developed under a public-private partnership together with the UAB (Autonomous University of Barcelona). The search for a partner for the future development of not only Sanfilippo A but also the gene therapy platform for the treatment of other Mucopolysaccharidoses is ongoing.

“

This project is being developed under a public-private partnership together with the UAB (Autonomous University of Barcelona).

”









## Lifecycle management projects

In addition to our early-stage or clinical development pipeline, our innovation process looks at the whole product lifecycle. In our 3-year strategic plan we have established two key levers to drive growth: portfolio development and optimization, and geographic expansion including portfolio synergies.

The combination of the various approaches will make our innovation model more balanced, more flexible, and more sustainable and above all, it will support our reason for being: advancing innovation to improve people's lives.

## Research and Development Pipeline

### Pharmaceutical Developments and Lifecycle Extension Projects

AREA	DESCRIPTION	PRE-CLINICAL DEVELOPMENT	Phase I	Phase II	Phase III	Submission	Market approval
<b>Pain &amp; CNS</b> 	Rivastigmine transdermal patch to treat mild to moderately severe Alzheimer's dementia	Rivastigmine patch (Single Day)					✓
		Rivastigmine patch (Multi Day)					✓
<b>Ophtha</b> 	Development in age-related Macular Degeneration						
	Products for Glaucoma						
<b>OTC</b> 	Tryptophan based products						
	Sleep disorders						
<b>Hemato-Oncology</b> 	Thiotepa, in combination with other chemotherapies, as conditioning treatment in hematological diseases and specific solid tumors	Thiotepa China					
		Thiotepa conditioning treatment extension into other malignant hemato diseases					
	Streptozocin usage extension in neuroendocrine pancreatic tumors						



## R&D collaborations & partnerships

Our innovation model is being reshaped anew and as a result of this process **we signed an agreement with Leitat in 2020 for the creation of a bio-incubator, accelerator hub and center of excellence for biomedicine & pharma under the name of WeLab**. This model also provides us with flexible access to innovation through both the Leitat network and other external sources.

At ESTEVE, together with our own strategy and research projects, we believe that collaboration with other stakeholders is very important to increase innovation impact, which is why we have a number of agreements in place with such entities as the Pompeu Fabra University, Granada University, or the Autonomous University of Barcelona.

Our model is based on collaboration and co-creation with all the agents

in the health system with whom we share the same goal: people's health.

To meet our goals, we carry out different collaborative actions to add to and strengthen our purpose.

Among ESTEVE's main priorities are fostering self-care and promoting healthy habits, thus contributing to the sustainability of health systems.



## Public financing of R&D projects

The sigma-1 selective receptor antagonist E-52862 has received grants from Spain's Ministry of Economy and Competitiveness, via the Centre for Industrial Technological Development (CDTI) for clinical validation in neuropathic pain, and the projects Multimodal-1, Multimodal-2, Multimodal-3, Multimodal-5 and Sigma-1 new indications, have also been partially co-financed by the

European Union via the European Regional Development Fund (ERDF).

Project E-58425 received a grant from the Catalonia Trade & Investment Agency (ACCIÓ) of the Generalitat de Catalunya as part of the line of loans for industrial innovation and experimental development projects via the Catalan Institute of Finance (ICF).

The Sanfilippo project has received grants from Spain's Ministry of Economy and Competitiveness and the Ministry of Health, Social Policy and Equality, in competitive calls for research projects, in which the project was recognized for its scientific excellence.

# ESTEVE

## social performance



**A**t ESTEVE, true to our values and our mission to advance in innovation to improve people's lives, we want to help to generate a positive impact on communities.

According to SDG 17, partnerships are the best way to increase this impact. This is why during 2021 we have strengthened and created new collaborations with the objective of improving people's wellbeing.

In 2021, we have donated 768,000 euros\* to civil and healthcare organizations to invest in communities' wellbeing. In addition to this amount, we have also signed collaborations and sponsorship agreements with same aim: to improve people's live.

And we are proud to say that more than 1,800 people have benefited from our activities and collaborations in 2021.

“  
1,800 people have benefited from our activities and collaborations in 2021.  
”

We have invested the total amount of 820,500 euros (taking into account donations and other agreements) in activities and projects that aim to have a positive impact on our community.

Donations*	2019	2020	2021
Healthcare organizations	€353,600	€560,000	€402,352
Civil society organizations	€166,062	€246,930	€365,660
<b>Total</b>	<b>€519,662</b>	<b>€806,930</b>	<b>€768,013</b>

\* Only donations are included (collaborations and sponsorships are not considered).



## Ambition: to support patients beyond the supply of products

As part of the International Month for the Fight against Breast Cancer, **ESTEVE France** and **ESTEVE UK** participated in a challenge to increase awareness about cancer.

After participating in the challenge, **ESTEVE France** made a donation to the Rafael Institute, which offers personalized support programs to oncology patients to provide them with the best possible follow-up, while meeting their specific needs.

**ESTEVE UK** made a donation to the South Bucks Hospice, a day hospice, which provides specialist palliative and end-of-life care for

people diagnosed with life-limiting or long-term illnesses.

In **Spain**, we signed an annual agreement with FEDER (Spanish Federation of Rare Diseases) to increase the visibility of patients with rare diseases.

We have donated 4,000 units of Aquoral (eye care drops) to the General Hospital of La Palma to support people's eye healthcare after the eruption of the volcano.

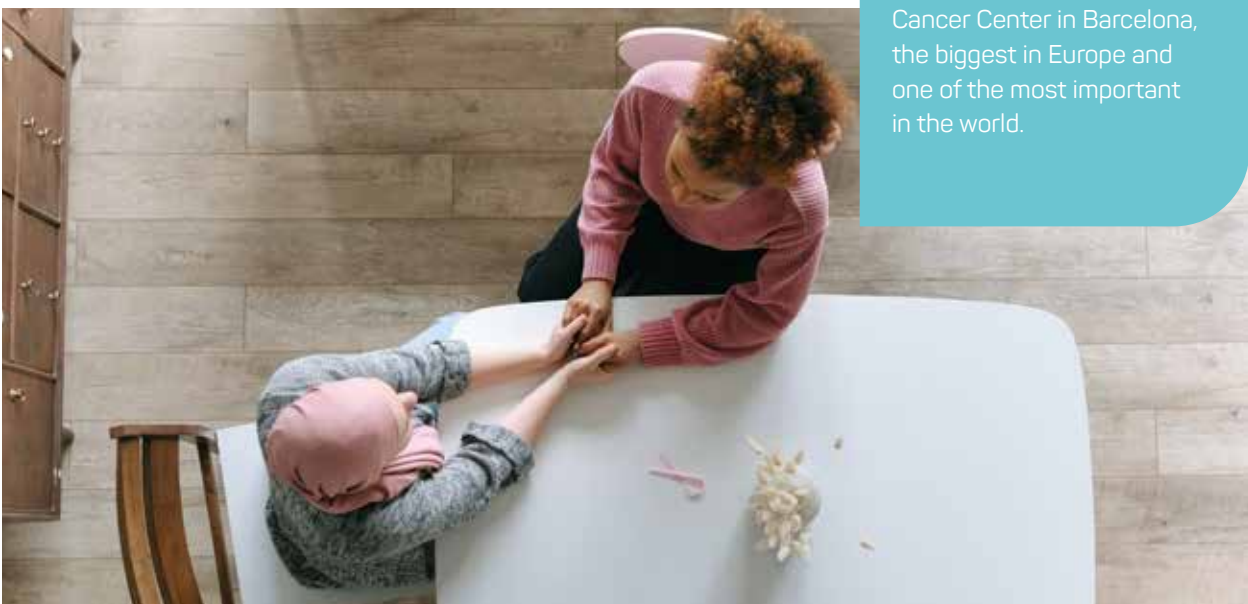
Also, in **Spain** we signed an agreement with the Spanish Cancer Association (AECC) to support both those ESTEVE employees who are going through

their own oncological process or that of a family member. This initiative is in addition to the one to sponsor webinars related to cancer prevention.

In **Germany**, we collaborated with the German Infectiology Society and with the German Cancer Society.



We have also collaborated with Sant Joan de Deu Hospital to build the Pediatric Cancer Center in Barcelona, the biggest in Europe and one of the most important in the world.







Ambition: **to support access to basic needs**

In **China**, we collaborate with a charity that helps people in need.

In **Spain**, we collaborate with Caritas to help provide basic needs to people and families with no resources, with Nutrició sense fronteres and with the Food Banks Association (FESBAL) to provide food to people in need. We have donated more than **7 tons of food and 16,155 menus**.



Ambition: **to support access to healthcare**

In **Spain**, we collaborate with Farmamundi to ensure fast and effective humanitarian aid to vulnerable populations facing a health crisis.



During 2021 we have donated 7 tones of food to people in need.



# Ethics and Compliance

**A**t ESTEVE, not only do we care about what we do but especially about how we do it. Our Compliance Program is based on four pillars.



- **Our Code of Conduct.**
- **The self-regulatory codes in the sectors in which we operate.**
- **Our Crime Prevention and Detection Model.**
- **Our Third-Party Code of Conduct.**

Our Third-Party Code of Conduct ensures that third parties know and comply with the corresponding legislation and regulations. ESTEVE's Code of Conduct sets out specific principles and philosophy that should govern all our actions.

It includes, but is not limited to:



- **Respect for legality.**
- **Prevention of bribery and corruption.**
- **Prevention of conflicts of interest.**
- **Community support.**
- **Donations and sponsorships.**
- **Reliability of financial information.**

## 2021 Highlights

### Code of Conduct

- Internal training and annual renewal of the commitment of our employees at a global level.
- Launch of a new channel to submit inquiries and reports of non-compliance with the Code of Conduct.

### Crime prevention and detection model:

Following a cycle of continuous improvement through the revision of a Global Action Plan, initiatives are verified and new strategies promoted.

### Self-regulatory codes:

Continuous internal training and monitoring.

### Third Party Code:

Acceptance of the Third-Party Code as part of the supplier approval process.

**Human rights policy:** Review and update of the Policy.



Our commitment to respect for human rights is reflected in our Code of Conduct and is embodied in our adherence in 2002 to the United Nations Global Compact. In addition, we have a Human Rights Policy, which goes a step further in our commitment to establish principles that guide our business activity and the relationship with our stakeholders.

The globalization of our compliance model and the outsourcing of our Ethical Channel have been key aspects in 2021. Work is being done on the consolidation of our Compliance model at a global level. On the other hand, the reception of inquiries and notifications of breaches has been outsourced, although ESTEVE's Ethical Channel continues to handle communications.

ESTEVE offers its employees various ways to address any doubts they may have about our Code of Conduct and the policies implemented, as well as to issue notifications, make inquiries or complaints, and report any violations detected. The channels through which they can report these are as follows:

**By web:**

<https://esteve-codeofconduct.i2-ethics.com>

**By post:** Ethics Channel, Apartado de Correos 17 28220 Majadahonda, Madrid (España).

In 2021 this channel has not received any inquiries, only one notification that was substantiated and appropriate actions taken.



Notifications received through the ethics channel

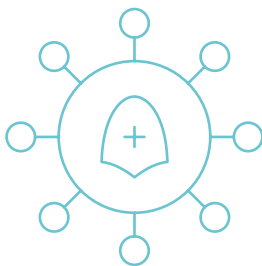
	2019	2020	2021
Asset protection	0	0	0
Equality, diversity, and non-discrimination	1	0	0
Prevention of bribery and corruption	0	0	0
Legal compliance	6	2	1
Conflict of interest	1	2	0
<b>Total notifications</b>	<b>8</b>	<b>4</b>	<b>1</b>



## Cibersecurity

At ESTEVE we have the necessary resources to enhance our prevention, detection, reaction and analysis capabilities in line with our established cybersecurity objectives.

We have rigorous procedures, tools and advanced technology in place to ensure business continuity in the event of a possible risk or cyber-attack.



We have a set of policies related to security and cybersecurity:

**Mobile Device Policy:** which describes the policy for the use of corporate devices (tablets, laptops and smartphones) as well as assignment, cancellation and reuse policies.

**Information classification policy** (norm and procedure).

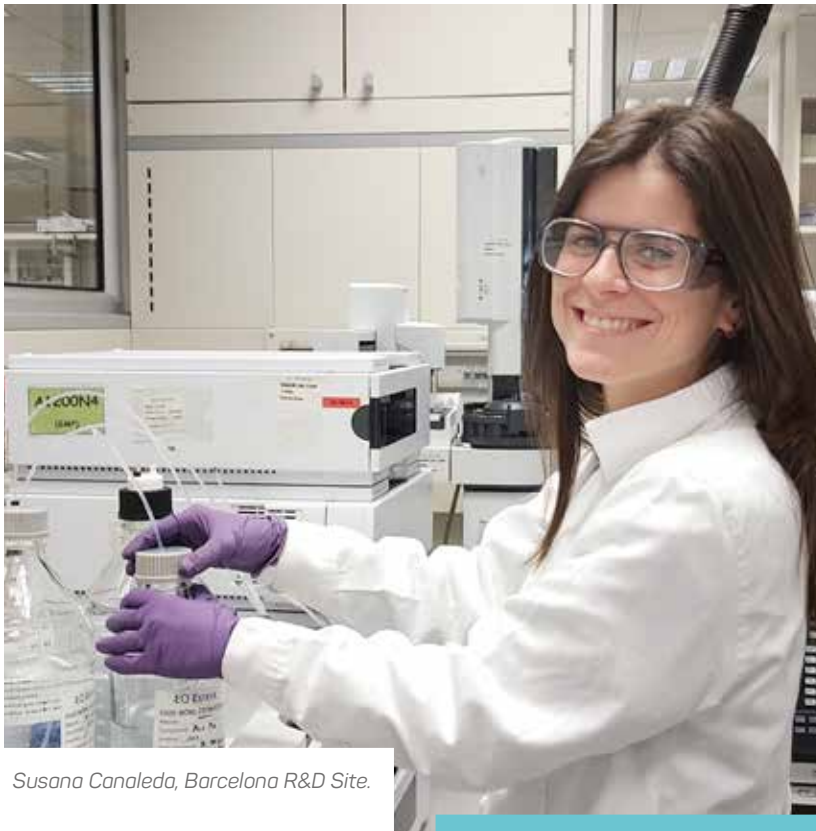
As regards teleworking, we also have a secure method for our employees to access remotely. We use a VPN that requires the use of corporate devices to allow access.

During the year, internal campaigns are carried out to make employees aware of cybersecurity risks.

As far as audits at ESTEVE are concerned, we carry out a bi-annual security audit, alternating internal security and external security, with the aim of detecting vulnerabilities that could be exploited. Additionally, we carry out an internal audit every two years on the data protection regulation that emphasizes the technical measures applied to current company information.

At ESTEVE, the responsibility for Security falls, on the one hand, on the Information Technology department (responsible for technical security), and, on the other hand, on the legal department, where there is a DPO (Data Protection Officer).

# Commitment to our employees



Susana Canaleda, Barcelona R&D Site.

## 2021 Highlights

Advancing in a new Equality Policy that updates the ones in place and helps us to advance in our gender equality ambition.

Harassment protocol reviewed in dialog with the Works Committees in Spain. The members of the harassment committee have received training.

Remote work policy in place.

## 2019-2021 Goals

Define and implement the Global Policy on equality, diversity, and non-discrimination.

Training on our harassment protocol.

Analyze actions to improve work-life balance.

In 2021 we have seen major improvements in ESTEVE's talent pool. We have managed to increase the number of "internal promotions" by 50% compared to 2020 which means that our efforts to develop and encourage internal talent is paying off. Our talent pool is also growing with talent coming from the outside. 2021 has been the year where our cultural change and our high performance mind-set has materialized and become visible to everyone. It has had a very strong "snow-ball effect" inside the organization and a positive impact on ESTEVE's image as an attractive workplace.

“

At ESTEVE, we are responsible for more than 1,500 employees spread over seven countries.

”





## Ambition: **employees' individual growth**

We believe that individual growth is critical to employees' wellbeing and to ensure sustainable growth as a company, which is why we pay special attention to training and development activities.

We recognize and reward innovative approaches and behaviors, and we respect the contributions of all employees. We continuously strive to attract, promote, and retain the best talent and we encourage the development of new skills and the talent of our employees, with the

aim of evolving towards a cultural transformation, in a safe, healthy, diverse, inclusive, and supportive environment.

We are developing a culture of empowerment, accountability and collaboration and this culture is shaped by the people and their actions and behaviors. At ESTEVE we have implemented an annual Organizational Review process to ensure that we have the right structures and people with the right skills to meet future challenges.



## Training

Training is crucial to ensure our employees' professional development. We continue to support our employees in improving their English skills as part of the internationalization of ESTEVE and bearing in mind that English is our Corporate language.



Average number of training hours per employee

2019	2020	2021
<b>20</b>	<b>22</b>	<b>31</b>



% workforce trained

2019	2020	2021
<b>61</b>	<b>63</b>	<b>88</b>

## 2023 Goals

We will prioritize leadership training to ensure that our leaders have the right approach to support a company culture of engagement, growth and readiness for change.

We are launching a new learning platform with relevant online courses that our employees can follow as they deem appropriate.





## Ambition: **equality, diversity and inclusion**

Embracing equal opportunities is a fundamental part of our values. We are proud to offer an environment that allows our employees around the world to achieve their full potential.

The company fosters equal opportunities and promotes non-discrimination on the basis of gender in selection, training, and promotion. Gender equality is a key area to continue increasing women's presence in every level of the organization.



### 2023 Goal



# 50%

of leadership positions held by women

Country	% Women	% Men
Spain	43	57
China	20	80
Mexico	25	75
Germany	64	36
France	71	29
UK	45	55
US	100	0
<b>Total</b>	<b>38</b>	<b>62</b>

Position	Number employees	%
<b>Executives</b>	<b>85</b>	<b>100</b>
Women	30	35
Men	55	65

*Note: Does not include Chairman & CEO.*

ESTEVE also pays particular attention to the needs of people with disabilities and is committed to the insertion into the labor market of persons with disabilities. We do so by collaborating with various organizations that promote their placement and development and employ disabled people, and we outsource several services such as documentation, archiving, gardening or laundry.

Within the benefits included for our employees, we continue offering holistic support to families with disabled children in collaboration with a third party (Family Plan).

Number of beneficiaries of the Family Plan

2020	2021
<b>6</b>	<b>7</b>



## Promotion of health in the workplace: ESTEVE, a healthy company

ESTEVE's Sustainability Strategy sets long term ambitions, objectives and priorities with direct impact on our performance in terms of Environment Health and Safety, particularly with respect to Caring for People actions. The safety, health and well-being of employees is all about **caring for people**.

At ESTEVE, we develop our activities with respect for people by providing safe and healthy working conditions and paying special attention to prevent major accidents, in compliance with current legislation and requirements arising from other commitments we have made.

We use the best available practices and technologies to continuously improve our control over the risk of accidents, incidents and occupational diseases with the aim of eliminating risks over the whole life cycle of our products and processes. We continuously review our procedures and organization to ensure that risks are continuously assessed, employees are trained accordingly, and any event is investigated to avoid recurrence and reported in a transparent manner.

In accordance with current legislation and collective

agreements, ESTEVE always ensures compliance with labor rights in all countries where it is present. These conventions include aspects of occupational safety and health with an emphasis on the implementation of preventive measures and the promotion of relationship and dialogue with workers' representatives.

During 2021, we have enhanced the participation of workers' Health and Safety representatives. They have been trained in the ISO45001 EHS Management Systems, they have directly participated in the materiality assessment as a

relevant third party, and they have been included as members of relevant Health and Safety Committees such as the Psychosocial Risks working group in Spain, COVID-19 committees, and other panels.

With regard to workers' health services and programs, we have in-house resources including a medical service that provides healthcare and health and welfare awareness campaigns. In 2021, we have continued the task of providing information, training, control and health criteria in the management of the COVID-19 pandemic for the entire ESTEVE workforce.

These are some of the activities held to promote health:

- **Colon Cancer Prevention Program (DSOH)**
- **Prostate Cancer Early Detection Program**
- **Glaucoma (PIO) prevention program**

We also conducted initiatives on key World Health Days to educate and share behaviors and recommendations to avoid people suffering various diseases.

- **Blood donation marathon in Catalonia**
- **World Cancer Day**
- **World Sleep Day**
- **World Colon Cancer Day**
- **World Physical Activity Day**
- **World Day for Safety and Health at Work**
- **Immunization Week**
- **World Hand Hygiene Day**
- **World Hypertension Day**
- **World No Tobacco Day**
- **World Skin Day**
- **World Blood Donation Day**

### 2021 Highlights

We have certified our Management Systems under the ISO45001:2018 standard of health and safety, and our workplaces in Spain, China and Mexico have been certified by a third party.



The total number of accidents of ESTEVE staff in 2021 is the same as the previous year although the number of accidents without sick leave, therefore less severe, has increased. Accident indexes are

however clearly beneath the reference indexes for the sector<sup>5</sup>.

Driven by this commitment, we have set a **zero work-related accidents goal**<sup>5</sup>.

	2020	2021
No. accidents requiring sick leave	11	11
No. accidents not requiring sick leave	6	11
No. accidents <i>in itinere</i>	10	5
No. occupational diseases	0	0
<b>Total</b>	<b>27</b>	<b>27</b>

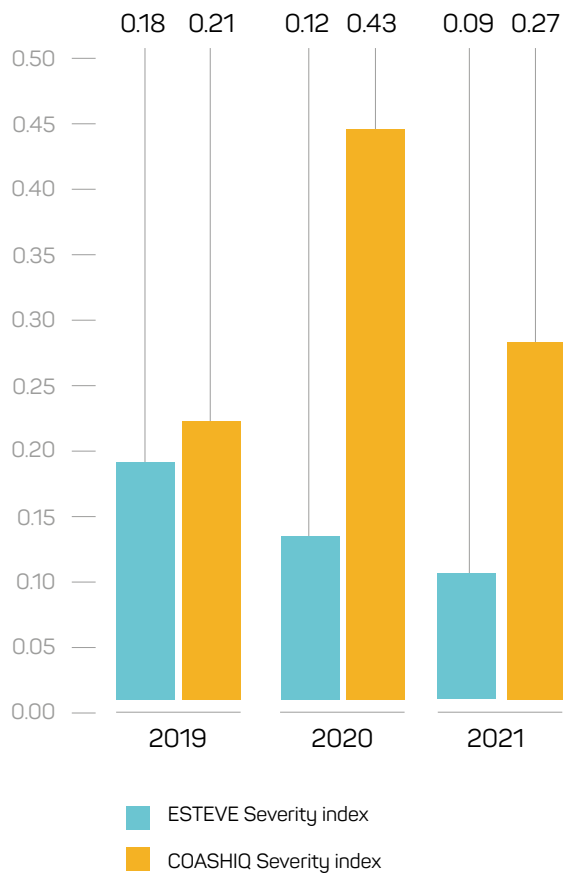


Industrial Site, Celrà, Spain.

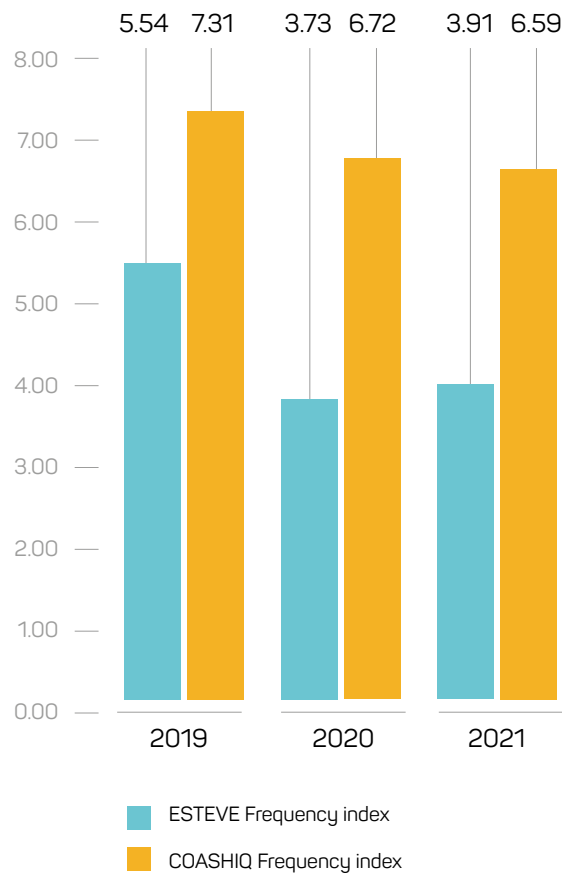
<sup>5</sup> Data available in the appendix.

<sup>6</sup> Work related accidents: Occupational death, non-fatal, illness or injury which involve loss of consciousness, restriction of work or motion, transfer to another job or medical treatment beyond first aid.

Severity Index



Frequency Index



“We are firmly determined to enhance ESTEVE’s preventive culture thereby decreasing the number of accidents as the pursued outcome.

For 2022, we will increase awareness and spread health and safety ownership throughout ESTEVE. We are firmly determined to enhance ESTEVE’s preventive culture, improving identification and reporting to minimize workplace risks and thereby decreasing the number of accidents as the pursued outcome.

activities, setting target values and key management indicators. During 2022 we plan on implementing several additional actions, such as communicating and harmonizing our reporting criteria for work-related accidents and incidents wherever ESTEVE operates, and setting new metrics towards the zero work-related accidents goal.

”

We measure accidents, audit results, incident communications both by ESTEVE and third-party staff collaborating in the development of ESTEVE’s



# Environmental performance

## Commitment to the environment

As a healthcare company, we are committed to ensuring the well-being of people and the planet as the only way to meet our business objectives and the best way to ensure stakeholder trust.

ESTEVE's Sustainability Strategy, which was reviewed during 2021, sets forth our long-term ambitions, objectives and priorities with regards to our activities' environmental footprint with the objective of developing our work with respect to the environment, minimizing the impact on it throughout the entire life cycle of our products, and promoting awareness of climate change and the environment.

## Our Priorities are to:

**Mitigate Climate Change:** promoting initiatives related to reducing greenhouse gas emissions aligned with our Position in Climate Change. Energy Management is one of the focuses and this involves actions such as consuming renewable energy, installing solar panels for energy self-consumption at our sites, promoting sustainable mobility plans and awareness campaigns.

**Promote the Circular Economy promotion:** through the responsible and optimized use of resources such as water and raw materials, and by reducing waste impact.

ESTEVE has an Environment, Health & Safety management model driven by the Environment, Health and Safety Policy which is certified under ISO 14001:2015 and other standards and in place at all our work sites.

We are also aware of the local certifications that are recognized in the countries in which we operate, and consequently we are for instance certified as a Clean Industry by the Environment and Natural Resources (SEMARNAT) department of the Government of Mexico, which renewed our certificate in 2021.

Our management model allows Environment, Health & Safety to be an aspect of our business excellence, thus supporting fast and efficient decisions to take action, including an overview of environmental aspects within the prioritization of investments and measures to be adopted for any particular project or demand from stakeholders. We address risks and opportunities by focusing our actions towards environmental improvement performance and by minimizing the impacts of our activities in a systematic manner.



ESTEVE's plants thoroughly monitor each environmental vector and our operating prevention measures always consider an environmental dimension in them. Our production plants also include facilities and technology for wastewater treatment, air emissions control technology, and waste management control.

“  
Our management model allows Environment, Health & Safety to be an aspect of our business excellence.  
”

## 2023 Goals

### Deadline



**>60% waste solvent valorization**

End 2022



**>10% energy self-consumption**

Spain: End 2022



**100% renewable energy**

Spain: beginning of 2021 (reached)



**100% sustainable vehicles**

End 2023



## Ambition: **NetZero by 2050**



A strategic priority for ESTEVE is to Mitigate Climate Change and achieve our goal of being NetZero by 2050.



We joined the Caring for Climate, the UN's Initiative for Business Leadership on Climate Change, signing up to the urgent need to combat climate change and its consequences on the health of the planet and future generations, as stated in our Positioning on Climate Change.

A strategic priority for ESTEVE is to Mitigate Climate Change and achieve our goal of being NetZero by 2050. This is one of the ambitions we have set out in our Sustainability Strategy, as part of the Caring for the Environment pillar.

During 2021, we have been working to have a clear roadmap to achieve our 2050 objective and to select the right partner for this journey, and we have included risks related to climate change in ESTEVE's Global Risk Map.

On 2022 we will work on building and quantify our ambition for reduction of the CO<sub>2</sub> emissions in line with the recommendations of the Task Force on Climate related Disclosures (TCFD) and the Science Based Target Initiative (SBT) and achieve the Net Zero on the 2050.



Our commitment to reduce CO<sub>2</sub> emissions has been renewed with our Voluntary Agreements Program along with the Footprint Register of the Ministry of Ecological Transition.

Actions carried out in 2021 have also been affected by the COVID pandemic, particularly those related to mobility, but we have carried on regardless. Some examples:



### Spain

- Energy audits carried out.
- Provide and install electrical chargers for hybrid and electric vehicles at our sites and for the commercial fleet.
- Make electric vehicles available for commuting among our sites, enhancing sustainable mobility and employee awareness.
- Install of LED lights in our Banyeres del Penedès plant warehouses.
- Install solar panels for energy self-consumption at our sites, with the aim of having at least 10% of energy from self-consumption from 2022.
- Contract utilities to ensure 100% renewable energy consumption.
- Change and harmonize our mobility partner for commuting, considering CO<sub>2</sub> emissions as a criterion for the selection.

### Mexico

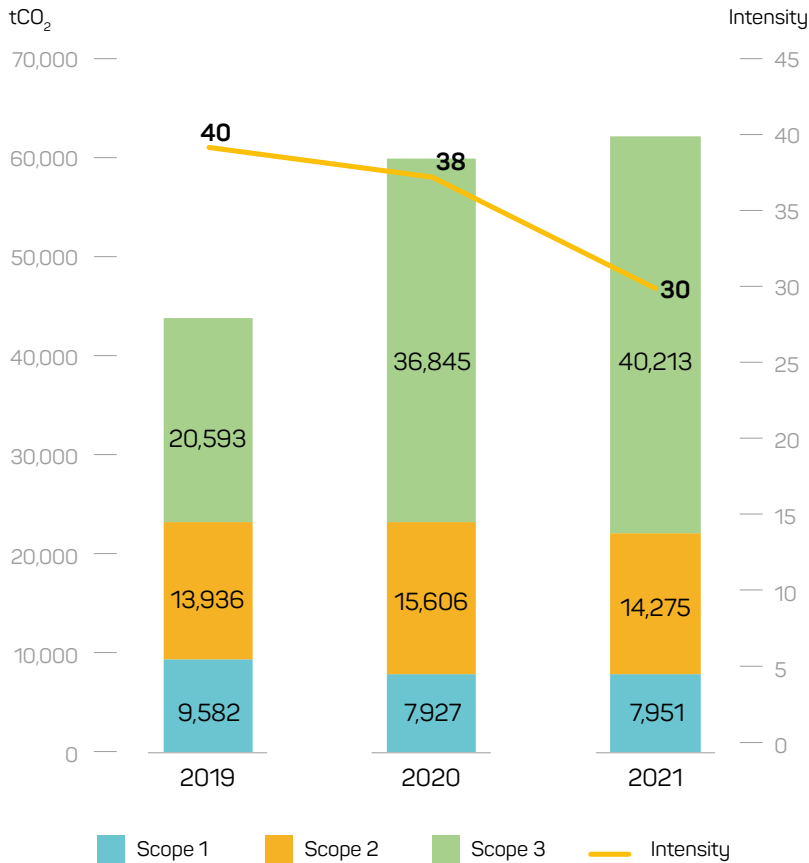
- 225 Tn compensation through the Clean CO<sub>2</sub> project in Mexico. This project proposes moving from a high-GHG AWMS (Animal Waste Management System) practice, an open-air lagoon, to a lower-GHG AWMS practice, an ambient temperature anaerobic digester involving the capture and combustion of the resulting biogas, in Mexican farms.
- Install LED lights in warehouses in our Mexico plant.
- Climate change awareness campaigns for our Mexican employees. As an example, our site in Mexico has donated metal drums for the collection of alkaline batteries linked to the campaign "Make your batteries work for the environment" (*Ponte las pilas con el medio ambiente*).

### Globally

- Changing our commercial fleet from internal combustion vehicles to hybrid ones, with the aim of having a 100% hybrid fleet by 2023.
- We have provided training for relevant positions to drive future changes in SBTi<sup>7</sup> (Science Based Target) initiatives.
- We have engaged on the Energize Program, as a commitment of the Pharmaceutical Supply Chain to work together towards a respectful and responsible use of energy as part of the Supply chain.

<sup>7</sup> **SBTi: Science Based Target Initiative:** The Science Based Targets initiative (SBTi) drives ambitious climate action in the private sector by enabling companies to set science-based emissions reduction targets.

## Carbon footprint in 2021\*



The overall results of our carbon footprint in 2021, calculated according to the Greenhouse Gas Protocol (GHG protocol) are shown below.

The 2020 and 2021 KPIs regarding carbon footprint are hardly comparable due to the different production mix. Our industrial sites have increased their production and consequently some of the environmental KPIs could lead to misinterpretation.

However when looking to the carbon intensity 2021 result is clearly better than the previous ones as ESTEVE has been able to increase its turnover keeping approximately the same level of greenhouse gas emissions for scopes 1 and 2.

### Scopes

Scope 1	Direct emissions by ESTEVE in Spain, Mexico, and China (including emissions from the leased vehicle fleet).
Scope 2	ESTEVE's indirect emissions resulting from electricity consumption in Spain, Mexico, and China.
Scope 3	Transport and distribution of electricity + business trips in Spain, Mexico, and China + workers' journeys + waste in Spain, Mexico and China.
Intensity	Total greenhouse gas emissions in tons of Co <sub>2</sub> -eq for scopes 1 and 2, divided by total turnover in millions of dollars.

\*In the calculation of the 2021 carbon footprint, in scope 3 for the category "3.7 employee commuting", the industrial sites in Germany and China have not been taken into account because they do not have a direct data source.





## Ambition: **renewable energy as the main source**

At ESTEVE, we meet all applicable legal emission requirements in all countries where we operate and we are working to reduce our carbon footprint by using renewable energy as the main source for electrical consumption, which drives us to minimize our emissions.

Solvent balances are carried out in our chemical production sites in Spain, complying with the regulation of emissions of volatile organic compounds reported in the PRTR (European Pollutants Release and Transfer Register).

Our production plants have the following systems for the treatment of emissions from production processes:

- Gas washers (scrubbers) in all industrial sites.
- A regenerative thermal oxidation plant (RTO) in Celrà (Girona) and another in EHP (China).
- Cryogenic plants at the Celrà Plant, Banyeres del Penedès (Tarragona) and EHP (China).

During 2021, 100% of our consumption of grid electricity in our Spanish production sites came from renewable sources, according to the distributor. Final guarantees of origin for electricity distributed to ESTEVE have not yet been published.

See page 88 in the appendices for consumption data.





## Ambition: **responsible consumption and minimal waste**

We are firmly committed to integrating circular economy criteria into our processes (both in resource consumption and waste generation), as the backbone of the organization, to thereby be a multiplier in the fight against climate change.

In 2021, we have worked intensively under the Operational Excellence methodology to identify actions aimed at segregating waste to maximize its value and reduce waste generation.

We have also worked hard to identify opportunities when using the resources required for our activities and to understand waste as a useful resource, conserving existing resources, collaborating to create shared value and reviewing our production processes or the use of new technologies whenever possible.

### Waste management

Using resources responsibly and generating minimal waste is essential for the company's environmental management.

Some actions taken to reduce the environmental impact of waste:

- Optimize solvent waste management in the production plants.
- Improve waste segregation and recycling.
- Launch multiple initiatives to achieve zero single use plastic consumption at headquarters.
- Launch awareness campaigns at headquarters to improve the segregation of general waste.
- Collaborate through the SIGRE and ECOEMBES return systems in Spain to collect and distribute pharmaceutical product waste. The percentage of reduction of packaging waste and packaging materials with respect to the net product (Kr Kp) is 0.776, slightly below the value of the previous year (0.783).
- Endorse and commit to the SIGRE Prevention Plan to minimize the impact of pharmaceutical packaging by increasing the units in every pack and every pallet when distributing two of our medicines, to be implemented from 2021 to 2023.

In 2021, ESTEVE activities generated 30,873 tons of waste, a 15% increase over the 2020 data despite our efforts to minimize the impact of our processes, as its generation is directly related to the portfolio of products produced.

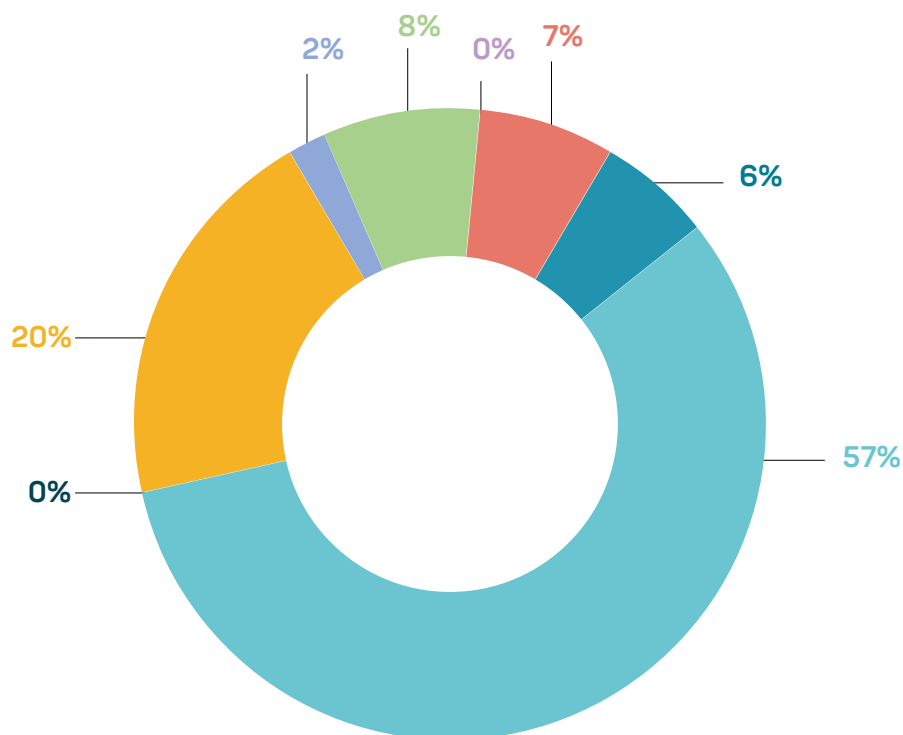
Despite this increase, it is remarkable that 58% of the total amount has been allocated for reuse, including solvent recovery, which is a higher percentage than the previous year, driven by our commitment to achieve a solvent waste valorization higher than 60%.









The management, treatment and destination of waste depend on such characteristics as its composition, danger and/or origin.

“ We are firmly committed to integrating circular economy criteria into our processes. ”



Distribution of the percentage of waste by destination

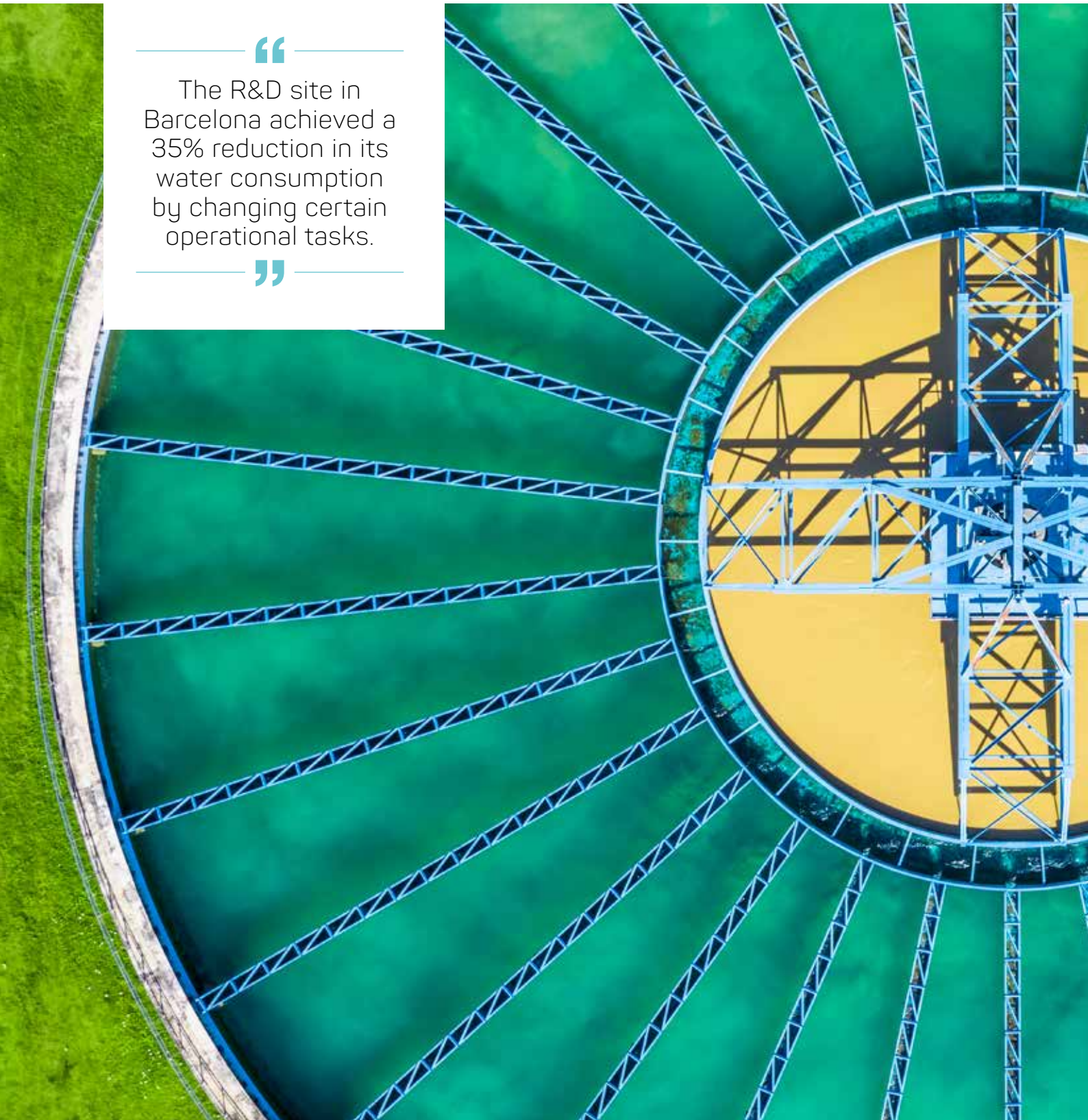


Evolution (Tons)		2019	2020	2021	Variation vs 2020
Volume of hazardous waste transported across borders		3	9	4	-53%
Volume of waste allocated for reuse		10	47	2,183	4.513%
Volume of waste allocated for recycling		1,164	1,215	1,917	58%
Volume of waste allocated for reuse (including solvent recovery)		4,882	13,536	17,439	29%
Volume of waste allocated for composting		16	52	20	-61%
Volume of waste allocated for incineration		2,638	7,531	6,204	-18%
Volume of waste destined for landfill		639	2,322	625	-73%
Volume of waste destined for another type of external management		624	2,331	2,484	7%

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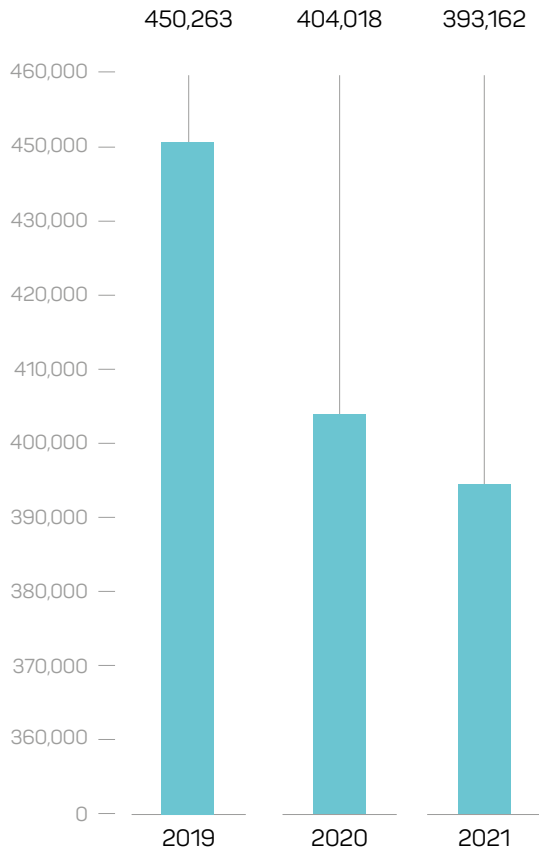
The R&D site in Barcelona achieved a 35% reduction in its water consumption by changing certain operational tasks.

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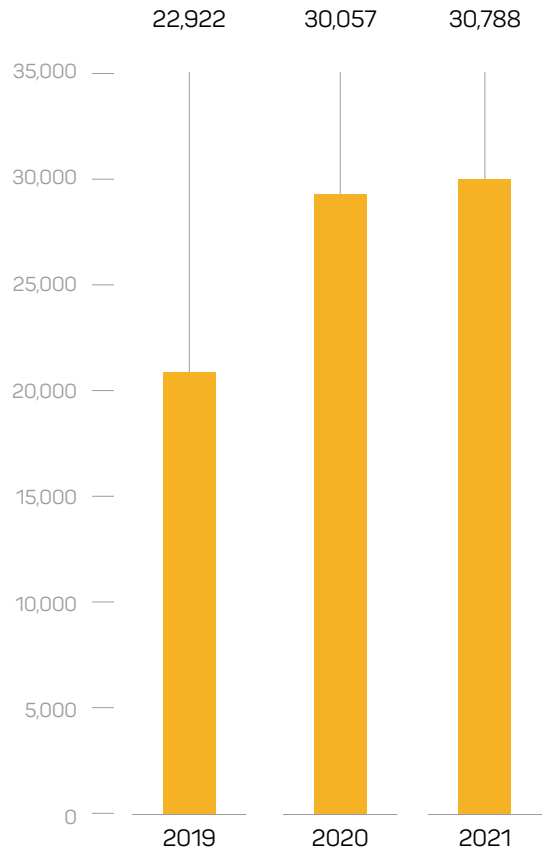
## Water consumption (m³)

Variation **-3%**



## Raw materials consumption (Tn)

Variation **2%**



### Water consumption

During 2021, all water has been discharged (333,064 m³ of dumped water) through the public sewerage system in the areas in which we operate.

**Total water dumped has decreased by 3% compared to 2020 as a result of operational changes implemented at each site aimed at reducing their own water consumption.**

As an example, the R&D site in Barcelona achieved a 35% reduction in its water consumption by changing certain operational tasks such as the coordinated performance of preventive maintenance work that requires water (testing the firefighting pumps and cleaning the sewers) and by changing the schedule of the working hours at the osmosis plant. In addition, our site in China has decreased its water consumption by 15% by reusing and recirculating the concentrated water from the purified water plant.

### Raw materials

Regarding raw materials, 53 tons of solvents from our chemical activity have been reused.

Nevertheless, raw material consumption has increased by 2% from 2020, mainly because of the increased production in almost every site.

# Financial performance - economic position

## Economic position

Legal Entity	Financial indicators (in million €)	
Corporación Químico- Farmacéutica Esteve	Sales to Spain	181
	Rest of Europe	267
	Rest of world	102
	EBITDA (% vs sales)	60 (11%)
	Adjusted EBITDA (% vs sales)	87 (16%)
	EBIT	5
	Income before taxes	29
	Net income attributed to parent company	14
	Net cash flow	4
	Net financial debt	16

The different ESTEVE Group businesses have experienced a remarkable performance in FY2021. While Net Sales have increased to 550M€ (+21% compared to 2020), the Adjusted EBITDA has also rocketed, reaching 87M€ (+77% compared to 2020).

The main drivers for such an improvement are, the increase in turnover in our CMO (API) business, boosted by its customer portfolio diversification and powerful technological platform; the product margin growth within the

Pharmaceutical business, as a result of higher proprietary products presence among sales (one of the Group's strategic pillars); and the positive contribution of the affiliate companies.

Despite non-recurrent expenses of 28M€ (mainly due to reorganization and M&A expenses, areas where we have been very active), the Group has managed to close the year with 29M€ of Profit Before Taxes and a very healthy Net Debt position (16M€).

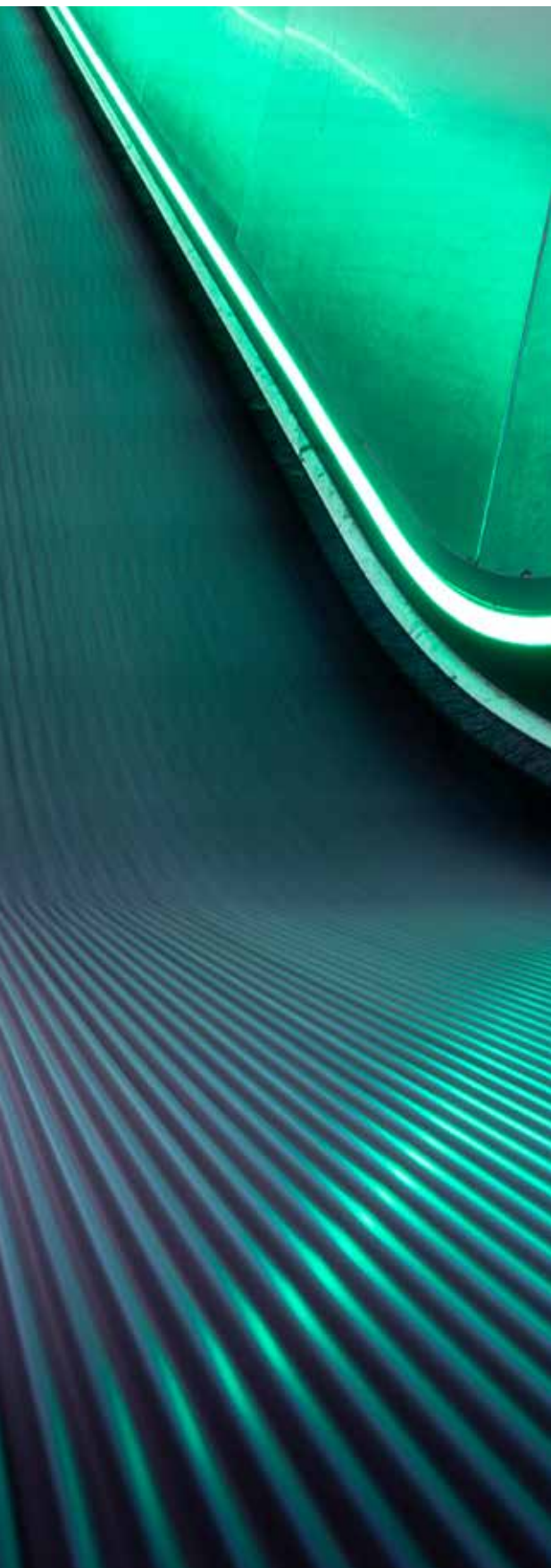


## Earnings and taxes

ESTEVE fulfils its commitments regarding the payment of taxes and transparency. Good corporate governance practices establish policies, principles, and values that govern the company's ethical behavior and affect everyone in the Group. Compliance with the provisions of the tax strategy is supervised by ESTEVE's governing bodies and reported in the annual accounts. In line with section 3.4 of the European Commission's guidelines on non-financial reporting (2017/C215/01) we do not show the details of benefits by country. Benefits can be found on page 4 of the Annual Accounts.







#### 1. Taxes paid in 2020 and 2021 (in thousands of euros)

	2020	2021*
Country	Taxes paid	Taxes
Spain	11,027	-8,437
China	2,600	4,789
Mexico	1,767	18
Germany	2,726	627
France	376	1,164
UK	0	0
US	0	0
Rest of Europe	21	135

\* The net between taxes collected and paid by corporate income tax is reflected in the figures for 2021.

#### 2. Subsidies received

	2020	2021
Amount	1,836	416



# Holding ourselves accountable

81 Governance



# Governance

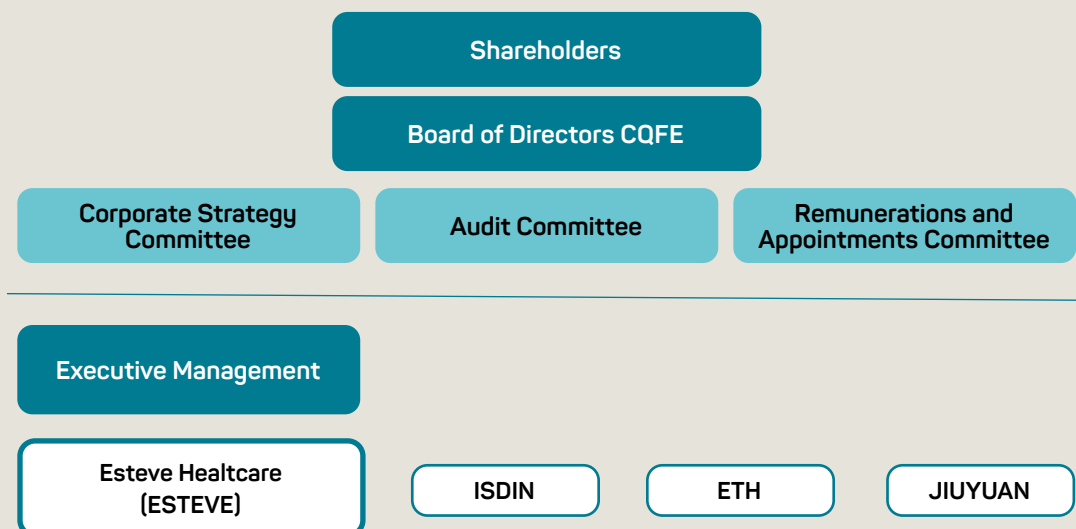
We are committed to focusing on the creation of long-term value and protecting stakeholders' interests by applying proper care, skill, and diligence to business decisions. This commitment is an important part of our values and a requirement that extends to every area of ESTEVE.

Sound corporate governance ensures that the company is managed as sustainably, responsibly and efficiently as possible in the interests of our stakeholders.

Our corporate governance approach rests on the following commitments:

- Promoting transparency, accountability and care for patients and our stakeholders.
- Delivering a positive impact on society, the economy and the environment through our business activities.
- Adherence to the highest applicable regulatory and governance standards, including the voluntary adoption of ESG standards.
- Instilling an ethical and risk-aware culture, recognizing that the trust that our stakeholders have in us is the foundation of our legitimacy and the basis on which we are able to compete, collaborate and change as we become an International Proprietary Specialty Pharma Company.

## Governance Structure



## Our shareholders

The General Shareholders Meeting ensures that the company's goals and overall performance in key governance areas are properly executed. The shareholders also play a key role in society and are strongly committed to the values of the company.

## Board of Directors. Composition and responsibilities

Except for those matters that fall under the competences of the Shareholder's Meeting, the Board of Directors is ESTEVE's highest decision-making body. It carries out its duties with the assistance of three committees: Audit Committee, Appointments and Remuneration Committee, and Corporate Strategy Committee.

The task of the board of directors is to manage ESTEVE's affairs in the interests of the company and all its shareholders, with a focus on patients' well-being and sustainable growth.

Our Board of Directors at ESTEVE consists of twelve members, a well-composed and well-qualified group of directors that has the necessary skills and abilities to lead the company to success.

The members of the board are devoted to the company. Every new board member receives very thorough introductory training that includes meetings with the heads of various functions in the group.

The Board Committees provide support to the Board of Directors in different areas of expertise. These committees are formed by members of the Board, experts and chaired by external directors.

## Audit committee

● **Chairman:** Jacques Tapiero

● **Members:**  
Alessandro Banchi,  
Javier Cano,  
Sílvia Gil-Vernet,  
Xavier Freixes,  
Jordi Faus (Secretary),  
Daniel Girona (Vice Secretary),  
Gabriel López (Audit Expert).

● **Functions:** The Audit Committee monitors the company's financial and non-financial reporting, which among other things involves monitoring the effectiveness of the company's internal control and risk management. This committee oversees the advance of the Sustainability Strategy.



## Appointments and remuneration committee

● **Chairman:** Julio Rodríguez

● **Members:** Jesús Caínzos, Jacques Tapiero, Joaquim Monleón, Jordi Faus (Secretary).

● Its functions comprise advising the Board on corporate governance matters, including the periodic evaluation of the functioning of the Board; and submitting proposals in connection with any matter related to ESTEVE's human resources policy.

## Corporate strategy committee:

● **Chairman:** Jesús Caínzos

● **Members:** Alessandro Banchi, Jordi Esteve, Julio Rodríguez, Jacques Tapiero, Santiago Descarrega, Jordi Faus (Secretary).

● Its functions comprise advising the Board on matters related to the strategic direction of ESTEVE, and its investment and funding policies.

When making decisions and performing their duties on behalf of ESTEVE, our directors are not permitted to pursue their personal interests or grant other people any unjustified advantages. No conflicts of interest involving members of the Managing Board were reported in the fiscal year 2021.

## Remuneration

The average remuneration of the Board of Directors was 351,601.15 euros in 2021.



## Our Board of Directors

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**Albert Esteve**  
Chairman of the Board  
of Directors



**Jesús Caínzos**  
Lead Director & Chairman  
Corp Strategy Committee



**Jacques Tapiero**  
Director & Chairman Audit  
Committee



**Julio Rodríguez**  
Director & Chairman  
Appointments &  
Remuneration Committee



**Alessandro Banchi**  
Director



**Sílvia Gil-Vernet**  
Director



**Joaquim Monleón**  
Director



**Xavier Freixes**  
Director



**Santiago Descarrega**  
Director



**Jordi Esteve**  
Director



**Javier Cano**  
Director



**Staffan Schüberg**  
Director & Chief Executive  
Officer



**Jordi Faus**  
Secretary of the Board  
of Directors



**Daniel Girona**  
Deputy Secretary  
of the Board of Directors

*On 22 December 2021, Xavier Freixes joined the Board of Directors, replacing Dr. Antoni Esteve.*



## The Executive Management Esteve Healthcare

The Executive Management of **Esteve Healthcare** comprises eight members from a wide variety of fields, led by the Chief Executive Officer, Staffan Schüberg. Its composition was determined on the basis of such criteria as complementarity, balance, diversity of knowledge, professional experience and nationality.

Its members represent the most relevant functions in the organization and have solid experience in key areas for

ESTEVE: Operations, Business Development, R&D, Finance, Commercial, Communications and Public Affairs and Human Resources. The group covers a variety of geographical regions.

The team is open and transparent with the board and brings to its attention any matters of concern in the appropriate forums and in a timely manner.

The Chief Executive Officer and the Executive Team are held accountable to agreed operational

and financial performance targets aligned to our strategy and the best interests of the group and its stakeholders.



For full CVs of our Board of Directors and Executive Management  
[www.esteve.com/global/about-us/corporate-governance](http://www.esteve.com/global/about-us/corporate-governance)

## Our Executive Management



**Staffan Schüberg**  
Director & Chief Executive Officer



**Helle Juhl**  
Chief Human Resources Officer



**Pere Mañé**  
Chief Industrial & Operations Officer



**Jordi Muntañola**  
Chief Commercial Officer



**Jose María Giménez Arnau**  
Chief Scientific Officer & Chief Medical Officer



**Thomas Riisager**  
Chief Corporate Strategy & Business Development Officer



**José Luis Urbieto**  
Chief Financial Officer



**Ma Àngels Valls**  
Chief Communications & Public Affairs Officer

*On February 2022, José María Giménez Arnau joined the Executive Management team, replacing Carlos Plata-Salaman, as Chief Scientific & Chief Medical Officer.*



# Appendix

87	Companies included in this report
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# Companies included in this report

The companies included in  
this report are:



## Spain

Esteve Pharmaceuticals S.A.  
Esteve Química, S.A.  
Corporación Químico-Farmacéutica Esteve, S.A.  
Esteve Healthcare S.L.



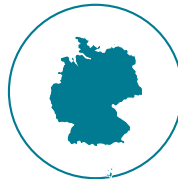
## Mexico

Sintenovo, S.A. de C.V.  
Servichem, S.A. de C.V.



## China

Esteve Huayi Pharmaceutical, LTD



## Germany

Esteve Pharmaceuticals GmbH  
SW Pharma GmbH



## United Kingdom

Esteve Pharmaceuticals LTD



## France

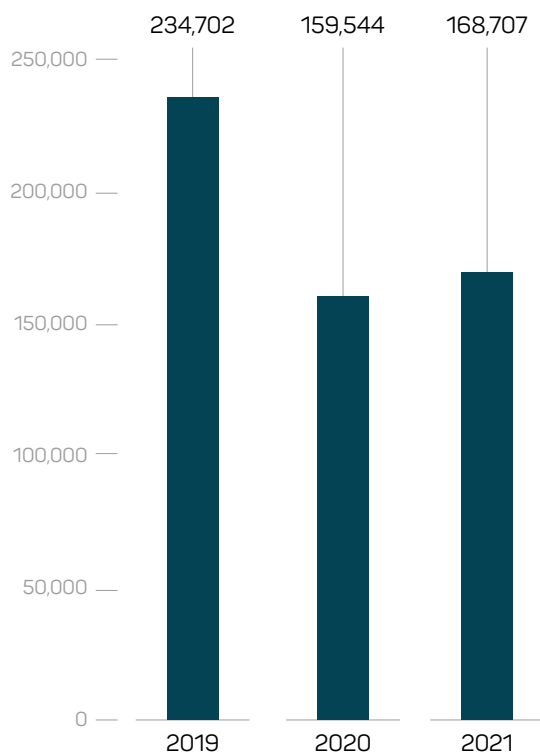
Esteve Pharmaceuticals SAS

# Environmental matters

## Electricity

Electricity consumption (GJ)

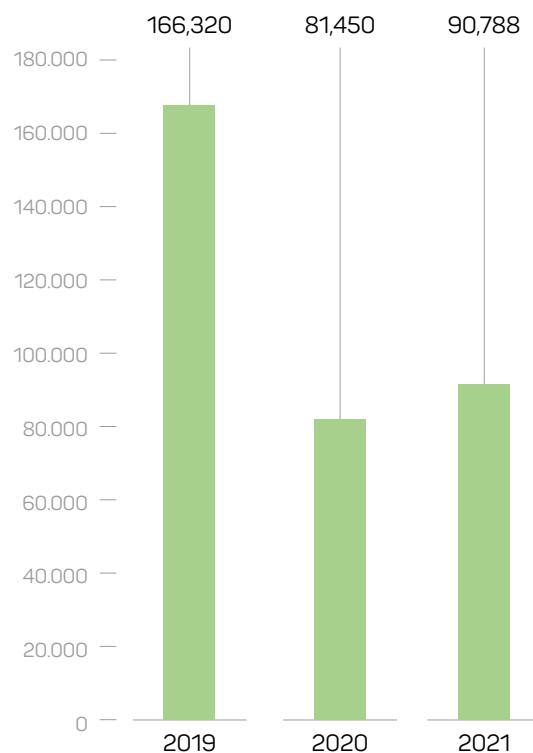
Variation **6%**



## Gas

Gas consumption (GJ)

Variation **12%**





## Good practices, management & regulatory standards of our industrial sites

ESTEVE operates in accordance with good practices and management systems, obtaining and renewing certificates at its various facilities.

### Good manufacturing practices

Site	Generalitat de Catalunya. Departament de Salut	EMA (European Medicines Agency)	AEMPS (Agencia Española del Medicamento y productos sanitarios)	FDA (Food & Drug Administration, US)	PMDA (Pharmaceutical & Medicine Devices Agency, Japan)	KFDA (Korea Food & Drug Administration)	COFEPRIS (Comisión Federal para la protección contra riesgos sanitarios, México)	SFDA (Saudi Food & Drug Administration, Arabia Saudi)	Ministry um für Soziales, Gesundheit, Frauen und Familie (local authority)
Celrà, Spain	2018		2018	2020	2007	2015			
Banyeres del Penedès, Spain	2018		2019	2020		2011			
EHP, China		2019	2011	2019	2020	2017		2020	
Sintenovo, Mexico			2010	2017	2013		2018		
R&D Chemical site, Spain	2018			2015					
Schiffweiler, Germany									2020

## Certified Management Systems

Site	ISO14001	ISO 45001: 2018	Clean Industry Certificate
	Environmental	Health and safety	Clean Industry
Celrà, Spain	2021	2021	
Banyeres del Penedès, Spain	2021	2021	
Shaoxing, China	2021	2021	
Jiutepec, Mexico	2019	2021	2020
R&D, Spain	2021	2021	
Torre Esteve, Spain	2021	2021	







**Reaction volume:** 333m<sup>3</sup>

Scale-up, intermediate and API manufacturing

**Location:** Celrà, Spain



**Reaction volume:** 58m<sup>3</sup>

Scale-up, intermediate and API manufacturing

**Location:** Banyeres del Penedès, Spain



**Reaction volume:** 160m<sup>3</sup>

**Location:** Lliçà de Vall, Spain



**Reaction volume:** 140m<sup>3</sup>

Development, scale-up, intermediate and API manufacturing

**Location:** Jiutepec, Mexico



**Reaction volume:** 344m<sup>3</sup>

Intermediate and API manufacturing  
Joint venture with Huadong Medicine Group

**Location:** Shaoxing, China



Pharmaceutical manufacturing plant

**Location:** Schiffweiler, Germany

## Commitment to sustainability (external initiatives)

Our commitment to sustainability is embodied by our adherence to the following external initiatives:

10 principles of the United Nations Global Compact	Committed to human rights, the dignity of working conditions, protection of the environment, and the fight against corruption. Member since 2002.
Global Reporting Initiative (GRI)	Commitment to transparency through the publication of the Non- Financial Information Statement according to the international GRI standards. Since 2008.
Sector Codes of Good Practice	Member of the Code of Good Practice of the pharmaceutical industry in the countries in which we operate, which regulate, among other aspects, the promotion of products and the relationships between health professionals and organizations.
Advertising Code of Conduct	Member of the Association for the Self-Regulation of Commercial Communication and adhered to the Advertising Code of Conduct.
Luxembourg Declaration	Commitment to promoting health in the workplace. Member since 2015.
Carbon Footprint Register for the reduction of CO <sub>2</sub>	Entry in the Carbon Footprint Register, carbon dioxide emission offsetting and reduction projects promoted by the Spanish Government. Since 2016.
Voluntary Accords to reduce CO <sub>2</sub>	Adherence to the "Voluntary Accords" program for the reduction of greenhouse gases, promoted by the Catalan Department for Climate Change of the Catalan government. Since 2016.
PSCI	Adherence to the sector initiative called the Pharmaceutical Supply Chain Initiative to establish and promote responsible practices in the supply chain. Since 2017.
Clean Industry	Adherence to the voluntary "Clean Industry" program by the Mexican government to ensure compliance with environmental legislation and the implementation of good practices in this area. Since 2018.





# List of memberships

ESTEVE is a member of and / or actively collaborates with the following institutions:

- 1. Spanish Association for the Pharmaceutical Industry (Farmaindustria)
- 2. Spanish Business Federation for the Spanish Chemical Industry (FEIQUE)
- 3. Spanish Association for Self-Medication Healthcare (ANEFP)
- 4. Spanish Association of Fine Chemical Manufacturers (AFAQUIM)
- 5. Spanish Association of Industrial Pharmacists (AEFI)
- 6. Catalonia Bio & Health Tech (CATBIO&HT)
- 7. Spanish General Council of Official Colleges of Pharmacists (CGCOF)
- 8. Spanish Collegiate Medical Organization (OMC)
- 9. Spanish Manufacturers & Wholesalers Association (AECOC)
- 10. Centre for Studies for the Promotion of Research (CEFI)
- 11. Association of the British Pharmaceutical Industry (ABPI)
- 12. Arzneimittel und Kooperation im Gesundheitswesen (AKG)
- 13. International Association for the Protection of Industrial Property



# Staff-related matters

## Employment

### 1. Distribution of employees by gender

Country	2020					2021				
	Women	%	Men	%	Total	Women	%	Men	%	Total
Spain	403	44	517	56	920	394	43	522	57	916
China	71	21	270	79	341	69	20	277	80	346
Mexico	40	24	125	76	165	42	25	129	75	171
Germany	119	68	57	32	176	74	64	42	36	116
France	9	75	3	25	12	10	72	4	28	14
UK	2	33	4	67	6	5	45	6	55	11
US	1	100	0	0	1	2	100	0	0	2
<b>Total</b>	<b>645</b>	<b>40%</b>	<b>976</b>	<b>60%</b>	<b>1,621</b>	<b>596</b>	<b>38%</b>	<b>980</b>	<b>62%</b>	<b>1,576</b>

### 2. Distribution of employees by age

Country	2020							2021						
	<30	%	30-50	%	>50	%	Total	<30	%	30-50	%	>50	%	Total
Spain	45	5	584	63	291	32	920	79	9	555	61	282	31	916
China	74	22	260	76	7	2	341	79	46	256	72	11	6	346
Mexico	33	20	118	72	14	8	165	31	9	124	36	16	5	171
Germany	11	6	116	66	49	28	176	7	6	80	69	29	25	116
France	4	33	8	67	0	0	12	4	29	10	71	0	0	14
UK	0	0	4	67	2	33	6	3	27	6	55	2	18	11
US	0	0	0	0	1	100	1	0	0	1	50	1	50	2
<b>Total</b>	<b>167</b>	<b>10%</b>	<b>1,090</b>	<b>67%</b>	<b>364</b>	<b>22%</b>	<b>1,621</b>	<b>203</b>	<b>13%</b>	<b>1,032</b>	<b>65%</b>	<b>341</b>	<b>22%</b>	<b>1,576</b>

### 3. Distribution of employees by professional category

2020						
Country	D	T	A	SL	ST	Total
Spain	50	380	62	268	160	920
China	10	40	41	0	250	341
Mexico	8	84	5	0	68	165
Germany	15	127	9	9	16	176
France	1	0	11	0	0	12
UK	4	0	2	0	0	6
US	0	1	0	0	0	1
<b>Total</b>	<b>88</b>	<b>632</b>	<b>130</b>	<b>277</b>	<b>494</b>	<b>1,621</b>

Note: (D) Directors, (T) Technicians, (A) Administrative, (SL) Sales, (ST) Sites.

2021						
Country	D	T	A	SL	ST	Total
Spain	52	420	58	212	174	916
China	9	32	43	0	262	346
Mexico	7	89	5	0	70	171
Germany	14	68	14	7	13	116
France	1	0	13	0	0	14
UK	3	2	6	0	0	11
US	1	1	0	0	0	2
<b>Total</b>	<b>87</b>	<b>612</b>	<b>139</b>	<b>219</b>	<b>519</b>	<b>1,576</b>

Note: (D) Directors, (T) Technicians, (A) Administrative, (SL) Sales, (ST) Sites.

#### 4. Distribution of employees by type of contract

Country	2020			2021		
	P	T	Total	P	T	Total
Spain	894	26	920	877	39	916
China	252	89	341	301	45	346
Mexico	164	1	165	169	2	171
Germany	165	11	176	110	6	116
France	11	1	12	12	2	14
UK	6	0	6	10	1	11
US	1	0	1	2	0	2
<b>Total</b>	<b>1,493</b>	<b>128</b>	<b>1,621</b>	<b>1,481</b>	<b>95</b>	<b>1,576</b>

Note: (P) Permanent, (T) Temporary.



5. Annual average of permanent and temporary contracts by gender

2020					
Country	Permanent		Temporary		Total
	Women	Men	Women	Men	
Spain	422	533	11	7	973
China	61	191	10	79	341
Mexico	40	125	2	2	169
Germany	113	52	6	5	176
France	8	3	1	0	12
UK	2	4	0	0	6
US	1	0	0	0	1
<b>Total</b>	<b>647</b>	<b>908</b>	<b>30</b>	<b>93</b>	<b>1,678</b>

2021					
Country	Permanent		Temporary		Total
	Women	Men	Women	Men	
Spain	377	495	26	30	928
China	62	239	7	38	346
Mexico	41	128	1	1	171
Germany	70	40	4	2	116
France	8	4	2	0	14
UK	4	6	1	0	11
US	2	0	0	0	2
<b>Total</b>	<b>563</b>	<b>912</b>	<b>41</b>	<b>71</b>	<b>1,588</b>

6. Annual average of full-time and part-time contracts by gender

2020					
Country	Full-time		Part-time		Total
	Women	Men	Women	Men	
Spain	389	539	44	1	973
China	71	270	0	0	341
Mexico	42	127	0	0	169
Germany	88	54	31	3	176
France	9	3	0	0	12
UK	1	4	1	0	6
US	1	0	0	0	1
<b>Total</b>	<b>601</b>	<b>997</b>	<b>76</b>	<b>4</b>	<b>1,678</b>

2021					
Country	Full-time		Part-time		Total
	Women	Men	Women	Men	
Spain	374	524	28	2	928
China	69	277	0	0	346
Mexico	42	129	0	0	171
Germany	59	42	15	0	116
France	10	4	0	0	14
UK	4	6	1	0	11
US	2	0	0	0	2
<b>Total</b>	<b>560</b>	<b>982</b>	<b>44</b>	<b>2</b>	<b>1,588</b>

7. Annual average of permanent and temporary contracts by age

2020							
Country	Permanent			Temporary			Total
	<30	30-50	>50	<30	30-50	>50	
Spain	31	617	307	9	9	0	973
China	32	213	7	42	47	0	341
Mexico	33	118	14	2	2	0	169
Germany	8	111	46	3	5	3	176
France	3	8	0	1	0	0	12
UK	0	4	2	0	0	0	6
US	0	0	1	0	0	0	1
<b>Total</b>	<b>107</b>	<b>1,071</b>	<b>377</b>	<b>57</b>	<b>63</b>	<b>3</b>	<b>1,678</b>

2021							
Country	Permanent			Temporary			Total
	<30	30-50	>50	<30	30-50	>50	
Spain	34	547	290	37	19	0	928
China	48	242	11	31	14	0	346
Mexico	29	124	16	2	–	–	171
Germany	6	78	26	1	2	3	116
France	2	10	0	2	0	0	14
UK	2	6	2	1	0	0	11
US	0	1	1	0	0	0	2
<b>Total</b>	<b>121</b>	<b>1,008</b>	<b>346</b>	<b>74</b>	<b>35</b>	<b>3</b>	<b>1,588</b>

8. Annual average of full-time and part-time contracts by age

2020							
Country	Full-time			Part-time			Total
	<30	30-50	>50	<30	30-50	>50	
Spain	39	588	301	0	39	6	973
China	74	260	7	0	0	0	341
Mexico	35	120	14	0	0	0	169
Germany	11	92	40	0	24	9	176
France	4	8	0	0	0	0	12
UK	0	3	2	0	1	0	6
US	0	0	1	0	0	0	1
<b>Total</b>	<b>163</b>	<b>1,071</b>	<b>365</b>	<b>0</b>	<b>64</b>	<b>15</b>	<b>1,678</b>

2021							
Country	Full-time			Part-time			Total
	<30	30-50	>50	<30	30-50	>50	
Spain	70	540	287	1	26	3	928
China	79	256	11	0	0	0	346
Mexico	31	124	16	0	0	0	171
Germany	6	71	24	1	9	5	116
France	4	10	0	0	0	0	14
UK	3	5	2	0	1	0	11
US	0	1	1	0	0	0	2
<b>Total</b>	<b>193</b>	<b>1,007</b>	<b>341</b>	<b>2</b>	<b>36</b>	<b>8</b>	<b>1,588</b>

9. Annual average of permanent and temporal contracts by professional category

2021													
Country	Total	Permanent					Temporary					Total	
		D	T	A	SL	ST	D	T	A	SL	ST		
Spain	872	51	373	58	240	151	56	0	34	1	0	20	928
China	301	9	32	43	0	217	45	0	0	0	0	45	346
Mexico	169	7	87	5	0	70	2	0	2	0	0	0	171
Germany	110	14	66	13	6	11	6	0	2	1	1	2	116
France	12	1	0	11	0	0	2	0	0	2	0	0	14
UK	10	3	4	5	0	0	1	0	0	1	0	0	11
US	2	1	1	0	0	0	0	0	0	0	0	0	2
<b>Total</b>	<b>1,476</b>	<b>86</b>	<b>561</b>	<b>135</b>	<b>246</b>	<b>449</b>	<b>112</b>	<b>0</b>	<b>38</b>	<b>5</b>	<b>1</b>	<b>67</b>	<b>1,588</b>

Note: (D) Directors, (T) Technicians, (A) Administrative, (SL) Sales, (ST) Sites.



10. Distribution of dismissals by age, professional category, and gender

2020													
Country	Age				Professional Category						Gender		
	Total	<30	30-50	>50	Total	D	T	A	SL	ST	Total	Women	Men
Spain	52	1	20	31	52	6	18	11	14	3	52	26	26
China	9	4	4	1	9	0	0	0	0	9	9	0	9
Mexico	13	3	9	1	13	1	3	2	0	7	13	3	10
Germany	2	0	0	2	2	2	0	0	0	0	2	0	2
France	0	0	0	0	0	0	0	0	0	0	0	0	0
UK	9	0	3	6	9	2	0	0	7	0	9	3	6
US	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>85</b>	<b>8</b>	<b>36</b>	<b>41</b>	<b>85</b>	<b>11</b>	<b>21</b>	<b>13</b>	<b>21</b>	<b>19</b>	<b>85</b>	<b>32</b>	<b>53</b>

Note: (D) Directors, (T) Technicians, (A) Administrative, (SL) Sales, (ST) Sites.

2021													
Country	Age				Professional Category						Gender		
	Total	<30	30-50	>50	Total	D	T	A	SL	ST	Total	Women	Men
Spain	61	0	30	31	61	1	6	4	50	0	61	40	21
China	11	5	6	0	11	0	1	0	0	10	11	3	8
Mexico	4	0	4	0	4	0	2	0	0	2	4	0	4
Germany	3	1	0	2	3	0	3	0	0	0	3	2	1
France	-	-	-	-	-	-	-	-	-	-	-	-	-
UK	0	0	0	0	0	0	0	0	0	0	0	0	0
US	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>93</b>	<b>10</b>	<b>50</b>	<b>33</b>	<b>93</b>	<b>2</b>	<b>12</b>	<b>17</b>	<b>50</b>	<b>12</b>	<b>93</b>	<b>55</b>	<b>38</b>

Note: (D) Directors, (T) Technicians, (A) Administrative, (SL) Sales, (ST) Sites.

11. Annual average of full-time and part-time contracts by professional category

2021													
Full-time							Part-time						
Country	Total	D	T	A	SL	ST	Total	D	T	A	SL	ST	Total
Spain	898	51	382	55	239	171	30	0	26	4	0	0	928
China	346	9	32	43	0	262	0	0	0	0	0	0	346
Mexico	171	7	89	5	0	70	0	0	0	0	0	0	171
Germany	101	14	58	13	6	10	15	0	10	1	1	3	116
France	14	1	0	13	0	0	0	0	0	0	0	0	14
UK	10	3	2	5	0	0	1	0	0	1	0	0	11
US	2	1	1	0	0	0	0	0	0	0	0	0	2
<b>Total</b>	<b>1,542</b>	<b>86</b>	<b>564</b>	<b>134</b>	<b>245</b>	<b>513</b>	<b>46</b>	<b>0</b>	<b>36</b>	<b>6</b>	<b>1</b>	<b>3</b>	<b>1,588</b>

Note: (D) Directors, (T) Technicians, (A) Administrative, (SL) Sales, (ST) Sites.

12. Distribution of employees per country\*

Country	2020	2021
Spain	920	916
China	341	346
Mexico	165	171
Germany	176	116
France	12	14
UK	6	11
US	1	2
<b>Total</b>	<b>1,621</b>	<b>1,576</b>

\*Does not include the Foundation.

## Diversity, equality, inclusion

### 1. Employees with disabilities

Country	2020			2021		
	Total	Women	Men	Total	Women	Men
Spain	3	2	1	3	1	2
China	1	0	1	0	0	0
Mexico	0	0	0	0	0	0
Germany	5	4	1	3	2	1
France	0	0	0	0	0	0
UK	0	0	0	0	0	0
US	0	0	0	0	0	0
<b>Total</b>	<b>9</b>	<b>6</b>	<b>3</b>	<b>6</b>	<b>3</b>	<b>3</b>

## Training and development

### 1. Total number of training hours by professional category

2020						
Country	Total	Directors	Technicians	Administrative	Sales	Sites
Spain	5,116	38	2,928	56	32	2,061
China	26,575	635	3,043	3,452	0	19,445
Mexico	2,920	71	961	52	0	1,837
Germany*	0	0	0	0	0	0
France	168	14	0	154	0	0
UK*	0	0	0	0	0	0
US	0	0	0	0	0	0
<b>Total</b>	<b>34,778</b>	<b>758</b>	<b>6,932</b>	<b>3,714</b>	<b>32</b>	<b>23,343</b>

Average training hours 21.5

\*No record available for Germany and UK.

2021						
Country	Total	Directors	Technicians	Administrative	Sales	Sites
Spain	22,250	264	5,987	345	10,078	5,577
China	24,300	496	1,947	3,279	0	18,578
Mexico	2,172	84	1,093	26	56	913
Germany	81	6	45	27	0	3
France*	0	0	0	0	0	0
UK	314	107	121	86	0	0
US	0	0	0	0	0	0
<b>Total</b>	<b>49,116</b>	<b>957</b>	<b>9,193</b>	<b>3,763</b>	<b>10,134</b>	<b>25,071</b>

Average training hours 31.2

\*No record available for France.

## 2. Total number of training hours by country

	2020	2021
Country	Number of employees	
Spain	498	799
China	341	346
Mexico	172	194
Germany	0	27
France*	9	-
UK	0	11
US	0	0
<b>Total</b>	<b>1,020</b>	<b>1,377</b>
<b>% Trained employees</b>	62.9%	87.4%

\*No record available for France in 2021.

## Remuneration

### 1. Average remuneration by age

	2020	2021
<30	20,330	24,146
30 - 50	44,566	46,091
>50	75,458	66,427

Definition of average remuneration: (fixed salary + variable remuneration) / Total employees per group.

2. Average remuneration by professional category and gender\*

	2020			2021		
	Total employees	Average total remuneration	Gap	Total employees	Average total remuneration	Gap
<b>Directors</b>	<b>86</b>	157,396.23	11.67%	<b>78</b>	<b>13,3253.36</b>	0.93%
Women	27	144,312.17		28	132,452.72	
Men	59	163,383.85		50	133,701.72	
<b>Technicians</b>	<b>632</b>	50,447.61	-8.71%	<b>612</b>	<b>52,091.08</b>	-6.25%
Women	345	52,353.30		326	53,562.50	
Men	287	48,156.80		286	50,413.87	
<b>Administrative</b>	<b>130</b>	36,037.05	-33.79%	<b>139</b>	<b>40,405.28</b>	-27.92%
Women	86	39,405.20		90	43,773.47	
Men	44	29,453.84		49	34,218.81	
<b>Sales</b>	<b>277</b>	71,647.70	6.93%	<b>219</b>	<b>73,268.31</b>	4.90%
Women	136	69,032.29		101	71,291.04	
Men	141	74,170.36		118	74,960.71	
<b>Sites</b>	<b>494</b>	18,903.31	3.61%	<b>519</b>	<b>20,514.45</b>	14.44%
Women	51	18,288.46		49	17,795.13	
Men	443	18,974.10		470	20,797.95	
<b>Total</b>	<b>1,619</b>	<b>48,973.71</b>		<b>1,567</b>	<b>47,595.79</b>	

3. Wage gap by gender\*

	2020			2021		
	Total employees	Average total remuneration	Gap	Total employees	Average total remuneration	Gap
Women	645	55,299		594	55,862	
Men	974	44,784		973	42,549	
<b>Total</b>	<b>1,619</b>	<b>48,973</b>	<b>-23.48%</b>	<b>1,567</b>	<b>47,595</b>	<b>-31.29%</b>

\* Excludes the Chairman, CEO and Executive Management.

Note: Gap definition: gross annual women's salary/annual men's salary.



## Employee collective bargaining agreements

Collective bargaining agreements

Country	2020	2021
Spain	920	916
China	341	346
Mexico	68	70
*Germany	176	116
France	12	14
UK	6	0
US	0	0
<b>Total</b>	<b>1,517</b>	<b>1,276</b>
% Employees with collective bargaining agreements	93.6%	81%

*\*For Germany, there has not been collective agreements with unions but several agreements with workers councils; agreements by topics.*

## Absenteeism

	2020**	2021	DIF 20 vs 21
Country	Absenteeism hours*	Absenteeism hours*	%
Spain	43,424	31,580	1.89%
China	8,441	7,805	1.15%
Mexico	12,768	14,840	4.50%
Germany	6,930	3,769	1.11%
France	920	217	1.95%
UK	–	172	1.09%
US	–	0	0%
<b>Total</b>	<b>72,483</b>	<b>58,383</b>	<b>10.79%</b>

\* Hours not worked/Contracted hours\*100.

\*\*These are only the Riemser hours; no tracking for Schiffweiler. No record has been kept for 2020 (Advised H&S at ESTEVE too).

### Average general absenteeism rate per country 2021

Country	Country Rate	ESTEVE Rate
Spain	5.30%	1.89%
China	6.30%	1.15%
Mexico	7.30%	4.50%
Germany	3.60%	1.11%
France	5.50%	1.05%
UK	1.80%	1.09%
US	2.10%	0%

ESTEVE's absenteeism rate is below the average European. Only we see a higher absenteeism hours in Mexico, that is because the COVID impacted the region early in 2021, a little later than the rest of Europe.

## Equality measures, plans, and policies

	Description
Measures taken to promote equal treatment and opportunities for women and men	<b>MEXICO.</b> Compliance with the Federal Labor Law. Mexican Standard NOM035. ESTEVE Group Code of Conduct. <b>SPAIN.</b> Code of Ethics, Equality Plan.
Equality Plans, measures taken to promote employment, protocols against sexual and gender-based harassment, integration and universal accessibility of persons with disabilities	<b>MEXICO.</b> Compliance with the Federal Labor Law. Mexican Standard NOM035. ESTEVE Group Code of Conduct. <b>SPAIN.</b> Code of Ethics, Equality Plan.
Anti-discrimination and diversity management policy	<b>MEXICO.</b> Compliance with the Federal Labor Law. Mexican Standard NOM035. ESTEVE Group Code of Conduct. <b>SPAIN.</b> Code of Ethics, Equality Plan.

## Measures to facilitate the conciliation of work and private life in Spain

ESTEVE has implemented measures to reconcile family and professional life and paid leave, the aim being to ensure that employees can develop their professional career under the same conditions, regardless of their family situation.

As of 18/10/2021, ESTEVE formalized an Individual Agreement for the performance of remote work or teleworking (partial) based on Law 10/2021, on remote work.

This Agreement represents 50% of the TR Day (employees who comply may perform their functions in the remote work-telework modality up to a maximum of ten (10) working days per month).

## Occupational accidents

The total number of sick leave accidents at ESTEVE are the same as in 2020, but accidents not requiring sick leave have increased slightly:

	2019		2020		2021	
	Men	Women	Men	Women	Men	Women
No. accidents requiring sick leave	17	6	10	1	11	0
No. accidents NOT requiring sick leave	21	8	4	2	9	2
No. accidents <i>in itinere</i>	15	12	6	4	2	3
No. occupational diseases	1	0	0	0	0	0
<b>Total</b>	<b>54</b>	<b>26</b>	<b>20</b>	<b>7</b>	<b>22</b>	<b>5</b>

\* The 2019 data is not comparable with 2020 and 2021 (Generics divestiture, pharmaceutical plant).

No. of accidents involving third-party personnel requiring sick leave	4	3	2	1	1	2
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# Table of contents:

## Law 11/2018

## & GRI Standards

Table of contents Law 11/2018

Areas	Contents	GRI Standards	Section
<b>Business Model</b>	Brief description of the Group's business model, which will include: 1. its business environment, 2. its organization and structure, 3. the markets in which it operates, 4. its goals and strategies, 5. the main factors and trends that may affect its future evolution.	102-1, 102-2, 102-3, 102-4, 102-6, 102-7	Business Model
<b>Policies</b>	A description of the group's policies on these issues, including: 1. due diligence procedures applied for the identification, evaluation, prevention, and mitigation of significant risks and impacts, 2. verification and control procedures, including what measures have been taken.	103	Risk and Opportunities Ethics and Compliance
<b>ST, MT and LT risks</b>	The major risks associated with matters related to the Group's activities, including, where relevant and proportionate, its business relationships, products, or services that may have a negative impact on those areas; and 1. how the Group manages such risks, 2. explaining the procedures used to detect and evaluate them in accordance with the national, European or international reference frameworks for each area, 3. information on the impacts that have been detected should be included, providing a breakdown of these impacts, particularly major risks in the short, medium and long-term.	103, 102-15	Risks and Opportunities
<b>KPIs</b>	Key indicators of non-financial performance that are relevant to the specific business activity, and that meet the criteria of comparability, materiality, relevance, and reliability. *In order to facilitate the comparison of information, both over time and between entities, special standards of key non-financial indicators that can be generally applied and that comply with the European Commission's guidelines in this area and the Global Reporting Initiative standards will be used, with the report mentioning the national, European, or international framework used for each subject. *Key non-financial performance indicators should apply to each of the non-financial reporting status sections. *These indicators should be useful, taking into account the specific circumstances and consistent with the parameters used in their internal risk management and assessment procedures. * In any case, the information submitted must be accurate, comparable, and verifiable.	102-8, 201-4, 301-1, 302-1, 302-4, 303-1, 304-2, 305-1, 305-2, 306-2, 401-1, 403-1, 403-2, 403-3, 405-1, 405-2, 406-1, 407-1, 408-1, 409-1, 413-1	Materiality

Table of contents Law 11/2018

Areas	Contents	GRI Standards	Section
Environmental matters	<b>Global Environment</b>		
	1. Detailed information on the current and foreseeable effects of the company's activities on the environment, and where appropriate, health and safety, environmental assessment, or certification procedures. 2. Resources devoted to the prevention of environmental risks. 3. Application of the precautionary principle, the number of provisions and guarantees for environmental risks.	103, 102-11	Environmental performance
	<b>Pollution</b>		
	Measures to prevent, reduce or redress carbon emissions that seriously affect the environment. Taking into account any form of activity-specific air pollution, including noise and light pollution.	103	Environmental performance (Industrial emissions)
	<b>Circular economy and waste prevention and management</b>		
	Circular economy.	103	Environmental performance (Circular economy)
	Waste: measures for prevention, recycling, reuse, other forms of recovery, and disposal of waste.	103, 306-2	Environmental performance (Waste management)
	<b>Sustainable use of resources</b>		
	Water consumption and water supply in accordance with local limitations.	303-1, 303-2, 303-5	Environmental performance (Water consumption)
	The consumption of raw materials and the measures taken to improve the efficiency of their use.	301-1, 103	Environmental performance (Raw materials)
	Energy consumption, whether direct or indirect, measures taken to improve energy efficiency and the use of renewable energy sources.	103, 302-1, 302-4	Environmental performance (Renewable consumption)
	<b>Climate change</b>		
	The important aspects of greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces.	103, 305-1, 305-2, 305-3	Environmental performance
	The measures taken to adapt to the consequences of climate change.	103 201-2	Environmental performance
	Voluntary medium and long-term reduction targets to reduce greenhouse gas emissions and the means implemented for this purpose.	103	Environmental performance
	<b>Protection of biodiversity</b>		
	Measures taken to preserve or restore biodiversity.	103	-
	Impacts caused by activities or operations in protected areas.	304-2	-



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Areas	Contents	GRI Standards	Section
Social and staff-related matter	<b>Employment</b>		
	Total number and distribution of employees by gender, age, country, and job classification.	103, 102-8, 405-1	Appendix
	Total number and distribution of types of employment contract.	102-8	Appendix
	Annual average of permanent, temporary, and part-time contracts by gender, age, and job classification.	102-8, 405-1	Appendix
	Number of dismissals by gender, age, and job classification.	401-1	Appendix
	Average remunerations and their evolution disaggregated by gender, age, and job classification or equal value.	102-35, 202-1, 405-2	Appendix
	The average remuneration for directors and executives, including variable remuneration, per diems, compensation, payment to long-term pension savings systems, and any other amount received disaggregated by gender.	103	Appendix
	Implementation of policies to disconnect from work.	103	Commitment to our employees & Appendix
	Employees with disabilities.	405-1	Appendix
	<b>Work organization</b>		
	Organization of working time.	103	Appendix
	Number of hours of absenteeism.	403-2	Appendix
	Measures aimed at facilitating the enjoyment of work-life balance and encouraging the co-responsible exercise of these by both parents.	103	Appendix
	<b>Health and safety</b>		
	Occupational health and safety conditions.	403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7	Promotion of health in the workplace
	Work-related injuries , particularly their frequency and severity. Cases of work-related ill health; disaggregated by gender.	403-9 403-10	Appendix
	<b>Social relations</b>		
	Organization of social dialog, including procedures to inform, consult, and negotiate with staff.	103	Commitment to our employees
	Percentage of employees covered by collective bargaining agreement by country.	102-41	Appendix
	The balance sheet of collective bargaining agreements, particularly in the field of occupational health and safety.	403-1	Appendix

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Areas	Contents	GRI Standards	Section
Social and staff-related matter	<b>Training</b>		
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	The total number of hours of training by professional category.	404-1	Appendix
	<b>Universal accessibility of people with disabilities</b>		
	Universal accessibility of people with disabilities.	103	Commitment to our people
	<b>Equality</b>		
	Measures taken to promote equal treatment and opportunity between women and men.	103	Commitment to our people
	Equality plans (Chapter III of Organic Law 3/2007 of March 22 for the effective equality of women and men), measures taken to promote employment, protocols against sexual harassment and on the basis of sex, and the integration and universal accessibility of persons with disabilities.	103	Appendix
	Policy against all forms of discrimination and, where appropriate, diversity management.	103, 406-1	Commitment to our people
	<b>Human Rights</b>		
Human Rights	Implementation of human rights due diligence procedures. Prevention of the risks of human rights violations and, where appropriate, measures to mitigate, manage, and remedy possible abuses committed.	103, 102-16, 102-17	Ethics and Compliance
	Complaints of human rights violations.	103	Ethics and Compliance
	Promotion of and compliance with the provisions of the fundamental conventions of the International Labor Organization relating to respect for freedom of association and the right to collective bargaining.	103, 407-1	Ethics and Compliance
	Eliminating discrimination in employment and occupation.	103, 406-1	Ethics and Compliance
	Elimination of forced or compulsory labor.	409-1	Ethics and Compliance
	Effective abolition of child labor.	408-1	Ethics and Compliance
Corruption and bribery	Measures taken to prevent corruption and bribery.	103, 102-16, 102-17, 205-1, 205-2	Ethics and Compliance
	Measures to combat money laundering.	103, 205-2	Ethics and Compliance
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Areas	Contents	GRI Standards	Section
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	The impact of society's activity on local populations and territory.	103 (innovation approach)	ESTEVE's social performance
	Relations with actors in local communities and the modes of dialog with local communities.	102-43	ESTEVE's social performance
	Relations with actors in local communities and the modes of dialog with local communities.	103 (responsible marketing approach)	ESTEVE's social performance
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	Benefits earned country by country.	103	Financial performance
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